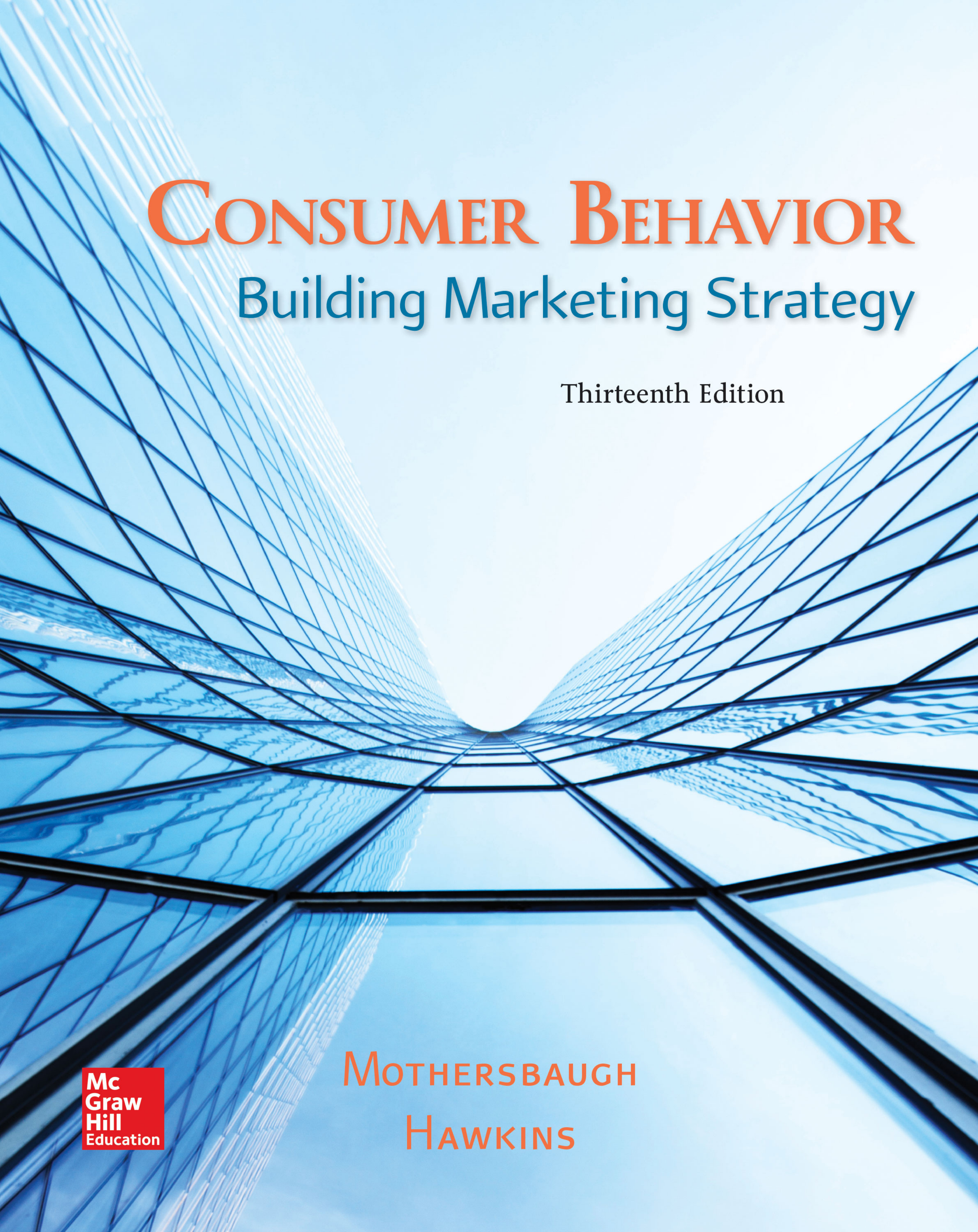

CONSUMER BEHAVIOR

Building Marketing Strategy

Thirteenth Edition

MOTHERSBAUGH
HAWKINS

McGraw Hill Education

Consumer Behavior

Building Marketing Strategy

THIRTEENTH EDITION

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CONSUMER BEHAVIOR: BUILDING MARKETING STRATEGY, THIRTEENTH EDITION

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Preface

Marketing attempts to influence the way consumers behave. These attempts have implications for the organizations making them, the consumers they are trying to influence, and the society in which these attempts occur. We are all consumers and we are all members of society, so consumer behavior, and attempts to influence it, is critical to all of us. This text is designed to provide an understanding of consumer behavior. This understanding can make us better consumers, better marketers, and better citizens.

