



Hoyer  
MacInnis  
Pieters

SIXTH EDITION

# CONSUMER BEHAVIOR



**Sixth Edition**

# Consumer Behavior

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**Wayne D. Hoyer**

*University of Texas at Austin*

**Deborah J. MacInnis**

*University of Southern California*

**Rik Pieters**

*Tilburg University*



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*To my wonderful family, Shirley, David, Stephanie, and Lindsey and to my parents Louis and Doris for their tremendous support and love. To all of you, I dedicate this book.*

WAYNE D. HOYER  
Austin, Texas  
August 2012

*To my loving family and devoted friends. You are my life-spring of energy and my center of gravity.*

DEBORAH J. MACINNIS  
Los Angeles, California  
August 2012

*To Trees who loves me and Thomas who knew everything.*

RIK PIETERS  
Tilburg, Netherlands  
August 2012

# About the Authors

## Wayne D. Hoyer

Wayne D. Hoyer is the James L. Bayless/William S. Farish Fund Chair for Free Enterprise in the McCombs School of Business at the University of Texas at Austin. He received his Ph.D. in Consumer Psychology from Purdue University in 1980. He also holds an honorary doctorate from the University of Bern in Switzerland. His major area of study is Consumer Psychology and his research interests include consumer information processing and decision making, customer relationship management and new product development, and advertising information processing (including miscomprehension, humor, and brand personality). Wayne has published over 100 articles in various publications including the *Journal of Consumer Research*, *Journal of Marketing*, *Journal of Marketing Research*, *Journal of Advertising Research*, and *Journal of Retailing*. A 1998 article in the *Journal of Marketing Research* (with Susan Broniarczyk and Leigh McAlister) won the O'Dell Award in 2003 for the article that had the most impact in the marketing field over that five-year period. In addition to Consumer Behavior, he has co-authored two books on the topic of advertising miscomprehension. He is a current area editor for the *Journal of Marketing*, a former associate editor for the *Journal of Consumer Research* and serves on eight editorial review boards including the *Journal of Marketing Research*, *Journal of Consumer Research*, and *Journal of Consumer Psychology*. His major areas of teaching include consumer behavior, customer strategy, and marketing communications. He has also taught internationally at the University of Mannheim, the University of Muenster, and the Otto Beisheim School of Management (all in Germany), the University of Bern in Switzerland, the University of Cambridge (UK), and Thammasat University in Thailand. He has also been the Montezemolo Visiting Research Fellow in the Judge School of Business and is a Visiting Fellow of Sidney Sussex College at the University of Cambridge (UK).

## Deborah J. MacInnis

Debbie MacInnis (Ph.D., University of Pittsburgh 1986) is the Charles L. and Ramona I. Hilliard Professor of Business Administration and Professor of Marketing at the University of Southern California in Los Angeles, CA. She has previously held positions as Chairperson of the Marketing Department and Vice Dean for Research. Debbie has published papers in the *Journal of Consumer Research*, *Journal of Marketing Research*, *Journal of Marketing*, *Journal of Personality and Social Psychology*, *Psychology and Marketing*, and others in the areas of marketing communications, information processing, imagery, emotions, and branding. She is an Associate Editor for the *Journal of Consumer Research* and the *Journal of Consumer Psychology*. She has also served as a member of the editorial review boards of the *Journal of Consumer Research*, *Journal of Marketing Research*, *Journal of Marketing*, and *Journal of the Academy of Marketing Sciences* and has won outstanding reviewer awards from these journals. She has also served on the editorial review boards of other journals in marketing and business. Debbie has served as Conference Co-Chair, Treasurer, and President of the Association for Consumer Research. She has also served as Vice President of Conferences and Research for the Academic Council of the American Marketing Association. She has received major awards for her research, including the Alpha Kappa Psi and Maynard awards, given to the best practice- and theory-based articles, respectively, published in the *Journal of Marketing*. Debbie's research has also been named as a finalist for the Practice Prize Competition for contributions to marketing, and the Converse Award for significant long-term contributions to marketing. She has been named recipient of the Marshall Teaching Innovation Award, the Dean's Award for

Community, and the Dean's Award for Research from the Marshall School of Business. Her classes have won national awards through the SAA National Advertising Competition. Debbie's major areas of teaching include consumer behavior and integrated marketing communications. Debbie lives in Los Angeles with her husband and two children.

## Rik Pieters

Rik Pieters is Professor of Marketing at the Tilburg School of Economics and Management (TISEM) of Tilburg University, the Netherlands. He received his Ph.D. in social psychology from the University of Leiden in 1989. Rik believes in interdisciplinary work, and that imagination, persistence and openness to surprise are a person's biggest assets. He has published over 90 articles in marketing, psychology, economics, and statistics. His work has appeared in *Journal of Consumer Psychology*, *Journal of Consumer Research*, *Journal of Marketing*, *Journal of Marketing Research*, *Marketing Science*, *Management Science*, and *International Journal of Research in Marketing*. He has published in the *Journal of Personality and Social Psychology*, *Organizational Behavior and Human Decision Processes*, *European Journal of Social Psychology*, *Emotion*, *Psychological Science*, and *Journal of Economic Literature*. Currently, Rik is an Associate Editor of the *Journal of Marketing Research*. His research concerns attention and memory processes in marketing communication, and the role of emotions in consumer decision making. He has served as Co-Chair of the Association for Consumer Research annual conference, and has co-organized special conferences on visual marketing, social communication, and service marketing and management. He has taught internationally at Pennsylvania State University; University of Innsbruck, Austria; Koc University, Turkey; and the University of Auckland, New Zealand. He has won best teaching awards at the school and university levels. He has been Strategy Director for National and International clients at the Prad/FCB advertising agency, Amsterdam office. He bakes bread, rides bikes, and drinks hoppy, fermented barley beverages, all except the first in moderation. In his spare time, he works.

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# Preface

At just about every moment of our lives, we engage in some form of consumer behavior. When we watch an ad on TV, send a text message to friends about a movie we just saw, brush our teeth, go to a ball game or to a beach party, visit a website on the Internet, download a new CD, or even throw away an old pair of shoes, we are behaving as a consumer. Being a consumer reaches into every part of our lives. Of course, we are much more than just consumers. We are students, team mates, family members, employees, citizens, voters, neighbors, basketball fans, ice-cream lovers, bloggers, inventors, and more. This book is dedicated to our role as consumers.

Given its omnipresence, the study of consumer behavior has critical implications for areas such as marketing, public policy, and ethics. It also helps us learn about ourselves—why we buy certain things, why we use them in a certain way, and how we get rid of them.

In this book we explore the fascinating world of consumer behavior, looking at a number of interesting and exciting topics. Some of these are quickly identified with our typical image of consumer behavior. Others may be surprising. We hope you will see why we became stimulated and drawn to this topic from the very moment we had our first consumer behavior course as students. We hope you will also appreciate why we choose to make this field our life's work, and why we are dedicated to this textbook.

## WHY THE NEW EDITION OF THIS BOOK?

There are a number of consumer behavior books on the market. An important question concerns what this book has to offer and what distinguishes it from other texts. As active researchers in the field of consumer behavior, our overriding goal was to continue providing a treatment of the field that is up to date and cutting edge. There has been an explosion of research on a variety of consumer behavior topics over the last 20 years. Our primary aim was to provide a useful summary of this material for students of marketing. However, in drawing on cutting-edge research, we wanted to be careful not to become too “academic.” Instead, our objective is to present cutting-edge topics in a manner that is accessible and easy for students to understand.

Specific changes and improvements to the sixth edition of this book include:

- ▶ Shorter length and more streamlined prose, making the content easier for students to process
- ▶ Coverage of the latest research from the academic field of consumer behavior
- ▶ New end-of-chapter cases, giving students the opportunity to discuss real-world consumer issues and to apply and use the concepts discussed in each chapter
- ▶ New coverage of research and behavioral concepts related to such topics as emotions, social media, unconscious consumer behavior, privacy, and obesity
- ▶ Numerous new advertisements offering concrete illustrations of consumer behavior concepts in action
- ▶ Numerous new examples highlighting how all kinds of organizations use insights into consumer behavior to improve their marketing effectiveness
- ▶ New database analysis exercises offering students an opportunity to make marketing decisions based on consumer demographics and behavior styles
- ▶ Improved synergistic supplemental materials

## TEXTBOOK FEATURES

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As award-winning teachers, we have tried to translate our instructional abilities and experience into the writing of this text. The following features have been a natural outgrowth of these experiences.

### Conceptual Model

First, we believe that students can learn best when they see the big picture—when they understand what concepts mean, how these concepts are used in business practice, and how these relate to one another. In our opinion, consumer behavior is too often presented as a set of discrete topics with little or no relationship to one another. We have therefore developed an overall conceptual model that helps students grasp the big picture and see how the chapters and topics are themselves interrelated. Each chapter is linked to other chapters by a specific model that fits within the larger model. Further, the overall model guides the organization of the book. This organizing scheme makes the chapters far more *integrative* than most other books.

### Practical Orientation, with an Emphasis on Globalization and Social Media

Second, we believe that insights into consumer behavior are interesting in and of themselves, but also that they should be relevant to managerial practice. The ultimate goal of consumer behavior theory and research is to improve the decision making ability of managers in profit and nonprofit organizations who aim to cater to consumers' needs. Rather than merely translating general psychological or sociological principles and theories to a consumer context, this book is dedicated to understanding consumer behavior in order to improve managerial practice. Given our notion that students enjoy seeing how the concepts in consumer behavior can apply to business practice, a second objective of the book was to provide a very practical orientation. We include a wealth of contemporary real-world examples to illustrate key topics. We also try to broaden students' horizons by providing a number of international examples. Given the importance of online consumer behavior, the new edition also fully treats the advent and implications of the new social media. It provides numerous examples of consumer behavior in an Internet and social media context.

### Current and Cutting-Edge Coverage

Third, we provide coverage of the field of consumer behavior that is as current and up to date as possible (including many of the recent research advances). This includes several *novel chapters* that often do not appear in other textbooks: "Symbolic Consumer Behavior," "Low Effort Attitude Change," "Low Effort Decision Making," and "Ethics, Social Responsibility, and the Dark Side of Consumer Behavior and Marketing." These topics are at the cutting edge of consumer behavior research and are likely to be of considerable interest to students.

### Balanced Treatment of Micro and Macro Topics

Fourth, our book tries to provide a balanced perspective on the field of consumer behavior. Specifically we give treatment to both psychological (micro) consumer behavior topics (e.g., attitudes, decision making) and sociological (macro) consumer behavior topics (e.g., subculture, gender, social class influences). Also, although we typically teach consumer behavior by starting with the more micro topics and then moving up to more macro topics, we realize that some instructors prefer the reverse sequence.

### Broad Conceptualization of the Subject

Fifth, we present a broad conceptualization of the topic of consumer behavior. While many books focus on what products or services consumers *buy*, consumer behavior scholars have recognized that the topic of consumer behavior is much broader. Specifically, rather than studying buying per



se, we recognize that consumer behavior includes a *set* of decisions (what, whether, when, where, why, how, how often, how much, how long) about *acquisition* (including, but not limited to buying), *usage*, and *disposition* decisions. Focusing on more than what products or services consumers buy provides a rich set of theoretical and practical implications for our both understanding of consumer behavior and the practice of marketing.

Finally, we consider the relevance of consumer behavior to *many constituents*, not just marketers. Chapter 1 indicates that CB is important to marketers, public policy makers, ethicists and consumer advocacy groups, and consumers themselves (including students' own lives). Some chapters focus exclusively on the implications of consumer behavior for public policy makers, ethicists, and consumer advocacy groups. Other chapters consider these issues as well, though in less detail.

## CONTENT AND ORGANIZATION OF THE BOOK

One can currently identify two main approaches to the study of consumer behavior: a “micro” orientation, which focuses on the individual psychological processes that consumers use to make acquisition, consumption, and disposition decisions, and a “macro” orientation, which focuses on group behaviors and the symbolic nature of consumer behavior. This latter orientation draws heavily from such fields as sociology, culture theory, and anthropology. Both orientations are represented in this book. The current book and overall model have been structured around a “micro to macro” organization based on the way we teach this course and the feedback that we have received from reviewers.

Chapter 1 in Part 1, “An Introduction to Consumer Behavior,” presents an introduction to consumer behavior and provides students with an understanding of the breadth of the field, and its importance to marketers, advocacy groups, public policy makers, and consumers themselves. It also presents the overall model that guides the organization of the text. An Appendix, which follows Chapter 1, introduces methods by which consumer research is conducted.

Part 2, “The Psychological Core,” focuses on the inner psychological processes that affect consumer behavior. We see that consumers’ acquisition, usage, and disposition behaviors and decisions are greatly affected by the amount of effort they put into engaging in behaviors and making decisions. Chapter 2 describes three critical factors that affect effort: the (1) *motivation* or desire, (2) *ability* (knowledge and information), and (3) *opportunity* to engage in behaviors and make decisions. In Chapter 3, we then examine how information in consumers’ environments (ads, prices, product features, word-of-mouth communications, etc.) is internally processed by consumers—how they come in contact with these stimuli (*exposure*), notice them (*attention*), and *perceive* them (perception—and how we attempt to understand or *comprehend* them on a deeper level). Chapter 4 continues by discussing how we compare new stimuli to our knowledge of existing stimuli, in a process called *categorization*. Also, because consumers often must remember the information they have previously stored in order to make decisions, this chapter examines the important topic of consumer *memory*. In Chapters 5 and 6, we see how *attitudes* are formed and changed depending on whether the amount of effort consumers devote to forming an attitude is *high* or *low* and whether attitudes are cognitively or affectively based.

