

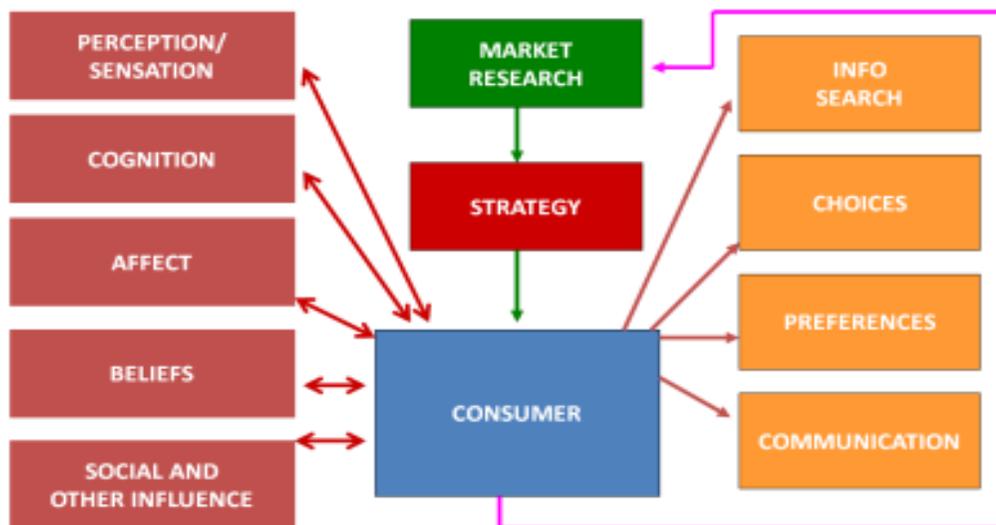
PERSPECTIVES ON CONSUMER BEHAVIOR

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Consumer behavior involves the psychological processes that consumers go through in recognizing needs, finding ways to solve these needs, making purchase decisions (e.g. whether or not to purchase a product and, if so, which brand and where), interpret information, make plans, and implement these plans (e.g. by engaging in comparison shopping or actually purchasing a product).

Sources of influence on the consumer: The consumer faces numerous sources of influence.

INFLUENCES ON AND OF CONSUMER BEHAVIOR



Often, we take *cultural* influences for granted, but they are significant. An American will usually not bargain with a store owner. This, however, is a common practice in much of the World. *Physical* factors also influence our behavior. We are more likely to buy a soft drink when we are thirsty. A person's *self-image* will also tend to influence what he or she will buy—an upwardly mobile manager may buy a flashy car to project an image of success. *Social* factors also influence what the consumers buy—often, consumers seek to imitate others whom they admire, and may buy the same brands. The social environment can include both the **mainstream culture** (e.g., Americans are more likely to have corn flakes or ham and eggs for breakfast than to have rice, which is preferred in many Asian countries) and a **subculture** (e.g., rap music often appeals to a segment within the

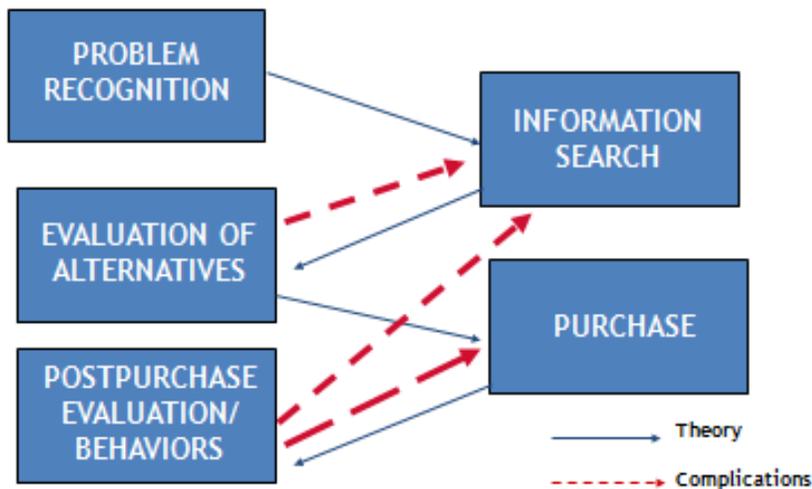
population that seeks to distinguish itself from the mainstream population). Thus, sneaker manufacturers are eager to have their products worn by admired athletes. Finally, consumer behavior is influenced by *learning*—you try a hamburger and learn that it satisfies your hunger and tastes good, and the next time you are hungry, you may consider another hamburger.

