**Chapter Five: Consumer Decision Making**

**Quiz Thursday (November 14th) on 2.01**

**Consumer Decision-Making Process**

* Be able to identify, define, & apply all five levels of the Consumer Decision-Making Process
  + Need Recognition
    - Internal v. External Stimulus
  + Information Search
    - Internal v. External Information Search
    - Non-Marketing Controlled Information Source v. Marketing Controlled
    - Evoked Set
  + Evaluation of Alternatives
    - How you narrow down or specify features and benefits that lead to one product
  + Purchase
    - The decision you make to buy or gain ownership of a product.
  + Post purchase Behavior
    - Cognitive Dissonance (Learning Objective 3 on p. 152)
      * What do consumers do to minimize this affect
      * What do marketers do to reduce dissonance

**Types of Consumer Buying-Decisions and Consumer Involvement**

* Routine Response Behavior
* Limited Decision Making
* Extensive Decision Making
  + Factors that determine the level of involvement in decision-making are:
    - Previous Experience with product (High v. Limited)
    - Interest in product (low v. high)
    - Cost of product (cheap v. expensive)
    - Time it takes you to make a decision (short v. long)
    - Information search required (Internal v. external)
    - Number of Alternatives (one v. many)
    - Risk of negative consequences (financial, social, psychological)
    - Situation (Not your normal buying circumstance. E.g. Buying for someone else)
    - Social visibility (Who will see your purchase)

**Cultural Influences on Buying Decisions**

* What occurs when a company uses a globalization, adaptation, or customization approach to brand expansion
* **Cultural Factors**
  + Pervasive, Functional, learned, & dynamic
  + Values, Languages, Customs, Rituals, Laws, Material Artifacts
  + Understand how to market to different age groups & countries because values will vary
  + Subculture within a culture (homogenous groups to focus on within a society)
  + Social Class
    - Upper Classes, Middle class, Working Class, Lower Classes
* **Social Influences**
  + Reference Groups
    - Primary & Secondary Membership Groups
      * Family v. Work
    - Aspirational v. Nonaspirational Reference Groups
      * Celebrity v. Not Cool
    - Opinion Leaders
      * Blog writers
    - Family
      * Socialization Process: Initiators, Influencers, Decision-Maker, Purchaser, Consumer
    - Norms of a society
* **Individual Influences**
  + Gender
    - Marketing to men v. women
  + Age
    - Age often depicts products/services that are interesting to them and needed
    - Television viewing habits can be traced to age groups
  + Life-cycle
    - Traditional: Young-Singles v. Young & Married w/ kids v. Married with Children
    - Non-Traditional: Divorced Parents, Lifelong Singles, Childless Couples
  + Personality
    - Centers on how a consumer reacts to situations
  + Self-Concept
    - How a consumer perceives themselves.
    - Ideal image v. Real image
  + Lifestyle
    - Mode of living: Interests, activities, & opinions

**Psychological Influences on Consumer Buying Decisions**

* Perception
  + Selective exposure
  + Selective distortion
  + Selective retention
  + Subliminal Messaging / Perception
* Motivation
  + Motives
  + Maslow’s Hierarchy of Needs
    - Physiological, Safety, Social, Esteem, Self-Actualization
* Learning
  + Experiential v. Conceptual
  + Stimulus Generalization
  + Stimulus Discrimination
* Beliefs & Attitudes
  + Beliefs shape attitudes
    - You believe something to be true about a brand & that belief shapes your attitude about brand
  + Belief is an organized pattern of knowledge that a person holds true to their world (What they believe)
  + Attitude is a learned tendency to respond consistently to certain objects

The purpose of this chapter centers around understanding what a consumer wants and the decision-making process they go through to make a purchase. As a marketer you are most effective when you understand a persons situation, target them accordingly, and limit the stress that can accompany money being spent.

**Task:**

* Determine five concepts that you think have the largest impact on consumer purchases & marketers efforts.
* You need to choose at least one concept from each Buying Decision Influence Category in order to earn full credit. Since you need to find five ad’s, one category will have two advertisements.
  + **Influential Categories**: Culture, Social, Individual, & Psychological
* Once you have selected the five factors you feel have the largest impact or presence in the industry; find examples of ad’s where Marketers appeal to that specific influence.
  + Basically the target market of the advertisement should match the influence you have identified
* Cut out the ad and write a description that details the influencing factor & the target market of the advertisement chosen. Your description must be at least 3-5 sentences and give a complete portrayal of the audience picked and the influence you have identified. If you cannot think of 3-5 sentences then choose another advertisement.
* Your rationales can be typed or written by hand. They can all on one sheet clearly labeled and separated as five distinct paragraphs/ads or on construction paper with the ad on one side and the rationale on the back

**This is an Individual Assignment**

**Example:**

Buying Influence: Culture Marketing towards African American Women

L’Oreal continually targets African American women in their advertisements. This is an example of how marketers examine a person’s culture to develop promotional strategies. In an effort to target this specific demographic; L’Oreal uses celebrities such as Beyonce to identify with young black women who are interested in a sophisticated look and professional appearance. Those most interested in this product would likely be black females, ages 21 – 45. They would be well educated, working citizens who take pride in their appearance and dress well. This type of consumer typically lives in larger populated areas, likes going out, interacting with other people, and showing off their fashionable look.

**Other examples of marketing to this target include**: Using Black Female Celebrities as endorsers of product. Creating products that are specific to this demographic (e.g. Avon Health & Beauty Items).

You could also identify this market in terms of the music they listen to & the television programming they watch.