Whereas Part 2 examines some of the internal factors that influence consumers’ decisions, a critical domain of consumer behavior involves understanding how consumers make acquisition, consumption, and disposition decisions. Thus, in Part 3, “The Process of Making Decisions,” we examine the sequential steps of the consumer decision-making process. In Chapter 7, we examine the initial steps of this process—*problem recognition* and *information search*. Similar to the attitude change processes described earlier, we next examine the consumer decision-making process, both when *effort is high* (Chapter 8) and when it is *low* (Chapter 9). Further, in both chapters we examine these important processes from both a cognitive and an affective perspective. Finally, the process does not end after a decision has been made. In Chapter 10, we see how consumers determine whether they are *satisfied* or *dissatisfied* with their decisions and how they *learn* from choosing and consuming products and services.

Part 4, “The Consumer’s Culture,” reflects a “macro” view of consumer behavior that examines how various aspects of *culture* affect consumer behavior. First, Chapter 11 considers how, when, and why the specific *reference groups* (friends, work group, clubs) to which we belong can influence acquisition, usage, and disposition decisions and behaviors. Then, we see how *consumer diversity* (in terms of age, gender, sexual orientation, region, ethnicity, and religion) can affect consumer behavior in Chapter 12. Chapter 13 then examines how *social class* and *households* characteristics influence acquisition, usage, and disposition behaviors. Finally, Chapter 14 examines how external influences affect our *personality, lifestyle, and values*, as well as consumer behavior.

Finally, Part 5, “Consumer Behavior Outcomes and Issues,” examines the effects of the numerous influences and decision processes discussed in the previous three parts. Chapter 15 builds on the topics of internal decision making and group behavior by examining how consumers adopt new offerings, and how their *adoption* decisions affect the spread or *diffusion* of an offering through a market. Because products and services often reflect deep-felt and significant meanings (e.g., our favorite song or restaurant), Chapter 16 focuses on the exciting topic of *symbolic consumer behavior*. Finally, Chapter 17 examines *marketing, ethics, and social responsibility*, and focuses on marketing and consumer ethics, as well as marketing practices that have been the focus of social commentary in recent years.

## PEDAGOGICAL ADVANTAGES

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Based on our extensive teaching experience, we have incorporated a number of features that should help students learn about consumer behavior.

### Chapter Opening Cases

Each chapter begins with a case scenario about an actual company or situation that illustrates key concepts discussed in the chapter and their importance to marketers. This will help students grasp the “big picture” and understand the relevance of the topics from the start of the chapter.

### Chapter Opening Model

Each chapter also begins with a conceptual model that shows the organization of the chapter, the topics discussed, and how they relate both to one another and to other chapters. Each model reflects an expanded picture of one or more of the elements presented in the overall conceptual model for the book (described in Chapter 1).

### Marketing Implication Sections

Numerous *Marketing Implications sections* are interspersed throughout each chapter. These sections illustrate how various consumer behavior concepts can be applied to the practice of marketing, including such basic marketing functions as market segmentation, target market selection, positioning, market research, promotion, price, product, and place decisions. An abundance of marketing examples (from both the United States and abroad) provide concrete applications and implementations of the concepts to marketing practice.

### Marginal Glossary

Every chapter contains a set of key terms that are both highlighted in the text and defined in margin notes. These terms and their definitions should help students identify and remember the central concepts described in the chapter.

### Rich Use of Full-Color Exhibits

Each chapter contains a number of illustrated examples, including photos, advertisements, charts, and graphs. These illustrations help to make important topics personally relevant and engaging, help students remember the material, and make the book more accessible and aesthetically

pleasing, thereby increasing students' motivation to learn. All diagrams and charts employ full color, which serves to both highlight key points and add to the aesthetic appeal of the text. Each model, graph, ad, and photo also has an accompanying caption that provides a simple description and explanation of how the exhibit relates to the topic it is designed to illustrate.

### End-of-Chapter Summaries

The end of each chapter provides students with a simple and concise summary of topics. These summaries are a good review tool to use with the conceptual model to help students to get the big picture.

### End-of-Chapter Questions

Each chapter includes a set of review and discussion questions designed to help students recall and more deeply understand the concepts in the chapter.

### End-of-Chapter Cases

Each chapter ends with a short case that describes an issue pertinent to the topics discussed in the text. By applying chapter content to real-world cases, students have a chance to make the concepts we discuss more concrete. Many of the cases involve brands that students are familiar with, heightening engagement with the material.

## COMPLETE TEACHING PACKAGE

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A variety of ancillary materials have been designed to help the instructor in the classroom. All of these supplements have been carefully coordinated to support the text and provide an integrated and synergistic set of materials for the instructor. Dr. Angeline G. Close of the University of Texas at Austin authors the revised and modern instructor's supplements. She brings a modern approach, and includes experiential aspects of consumer behavior to the supplements. Her objective in this project is twofold:

- ▶ Enhance the student learning experience via more interactive and visually engaging supplements.
- ▶ Help instructors, especially newer instructors, by giving modern supplements that are synergistic to each other. That is, the text, the Instructor's Manual, Test Bank, PowerPoint presentations, and quizzes reinforce the same learning objectives and content.

### How to Access the Supplements

*Consumer Behavior's*, 6th Edition, Instructor's Manual, Test Bank, and PowerPoint® supplements are available on the Instructor's Resource CD. These supplements, as well as some additional content, such as online quizzes, are also available on the Instructor's Companion Site.

### Instructor's Manual

The Instructors' Manual is updated to be synergistic with all other supplements. Included for each chapter are a chapter summary, learning objectives, chapter outline, review/discussion answers, end-of-chapter case solutions, end-of-chapter exercise solutions, Internet exercise solutions, discussion questions, and experiential learning exercises to enhance student learning.

### Test Bank

A new Test Bank is available for *Consumer Behavior's*, 6th Edition, also updated to be synergistic with the text and other supplements. Each Test Bank question has a new system of potential choices. One, there is a clearly defined correct choice. There are two or three other choices that are clearly incorrect for a precise reason (as indicated by the readings). Then, there is a choice that is clearly wrong or not

relevant at all. The number of “all of the above” and “none of the above” choices has been reduced. The new Test Bank has a text page reference and AACSB requirement tags (e.g., ethics).

### **Test Bank, ExamView® Format**

This electronic software for the Test Bank allows instructors to generate and change tests easily on the computer. The program will print an answer key appropriate to each version for the test you have devised, and it allows you to customize the printed appearance of the test.

### **PowerPoint® Presentation Package**

A package of professionally developed PowerPoint® slides is available for use by adopters of this textbook. These lecture PowerPoint® slides outline the text content, including key figures and tables. *Consumer Behavior*, 6th Edition, will have more user friendly, experiential presentations to enhance student learning and break up the monotony of text-based lectures. Also, participation probes are now included, to entice student feedback and interaction with the course and instructor.

### **Videos**

A completely new video package, available online or DVD, has been provided to supplement and enliven class lectures and discussion. Videos contain real-world scenarios that illustrate certain concepts in a given chapter. The clips are intended to be interesting, to ground the concepts in real life for students, and to provide an impetus for stimulating student input and involvement. A Video Guide is also available to help instructors integrate the videos with various text chapters.

### **WebTutor™ (for WebCT® and Blackboard®)**

Online learning is growing at a rapid pace. Whether you are looking to offer courses at a distance or in a Web-enhanced classroom, South-Western, a part of Cengage Learning, offers you a solution with WebTutor. WebTutor provides instructors with text-specific content that interacts with the two leading systems of higher education course management: WebCT and Blackboard.

WebTutor is a turnkey solution for instructors who want to begin using technology like Blackboard or WebCT but do not have Web-ready content available or do not want to be burdened with developing their own content. WebTutor uses the Internet to turn everyone in your class into a front-row student. WebTutor offers interactive study guide features including quizzes, concept reviews, discussion forums, video clips, and more. Instructor tools are also provided to facilitate communication between students and faculty.

### **Student Companion Site**

The free student companion site provides a number of additional resources to help students study and test their learning.

## **ACKNOWLEDGMENTS**

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# An Introduction to Consumer Behavior

## PART 1

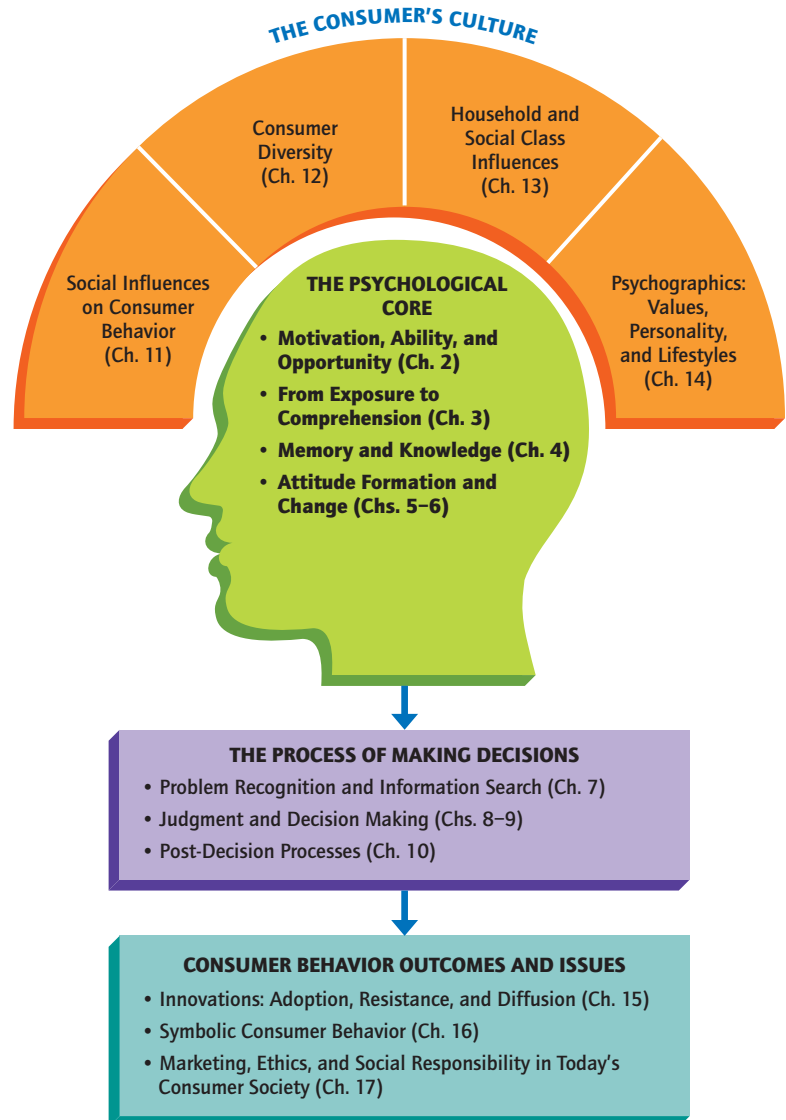
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**IN PART ONE**, you will learn that consumer behavior involves much more than purchasing products. In addition, you will find out that marketers continuously study consumer behavior for clues to who buys, uses, and disposes of what goods and services, as well as clues to when, where, why, and how they make decisions.

Chapter 1 defines consumer behavior and examines its importance to marketers, advocacy groups, public policy makers, and consumers. The chapter also presents the overall model that guides the organization of this book. As this model indicates, consumer behavior covers four basic domains: (1) the psychological core, (2) the process of making decisions, (3) the consumer's culture, and (4) consumer behavior outcomes and issues. In addition, you will read about the implications of consumer behavior for marketing activities.

The Appendix focuses on consumer behavior research and its special implications for marketers. You will learn about various research methods, types of data, and ethical issues related to consumer research. With this background, you will be able to understand how consumer research helps marketers develop more effective strategies and tactics for reaching and satisfying customers.



# UNDERSTANDING CONSUMER BEHAVIOR

## LEARNING OBJECTIVES

After studying this chapter, you will be able to

1. Define consumer behavior and explain the components that make up the definition.
2. Identify the four domains of consumer behavior shown in Exhibit 1.6 that affect acquisition, usage, and disposition decisions.
3. Discuss the benefits of studying consumer behavior.
4. Explain how companies apply consumer behavior concepts when making marketing decisions.



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## INTRODUCTION

### Panera Bread: More than Bread

When Ron Shaich, the founder of Panera Bread, looks at fast-food burger restaurants, he sees “self-service gasoline stations for the human body.” In contrast, Panera Bread is designed to “bring real food to people in environments that engage them.” The Missouri-based chain of more than 1,500 bakery-café emphasizes the wholesome quality of its artisanal breads, salads, sandwiches, and soups. The friendly atmosphere and comfortable surroundings invite customers to linger, use the free Wi-Fi, and enjoy the aroma of fresh-baked bread.

The 10 million customers who belong to the restaurant’s loyalty program make more than 40 percent of all Panera purchases. “We are able to track individually what people do,” Shaich explains, which means “we’re actually able to market to you in a way that’s unique to you.” As a result, Panera can surprise loyal customers by offering an occasional reward that each will like, such as a free pastry for those who tend to buy breakfast or coffee. As a company with a conscience, Panera donates cash and unsold bakery items to feed the hungry. It also operates a handful of nonprofit Panera Cares restaurants, where customers pay what they wish, to provide meals to those in need and serve the community at large. These restaurants



post no prices, only a suggested donation for each item. Are people responding? Yes: 60 percent of customers donate the suggested amount, 20 percent donate more, and 20 percent donate less.<sup>1</sup>

Panera Bread and other businesses know that their success depends on understanding consumer behavior and trends so that they can create goods and services that consumers will want, like, use, and recommend to others. Panera is concerned not only with the foods its customers prefer but also with its social responsibility to local communities, which affects customers' reactions toward the company. Charities, schools, government agencies, and other organizations are also interested in how consumers behave and how marketing can influence consumers' thoughts, feelings, and actions.

This chapter provides a general overview of (1) what consumer behavior is, (2) what factors affect it, (3) who benefits from studying it, and (4) how marketers apply consumer behavior concepts. Because you are a consumer, you probably have some thoughts about these issues. However, you may be surprised at how broad the domain of consumer behavior is, how many factors help explain it, and how important the field is to marketers, ethicists and consumer advocates, public policy makers and regulators, and consumers like yourself. You will also get a glimpse of the marketing implications of consumer behavior, previewing how we will connect consumer behavior concepts with practical applications throughout this book.