Consumer Choice and Decision Making:

One model of consumer decision making involves several steps. The first one is *problem recognition*—you realize that something is not as it should be. Perhaps, for example, your car is getting more difficult to start and is not accelerating well. The second step is *information search*—what are some alternative ways of solving the problem? You might buy a new car, buy a used car, take your car in for repair, ride the bus, ride a taxi, or ride a skateboard to work. The third step involves *evaluation of alternatives*. A skateboard is inexpensive, but may be ill-suited for long distances and for rainy days. Finally, we have the *purchase stage*, and sometimes a *post-purchase* stage (e.g., you return a product to the store because you did not find it satisfactory). In reality, people may go back and forth between the stages. For example, a person may resume alternative identification during while evaluating already known alternatives.

Consumer *involvement* will tend to vary dramatically depending on the type of product. In general, consumer involvement will be higher for products that are very expensive (e.g., a home, a car) or are highly significant in the consumer's life in some other way (e.g., a word processing program or acne medication).

It is important to consider the consumer's motivation for buying products. To achieve this goal, we can use the Means-End chain, wherein we consider a logical progression of consequences of product use that eventually lead to desired end benefit. Thus, for example, a consumer may see that a car has a large engine, leading to fast acceleration, leading to a feeling of performance, leading to a feeling of power, which ultimately improves the consumer's self-esteem. A handgun may aim bullets with precision, which enables the user to kill an intruder, which means that the intruder will not be able to harm the consumer's family, which achieves the desired end-state of security. In advertising, it is important to portray the desired end-states. Focusing on the large motor will do less good than portraying a successful person driving the car.



Information search and decision making: Consumers engage in both *internal* and *external* information search. *Internal* search involves the consumer identifying alternatives from his or her memory. For certain **low involvement products**, it is very important that marketing programs achieve “top of mind” awareness. For example, few people will search the *Yellow Pages* for fast food restaurants; thus, the consumer must be able to retrieve one’s restaurant from memory before it will be considered. For **high involvement products**, consumers are more likely to use an *external* search.

A *compensatory* decision involves the consumer “trading off” good and bad attributes of a product. For example, a car may have a low price and good gas mileage but slow acceleration. Occasionally, a decision will involve a *non-compensatory* strategy. For example, a parent may reject all soft drinks that contain artificial sweeteners. Here, other good features such as taste and low calories *cannot* overcome this one “non-negotiable” attribute.

Two interesting issues in decisions are:

- *Variety seeking* (where consumers seek to try new brands not because these brands are expected to be “better” in any way, but rather because the consumer wants a “change of pace,” and
- “*Impulse*” purchases—unplanned buys. This represents a somewhat “fuzzy” group. For example, a shopper may plan to buy vegetables but only decide in the store to actually buy broccoli and corn. Alternatively, a person may buy an item which is currently on sale, or one that he or she remembers that is needed only once inside the store.

A number of factors involve consumer choices. In some cases, consumers will be more *motivated*. For example, one may be more careful choosing a gift for an in-law than when buying the same thing for one self. Some consumers are also more motivated to *comparison shop* for the best prices, while others are more *convenience* oriented. *Personality* impacts decisions. Some like variety more than others, and some are more receptive to stimulation and excitement in trying new stores. *Perception* influences decisions. Some people, for example, can taste the difference between generic and name brand foods while many cannot. *Selective* perception occurs when a person is paying attention only to information of interest. For example, when looking for a new car, the consumer may pay more attention to car ads than when this is not in the horizon. Some consumers are put off by perceived *risk*. Thus, many marketers offer a money back guarantee. Consumers will tend to change their behavior through *learning*—e.g., they will avoid restaurants they have found to be crowded and will settle on brands that best meet their tastes. Consumers differ in the *values* they hold (e.g., some people are more committed to recycling than others who will not want to go through the hassle).

