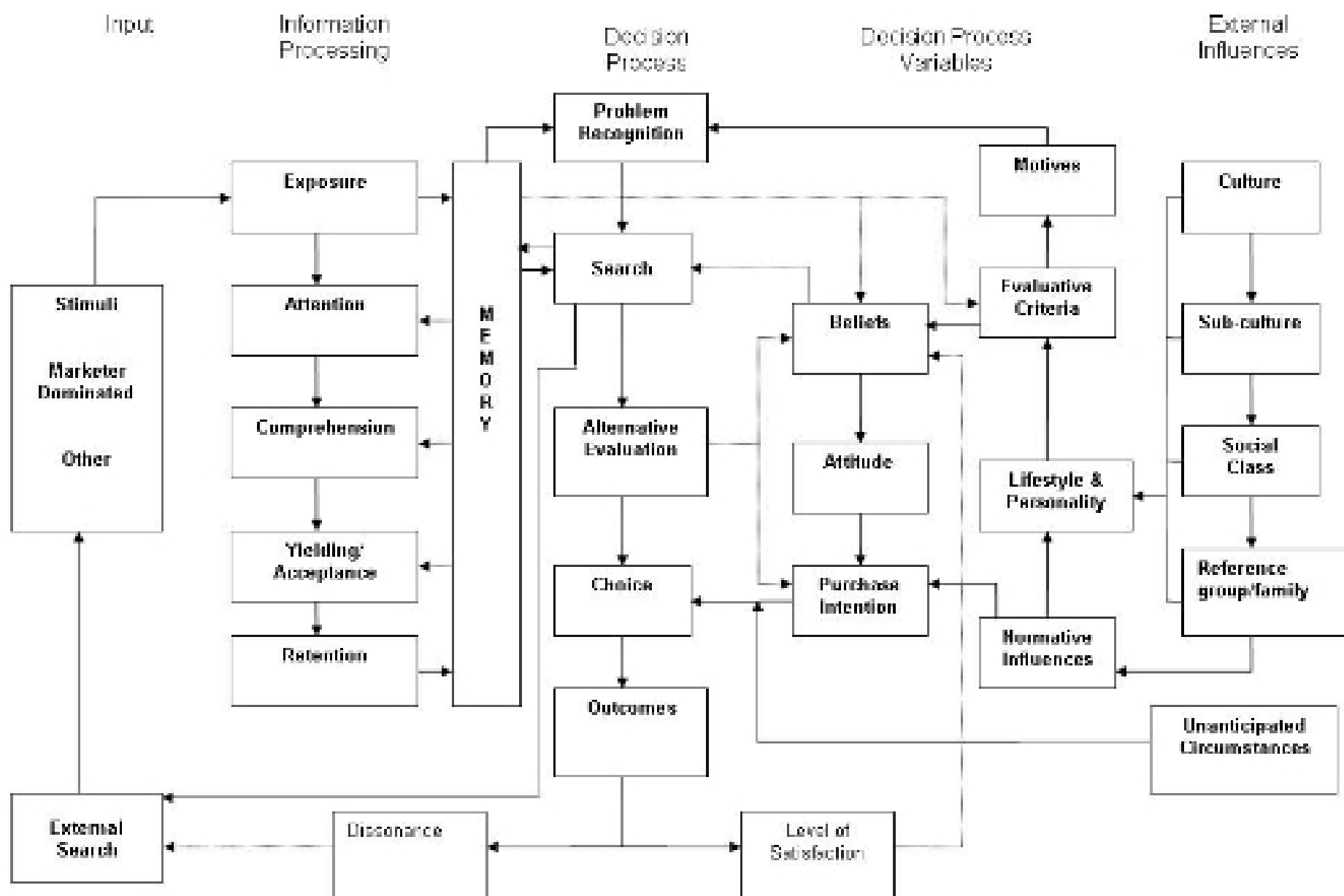


Chapter 5: Understanding Consumer Behavior

I) Video: Michele Skinn, on the importance of understanding consumers' motivations (non-profit)

- Learning the motivation is key
- Understand WHY the consumer would want to
- or YOUR product/brand
- Understand their motivation and then market to satisfy their motivation.

II) A Model of Consumer Behavior, Adapted from Engle, Kollat, and Blackwell



Comments:

III) The Purchase Decision Process Consists of Five Stages

a) Problem Recognition: Perceiving a need

Is the difference between the person's ideal and actual situation enough to trigger a decision? Advertising can activate a consumer's decision process by showing the shortcomings of competing (or currently owned) products.

b) Information Search: Seeking Value

c) Alternative Evaluation: Assessing Value

d) Choice: Buying Value

e) Outcomes: Value in consumption or use.

IV) Purchase Decision Process Stages – Problem Recognition

a) A perception that there is a difference between the actual situation and the desired/ideal situation.

b) Influenced by:

i) Internal needs and motives, and

ii) FIRMS, which can activate Problem Recognition through marketing communications which highlight

(1) Limitations of currently owned products, or

(2) Limitations of competitive products (cars, HP wireless printer)

v) Purchase Decision Process Stages – Information Search

a) First, we do an *internal search of memory*.

i) What types of things do we recall? (Brand name, location, etc)

b) Then, we may search externally, including:

i) Public Source (gov't, agencies, reports)

- ii) Market Dominated sources: Info from sellers (advertising, sales people, websites, point of purchase displays)
- iii) Personal Sources (family and friends)

vi) Purchase Decision Process Stages – Alternative Evaluation

- a) HOW will the consumer decide WHICH of the possible options to choose?
- b) *Evaluative Criteria* are the Factors that represent the brand's characteristics (as perceived by the consumer). They are used to compare the possible brand choices. (often displayed in advertisements)
- c) Marketers attempt to understand and to influence these!
- d) Consumers use their evaluative criteria to compare the alternatives in their **CONSIDERATION SET** (also called the **EVOKED SET**)
- e) Understanding the **CONSIDERATION SET** of brands
 - i) Consumers' search should yield a group of brands
 - ii) Brands that consumers actually **CONSIDER** before making a purchase decision are known as *evoked set* or *consideration set* (most preferred alternatives)