## DEFINING CONSUMER BEHAVIOR

**Consumer behavior** The totality of consumers' decisions with respect to the acquisition, consumption, and disposition of goods, services, time, and ideas by human decision-making units (over time).

If you were asked to define **consumer behavior**, you might say it refers to the study of how a person buys products. However, consumer behavior really involves quite a bit more, as this more complete definition indicates:

*Consumer behavior reflects the totality of consumers' decisions with respect to the acquisition, consumption, and disposition of goods, services, activities, experiences, people, and ideas by (human) decision-making units [over time].<sup>2</sup>*

This definition has some very important elements, summarized in Exhibit 1.1. The following sections present a closer look at each element.

### Consumer Behavior Involves Goods, Services, Activities, Experiences, People, and Ideas

Consumer behavior means more than just the way that a person buys tangible products such as bath soap and automobiles. It also includes consumers' use of services, activities, experiences, and ideas such as going to the dentist, attending a concert, taking a trip, and donating to UNICEF.<sup>3</sup> In addition, consumers make decisions about people, such as voting for politicians, reading books by certain authors, seeing movies or TV shows starring certain actors, and attending concerts featuring favorite bands.

Another example of consumer behavior involves choices about the consumption of time, a scarce resource. Will you check to see what's happening on Facebook, search for a YouTube video, watch a sports event live, or record a program and watch it later, for instance?<sup>4</sup> How we use time reflects who we are, what our lifestyles are like, and how we are both the same and different from others.<sup>5</sup> Because consumer behavior includes the consumption of so many things, we use the simple term **offering** to encompass these entities.

**Offering** A product, service, activity, experience, or idea offered by a marketing organization to consumers.

## Exhibit 1.1

**What Is Consumer Behavior?**

Consumer behavior reflects more than the way that a product is acquired by a single person at any one point in time. Think of some marketing strategies and tactics that try to influence one or more of the dimensions of consumer behavior shown in this exhibit.

**Consumer Behavior reflects:****Consumer Behavior Involves More than Buying**

How consumers buy is extremely important to marketers. However, marketers are also intensely interested in consumer behavior related to using and disposing of an offering:

**Acquisition** The process by which a consumer comes to own an offering.

► *Acquiring.* Buying represents one type of **acquisition** behavior. As shown later in this chapter, acquisition includes other ways of obtaining goods and services, such as renting, leasing, trading, and sharing. It also involves decisions about time as well as money.<sup>6</sup> For example, when consumers experience a loss (i.e., make a purchase that does not work out well), they will perceive the time period until the next purchase as being shorter (because they want to remove negative feeling).<sup>7</sup> Consumers sometimes find themselves interrupted during a consumption experience; studies show interruption actually makes a pleasant experience seem more enjoyable when resumed.<sup>8</sup> Deadlines can also affect acquisition behavior: Consumers tend to procrastinate in redeeming coupons and gift cards with far-future deadlines, but move more quickly when deadlines are closer. Why? Because they do not want to regret having missed out and they expect to have more time to enjoy and indulge themselves with the acquisition in the future.<sup>9</sup>

**Usage** The process by which a consumer uses an offering.

► *Using.* After consumers acquire an offering, they use it, which is why **usage** is at the very core of consumer behavior.<sup>10</sup> Whether and why we use certain products can symbolize something about who we are, what we value, and what we believe. The products we use on Christmas (e.g., making desserts from scratch or buying them in a bakery) may symbolize the event's significance and how we feel about our guests. The music we enjoy (Lady Gaga or Paul McCartney) and the jewelry we wear (earrings or engagement rings) can also symbolize who we are and how we feel. Moreover, marketers must be sensitive to when consumers are likely to use a product,<sup>11</sup> whether they find it effective,<sup>12</sup> whether they control their consumption of it,<sup>13</sup> and how they react after using it—do they spread positive or negative word-of-mouth reviews about a new film, for instance?<sup>14</sup>

**Disposition** The process by which a consumer discards an offering.

► *Disposing.* **Disposition**, how consumers get rid of an offering they have previously acquired, can have important implications for marketers.<sup>15</sup> Consumers can give away their used possessions, sell them on eBay, or lend them to others. “Vintage” clothing stores now sell older clothes (disposed of by the original owners) that buyers find stylish. Eco-minded consumers often seek out biodegradable products made from recycled materials or choose goods that do not pollute

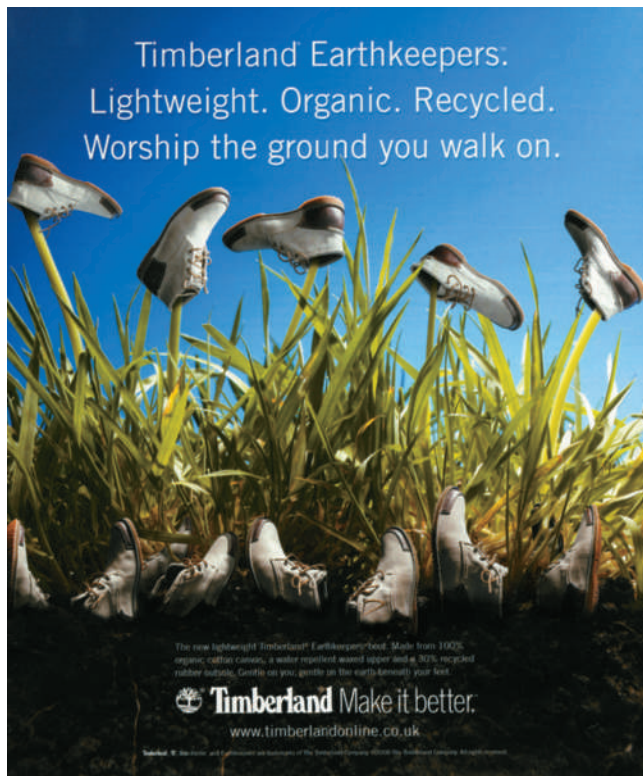


Image Courtesy of The Advertising Archives

**Exhibit 1.2****Disposition**

Consumers dispose of old products they acquired in a number of ways, oftentimes through recycling or vintage shops.

when disposed of (see Exhibit 1.2). Municipalities are also interested in how to motivate earth-friendly disposition.<sup>16</sup> Marketers see profit opportunities in addressing disposition concerns. Terra-Cycle, for example, markets tote bags, pencil cases, and other products made from used packaging and recycled materials. In North and South America, Europe, and the Baltic, it partners with firms such as PepsiCo to collect mountains of discarded packaging and turn them into usable products for sale.<sup>17</sup>

**Consumer Behavior Is a Dynamic Process**

The sequence of acquisition, consumption, and disposition can occur over time in a dynamic order—hours, days, weeks, months, or years, as shown in Exhibit 1.1. To illustrate, assume that a family has acquired and is using a new car. Usage provides the family with information—whether the car drives well and is reliable—that affects when, whether, how, and why members will dispose of the car by selling, trading, or junking it. Because the family always needs transportation, disposition is likely to affect when, whether, how, and why its members acquire another car in the future.

Entire markets are designed around linking one consumer's disposition decision to other consumers' acquisition decisions. When consumers buy used cars, they are buying cars that others have disposed of. From eBay's online auctions to Goodwill Industries' secondhand clothing stores, from consignment shops to used books sold online, many businesses exist to link one consumer's disposition behavior with another's acquisition behavior.

Broader changes in consumer behavior occur over time, as well. Fifty years ago, consumers had far fewer brand choices and were exposed to fewer marketing messages. In contrast, today's consumers are more connected, easily able to research offerings online, access communications and promotions in multiple media, and check what others think of brands with a quick search or social media post. Consumers can also collaborate with marketers or with each other to create new products.<sup>18</sup> For example, thousands of consumers participate when Mountain Dew requests ideas for new soft-drink flavors, product logos, and new ads.<sup>19</sup> Then, consumers become cocreators of products.

**Consumer Behavior Can Involve Many People**

Consumer behavior does not necessarily reflect the action of a single individual. A group of friends, a few coworkers, or an entire family may plan a birthday party or decide where to have lunch, exchanging ideas in person, on the phone, via social media, or by e-mail or text message. Moreover, the individuals engaging in consumer behavior can take on one or more roles. In the case of a car purchase, for example, one or more family members might take on the role of information gatherer by researching different models. Others might assume the role of influencer and try to affect the outcome of a decision. One or more members may take on the role of purchaser by actually paying for the car, and some or all may be users. Finally, several family members may be involved in the disposal of the car.

**Consumer Behavior Involves Many Decisions**

Consumer behavior involves understanding whether, why, when, where, how, how much, how often, and for how long consumers will buy, use, or dispose of an offering (look back at see Exhibit 1.1).

**Whether to Acquire/Use/Dispose of an Offering**

Consumers must decide whether to acquire, use, or dispose of an offering. They may need to decide whether to spend or save their money when they earn extra cash.<sup>20</sup> How much they decide to spend may be influenced by their perceptions of how much they recall spending in the past.<sup>21</sup>

## Exhibit 1.3

**U.S. Consumer Spending, by Age**

Consumers in different age groups have different needs and spend different amounts on necessities and nonnecessities.

Age of Consumer (in years)	Annual Average Spending per Household (in \$)	Annual Average Spending on Housing, Food, and Transportation	Annual Average Spending on Entertainment and Education
Under 25	28,119	19,248	3,143
25–34	46,494	31,098	3,312
35–44	57,301	36,829	4,252
45–54	58,708	35,858	5,231
55–64	52,463	31,617	3,909
65 and older	37,562	23,506	2,224

Source: Adapted from “Age of Reference Person: Average Annual Expenditures and Characteristics,” *Consumer Expenditure Survey*, October 2010, U.S. Department of Labor, U.S. Bureau of Labor Statistics, Table 3, [www.bls.gov](http://www.bls.gov).

They may need to decide whether to order a pizza, clean out a closet, or download a movie. Some consumers collect items, for example, a situation that has created a huge market for buying, selling, transporting, storing, and insuring collectible items.<sup>22</sup> Decisions about whether to acquire, use, or dispose of an offering are often related to personal goals, safety concerns, or a desire to reduce economic, social, or psychological risk.

### What Offering to Acquire/Use/Dispose Of

Consumers make decisions every day about what to buy; in fact, each U.S. household spends an average of \$138 per day on goods and services.<sup>23</sup> In some cases, we make choices among product or service *categories* such as buying food versus downloading new music. In other cases, we choose between *brands* such as whether to buy a Kindle or a NOOK e-book reader. Our choices multiply daily as marketers introduce new products, sizes, and packages. Exhibit 1.3 shows some of the spending patterns of U.S. consumers in particular age groups.

### Why Acquire/Use/Dispose of an Offering

Consumption can occur for a number of reasons. Among the most important reasons, as you will see later, are the ways in which an offering meets someone’s needs, values, or goals. Some consumers acquire tattoos as a form of self-expression, to fit into a group, or to express their feelings about someone or something. In New York City, the Social Tattoo Project provides free tattoos of Twitter hashtags to highlight social causes (#poverty for example).<sup>24</sup> Taking the self-expression of tattoos into the automotive arena, Ford has offered dozens of vinyl wrap “tattoos” for buyers to use in personalizing their Ford Focus cars.<sup>25</sup>

Sometimes our reasons for using an offering are filled with conflict, which leads to some difficult consumption decisions. Teenagers may smoke, even though they know it is harmful, because they think smoking will help them gain acceptance. Some consumers may be unable to stop acquiring, using, or disposing of products. They may be physically addicted to products such as cigarettes, or they may have a compulsion to eat, gamble, or buy.

### Why an Offering Is Not Acquired/Used/Disposed Of

Marketers also try to understand why consumers do *not* acquire, use, or dispose of an offering. For example, consumers may delay buying a tablet computer because they believe that the product will soon be outdated or that some firms will leave this market, leaving them without after-sale support or service. At times, consumers who want to acquire or consume an offering are unable to do so because what they want is unavailable. Ethics and social responsibility can also play a role. Some consumers may want to avoid products made in factories with questionable labor practices or avoid movies downloaded, copied, and shared without permission.<sup>26</sup>

### How to Acquire/Use/Dispose of an Offering

Marketers gain a lot of insight by understanding how consumers acquire, consume, and dispose of an offering.

**Exhibit 1.4****Eight Ways to Acquire an Offering**

There are many ways that consumers can acquire an offering.

Acquisition Method	Description
Buying	Buying is a common acquisition method used for many offerings.
Trading	Consumers might receive a good or service as part of a trade.
Renting or leasing	Instead of buying, consumers rent or lease cars, furniture, vacation homes, and more.
Bartering	Consumers (and businesses) can exchange goods or services without having money change hands.
Gift-giving	Each society has many gift-giving occasions as well as informal or formal rules dictating how gifts are to be given, what is an appropriate gift, and how to respond to a gift.
Finding	Consumers sometimes find goods that others have lost (hats left on a bus) or thrown away.
Stealing	Because various offerings can be acquired through theft, marketers have developed products to deter this acquisition method, such as alarms to deter car theft.
Sharing	Another method of acquisition is by sharing or borrowing. Some types of “sharing” are illegal and border on theft, as when consumers copy and share movies.

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**Ways of Acquiring an Offering**

How do consumers decide whether to acquire an offering in a store or mall, online, or at an auction?<sup>27</sup> How do they decide whether to pay with cash, a check, a debit card, a credit card, an electronic system such as PayPal, or a “mobile wallet” payment app on their smartphones?<sup>28</sup> These examples relate to consumers’ buying decisions, but Exhibit 1.4 shows that consumers can acquire an offering in other ways. *Sharing* is a form of acquisition, such as sharing possessions within a family or sharing videos via YouTube.<sup>29</sup>

**Ways of Using an Offering**

In addition to understanding how consumers acquire an offering, marketers want to know how consumers use an offering.<sup>30</sup> For obvious reasons, marketers want to ensure that their offering is used correctly. Improper usage of offerings like cough medicine or alcohol can create health and safety problems.<sup>31</sup> Because consumers may ignore label warnings and directions on potentially dangerous products, marketers who want to make warnings more effective have to understand how consumers process label information.