Family Decision Making: Individual members of families often serve different roles in decisions that ultimately draw on shared family resources. Some individuals are *information gatherers/holders*, who seek out information about products of relevance. These individuals often have a great deal of power because they may selectively pass on information that favors their chosen alternatives. *Influencers* do not ultimately have the power to decide between alternatives, but they may make their wishes known by asking for specific products or causing embarrassing situations if their demands are not met. The *decision maker(s)* have the power to determine issues such as:

- Whether to buy
- Which product to buy (pick-up or passenger car)
- Which brand to buy
- Where to buy it and
- When to buy.

However, that the role of the decision maker is separate from that of the *purchaser*.

Means-End Chain. Consumers often buy products not because of their attributes but rather because of the ultimate benefits that these attributes provide, in turn leading to the satisfaction of ultimate values.

The important thing in a means-end chain is to start with an *attribute*, a concrete characteristic of the product, and then logically progress to a series of consequences (which tend to become progressively more abstract) that end with a *value* being satisfied. Thus, each chain *must start with an attribute and end with a value*. An important implication of means-end chains is that it is usually most effective in advertising to *focus on higher level items*.

Attitudes. Consumer attitudes are a composite of a consumer's (1) beliefs about, (2) feelings about, (3) and behavioral intentions toward some "object"—within the context of marketing, usually a brand, product category, or retail store. These components are viewed together since they are highly interdependent and together represent forces that influence how the consumer will react to the object.

Beliefs: The first component is *beliefs*. A consumer may hold both positive beliefs toward an object (e.g., coffee tastes good) as well as negative beliefs (e.g., coffee is easily spilled and stains papers). In addition, some beliefs may be neutral (coffee is black), and some may differ in valence depending on the person or the situation

Affect: *Consumers* also hold certain feelings toward brands or other objects. Sometimes these feelings are based on the beliefs (e.g., a person feels nauseated when thinking about a hamburger because of the tremendous amount of fat it contains), but there may also be feelings which are relatively independent of beliefs.

Behavioral intention: The behavioral intention is what the consumer plans to do with respect to the object (e.g., buy or not buy the brand). Changing attitudes is generally *very difficult* Here are some possible methods:

- **Changing affect.** One approach is to try to change affect, which may or may not involve getting consumers to change their beliefs. One strategy uses the approach of *classical conditioning* try to "pair" the product with a liked stimulus. For example, we "pair" a car with a beautiful woman. Alternatively, we can try to get people to like the advertisement and hope that this liking will "spill over" into the

purchase of a product. For example, the Pillsbury Doughboy does not really emphasize the conveyance of much information to the consumer; instead, it attempts to create a warm, “fuzzy” image

- **Changing beliefs.** Although attempting to change beliefs is the obvious way to attempt attitude change, particularly when consumers hold unfavorable or inaccurate ones, this is often difficult to achieve because consumers tend to resist.

Perception. Our perception is an approximation of reality. Our brain attempts to make sense out of the stimuli to which we are exposed.

Importance of Consumer Behavior

To successfully market to different market segments and for a successful marketing campaign management the marketing manager needs appropriate marketing strategies which he can design only when he understands the factors which account for those differences in consumer behaviors and tastes.

In today’s world of rapidly changing technology, consumer tastes are also characterized by fast changes. To survive in the market, a firm has to be constantly innovating and understand the latest consumer trends and tastes. Consumer behavior provides invaluable clues and guidelines to marketers on new technological frontiers which they should explore.

Consumer behavior is a process, and purchase forms one part of this process. There are various endogenous psychological and exogenous environmental factors which influence this process. All these factors and the type of influence which they exert on an individual’s consumption behavior can be understood and analyzed.