MARKETING CAREERS AND CONSUMER BEHAVIOR

A primary purpose of this text is to provide the student with a usable, managerial understanding of consumer behavior. Most students in consumer behavior courses aspire to careers in marketing management, sales, or advertising. They hope to acquire knowledge and skills that will be useful to them in these careers. Unfortunately, some may be seeking the type of knowledge gained in introductory accounting classes; that is, a set of relatively invariant rules that can be applied across a variety of situations to achieve a fixed solution that is known to be correct. For these students, the uncertainty and lack of closure involved in dealing with living, breathing, changing, stubborn consumers can be very frustrating. However, if they can accept dealing with endless uncertainty, utilizing an understanding of consumer behavior in developing marketing strategy will become tremendously exciting.

It is our view that the utilization of knowledge of consumer behavior in the development of marketing strategy is an art. This is not to suggest that scientific principles and procedures are not applicable; rather, it means that the successful application of these principles to particular situations requires human judgment that we are not able to reduce to a fixed set of rules.

Let us consider the analogy with art in some detail. Suppose you want to become an expert artist. You would study known principles of the visual effects of blending various colors, of perspective, and so forth. Then you would practice applying these principles until you developed the ability to produce acceptable paintings. If you had certain natural talents, the right teacher, and the right topic, you might even produce a masterpiece. The same approach should be taken by one wishing to become a marketing manager, a salesperson, or an advertising director. The various factors or principles that influence consumer behavior should be thoroughly studied. Then, one should practice applying these principles until acceptable marketing strategies result. However, while knowledge and practice can in general produce acceptable strategies, great marketing strategies, like masterpieces, require special talents, effort, timing, and some degree of luck (what if Mona Lisa had not wanted her portrait painted?).

The art analogy is useful for another reason. All of us, professors and students alike, tend to ask, "How can I use the concept of, say, social class to develop a successful marketing strategy?" This makes as much sense as an artist asking, "How can I use blue to create a great picture?" Obviously, blue alone will seldom be sufficient for a great work of art. Instead, to be successful, the artist must understand when and how to use blue in conjunction with other elements in the picture. Likewise, the marketing manager must understand when and how to use a knowledge of social class in conjunction with a knowledge of other factors in designing a successful marketing strategy.

This book is based on the belief that knowledge of the factors that influence consumer behavior can, with practice, be used to develop sound marketing strategy. With this in mind, we have attempted to do three things. First, we present a reasonably comprehensive description of the various behavioral concepts and theories that have been found useful for understanding consumer behavior. This is generally done at the beginning of each chapter or at the beginning of major subsections in each chapter. We believe that a person must have a thorough understanding of a concept in order to successfully apply that concept across different situations.

Second, we present examples of how these concepts have been utilized in the development of marketing strategy. We have tried to make clear that these examples are not "how you use this concept." Rather, they are presented as "how one organization facing a particular marketing situation used this concept."

Third, at the end of each chapter and each major section, we present a number of questions, activities, or cases that require the student to apply the concepts.

CONSUMING AND CONSUMER BEHAVIOR

The authors of this book are consumers, as is everyone reading this text. Most of us spend more time buying and consuming than we do working or sleeping. We consume products such as cars and fuel, services such as haircuts and home repairs, and entertainment such as television and concerts. Given the time and energy we devote to consuming, we should strive to be good at it. A knowledge of consumer behavior can be used to enhance our ability to consume wisely.

Marketers spend billions of dollars attempting to influence what, when, and how you and I consume. Marketers not only spend billions attempting to influence our behavior but also spend hundreds of millions of dollars studying our behavior. With a knowledge of consumer behavior and an understanding of how marketers use this knowledge, we can study marketers. A television commercial can be an annoying interruption of a favorite program. However, it can also be a fascinating opportunity to speculate on the commercial's objective, its target audience, and the underlying behavior assumptions. Indeed, given the ubiquitous nature of commercials, an understanding of how they are attempting to influence us or others is essential to understand our environment.