**Ways of Disposing of an Offering**

Sometimes nothing but the packaging remains of an offering (such as food) after it has been consumed. This leaves only a decision about whether to recycle or not, and how. Consumers who want to dispose of a tangible product have several options:<sup>32</sup>

- ▶ *Find a new use for it.* Using an old toothbrush to clean rust from tools or making shorts out of an old pair of jeans shows how consumers can continue using an item instead of disposing of it.
- ▶ *Get rid of it temporarily.* Renting or lending an item is one way of getting rid of it temporarily.
- ▶ *Get rid of it permanently.* Throwing away an item, sending it a recycling center, trading it, giving it away, or selling it are all ways to get rid of it permanently. However, some consumers refuse to throw away things that they regard as special, even if the items no longer serve a functional purpose.

### When to Acquire/Use/Dispose of an Offering

The timing of consumer behavior can depend on many factors, including our perceptions of and attitudes toward time itself. Consumers may think in terms of whether it is “time for me” or “time for others” and whether acquiring or using an offering is planned or spontaneous.<sup>33</sup> In cold weather, our tendency to rent movies, call for a tow truck, or shop for clothes is greatly enhanced. At the same time, we are less likely to eat ice cream, shop for a car, or look for a new home during cold weather. Time of day influences many consumption decisions, which is why Panera Bread is starting to add drive-throughs to accommodate breakfast customers in a hurry.<sup>34</sup>

Our need for variety can affect when we acquire, use, or dispose of an offering. We may decide not to eat a sandwich for lunch today if we have already had it every other day this week. Transitions such as graduation, birth, retirement, and death also affect when we acquire, use, and dispose of offerings. For instance, we buy wedding rings when we get married. When we consume can be affected by traditions influenced by our families, our culture, and the area in which we live.

Decisions about when to acquire or use an offering are also affected by knowing when others might or might not be buying or using it. Thus, we might choose to go to the gym when we know that others will *not* be doing so. In addition, we may wait to buy until we know something will be on sale; even if we have to line up to buy something popular, we are likely to continue waiting if we see many people joining the line behind us.<sup>35</sup> Also, waiting to consume a pleasurable product such as candy increases our enjoyment of its consumption, even though we may be frustrated by having to wait.<sup>36</sup>

Another decision is when to acquire a new, improved version of a product we already own. This can be a difficult decision when the current model still works well or has sentimental value. However, marketers may be able to affect whether and when consumers buy upgrades by providing economic incentives for replacing older products.<sup>37</sup>

### Where to Acquire/Use/Dispose of an Offering

Transitions such as graduation, birth, retirement, and death also affect when we acquire, use, and dispose of offerings. Consumers have more choices of where to acquire, use, and dispose of an offering than they have ever had before, including making purchases in stores, by mail, by phone, and over the Internet. The Internet has changed where we acquire, use, and dispose of goods. Many consumers buy online via computer or mobile phone because they like the convenience or the price or to acquire unique products.<sup>38</sup> And as the success of craigslist shows, the Internet can help people dispose of goods that are then acquired by others.

In addition to acquisition decisions, consumers also make decisions about where to consume various products. For example, the need for privacy motivates consumers to stay home when using products that determine whether they are ovulating or pregnant. On the other hand, wireless connections allow consumers in public places to make phone calls, post messages to social media sites, play computer games, and download photos or music from anywhere in the world. Consumers can also make charitable donations via text messages.<sup>39</sup>

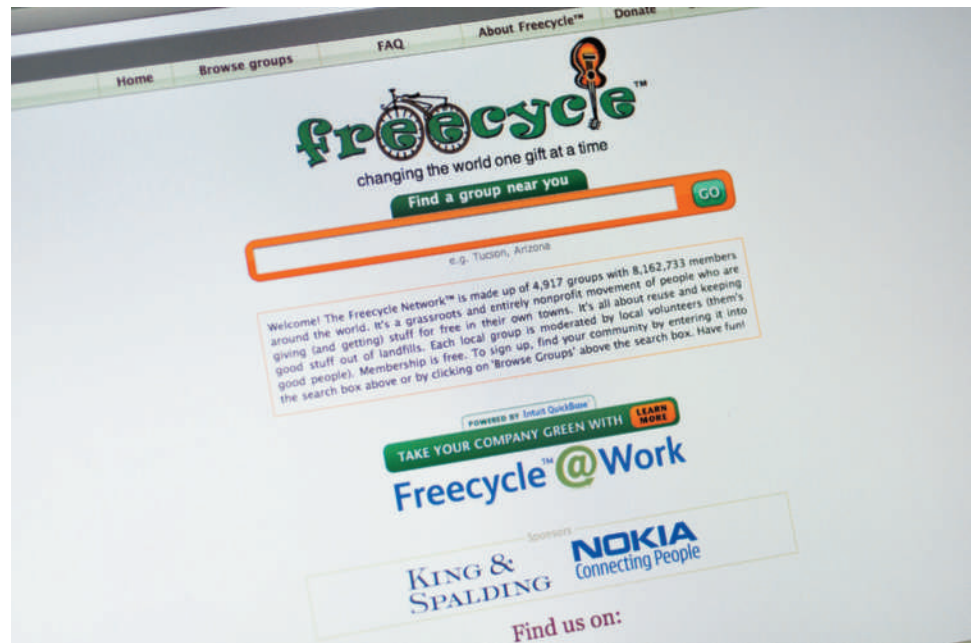
Finally, consumers make decisions regarding where to dispose of goods. Should they toss an old magazine in the trash or the recycling bin? Should they store an old photo album in the attic or give it to a relative? Older consumers, in particular, may worry about what will happen to their special possessions after their death and about how to divide heirlooms without creating family conflict. These consumers hope that mementos will serve as a legacy for their heirs.<sup>40</sup> A growing number of consumers are recycling unwanted goods through recycling agencies or nonprofit groups or giving them directly to other consumers through websites like The Freecycle Network ([www.freecycle.org](http://www.freecycle.org)) (see Exhibit 1.5).

### How Much, How Often, and How Long to Acquire/Use/Dispose of an Offering

Consumers must make decisions about how much of a good or service they need; how often they need it; and how much time they will spend in acquisition, usage, and disposition.<sup>41</sup> Usage decisions can vary widely from person to person and from culture to culture. For example, consumers in Switzerland eat twice as much chocolate as consumers in Russia.<sup>42</sup>

**Exhibit 1.5****Where to Dispose**

Consumers have a number of options of places to dispose of goods, such as this recycling website.



© NetPhotos/Alamy

Sales of a product can be increased when the consumer (1) uses larger amounts of the product, (2) uses the product more frequently, or (3) uses it for longer periods of time. Bonus packages may motivate consumers to buy more of a product, but does this stockpiling lead to higher consumption? In the case of food products, consumers are more likely to increase consumption when the stockpiled item requires no preparation.<sup>43</sup> Usage may also increase when consumers sign up for flat-fee pricing covering unlimited consumption of telephone services or other offerings. However, because many consumers who choose flat-fee programs overestimate their likely consumption, they often pay more than if they had chosen per-usage pricing.<sup>44</sup>

Some consumers experience problems because they engage in more acquisition, usage, or disposition than they should. For example, they may have a compulsion to overbuy, overeat, smoke, or gamble too much. Researchers are also investigating what affects consumers' abilities to control consumption temptations and what happens when self-control falters, an issue for anybody who has tried to diet or make other changes to consumption habits.<sup>45</sup>

## Consumer Behavior Involves Emotions and Coping

Consumer researchers have studied the powerful role that emotions play in consumer behavior.<sup>46</sup> Positive and negative emotions as well as specific emotions like hope,<sup>47</sup> fear,<sup>48</sup> regret,<sup>49</sup> guilt,<sup>50</sup> embarrassment,<sup>51</sup> and general moods<sup>52</sup> can affect how consumers think, the choices they make, how they feel after making a decision, what they remember, and how much they enjoy an experience. Emotions like love sometimes describe how we feel about certain brands or possessions.<sup>53</sup> Consumers often use products to regulate their feelings—as when a scoop of ice cream seems like a good antidote to a bad quiz score.<sup>54</sup> Researchers have also studied how service employees' emotions can affect consumers' emotions outside of their awareness.<sup>55</sup> And low-level emotions can be very important in low-effort situations (e.g., the low-level feelings we get from viewing a humorous ad).

Because issues related to consumer behavior can involve stress, consumers often need to cope in some way.<sup>56</sup> Researchers have studied how consumers cope with difficult choices and an overwhelming array of goods from which to choose;<sup>57</sup> how consumers use goods and services to cope with stressful events<sup>58</sup> like having cancer; and how they cope with losing possessions due to divorce, natural disasters, moving to a residential-care facility, and other incidents.<sup>59</sup> They have even studied the coping behavior of certain market segments, such as low-literacy consumers, who often find it challenging to understand the marketplace without being able to read.<sup>60</sup>

## WHAT AFFECTS CONSUMER BEHAVIOR?

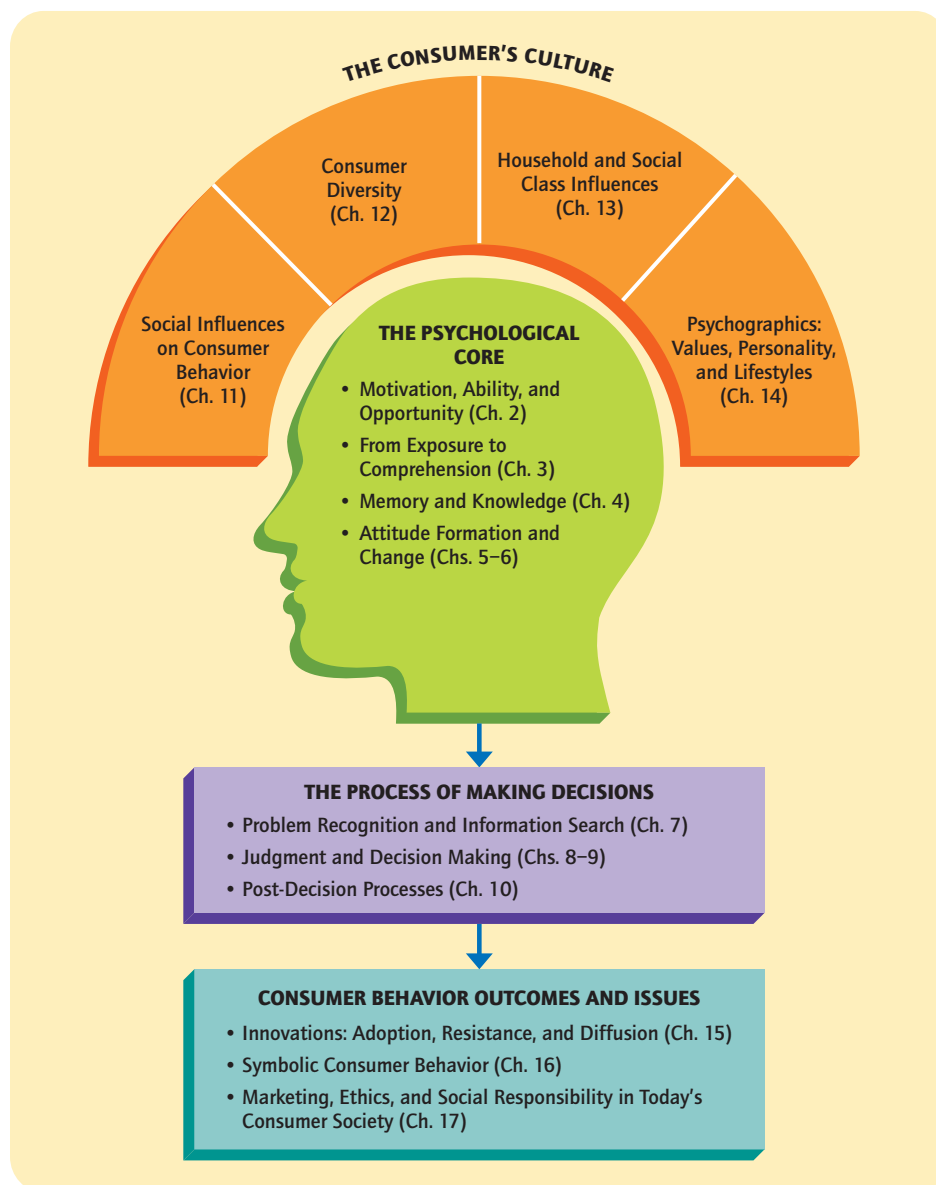
The many factors that affect acquisition, usage, and disposition decisions can be classified into four broad domains, as shown in the model in Exhibit 1.6: (1) the psychological core, (2) the process of making decisions, (3) the consumer's culture, and (4) consumer behavior outcomes. Although the four domains are presented in separate sections of this book, each domain is related to all the others. For example, to make decisions that affect outcomes like buying new products, consumers must first engage in processes described in the psychological core. They need to be motivated, able, and have the opportunity to be exposed to, perceive, and attend to information. They need to think about and comprehend this information, develop attitudes about it, and form memories they can retrieve during the decision process.

The cultural environment also affects what motivates consumers, how they process information, and the kinds of decisions they make. Age, gender, social class, ethnicity, families, friends, and other factors affect consumer values and lifestyles and, in turn, influence the decisions that consumers make and how and why they make them. In the following overview, we illustrate the interrelationships among the domains with an example of a vacation decision.

### Exhibit 1.6

#### A Model of Consumer Behavior

Consumer behavior encompasses four domains: (1) the consumer's culture, (2) the psychological core, (3) the process of making decisions, and (4) consumer behavior outcomes and issues. As the exhibit shows, Chapters 2–17 of this book relate to the four parts of this overall model.



