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| **MR1100 Unit 5: Factors Affecting Consumer Behaviour** | |
|  | **Learning Objectives:** |
|  | *Upon completion of this unit the learner should be able to:*   1. Discuss the consumer purchase decision process. 2. Identify influences on the purchase decision. |
|  | **Overview of this Unit** |
|  | Consumer behaviour is the actions a person takes when purchasing and using goods and services. This chapter looks at how and why consumers buy the products they do. |

MR1100 Marketing I - PT (CL) - Unit 5.  Factors Affecting Consumer Behaviour -    Learning Activities

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| **Learning Activities for this Unit** | |
| This unit will require you to complete the following: | |
| https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/Page_Templates/images/checkbox.gif | Readings from Text - Chapter 5 - Consumer Behaviour |
| https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/Page_Templates/images/checkbox.gif | Online Readings - Unit 5: Factors Affecting Consumer Behaviour |
| https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/Page_Templates/images/checkbox.gif | All Activities as Listed |
| https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/Page_Templates/images/checkbox.gif | Extra Study Questions (Optional) |
| https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/Page_Templates/images/checkbox.gif | Online Self-Test |
| *Please print this page to use as a guide as you work your way through this unit.* | |

MR1100 Marketing I - PT (CL) - Unit 5.  Factors Affecting Consumer Behaviour -    Unit/Chapter 5 Summary Video \*New\* (please view this video)

R1100 Marketing I - PT (CL) - Unit 5.  Factors Affecting Consumer Behaviour -    Consumer Behaviour

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| **Consumer Behaviour** |
| ***Consumer Behaviour -*** The actions that a person takes in purchasing and using products and services and the mental and social processes that proceed and follow these actions.   |  | | --- | | *The study of consumers helps firms and organizations improve their marketing strategies by understanding issues such as how*   * *The psychology of how consumers think, feel, reason, and select between different alternatives (e.g., brands, products);* * *The psychology of how the consumer is influenced by his or her environment (e.g., culture, family, signs, media);* * *The behavior of consumers while shopping or making other marketing decisions;* * *Limitations in consumer knowledge or information processing abilities influence decisions and marketing outcome;* * *How consumer motivation and decision strategies differ between products that differ in their level of importance or interest that they entail for the consumer; and* * *How marketers can adapt and improve their marketing campaigns and marketing strategies to more effectively reach the consumer.*   *Understanding these issues helps us adapt our strategies by taking the consumer into consideration. For example, by understanding that a number of different messages compete for our potential customers’ attention, we learn that to be effective, advertisements must usually be repeated extensively. We also learn that consumers will sometimes be persuaded more by logical arguments, but at other times will be persuaded more by emotional or symbolic appeals. By understanding the consumer, we will be able to make a more informed decision as to which strategy to employ.*  ***From the Psychology of Consumers -*** [***http://www.consumerpsychologist.com/***](http://www.consumerpsychologist.com/) | |

MR1100 Marketing I - PT (CL) - Unit 5.  Factors Affecting Consumer Behaviour -    Consumer Purchase Decision Process

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| **Consumer Purchase Decision Process** |
| When we purchase any good or service, we go through the *Purchase Decision Process*.  Sometimes we might spend a lot of time on one step, say information search for a new digital camera or a new car and other times we go straight to the purchase decision - for instance, purchasing milk or our favourite brand of soap.  https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/purchase_decision.gif   |  |  | | --- | --- | | ***Problem Recognition*** | Perceiving a need - could be something like an empty milk carton or an advertisement | | ***Information Search*** | Seek information on how to fill that need:   * *internal search* - looking at your past experiences i.e. same soap * *external search* - looking at other sources such as Internet, friends, consumer reports, etc. | | ***Alternative Evaluation*** | Assessing the information gathered.  This can lead to a set of criteria for purchase - ***evaluative criteria***.  This can also lead to an ***evoked set*** - the group of brands that a consumer would consider acceptable from among the brands in that class. | | ***Purchase Decision*** | Select an alternative for purchase - leads to when to buy and whom to buy from.  Sales, store atmosphere and financial circumstances can all make a difference. | | ***Post-Purchase Behaviour*** | The after-purchase feeling - did the product life up to its expectations? ***Cognitive dissonance*** can result when you have to choose one brand over another - did you make the right decision? | |

MR1100 Marketing I - PT (CL) - Unit 5.  Factors Affecting Consumer Behaviour -    Level of Involvement in the Purchase Decision

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| **Level of Involvement in the Purchase Decision** |
| Certain buying situations require more consideration than others.  There are three types of problem solving:   |  |  | | --- | --- | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/1.gif | ***Routine Problem Solving***  Used to buy common goods that have little risk.- e.g. buying your usual type of toothpaste | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/2.gif | ***Limited Problem Solving***  Used to buy more complex, less-often purchased that may offer more risk -  e.g. buying car mats, or a toaster | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/3.gif | ***Extended Problem Solving***  Used to buy complex items with great risk. - e.g. buying a new car | |