Throughout the text, we present examples that illustrate the objectives of specific marketing activities. By studying these examples and the principles on which they are based, one can develop the ability to discern the underlying logic of the marketing activities encountered daily.

SOCIAL RESPONSIBILITY AND CONSUMER BEHAVIOR

What are the costs and benefits of regulating the marketing of food to children? How much more needs to be done to protect the online privacy of children? Of adults? What is the appropriate type and size of warning label for cigarettes that should be mandated by the federal government? These issues are currently being debated by industry leaders and consumer advocacy groups. As educated citizens, we have a responsibility to take part in these sorts of debates and work toward positive solutions. However, developing sound positions on these issues requires an understanding of such factors as information processing as it relates to advertising—an important part of our understanding of consumer behavior.

The debates described above are just a few of the many that require an understanding of consumer behavior. We present a number of these topics throughout the text. The objective is to develop the ability to apply consumer behavior knowledge to social and regulatory issues as well as to business and personal issues.

FEATURES OF THE THIRTEENTH EDITION

Marketing and consumer behavior, like the rest of the world, are changing at a rapid pace. Both the way consumers behave and the practices of studying that behavior continue to evolve. In order to keep up with this dynamic environment, the thirteenth edition includes a number of important features.

Internet, Mobile, and Social Media

The Internet, mobile marketing, and social media are dramatically changing the way in which consumers shop and buy. This edition integrates the latest research, practices, and examples concerning technology throughout the text and the cases.

Global Marketing

Previous editions have included a wealth of global material, and this edition is no exception. Most chapters contain multiple global examples woven into the text. In addition, Chapter 2 and several of the cases are devoted to global issues.

Ethnic Subcultures

This edition continues our emphasis on the exciting issues surrounding marketing to ethnic subcultures. Ethnic diversity is increasing and we draw in the latest research and emerging trends to shed light on this important topic.

Strategic Application

This edition continues our emphasis on the application of consumer behavior concepts and theory to exciting marketing problems and important emerging trends. We do this through our heavy emphasis on segmentation schemes, as well as opening examples, featured consumer insights, and cases. This edition contains many segmentation schemes that provide insights into the development of marketing strategy. The opening examples, in-text examples, and consumer insights provide additional strategic insight by showing how specific companies utilize various consumer behavior concepts in developing effective marketing strategies. Finally, cases provide an opportunity to apply consumer behavior concepts to real-world problems.

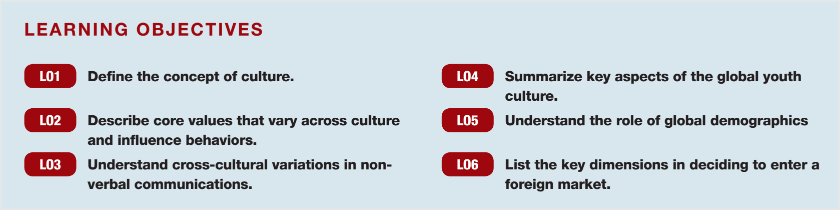
Walkthrough

Chapter Features

Each chapter contains a variety of features designed to enhance students' understanding of the material as well as to make the material more fun.

Learning Objectives

We are dedicated to making this text a valuable learning and teaching resource. We believe the learning objectives aid both students and instructors. Each chapter starts with a set of learning objectives linked to key learning outcomes that are then integrated throughout the text and in other learning and teaching resources.



LEARNING OBJECTIVES

LO1 Define the concept of culture.