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## The Psychological Core: Internal Consumer Processes

Before consumers can make decisions, they must have some source of knowledge or information upon which to base their decisions. This source—the psychological core—covers motivation, ability, and opportunity; exposure, attention, perception, and comprehension; memory and knowledge; and attitudes about an offering.

### Motivation, Ability, and Opportunity

Consider the case of a consumer named Jason who is deciding on a ski vacation. In Jason's mind, the vacation decision is risky because it will consume a lot of money and time, and he does not want to make a bad choice. Therefore, Jason is motivated to learn as much as he can about various vacation options, think about them, and imagine what they will be like. He has put other activities aside to give himself the opportunity to learn and think about this vacation. Because Jason already knows how to ski, he has the ability to determine what types of ski vacations he would find enjoyable. Whether he focuses on concrete things (how much the trip will cost) or abstract things (how much fun he will have) depends on how soon he plans to travel and how well the place he plans to visit fits with his self-concept.<sup>61</sup>

#### Exhibit 1.7

##### Forming and Retrieving Memories

Ads that make consumers form and retrieve memories can be effective if the memories are of a positive experience.

When you include Busch Gardens® in your travel plans, it's not just about a Florida holiday. It's about a family discovery. Because there's something for every family member to experience and remember throughout the park, from a real-life safari to world-class thrill rides. All just an hour from Orlando.

Add the amazing encounters and electrifying rides of SeaWorld® Orlando with an Adventure Passport, a special two-park ticket which includes unlimited free coach rides from Orlando to Busch Gardens. If you don't get to see everything in two days, come back as often as you wish during the rest of your holiday\*. This ticket is not available at the parks' front gates, so be sure to buy yours before leaving home.

For holidays and tickets to Busch Gardens, call Virgin Holidays at 0871 222 0304 or visit [virginholidays.com/buschgardens](http://virginholidays.com/buschgardens)

\*This offer is only valid on certain dates. ©2011 Busch Entertainment Company. All rights reserved.

Image Courtesy of The Advertising Archives

### Exposure, Attention, Perception, and Comprehension

Because Jason is motivated to decide where to go on vacation and has both the ability and opportunity to do so, he will make sure he is exposed to and attends to any information relevant to his decision. He might look at travel ads and websites, read travel-related articles, check Twitter for special deals, and talk with friends and travel agents. Jason will probably not attend to *all* vacation information; however, he is likely to be exposed to information he will never consciously perceive or pay attention to. He must identify what he has perceived—is it an ad or something else?—and then determine what country or mountain resort is involved, all as part of the comprehension process. He might infer that Kitzbühel, Austria, is a reasonably priced vacation destination because a website shows information consistent with this interpretation, for example.

### Memory and Knowledge

Whether Jason can store what he learns about ski resorts in his memory—and whether he can recall that information later—depends, in part, on his motivation, ability, and opportunity. As he learns something new about ski resorts, he will organize that knowledge according to categories such as “places to stay on a ski vacation.” Jason will also associate each new piece of information with other concepts he knows, such as “expensive” or “eco-friendly.” Note that Jason may *store* information in memory, but his choices will be based only on the information that can be *retrieved* from memory—a key point for marketers seeking to create strong brand images and develop memorable communications (see Exhibit 1.7).

### Forming and Changing Attitudes

Jason is likely to form attitudes toward the vacations he has categorized and comprehended. He may have a favorable attitude toward Kitzbühel because a website describes it as affordable, educational, and fun. However, his attitudes might change as he encounters new information. Attitudes do not always predict behavior. For example, although many of us have a positive attitude toward working out, our attitude and our good intentions do not always culminate in a trip to the gym. For this reason, attitudes and choices are considered as separate topics.

## The Process of Making Decisions

As shown in Exhibit 1.6, the processes that are part of the psychological core are intimately tied to the process of making decisions. This domain involves four stages: problem recognition, information search, decision making, and postpurchase evaluation.

### Problem Recognition and the Search for Information

Problem recognition occurs when we realize that we have an unfulfilled need. Jason realized that he needed a vacation, for example. His subsequent search for information gave him insight into where he might go, how much the vacation might cost, and when he might travel. He also examined his financial situation. Elements of the psychological core are invoked in problem recognition and search because once Jason realizes that he needs a vacation and begins his information search, he is exposed to information, attends to and perceives it, categorizes and comprehends it, and forms attitudes and memories.

### Making Judgments and Decisions

Jason's decision is characterized as a *high-effort decision*, meaning that he is willing to invest a lot of time and to exert mental and emotional energy in making it. He identifies several criteria that will be important in making his choices: the trip should be fun and exciting, safe, educational, and affordable. Not all decisions involve a lot of effort. Jason also faces low-effort decisions such as what brand of toothpaste to take on the trip.

Again, the psychological core is invoked in making decisions. With a high-effort decision, Jason will be motivated to be exposed to lots of information, think about it deeply, analyze it critically, and form attitudes about it. He may have lasting memories about this information because he has thought about it so much. Consumers are not always aware of what they are thinking and how they are making their choices, so Jason might not be able to explain what affected his choices (background music in a travel agency might even be an influence).<sup>62</sup> Yet the emotions he thinks he will experience from different options (excitement, relaxation) may well influence his ultimate choice.<sup>63</sup> With a low-effort decision, such as what brand of toothpaste to buy, he would probably engage in less information search and process information less deeply, resulting in less enduring attitudes and memories.

### Making Postdecision Evaluations

This step allows the consumer to judge, after the fact, whether the decision made was the correct one and whether to purchase that offering again. When he returns from his vacation, Jason will probably evaluate the outcome of his decisions. If his expectations were met and if the vacation was everything he thought it would be, he will feel satisfied. If the vacation exceeded his expectations, he will be delighted. If it fell short of them, he will be dissatisfied. Once again, aspects of the psychological core are invoked in making postdecision evaluations. Jason may expose himself to information that validates his experiences, he may update his attitudes, and he may selectively remember aspects of his trip that were extremely positive or negative.

## The Consumer's Culture: External Processes

Why did Jason decide to go on a skiing trip in the first place? In large part, our consumption decisions and how we process information are affected by our culture. **Culture** refers to the typical or expected behaviors, norms, and ideas that characterize a group of people. It can be a powerful influence on all aspects of human behavior. Jason had certain feelings, perceptions, and attitudes because of the unique combination of groups to which he belongs and the influence they have on his values, personality, and lifestyle.

### Reference Groups and Other Social Influences

When Jason sees groups of others he perceives as similar to himself, he regards them as **reference groups**, people whose values he shares and whose opinions he respects. He might also want to emulate the behavior of people whom he admires and to listen to the advice they offer through *word of mouth* (in person, on Facebook, on Twitter, etc.). Athletes, musicians, or movie stars sometimes serve as reference groups, influencing how we evaluate information and the choices we make

**Culture** The typical or expected behaviors, norms, and ideas that characterize a group of people.

**Reference group** A group of people consumers compare themselves with for information regarding behavior, attitudes, or values.



© AP Images/PRNewsFoto/BodybyMilk.com

### Exhibit 1.8

#### Influence of Reference Groups

Reference groups are people whose values we share and whose opinions we value, as evidenced in the Got Milk? campaigns.

(see Exhibit 1.8). Reference groups can also make us feel as if we should behave in a certain way. Jason may feel some pressure to go to Kitzbühel because his friends think that doing so is cool.

#### Diversity Influences

Jason is a member of many regional, ethnic, and religious groups that directly or indirectly affect the decisions he makes. For example, although his decision to ski at a place far from home is fairly typical for a North American man launched on his career, a consumer from a developing nation or a single woman from a different culture may not have made the same choice. Also, his age, gender, and educational background may all affect his impressions of what constitutes a good vacation, accounting for his interest in a European ski trip. Consider the vacation choices shown in Exhibit 1.9, and try to imagine the background factors that predispose consumers to choose these as vacation options.

#### Household and Social Class Influences

Because Jason is a member of the upper middle class and lives with his parents, these household and social class influences may affect his decision to go to a luxurious European ski resort with friends rather than join his family at a rustic ski area near home.

#### Values, Personality, and Lifestyles

The choices Jason makes are based, in part, on his beliefs, his personality, and his activities, interests, and opinions. Thus, he may be attracted to a European ski trip because he wants a vacation that he thinks will be exciting and out of the ordinary. He

also anticipates that this vacation will test his ability to manage on his own and give himself a sense of accomplishment.

### Consumer Behavior Outcomes and Issues

As Exhibit 1.6 shows, the psychological core, decision-making processes, and the consumer's culture affect consumer behavior outcomes such as the symbolic use of products and the diffusion of ideas, products, or services through a market. They also influence and are influenced by issues of ethics and social responsibility.

### Exhibit 1.9

#### Vacation Choices

The word “vacation” means different things to different people. Can you see how factors like social class, ethnic status, lifestyle, economic conditions, group affiliations, and gender affect the kinds of vacations that appeal to us? These examples show that some marketers are successful because they understand what their customers value.

#### On vacation, would you like to . . .

*Learn how to walk on the moon?* Space Camp is the place for you! You'll experience the weightlessness of space flight, launch a rocket, and take a simulated trip to Mars or the Moon. The price for would-be astronauts (adults and children alike) is \$699–\$899 per week.

*Volunteer to restore parklands?* Through the Sierra Club, you can travel to wildlife refuges and parks around the United States when you help preserve wilderness areas and keep up hiking trails. Along with a reasonable price tag—a six-day stay in the Grand Canyon to replant native vegetation costs \$525, not including transportation—you'll get an insider's view of the local area plus the satisfaction of helping the planet.

*See where penguins play?* On a National Geographic cruise, you'll start from the tip of South America and sail through Drake Passage. Then you'll travel by kayak along Antarctica's edge, home to penguins, whales, and other marine life. If your itinerary includes the Falkland Islands and South Georgia, you'll pay up to \$38,000 (airfare is extra).

Sources: Based on information on [www.spacecamp.com](http://www.spacecamp.com); [www.sierraclub.org](http://www.sierraclub.org); and [www.expeditions.com](http://www.expeditions.com).

**Symbols** External signs that consumers use to express their identity.

### Consumer Behaviors Can Symbolize Who We Are

The groups we belong to and our sense of self can affect the **symbols** or external signs we use, consciously or unconsciously, to express our actual or desired identity. For example, while skiing, Jason may wear a North Face parka and Bollé goggles to communicate his status as an experienced skier. He might also take home objects, such as postcards and T-shirts, that symbolize his vacation.

### Consumer Behaviors Can Diffuse Through a Market

After Jason makes his vacation decision, he may tell others about his prospective trip, which, in turn, could influence their vacation decisions. In this way, the idea of going to Kitzbühel on vacation may diffuse, or spread, to others. Had Jason resisted going to Kitzbühel (perhaps because he thought it was too expensive or too far away), he might have communicated information that would make others less likely to vacation there. Thus, the diffusion of information can have both negative and positive effects for marketers.

### Consumer Behavior, Ethics, and Social Responsibility

Sometimes consumers face potentially conflicting priorities: They try to balance an immediate outcome against a long-term outcome, or try to balance their own interests against the interests of others. For instance, a consumer who steals may acquire something right away, but the long-term outcome is personally risky and also problematic to society. Similarly, marketing decisions may involve conflicting priorities and sometimes lead to ethical questions, such as whether marketing efforts promote obesity, whether advertising affects self-image, and whether marketing invades consumers' privacy.

On the other hand, both consumers and marketers can and do use marketing for constructive purposes, balancing short- and long-term horizons plus the interests of themselves and others. These efforts by marketers and consumers may be relatively narrow—focusing on satisfying the needs of a particular consumer segment—or much broader, such as protecting the environment or improving the community. In the example of Jason choosing a ski vacation, he might decide to stay at an eco-friendly resort that conserves water and uses energy from clean sources. Or he may decide to buy his gear secondhand on eBay or from a retailer that is transparent about its environmental impact.<sup>64</sup>

## WHO BENEFITS FROM THE STUDY OF CONSUMER BEHAVIOR?

Why do people study consumer behavior? The reasons are as varied as the four different groups who use consumer research: marketing managers, ethicists and advocates, public policy makers and regulators, and consumers.

### Marketing Managers

The study of consumer behavior provides critical information to marketing managers for developing marketing strategies and tactics. The American Marketing Association's definition of **marketing** shows why marketing managers need to learn about consumer behavior:

*Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.*

As this definition makes clear, marketers need consumer behavior insights to understand what consumers and clients value; only then can they develop, communicate, and deliver appropriate goods and services. See the Appendix for more about marketing research.

### Ethicists and Advocacy Groups

Marketers' actions sometimes raise important ethical questions. Concerned consumers sometimes form advocacy groups to create public awareness of inappropriate practices. They also influence other consumers as well as the targeted companies through strategies such as media statements and boycotts. For example, U.S. advocacy groups such as the Consumer Federation of America and Consumer Watchdog worry about companies tracking what consumers do online. They and other groups support a "do not track" mechanism that would allow consumers to opt out of online track-

**Marketing** The activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings with value for individuals, groups, and society.

ing systems; the Federal Trade Commission wants more transparent disclosure of what is being collected and how it will be used.<sup>65</sup> We explore various ethical issues throughout this book and go into more detail in Chapter 17.