MR1100 Marketing I - PT (CL) - Unit 5.  Factors Affecting Consumer Behaviour -    Influences on the Purchase Decision Process

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| **Influences on the Purchase Decision Process** |
| |  |  | | --- | --- | | ***Situational Influences***  https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/shopping2.jpg | Influences that come from the buying situation (physical and mental) that you find yourself in during the purchase decision process.   1. *Purchase task* - the reason for the purchase in the first place or the amount of effort required to buy a product 2. *Social surroundings* - people around you when you buy 3. *Physical surroundings* - atmosphere, music, etc when you buy 4. *Temporal effects* - time of day or time available 5. *Antecedent states* - consumer's mood, cash available, etc | | ***Psychological Influences*** | Mainly internal, your mindset can affect the Decision Process   1. *Motivation* - the reason that causes the purchase behaviour. ***Maslow's Hierarchy of Needs*** shows purchasing decisions based on different level of needs ***(see below)*** 2. *Personality* - your consistent behaviour and how you see yourself 3. *Perception* - the way in which a person selects, organizes and interprets information about their surroundings.    * ***Selective perception*** - we only see so much advertising, only pay attention to a select amount and only retain a select amount.    * ***Perceived risk*** is all the anxieties we may feel about a purchase decision 4. *Learning* - refers to behaviours that come from repeated experiences and thinking, *brand loyalty* for a particular brand that we use all the time, e.g. Ivory soap.    * *Attitudes, Beliefs and Values* all play a part in our decision-making process.    * *Lifestyle* factors or our mode of living can also affect our purchase decision. |   https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/maslow.gif |

MR1100 Marketing I - PT (CL) - Unit 5.  Factors Affecting Consumer Behaviour -    Influences on the Purchase Decision Process continued

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| **Influences on the Purchase Decision Process continued** |
| |  |  | | --- | --- | | ***Sociocultural Influences***  https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/shopping3.jpg | Influences that come from society and our social surroundings.   1. *Personal influences* - we are often influenced by those around us.    * ***Opinion leaders*** can often influence our decisions.    * ***Word of Mouth*** is a powerful information source.    * ***Reference Groups*** are people that we look to for a source of information - groups we belong to or aspire to belong to.    * ***Family Influence*** can play a major role in decision making.    * The ***Family life cycle stage*** can make a difference to purchasing decisions.    * Also ***Family decision making* *style*** can a make a difference - does one spouse make the decision alone or is it a joint decision? 2. *Social class* - persons within a certain social class exhibit similar behaviours even when it comes to purchase decisions. ***Culture and subculture*** - the beliefs, values and ideas that we grow up with or are part of our subculture can influence our decision-making. | | ***Marketing Mix Influences***      *Prada Handbag* | The effect of the seller's efforts in manipulating the 4 P's of marketing,   * *Product* itself * *Price* of product * *Place* - where product is sold or how it is delivered * *Promotion* - the way the product is promoted   can all affect a consumer's purchase decisions. | |

MR1100 Marketing I - PT (CL) - Unit 5.  Factors Affecting Consumer Behaviour -    Unit 5 Study Questions

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| **Unit 5 Study Questions** |
| **MARKETING CONCEPTS AND PERSPECTIVES**   1. Review Figure 5.2 in the text, which shows portable CD player attributes identified by *Consumer Reports*.  Which attributes are important to you?  What other attributes might you consider?  Which brand would you prefer?  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit5/unit5_answers/unit5_ch5q1_answer.html) 2. Suppose research at Apple Computer reveals that prospective buyers are hesitant to buy personal computers for home use.  What strategies might you recommend to the company to reduce this uncertainty?  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit5/unit5_answers/unit5_ch5q2_answer.html) 3. A Porsche salesperson was taking orders on new cars, since he was unable to satisfy the demand because of the limited number of cars in the showroom and lot.  Several persons had backed out of the contract within 2 weeks of signing the order.  What explanation can you give for this behaviour, and what remedies would you recommend?  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit5/unit5_answers/unit5_ch5q3_answer.html) 4. Which social class would you associate with each of the following items or actions?  (a) Tennis club membership, (b) an arrangement of plastic flowers in the kitchen, (c) *True Romance* magazine, (d) *Maclean's* magazine, (e) formally dressing for dinner frequently, and (f) being a member of a bowling team.  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit5/unit5_answers/unit5_ch5q4_answer.html) 5. Assign one or more levels of the Maslow's Hierarchy of needs and motives to the following products:  (a) life insurance, (b) cosmetics, (c) Th*e Financial Post*, and (d) hamburgers.  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit5/unit5_answers/unit5_ch5q5_answer.html) 6. With which stage in the family life cycle would the purchase of the following products and services  be most closely identified?  (a) bedroom furniture, (b) life insurance, (c) Caribbean cruise, (d) house mortgage, and  (e) children's toys.  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit5/unit5_answers/unit5_ch5q6_answer.html) 7. "The greater the perceived risk in a purchase situation, the more likely that cognitive dissonance will result."  Does this statement have any basis given the discussion in the text?  Why?   [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit5/unit5_answers/unit5_ch5q7_answer.html) |