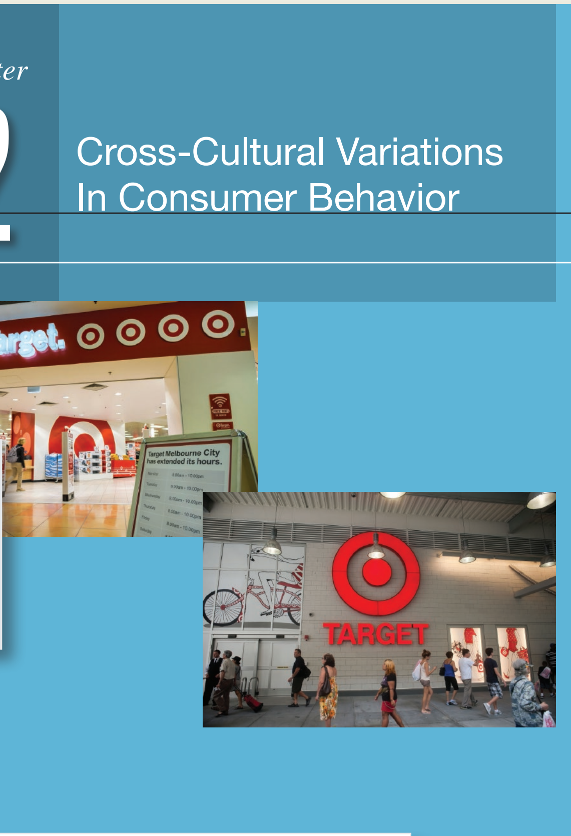
LO2 Describe core values that vary across culture and influence behaviors.

LO3 Understand cross-cultural variations in non-verbal communications.

LO4 Summarize key aspects of the global youth culture.

LO5 Understand the role of global demographics

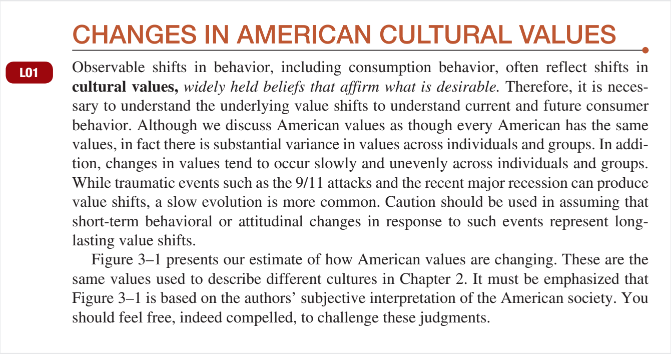
LO6 List the key dimensions in deciding to enter a foreign market.



chapter 2

Cross-Cultural Variations In Consumer Behavior

- Areas in the chapter that deal with a learning objective are tagged for easy reference.
- The summary section in the end-of-chapter material is organized around the learning objectives to provide additional clarity.
- The student quizzes on the student online learning center (Student OLC) are tagged by these learning objectives.



CHANGES IN AMERICAN CULTURAL VALUES

LO1

Observable shifts in behavior, including consumption behavior, often reflect shifts in **cultural values,** *widely held beliefs that affirm what is desirable.* Therefore, it is necessary to understand the underlying value shifts to understand current and future consumer behavior. Although we discuss American values as though every American has the same values, in fact there is substantial variance in values across individuals and groups. In addition, changes in values tend to occur slowly and unevenly across individuals and groups. While traumatic events such as the 9/11 attacks and the recent major recession can produce value shifts, a slow evolution is more common. Caution should be used in assuming that short-term behavioral or attitudinal changes in response to such events represent long-lasting value shifts.

Figure 3–1 presents our estimate of how American values are changing. These are the same values used to describe different cultures in Chapter 2. It must be emphasized that Figure 3–1 is based on the authors' subjective interpretation of the American society. You should feel free, indeed compelled, to challenge these judgments.

Opening Vignettes

Each chapter begins with a practical example that introduces the material in the chapter. These involve situations in which businesses, government units, or nonprofit organizations have used or misused consumer behavior principles. Many of the opening vignettes are new to the thirteenth edition.

LEARNING OBJECTIVES

- **LO1** **Define the concept of culture.**
- **LO2** **Describe core values that vary across culture and influence behaviors.**
- **LO3** **Understand cross-cultural variations in nonverbal communications.**
- **LO4** **Summarize key aspects of the global youth culture.**
- **LO5** **Understand the role of global demographics**
- **LO6** **List the key dimensions in deciding to enter a foreign market.**

Firms often aspire to be global. The benefits can be significant, but the challenges are staggering. The adaptations, adjustments, and considerations necessary when doing business across country and cultural borders are numerous. The following examples (Target, Bunnies, and Apple) illustrate the branding and logo issues created by global trademark law.