### Public Policy Makers and Regulators

Understanding consumer behavior is crucial for legislators, regulators, and government agencies in developing policies and rules to protect consumers from unfair, unsafe, or inappropriate marketing practices. In turn, marketers' decisions are affected by these public policy actions. Consider the regulatory limits on tobacco marketing that are designed to discourage underage consumers from smoking and to inform consumers of smoking's health hazards. The United States, Canada, and many other nations already ban cigarette advertising on television and radio. Canada also requires large graphic warning labels on each pack.<sup>66</sup>

Understanding how consumers comprehend and categorize information is important for recognizing and guarding against misleading advertising. For instance, researchers want to know what impressions an ad creates and whether these impressions are true. They also want to know how marketing influences consumers' decisions to comply with product usage instructions, such as using medical treatments as prescribed.<sup>67</sup> And consumer behavior research helps government officials understand and try to improve consumer welfare.<sup>68</sup>

### Academics

Understanding consumer behavior is important in the academic world for two reasons. First, academics disseminate knowledge about consumer behavior when they teach courses on the subject. Second, academics generate knowledge about consumer behavior when they conduct research focusing on how consumers act, think, and feel when acquiring, using, and disposing of offerings. In turn, such academic research is useful to marketing managers, advocacy groups, policy makers, regulators, and others who need to understand consumer behavior.

### Consumers and Society

Understanding consumer behavior enables marketers and other organizations to provide tools for more informed decision-making. For example, research indicates that we better understand the differences among brands when we can view a chart, matrix, or grid comparing brands and their attributes.<sup>69</sup> Thus, matrices such as those presented in the *Consumer Reports* magazine or on its website are likely to help many consumers make better decisions.

Product, service, and communications developments to protect certain consumer segments have also grown out of understanding how consumers behave. Many people want to protect children against inappropriate advertising or guard themselves against invasion of privacy. Some companies have changed their marketing voluntarily, whereas others have waited until legislators, regulators, or advocacy groups forced them to make changes. Finally, a better understanding of consumer behavior can pave the way for programs that benefit society. As discussed in Chapter 17, research on disposition behavior has the potential to aid recycling programs and other environmental activities, just as research on charitable donations can help nonprofit groups design communications to attract contributors.

## MARKETING IMPLICATIONS OF CONSUMER BEHAVIOR

As you learn about consumer behavior, you may wonder how marketers use different consumer behavior insights. Starting with Chapter 2, you will find numerous sections titled "Marketing Implications" that illustrate how marketers apply consumer behavior concepts in the real world. In general, consumer research helps marketers to develop product-specific plans, as well as broader strategies for market segmentation, targeting, and positioning, and to make decisions about the components of the marketing mix.

## Developing and Implementing Customer-Oriented Strategy

Marketing is designed to *provide value to customers*. Thus, marketers must conduct research to understand the various groups of consumers within the marketplace so that they can develop a strategy and specific offerings that will provide such value. Once they develop and implement a suitable strategy, marketers need research to determine how well it is working and whether it is delivering the expected results (such as increasing market share or improving profits).

### How Is the Market Segmented?

What one consumer values in a product may not be the same as what another consumer values. Consider the market for orange juice, which can be offered from concentrate, fresh squeezed, with other juices, and in other combinations. For example, Minute Maid, owned by Coca-Cola, stopped offering fresh-squeezed and switched to concentrate more than 25 years ago. Recently, however, it added three varieties of “Pure Squeezed” orange juice to its product line. A Minute Maid executive explains that although many consumers enjoy the current product line, “there’s a segment of consumers who have an affinity for the not-from concentrate [juice].”<sup>70</sup> Clearly, research helps marketers understand the different groups that make up a market and whether they can make an offering to appeal to one or more of these groups.

### How Profitable Is Each Segment?

Consumer research can help marketers identify consumers who have needs that are not being met and can reveal the size and profitability of each segment. For example, Daimler has identified a potentially profitable segment of affluent auto buyers interested in upscale compact cars. It is introducing a series of Mercedes-Benz compact cars specifically for this segment, fully equipped with accessories like USB ports for consumers’ digital devices, all part of its effort to regain the lead in the premium auto market by 2020.<sup>71</sup>

### What Are the Characteristics of Consumers in Each Segment?

After determining how the market is segmented and whether it is potentially profitable, marketers need to learn about the characteristics of consumers in each segment, such as their age, education, and lifestyle. This information helps marketers project whether the segment is likely to grow or to shrink over time, a factor that affects future marketing decisions. For example, sales of fitness goods and services are expected to rise as aging baby boomers strive to stay fit.

### Are Customers Satisfied with Existing Offerings?

Marketers often do considerable research to learn whether consumers are currently satisfied with the company’s offerings and marketing. For example, Harley-Davidson executives regularly ride with members of the Harley Owners Group to find out firsthand what satisfies motorcycle buyers and what else they are looking for. They also invite customers to submit their own videos online illustrating individual Harley-Davidson experiences, and ask social media users to comment on proposed ad campaigns. This research all helps the company come up with new product ideas and new ways to promote bikes to current and potential customers.<sup>72</sup>

## Selecting the Target Market

Understanding consumer behavior helps marketers determine which consumer groups are appropriate targets for marketing tactics and how heavy users of a product differ from light users.<sup>73</sup> Marketers also need to identify who is likely to be involved in acquisition, usage, and disposition decisions. U.S. home builders like Toll Brothers, for example, are interested in the trend of multi-generational families living in one home. They know that some, if not all, of the family members will want some say in the home purchase, and therefore the homes must have features that will appeal to all the relatives involved in the decision.<sup>74</sup>

## Developing Products

Developing goods and services that satisfy consumers’ wants and needs is a critical marketing activity. Marketers apply consumer research when making a number of decisions about products and branding.

### What Ideas Do Consumers Have for New Products?

First, marketers need to design an offering that matches what consumers in the target market want. As noted earlier, sometimes customers collaborate with marketers or with each other on the development of innovative new offerings. The jewelry firm Swarovski is one of many companies that have used online competitions to tap the creativity of their customers in designing new products.<sup>75</sup> The entire inventory of Chicago-based online T-shirt company Threadless comes from designs submitted by consumers. After a round of voting by consumers (online or via social media), Threadless puts the highest-scoring items into production—with a ready segment of buyers who have a taste for such individualistic designs.<sup>76</sup>

### What Attributes Can Be Added to or Changed in an Existing Offering?

Marketers often use research to determine when and how to modify or tailor a product to meet the needs of new or existing groups of consumers. For example, the U.S. Postal Service (USPS) knows that many engaged couples still send printed wedding invitations through the mail instead of communicating with friends and relatives electronically. To supplement its regularly updated series of stamps, the USPS designed a stamp specifically for wedding invitations—which generated \$375 million in sales within a few years. Now the USPS is adding new wedding-stamp designs and inviting consumers to personalize their own wedding stamps, an increasingly popular option.<sup>77</sup>

### How Should the Offering Be Branded?

Consumer research plays a vital role in decisions about choosing a brand and differentiating it from competing brands and from other brands in the company's product portfolio.<sup>78</sup> For example, the Japanese automaker Nissan once marketed cars under the Datsun brand, but eliminated that brand in favor of its corporate name, Nissan, in 1981. Later, the company introduced Infiniti to brand its luxury autos and distinguish them from its other cars. Now, as Nissan eyes sales opportunities in emerging markets, it is bringing back the Datsun brand for small, low-priced cars to be sold in Russia, India, and Indonesia. This strategy allows Nissan to maintain a separate brand image and positioning for each of these product lines.<sup>79</sup>

### What Should the Package and Logo Look Like?

Many marketers use consumer research to test alternative packaging and logos. Research shows, for instance, that consumers are likely to think that food (including cookies) is good for them if it comes in green packaging.<sup>80</sup> This information is valuable in the design of packages for products with a “healthy” positioning. Research is also vital in decisions about changing packaging and logos.

## Positioning

Another strategic choice is deciding how an offering should be positioned in consumers' minds. The desired image should reflect what the product is and how it differs from the competition. For example, the Window of the World theme park in Shenzhen, China, is positioned as a fun place for Chinese consumers who want to see the world's most famous sights without leaving the country. The park features 130 replicas of well-known landmarks such as the pyramids, the White House, and the Eiffel Tower. This positioning is in contrast to another Chinese theme park Disneyland Hong Kong, which offers rides and other traditional amusement park attractions.<sup>81</sup>

### How Are Competitive Offerings Positioned?

Marketers sometimes conduct research to see how consumers view other brands in comparison with their own and then plot the results on a graph called a *perceptual map*. Brands in the same quadrant of the map are perceived as offering similar benefits to consumers. The closer companies are to one another on the map, the more similar they are perceived to be, and hence, the more likely they are to be competitors. Marketers can use perceptual maps to determine how their offerings can be positioned as distinct and different from competing offerings, based on appeals that are sustainable over time.<sup>82</sup>

### How Should Our Offerings Be Positioned?

Companies use consumer research to understand what image a new offering should have in the eyes of consumers and what messages will effectively support this image.<sup>83</sup> The positioning should suggest that the product is superior in one or more attributes valued by the target market.<sup>84</sup> For

example, Procter & Gamble's research found that many consumers weren't satisfied with traditional dry-cleaning establishments, in part because of inconsistent quality and also due to environmental concerns about cleaning chemicals. Seeing this as an opportunity, P&G positioned its Tide Dry Cleaners chain as clean, green, and friendly—using earth-friendly cleaning products, the power of the Tide brand, and attentive customer service.<sup>85</sup>

### Should Our Offerings Be Repositioned?

Consumer research can help marketers reposition existing products (i.e., change their image). Consider how the Versus sports cable channel was repositioned. Originally introduced as Outdoor Life Network in 1995, the U.S. cable channel was repositioned as Versus in 2006 to reflect its broader sports coverage. Even with an audience of 70 million households, Versus fell short of rival ESPN's audience of 100 million households. Knowing that consumers are far more familiar with the NBC brand and coverage, thanks to the network's broadcasting of the Olympics and other high-profile events, Comcast repositioned Versus as NBC Sports Network, broadcasting round-the-clock sporting events and related content.<sup>86</sup>

## Making Promotion and Marketing Communications Decisions

Research can help companies make decisions about promotional/marketing communications tools, including advertising, sales promotions (premiums, contests, sweepstakes, free samples, coupons, and rebates), personal selling, and public relations. One area receiving attention is the use of techniques to measure consumers' physiological and neurological responses to marketing communications.<sup>87</sup> The rise of social media adds another twist to promotion and communications decisions.<sup>88</sup> Word of mouth—which spreads quickly through social media—that is not marketer-controlled, although it may be marketer-initiated, seems more credible to consumers than messages directly controlled by marketers.<sup>89</sup>

### What Are Our Advertising Objectives?

Consumer research can be very useful in determining advertising objectives. It may reveal, for example, that few people have heard of a new brand, suggesting that the advertising objective should be to enhance brand-name awareness. If research indicates that consumers have heard of the brand but don't know anything about it, the advertising objective should be to enhance brand knowledge. If consumers know the brand name but don't know the characteristics of the brand that make it desirable, the advertising should aim to enhance brand knowledge and encourage positive attitudes about it. And if consumers know neither the brand name nor the product's benefits, the advertising should educate the target market about both.

### What Should Our Advertising Look Like?

Research can help marketers determine what words and visuals—and what balance of text and images—would be most effective for ad and brand recognition and recall.<sup>90</sup> A brand name is better remembered when placed in an ad that has interesting, unusual, and relevant visuals. If the visuals are interesting but unrelated to the product, consumers may remember the visuals but forget the product's name. Moreover, marketers can research how different groups respond to different wording. For example, saying a product is a good “value for the money” does not work in Spain. Instead, marketers use the phrase “price for product.”<sup>91</sup>

Online advertising is also being researched. One finding, for instance, is that customizing e-mail messages for targeted customers is an effective way to boost visits to the brand's website.<sup>92</sup> Another study showed that both emotion and physiological arousal are factors in whether an online ad goes viral. Specifically, an ad is more likely to be spread virally when the content evokes a positive emotional response (such as awe) or a negative emotional response (such as anger).<sup>93</sup>

### Where Should Advertising Be Placed?

When marketers select specific media vehicles in which to advertise, they find demographic, lifestyle, and media usage data very useful. As noted earlier, research shows that more people split their time among many different media and that many people use recording technology to avoid



commercials. Knowing this, marketers are choosing media with better targeting or more consumer exposure in mind. For example, Ford has used video ads on Facebook's log-out page to promote its sporty Mustang car, taking advantage of the ability to target by location, gender, and age.<sup>94</sup> A growing number of firms are using sponsorship of cause-related events (such as the Avon Walk for Breast Cancer) that attract the interest of consumers in the targeted segments.<sup>95</sup>

### When Should We Advertise?

Research may reveal seasonal variations in purchases due to weather-related needs, variations in the amount of discretionary money consumers have (which changes, for instance, before and after Christmas), holiday buying patterns, and the like. In the weeks leading up to Easter, for instance, the chocolate company Cadbury airs TV commercials, places print ads, sponsors special events, and posts Facebook promotions for its chocolate eggs. In Australia, it recently targeted 18- to 30-year-old chocolate lovers with extensive Facebook advertising for new chocolate egg products just before Easter, when this segment is most likely to buy.<sup>96</sup>

### Has Our Advertising Been Effective?

Finally, advertisers can research an ad's effectiveness at various points in the advertising development process. Sometimes marketers or ad agencies conduct advertising *copy testing* or *pretesting*, testing an ad's effectiveness before it appears in public. If the objective is creating brand awareness and the tested ad does not enhance awareness, the company may replace it with a new ad. Effectiveness research can also take place after the ads have been placed in the media, such as conducting tracking studies to see whether ads have achieved particular objectives over time.

