

BUSML 4201: Consumer Behavior

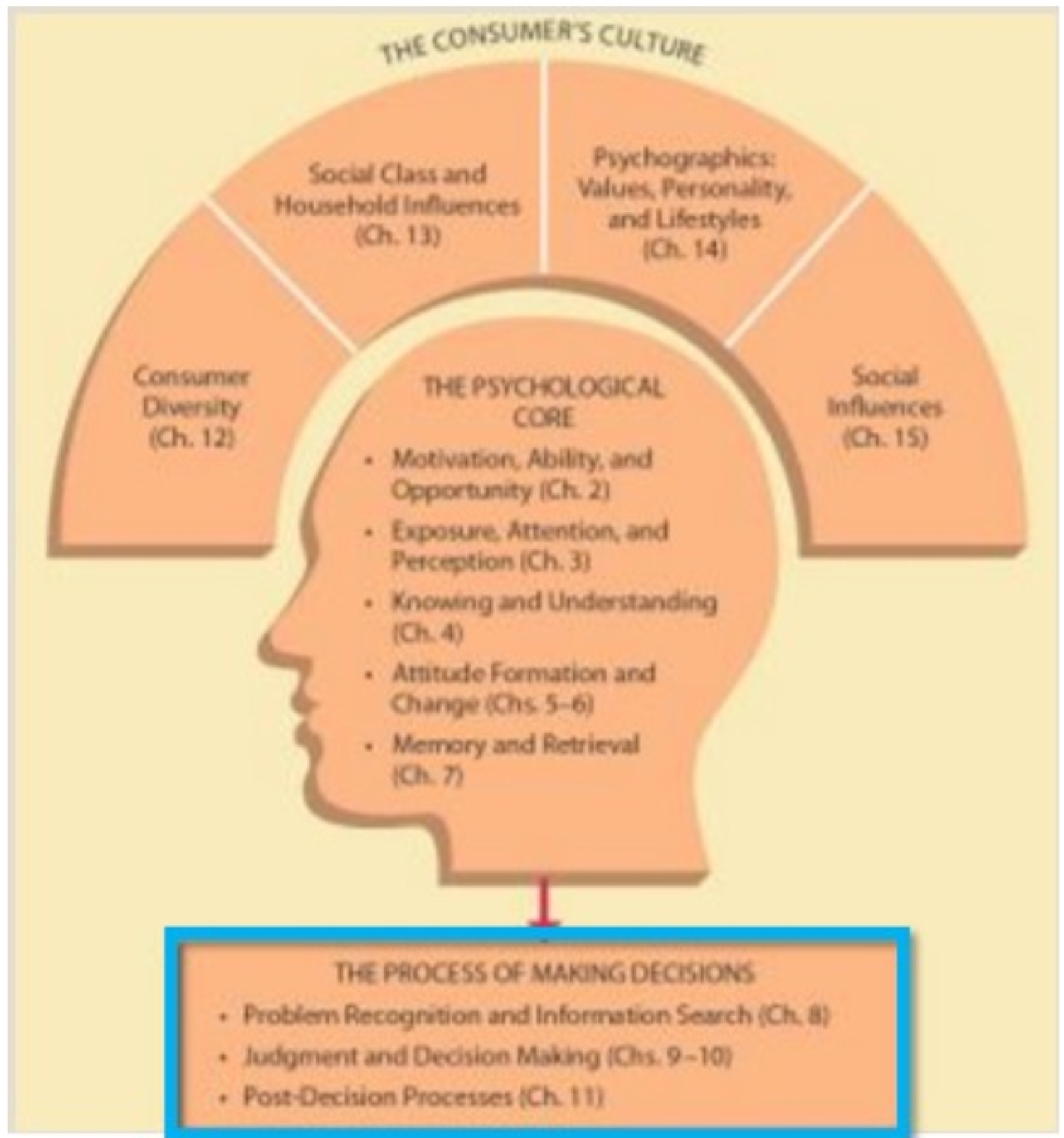
Exam I

Consumer Behavior – reflects the totality of consumers' decisions with respect to the acquisition, consumption, and disposition of goods, services, time, and ideas by humans over time.

Offering – a product, service, activity, or idea offered by a marketing organization to consumers.

What affects consumer behavior?

1. The Psychological Core
 - The internal consumer processes.
 - Motivation, Ability, Opportunity
2. The Process of Decision Making
 - *Problem Recognition* – realizing there is an unfulfilled need
 - *Information Search* – Identifying the necessary actions to take to solve the problem
 - *Decision Making*
 - i. High-Effort Decisions
 - ii. Low Effort Decisions
 - *Post-Purchase Decision* – judgment on whether the decision made was the correct one.
 - i. Does Experience = Expectations?
3. The Consumer's Culture
 - Culture – expected behavior, norms, ideas that characterize a group of people
 - Diversity Influences
 - i. Age, gender, education, social status all affect decision making
 - Values, Personality, Lifestyle affect decision making
 - Reference Groups – group we compare ourselves to for information
4. Consumer Behavior Outcomes
 - Symbols – external signs we use to express our identity
 - i. Ex. North Face jacket



Consumer Behavior Methods

How to Study consumer behavior?

- Intuition and Introspection alone cannot always provide real insight
 - Data is needed

Primary vs Secondary Data:

Primary Data – collected specifically for the purpose of solving the problem at hand

Ex. Experiments, Interviews, Focus Groups, etc.

Secondary Data – collected for some other purpose than the problem at hand

Ex. External (census, Gallup polls, etc.) Internal (past records, sales data, etc.)

Rule of Thumb: Collect secondary data first, then primary

	Qualitative	Quantitative
Exploratory → Generate ideas	In-depth interviews <u>Focus groups</u>	Observational
Descriptive → Generate numbers & relationships	Case studies	Content Analysis Surveys Data mining (e.g. scanner panels)
Causal → Assesses Cause-Effect relationships		Experiments, test markets (quasi-experiment)

Experimental Research – used to test hypotheses about causal relationships between variables

3 Factors Necessary for Causation

1. Correlation
2. Temporal Antecedence (the cause has to precede the effect)