Target: United States versus Australia—Target, the 1,800-store Minneapolis-based retailer, recently established its first non-U.S. stores in Canada.[1] Although this is Target's first venture beyond its American borders, since 1968 there have been Target department stores in Australia. Target Australia (300 stores, $3.8 B annual revenue) bears an uncanny resemblance to the U.S. Target, with the same (a) "Target" name in the same font; (b) red and white bulls'-eye logo on its storefront, website, and ads; (c) tagline "Expect more, Pay less"; as well as a mix of products that consumers likely would find indistinguishable from those offered in Target U.S.

The explanation for this seemingly odd occurrence can be found in trademark law and the historical development of regional and local brands at a time when globalization was less prevalent. Trademarks for the most part can be established only in one country at a time. A company doing business in multiple countries must obtain trademarks for its name separately for each country (Target U.S. did so in 1966–67; Target Australia did so in 1968). Why Target U.S. would have allowed this is speculative, but one expert suggests:

> . . . the two Targets [likely] had some sort of informal, handshake agreement. Fifty years ago, retail was primarily a local business and there were very few, if any, truly global brands. The idea that Target U.S. and Target Australia would somehow cross paths seemed remote at best.

Currently, Target U.S. and Target Australia are not directly competing. But the globalized nature of consumer buying, the permeability of country boundaries provided by Internet access, and Target U.S.'s desire to grow beyond its borders paints a scenario that could create challenges and conflict moving forward.

Pink Bunnies: Energizer versus Duracell—The localized nature of trademark laws also explains the existence of two battery bunnies, the Energizer Bunny in the United States and Canada and the Duracell Bunnies in Europe and Australia. In 1973, Duracell created the Duracell Bunny to personify the long life of its batteries. In a worldwide advertisement campaign from 1973 to 1980, the drum-beating bunny powered by Duracell batteries outlasted

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Four-Color Illustrations

Print ads, web pages, storyboards, and photos of point-of-purchase displays and packages appear throughout the text. Each is directly linked to the text material both by text references to each illustration and by the descriptive comments that accompany each illustration. These illustrations, which we've continued to update with the thirteenth edition, provide vivid examples and applications of the concepts and theories presented in the text.

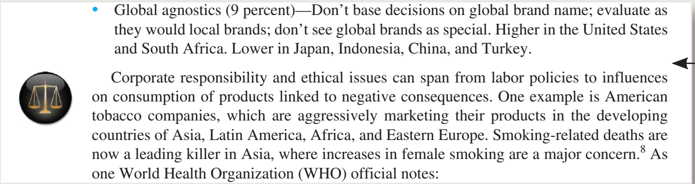
ILLUSTRATION 2-7

This ad campaign uses a global youth appeal to target style leaders around the world.

adidas
PERFORMANCE
ORIGINALS
STYLE
SHOP
CREATE YOUR OWN
adidas SHOP

Integrated Coverage of Ethical/Social Issues

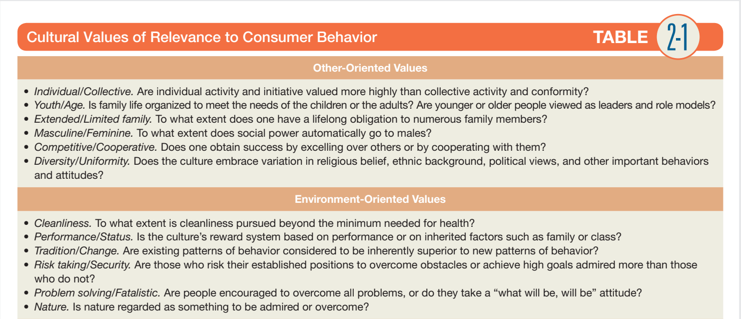
Marketers face numerous ethical issues as they apply their understanding of consumer behavior in the marketplace. We describe and discuss many of these issues. These discussions are highlighted in the text via an "ethics" icon in the margin. In addition, Chapter 20 is devoted to social and regulation issues relating to marketing practice. Several of the cases are also focused on ethical or regulatory issues, including all of the cases following Part Six.