### What About Sales Promotion Objectives and Tactics?

When developing sales promotions, marketers can use research to identify sales promotion objectives and tactics. For example, when Snack Factory wanted to attract new customers to its Pretzel Crisps snacks and increase sales, the firm posted a \$1 coupon on Facebook for two weeks. This promotion added 7,000 new Facebook fans and, more importantly, the rate of redemption of the coupons was 87 percent. Without fanfare, Snack Factory switched to a buy one, get one free coupon on Facebook. The new offer went viral, gaining Pretzel Crisps 15,000 new fans in two weeks—plus an impressive 95 percent coupon redemption rate. Now the brand has more than 200,000 “likes” and regularly conducts contests, coupons, and other sales promotions on the social media site.<sup>97</sup> Research can also prevent such pitfalls as offering coupons to certain consumers who won't redeem them for fear of looking stingy.<sup>98</sup>

### Have Our Sales Promotions Been Effective?

Consumer research can answer this question. Marketers might compare sales before, during, and after a promotion to determine changes in sales. Research can also indicate whether a free sample has been more effective than a price promotion, whether a free gift enhances value perceptions and purchase intentions, and how consumers react after a sales promotion has been discontinued.<sup>99</sup>

### How Can Salespeople Best Serve Customers?

Finally, research can help managers make decisions about salespeople. By tracking store patronage at different times of the day or on different days of the week, retailers can determine the appropriate number of store personnel needed to best serve customers at those times. Research also offers insights into and selecting salespeople and evaluating how well they serve customers. For example, similarity between the consumer and a salesperson or service provider can influence whether customers comply with these marketing representatives.<sup>100</sup> Other studies indicate that how a salesperson presents a product will affect consumers' attitudes toward the salesperson and what consumers learn about the product.<sup>101</sup>

## Making Pricing Decisions

The price of a product or service can have a critical influence on consumers' acquisition, usage, and disposition decisions. It is therefore very important for marketers to understand how consumers react to price and to use this information in pricing decisions.

### What Price Should Be Charged?

Why do prices often end in 99? Consumer research has shown that people perceive \$9.99 or \$99.99 to be cheaper than \$10.00 or \$100.00. Perhaps this is one reason why so many prices end in the number 9.<sup>102</sup> Although economic theory suggests that a decrease in price will increase the likelihood of purchase, too low a price can make consumers suspect the product's quality.<sup>103</sup> In general, consumers respond better to a discount presented as a percentage off the regular price (e.g., 25 percent subtracted from the price) than to a discount presented as a specific amount of money subtracted from the regular price (originally \$25, now only \$15).<sup>104</sup>

Also, when making a purchase, consumers consider how much they must pay in relation to the price of other relevant brands or to the price they previously paid for that product, so marketers must be aware of these reference prices.<sup>105</sup> When buying multiple units of a service for one bundled price (such as a multiday ski pass), consumers may not feel a great loss if they use only some of the units because they have difficulty assigning value to each unit. In addition, when consumers buy multiple products for one bundled price (such as a case of wine), they are likely to increase their consumption because unit costs seem low.<sup>106</sup>

According to research, how much consumers will pay can even be affected by the price of unrelated products they happen to see first. Thus, the price you would be willing to pay for a T-shirt may vary, depending on whether the prices you noticed for shoes in the store next door were high or low.<sup>107</sup>

Finally, studies indicate that consumers have differing perceptions of what a product is worth, depending on whether they are buying or selling it. Sellers should therefore avoid this *endowment effect*; that is, they should not set a higher price than buyers are willing to pay.<sup>108</sup>

### How Sensitive Are Consumers to Price and Price Changes?

Research also suggests that consumers have different views of the importance of price. Some consumers are very price sensitive, meaning that a small change in price will have a large effect on consumers' willingness to purchase the product. Other consumers are price insensitive and thus likely to buy an offering regardless of its price. Marketers can use research to determine which consumers are likely to be price sensitive and when. For fashion or prestige goods, a high price symbolizes status. Thus, status-seeking consumers may be less sensitive to a product's price and pay more than \$50 for a T-shirt with a prestigious label.

### When Should Certain Price Tactics Be Used?

Research also reveals when consumers are likely to be most responsive to various pricing tactics. For example, consumers have traditionally been very responsive to price cuts on bed linens during January. These "white sales" are effective because consumers have come to anticipate them at that time of the year. Similarly, approximately five million U.S. consumers buy new TVs specifically to watch the Super Bowl every year. Knowing this trend, online and store retailers mount price promotions in the weeks leading up to the Super Bowl, aiming to get their share of these TV purchases.<sup>109</sup>

## Making Distribution Decisions

Another important marketing decision involves how products are distributed and sold to consumers in retail stores. Here, too, marketers can use consumer research.

### Where and When Are Target Consumers Likely to Shop?

Marketers who understand the value consumers place on time and convenience have developed distribution channels that allow consumers to acquire or use offerings whenever and wherever it is most convenient for them. For example, 24-hour grocery stores, health clubs, catalog ordering, and online ordering systems give consumers flexibility in the timing of their acquisition, usage, and disposition decisions. The U.K. supermarket chain Tesco operates a grocery chain called Home Plus in South Korea. Knowing that many commuters have little time to shop, it set up virtual stores inside busy train stations (see Exhibit 1.10). These "stores" are actually large posters showing grocery shelves stocked with frequently purchased items, each featuring a QR (quick

**Exhibit 1.10****Targeting Where Consumers Shop**

Marketers need to understand how and when consumers best shop. For instance, busy consumers can grocery shop using their smartphones on these boards in subway stations, which is very convenient for them.



© Imaginechina via AP Images

response) code. While they wait for the next train, commuters use their smartphones to scan the QR code of items they want to buy, complete the transaction, and schedule delivery for when they know they will be home.<sup>110</sup>

**What Do Customers Want to See in Stores?**

Retailers want to carry the assortment of merchandise best suited to consumers who shop in their stores. Walmart now invites consumers to watch videos submitted by companies that have developed new products. Because consumers vote for the items they would like to see in their local Walmart store, the retailer gains insight into its customers' preferences and can expand its merchandise assortment accordingly.<sup>111</sup>

**How Should Stores Be Designed?**

Supermarkets are generally designed with similar or complementary items stocked near one another because research shows that consumers think about items in terms of categories based on products' similar characteristics or use. Thus, stores stock peanut butter near jelly because the products are often used together. Consumer research can also help marketers develop other aspects of their retail environments. Studies show that bright colors and up-tempo music make consumers move quickly through a store; subdued colors and quiet music have the opposite effect.<sup>112</sup>

Store design also depends on whether consumers are shopping for fun or seeking to quickly accomplish a particular task like buying a certain item.<sup>113</sup> During the back-to-school shopping season, for instance, Target stores display dorm-room products together for consumer convenience.<sup>114</sup> Knowing that some consumers simply like to shop, retailers are increasingly creating more exciting and aesthetically pleasing store environments.<sup>115</sup> For example, in Shanghai, the distinctive glass exterior, spiral staircase, and gleaming white logo of the Apple store has made such an impression on shoppers that some competitors have opened look-alike stores elsewhere in China.<sup>116</sup>

Stores and retail websites can be designed to convey a very specific image and for friendly functionality on devices used by targeted consumer groups. After the Apple iPad became popular, many retail sites redesigned their Web pages to look better on a tablet computer screen and to be sure features worked properly on all touch-screen devices, including mobile phones. The apparel retailer Abercrombie & Fitch even added an online playlist so customers who shop via the Internet can click to hear the same songs that play in its stores.<sup>117</sup>

## SUMMARY

Consumer behavior involves understanding the set of decisions (what, whether, why, when, how, where, how much, and how often) that an individual or group of consumers makes over time about the acquisition, use, or disposition of goods, services, ideas, or other offerings. The psychological core exerts considerable influence on consumer behavior. A consumer's motivation, ability, and opportunity affect his or her decisions and influence what a person is exposed to, what he or she pays attention to, and what he or she perceives and comprehends. These factors also affect how consumers categorize and interpret information, how they form and retrieve memories, and how they form and change attitudes. Each aspect of the psychological core has a bearing on the consumer decision-making process, which involves (1) problem recognition, (2) information search, (3) judgments and decision making, and (4) evaluating satisfaction with the decision.

Consumer behavior is affected by the consumer's culture and by the typical or expected behaviors, norms, and ideas of a particular group. Consumers belong to a number of groups, share their cultural values and beliefs, and use their symbols to communicate group membership. Household and social class influences are involved in consumer behavior, as are each individual's values, personality, and lifestyles. Consumer behavior can be symbolic and express an individual's identity. It is also indicative of how quickly an offering spreads throughout a market. Further, ethics and social responsibility play a role in consumer behavior.

Marketers study consumer behavior to gain insights that will lead to more effective marketing strategies and tactics. Ethicists and advocacy groups are keenly interested in consumer behavior, as are public policy makers and regulators who want to protect consumers from unsafe or inappropriate offerings. Consumers and society can both benefit as marketers learn to make products more user-friendly and to show concern for the environment. Finally, studying consumer behavior helps marketers understand how to segment markets and how to decide which to target, how to position an offering, and which marketing-mix tactics will be most effective.

### Questions for Review and Discussion

1. How is consumer behavior defined?
2. What is an offering?
3. What are some of the factors in the psychological core that affect consumer decisions and behavior?
4. What are aspects of the consumer's culture influence decisions and behavior?
5. How is *marketing* defined?
6. How can public policy decision makers, advocacy groups, and marketing managers use consumer research?
7. What kinds of marketing questions can companies use consumer behavior research to answer?
8. How can you benefit from studying consumer behavior?

### CONSUMER BEHAVIOR CASE

## How Unilever's Brands Connect with Consumers

From soap to soup, Unilever markets a wide range of personal care products, foods, and household cleaners under popular brands like Dove, Bertolli, Lipton, Lux, Axe, Sunsilk, Surf, and Omo. Two billion consumers buy its products every day, adding up to annual revenue of \$62 billion. The Anglo-Dutch company constantly conducts research to learn more about what consumers want and need, identifying even seemingly small changes that can make a big difference in the daily lives of people worldwide.

One of the company's most memorable marketing initiatives has been Dove's "Campaign for Real

Beauty." Based on extensive consumer research into women's attitudes and emotions, the campaign uses ads, YouTube videos, special events, and other communications to counter beauty stereotypes and make the point that real beauty is more than skin deep. By linking its soap brand to messages reinforcing positive self-esteem for women of all ages, races, sizes, and shapes, Dove has won the admiration and loyalty of consumers in many countries.

Unilever's Ragú food brand has been courting parents with Facebook and YouTube communications that encourage ongoing conversations with marketers and

among its brand fans. For example, marketers recently used the brand's Facebook page (which has more than one million "likes") to start a dialogue about getting children to eat. Its Facebook fans responded with dozens of additional ideas, which Ragú's ad agency turned into helpful online videos that dish up tips with a sense of humor. Heavy use of social media is one way that Ragú aims to create an emotional connection with its customers and understand their ever-changing needs and interests.

Campaigns combining Facebook, YouTube, Twitter, and special websites have helped Unilever market its food and personal care brands to highly targeted segments such as Latino families in the United States. Unilever's [www.vivemejor.com](http://www.vivemejor.com), the Spanish-language website, and Facebook page provide brand-oriented recipes, coupons, holiday ideas, household hints, and other information that Latino families can use. The company also holds *Disfruta la Pasión de la Vida* events outside supermarkets to attract and engage Latino consumers. In planning such events, the company turns to its Multicultural Consumer Marketing Insights research team for guidance.

Unilever is looking beyond immediate acquisition behavior to encourage healthy, environmentally sustainable behavior all over the world. Through research, it has determined that the first step is to help consumers understand why they should do something (such as wash with soap to prevent the spread of disease). The next step is to show them how easy it is to take action (buy bars of soap and use them). Then, they must make the new behavior desirable (washing can keep the family safe from germs). Next, it is important

to make consumers feel good about doing this action (for themselves, their family, and society). Finally, find a way to continue the behavior over time (ask children to wash before every meal). With these five steps, Unilever has convinced millions of consumers in developing countries to adopt the healthy habit of washing their hands—promoting the company's Lifebuoy soap brand at the same time.

Unilever also sells laundry products in developing nations where water is a scarce resource, yet consumers are accustomed to rinsing clothes several times to get them clean. To address both consumer needs and environmental issues, CEO Paul Polman explains "We've put products out in the market—fabric softeners—that only need one rinse." Even then, "consumers were still doing two or three rinses, so we had to be very creative in educating them," he says. Clearly, Unilever wants to build strong relationships with its customers by making sure its brands are down-to-earth and "real."<sup>118</sup>

## CASE QUESTIONS

1. How is Unilever applying its understanding of internal consumer processes in the psychological core to market its products?
2. Which of the four external processes in the consumer's culture do you think have been the most important to the success of Dove's Campaign for Real Beauty? Why?
3. Do you agree with Unilever's decision to link its brands with efforts to encourage healthy and environmentally sustainable behaviors? Explain your answer.

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# DEVELOPING INFORMATION ABOUT CONSUMER BEHAVIOR

Consumer behavior research helps marketers determine what customers need, how they behave, what they think, and how they feel. Based on research, marketers make decisions about how to profitably satisfy consumer needs. This appendix explains the tools used to collect information about consumers, describes the organizations involved in research, and introduces ethical issues in research.

## CONSUMER BEHAVIOR RESEARCH METHODS

**Primary data** Data originating from a researcher and collected to provide information relevant to a specific research project.

**Secondary data** Data collected for some other purpose that is subsequently used in a research project.

**Survey** A method of collecting information from a sample of consumers, predominantly by asking questions.

Researchers collect and analyze two types of data for marketing purposes: primary and secondary. Data collected for its own purpose is called **primary data**. When marketers gather data using surveys, focus groups, experiments, and the like to support their own marketing decisions, they are collecting primary data. Data collected by an entity for one purpose and subsequently used by another entity for a different purpose is called **secondary data**. For example, after the government collects census data for tax purposes, marketers can use the results as secondary data to estimate the size of markets in their own industry.

A number of tools are available in the consumer researcher's "tool kit" for gathering primary data, some based on what consumers say and some on what they do (see Exhibit A.1). Researchers may collect data from relatively few people or compile data from huge samples of consumers. Each of these tools can provide unique insights that, when combined, reveal very different perspectives on the complex world of consumer behavior. This is research with a purpose: to guide companies in making more informed decisions and achieving marketing results.

### Surveys

One of the most familiar research tools is the **survey**, a method of collecting information from a sample of consumers, usually by asking questions, to draw quantitative conclusions about a target population. Some questions may be open-ended, with the consumer filling in the blanks; other questions may ask consumers to use a rating scale or check marks. Surveys can be conducted in person, through the mail, over the phone, or by using the Web. The online retailer Lands' End uses questionnaires posted on the SurveyMonkey site to obtain consumer input on all kinds of issues, from quality perceptions to buying priorities.<sup>1</sup>

Although companies often undertake specialized surveys to better understand a specific customer segment, some organizations carry out broad-based surveys that are made available to marketers. The U.S. Bureau of the Census is a widely used source of demographic information. Its Census of Population and Housing, conducted every ten years, asks U.S. consumers a series of questions regarding their age, marital status, gender, household size, education, and home ownership. This data base, available online ([www.census.gov](http://www.census.gov)), helps marketers learn about population shifts that might affect their offerings or their industry.

Survey data can also help marketers understand media usage and product purchasing patterns. For example, the Pew Research Center surveys consumers in different age groups about their Internet usage. After one recent survey, the organization reported: "On any given day, 53% of all the young adults ages 18–29 go online for no particular reason except to have fun or to pass the time."

## Exhibit A.1

**Tools for Primary Research Investigating Consumer Behavior**

There are many different types of tools available to research and get information on consumer behavior.

Tool	Description
Survey	A written instrument that asks consumers to respond to a predetermined set of research questions.
Focus group	A form of interview involving 8 to 12 people who, led by a moderator, discuss a product or other marketing stimulus.
Interview	One-on-one discussion in which an interviewer asks a consumer questions related to consumption behavior and decisions.
Storytelling	Consumers are asked to tell stories about acquisition, usage, or disposition experiences.
Photography and pictures	Showing photographs or pictures to consumers (or asking consumers to take photos or draw pictures) as a way to elicit comments about marketing stimuli.
Diaries	Asking consumers to maintain a written or online diary about product purchasing, media usage, and related behavior.
Experiments	Conducting experiments under laboratory conditions to determine whether and how specific marketing phenomena affect consumer behavior.
Field experiments	Conducting experiments such as market tests in the real world, to determine actual consumer reaction to marketing stimuli.
Conjoint analysis	A research technique designed to determine the relative importance and appeal of different levels of an offering's attributes.
Observations and ethnographic research	Observing consumers at home or in stores to understand behavior and gain insights that will lead to more effective marketing decisions.
Purchase panels	Tracking what consumers buy on different occasions or in different places.
Database marketing	Combining all research data about consumers and their purchases into a database that can be analyzed to identify behavior patterns as insights for developing marketing programs.
Netnography	Tracking and analyzing online comments and consumer activities to understand consumers' thoughts, feelings, and actions relative to marketing stimuli.
Psychophysiological reactions and neuroscience	Examining physiological reactions (e.g., eye movements) and applying neuroscience techniques (e.g., measuring brain activity) to understand consumer behavior.

By contrast, Pew reported that fewer than half of seniors were using the Internet as a fun diversion.<sup>2</sup> Researchers are even studying how to encourage survey response. In one study, more consumers completed a survey they received in the mail when the package was topped by a Post-it note asking them to participate.<sup>3</sup>

Surveys can also be used to collect sensitive information from consumers, by ensuring that their responses to the questions are completely anonymous. In a regular survey, consumers might underreport negative behaviors (e.g., shoplifting, tax evasion, binge drinking, smoking) or

overreport positive behaviors (e.g., giving to charity, reading books, studying, eating vegetables). Recent developments in market research techniques allow deep insights into the sensitive behaviors of consumers, while still safeguarding their anonymity.<sup>4</sup>

One technique to collect valid information about such sensitive topics is by having consumers use a randomization device (e.g., flipping a coin) while answering the questions. The randomization device determines whether consumers should truthfully respond to a question or provide an answer given by the device. For example, researchers might give consumers a coin and ask them to flip it before responding “yes” or “no” to the question “Have you ever shoplifted?” If the coin shows “tails,” consumers are to answer truthfully. If it shows “heads,” they are to flip again. Then, if the coin shows “tails,” they answer “yes”; if it shows “heads,” they answer “no.” Researchers can determine which percentage of all answers is due to the randomization device, and which percentage is true.

**Focus group** A form of interview involving 8 to 12 people; a moderator leads the group and asks participants to discuss a product, concept, or other marketing stimulus.

## Exhibit A.2

### Interviews

One-on-one interviews with consumers can provide useful feedback to companies or market researchers, especially on sensitive subjects.

### Focus Groups

Unlike a survey, which may collect input from hundreds of people responding individually to the same questionnaire, a **focus group** brings together small groups of consumers to discuss an issue or an offering. Led by a trained moderator, participants express their opinions about a given product or topic, which can be particularly useful in identifying and testing new product ideas. Focus groups provide qualitative insights into consumer attitudes as opposed to the quantitative (numerical) data resulting from surveys. When Nebraska was readying a new marketing

plan to boost state tourism, researchers held focus groups to learn about consumers’ perceptions of and attitudes toward the state’s varied attractions. Officials put together a tourism plan after determining that some tourists are attracted by Nebraska’s “open spaces,” while others prefer Omaha’s faster pace.<sup>5</sup>

A related technique is the computer-based focus group, in which consumers go to a computer lab where their individual comments are displayed anonymously on a large screen for viewing by the group. This method can help researchers gather information on sensitive topics, as can focus groups conducted by telephone or online rather than in person. However, the anonymity prevents researchers from collecting other relevant data, such as nonverbal reactions conveyed by facial expressions and body language that would be available in a traditional focus group.

Some companies convene customer advisory boards, small groups of customers that meet with marketing and service executives once or twice a year (face to face, online, or by phone) to discuss offerings, competitive products, future needs, acquisition and usage problems, and related issues. Board meetings serve not just as research but also as a tool for strengthening customer relations.<sup>6</sup> To illustrate, Premier Bank of Tallahassee, Florida, asks its two customer boards for feedback on branch services, new product ideas, and community involvement.<sup>7</sup>

### Interviews

Like focus groups, interviews involve direct contact with consumers (see Exhibit A.2). Interviews are often more appropriate than focus groups when the topic is sensitive,



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embarrassing, confidential, or emotionally charged. They provide more in-depth data than surveys when the researcher wants to “pick consumers’ brains.”

In some interviews, researchers ask customers about the process they use to make a purchase decision. One research company assigns professional interviewers to tape-record consumers’ thoughts while they shop for groceries. This research helps marketers understand how factors in the shopping environment affect purchasing. Interviews can also uncover broader attitudes that affect behavior across product categories. When the Underwriters Laboratories interviewed hundreds of consumers in the United States, Germany, China, and India, it found a belief that high-tech firms were bringing new products to market more quickly than needed. The interviews revealed concerns about the fast pace of new technology and about new products being introduced because companies wanted new products to sell, not necessarily because the products were innovative.<sup>8</sup>

Traditional interviews require a trained interviewer who attempts to establish rapport with consumers. Interviewers also note nonverbal behaviors like fidgeting, voice pitch changes, and folded arms and legs as clues to whether the respondent is open to the discussion or whether certain questions are particularly sensitive. Researchers often record interviews for later transcription so they can examine the results using qualitative or quantitative analysis. Sometimes researchers videotape nonverbal responses that cannot be captured in the transcription process and analyze the interviews later to identify patterns or themes.

## Storytelling

**Storytelling** A research method by which consumers are asked to tell stories about product acquisition, usage, or disposition experiences. These stories help marketers gain insights into consumer needs and identify the product attributes that meet these needs.

Another tool for conducting consumer research is **storytelling**, in which consumers tell researchers stories about their experiences with a product. At Patagonia, which markets outdoor clothing and accessories, researchers collect consumer stories about backpacking and other outdoor experiences for use in developing the company’s catalogs and online product descriptions. Storytelling not only provides information relevant to the marketing of the product but also shows that Patagonia is in touch with its customers and values what they say.<sup>9</sup>

Although storytelling involves the real stories of real consumers, sometimes marketers ask consumers to tell or write stories about hypothetical situations that the marketer has depicted in a picture or scenario.<sup>10</sup> The idea is that a consumer’s needs, feelings, and perceptions are revealed by the way he or she interprets what is depicted in the picture or scenario. For example, researchers may show a picture of a woman at the entrance to a Zara store with a thought bubble above her head and ask consumers to write what they imagine the woman is thinking. Such stories can reveal what consumers think of a particular store, purchase situation, and so on.

## Photography and Pictures

Some researchers use a technique in which they show pictures of experiences that consumers have had in order to help consumers remember and report experiences more completely.<sup>11</sup> Researchers may also ask consumers to draw or collect pictures that represent their thoughts and feelings about the topic at hand. Still another practice is to ask consumers to photograph their belongings or assemble a collage of pictures that reflects their lifestyles. Researchers then ask about the pictures and the meaning behind them or have the consumer write an essay, which can help integrate the images and thoughts suggested by the pictures.<sup>12</sup>

## Diaries

Asking consumers to keep diaries can provide important insights into their behavior, including product purchasing and media usage. Diaries often reveal how friends and family affect consumers’ decisions about clothes, music, fast foods, videos, concerts, and so on. When Unilever was planning a new deodorant, it asked a group of women to keep an “armpit diary”

noting how often they shaved, what their underarms looked like, and how frequently they used deodorant. Finding that the women were concerned about the condition of their underarm skin, Unilever created a moisturizing deodorant product and promoted its skin-care benefits.<sup>13</sup>

The research firm NPD Group asks more than three million consumers worldwide to maintain online diaries tracking their purchases in dozens of product categories. Companies buy NPD's diary data to learn whether consumers are brand loyal or brand switching and whether they are heavy or light product users. By linking the data with demographic data, marketers can learn even more about these consumers. Marketers targeting U.S. consumers can also examine yearly data from the government's Consumer Expenditure Diary Survey. As part of this research, selected consumers record all their household purchases of goods and services in certain categories, such as foods, beverages, and nonprescription medical items, during a two-week period. The results provide insights into how purchasing differs by age, home owners versus renters, and other consumer characteristics.

## Experiments

Consumer researchers can conduct experiments to determine whether certain marketing phenomena affect consumer behavior (see Exhibit A.3). For example, they might design an experiment to learn whether consumers' attitudes toward a brand are affected by the brand name as opposed to factors such as product features, package, color, logo, room temperature, or the consumer's mood. With experiments, researchers randomly assign consumers to receive different "treatments" and then observe the effects of these treatments. To illustrate, consumers might be assigned to groups that are shown different brand names. The researchers collect data about participants' attitudes toward the name and compare attitudes across groups. In a taste-test experiment, they might randomly assign consumers to groups and then ask each group to taste a different product. Comparing evaluations of the product across the groups will show which product is preferred.

An important aspect of such experiments is that the groups are designed to be identical in all respects except the treatment, called the **independent variable**. Thus, in a taste-test experiment, only the taste of the food or beverage is varied. Everything else is the same across

**Independent variable** The "treatment" or the entity that researchers vary in a research project.

### Exhibit A.3

#### Experiments

Laboratory testing and field experiments with consumers, such as taste testing, with is one way to research new products and marketing trends.



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groups—consumers eat or drink the same amount of the product, at the same temperature, from the same kind of container, in the same room, in the presence of the same experimenter, and so on. After consumers taste and rate the product, researchers can compare the groups' responses to see which taste is preferred. Because the groups are identical in all other respects, researchers know that any differences between the two groups are caused by the treatment (the food's taste).

## Field Experiments

Although experiments are often conducted in controlled laboratory situations, marketers can plan and implement experiments in the real world, known as “field experiments.” One type of field experiment, a **market test**, reveals whether an offering is likely to sell in a given market and which marketing-mix elements most effectively enhance sales. Suppose marketers want to determine how much advertising support to give to a new product. They could select two test markets of a similar size and demographic composition and spend a different amount of money on advertising in each market. By observing product sales in the two markets over a set period, the marketers would be able to tell which level of advertising expenditure resulted in higher sales.

Before Dr Pepper Snapple introduced its Dr Pepper Ten soft drink throughout the United States—targeting men who drink diet beverages—it tested the product's 10-calorie formula and the supporting marketing mix in six cities. In addition to gauging consumer response to the taste and name, the company wanted to determine how men and women would react to its male-oriented packaging and advertising. As a result of this market test, Dr Pepper Snapple learned that men responded positively—and that women were intrigued enough to try Dr Pepper Ten at least once.<sup>14</sup>

## Conjoint Analysis

Many marketers use the sophisticated research technique of **conjoint analysis** to determine the relative importance and appeal of different levels of an offering's attributes. To start, researchers identify the attributes of the offering, such as package size, specific product features, and price points. Next, they determine the levels to be tested for each attribute (e.g., large or small size). Then they ask consumers to react to a series of product concepts that combine these attributes in different ways.

For example, researchers might ask how likely consumers are to buy a large container of liquid Tide laundry detergent that has added stain removal power and costs \$4.75; they might also ask how likely consumers are to buy a small container of Tide that lacks added stain removal power and costs \$2.50. By analyzing the responses to different combinations, the researchers can see how important each attribute (e.g., size, price) is and the level of a given attribute that customers prefer. Academic researchers have used this methodology to understand, among other things, how much weight consumers give to environmental factors versus price and other attributes when they buy wooden furniture.<sup>15</sup>

## Observations and Ethnographic Research

At times, researchers observe consumers to gain insight into potentially effective product, promotion, price, and distribution decisions. The maker of Huggies disposable diapers, Kimberly-Clark, uses observational research to see how consumers react to new packaging and new shelf positions as they “shop” in virtual store environments customized to look like specific chain stores. The results not only help Kimberly-Clark's marketers make product and promotion decisions, but they also help Walmart, Target, and other retailers make decisions about buying and displaying Kimberly-Clark products.<sup>16</sup>

**Market test** A study in which the effectiveness of one or more elements of the marketing mix is examined by evaluating sales of the product in an actual market, e.g., a specific city.

**Conjoint analysis** A research technique to determine the relative importance and appeal of different levels of an offering's attributes.