- Global agnostics (9 percent)—Don't base decisions on global brand name; evaluate as they would local brands; don't see global brands as special. Higher in the United States and South Africa. Lower in Japan, Indonesia, China, and Turkey.

Corporate responsibility and ethical issues can span from labor policies to influences on consumption of products linked to negative consequences. One example is American tobacco companies, which are aggressively marketing their products in the developing countries of Asia, Latin America, Africa, and Eastern Europe. Smoking-related deaths are now a leading killer in Asia, where increases in female smoking are a major concern.[8] As one World Health Organization (WHO) official notes:

Tables



Cultural Values of Relevance to Consumer Behavior **TABLE 2-1**

Other-Oriented Values

- *Individual/Collective.* Are individual activity and initiative valued more highly than collective activity and conformity?
- *Youth/Age.* Is family life organized to meet the needs of the children or the adults? Are younger or older people viewed as leaders and role models?
- *Extended/Limited family.* To what extent does one have a lifelong obligation to numerous family members?
- *Masculine/Feminine.* To what extent does social power automatically go to males?
- *Competitive/Cooperative.* Does one obtain success by excelling over others or by cooperating with them?
- *Diversity/Uniformity.* Does the culture embrace variation in religious belief, ethnic background, political views, and other important behaviors and attitudes?

Environment-Oriented Values

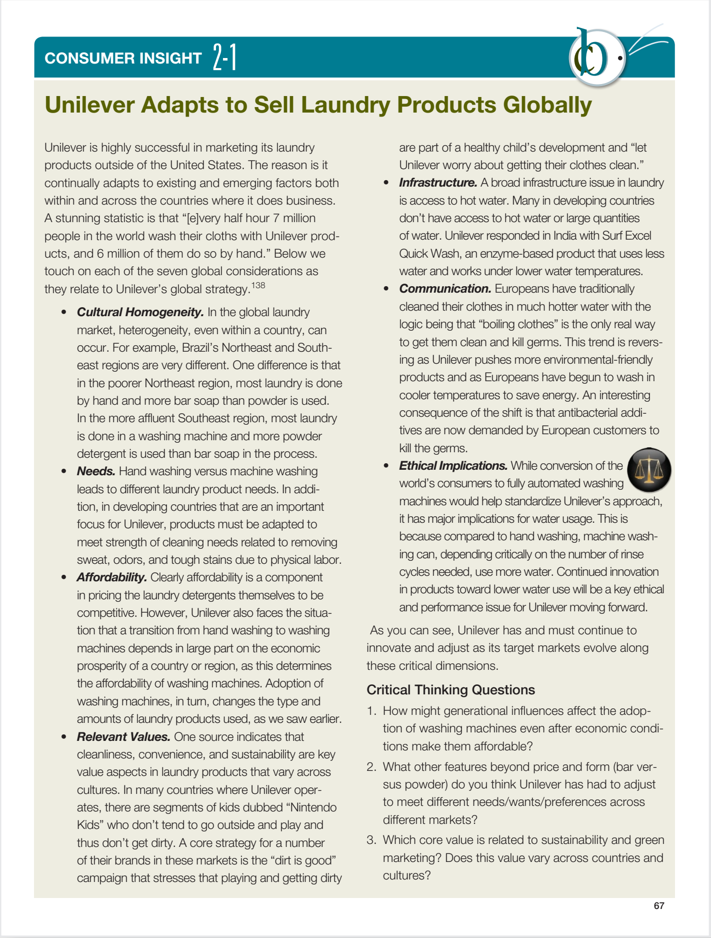
- *Cleanliness.* To what extent is cleanliness pursued beyond the minimum needed for health?
- *Performance/Status.* Is the culture's reward system based on performance or on inherited factors such as family or class?
- *Tradition/Change.* Are existing patterns of behavior considered to be inherently superior to new patterns of behavior?
- *Risk taking/Security.* Are those who risk their established positions to overcome obstacles or achieve high goals admired more than those who do not?
- *Problem solving/Fatalistic.* Are people encouraged to overcome all problems, or do they take a "what will be, will be" attitude?
- *Nature.* Is nature regarded as something to be admired or overcome?

Self-Oriented Values

- *Active/Passive.* Is a physically active approach to life valued more highly than a less active orientation?
- *Sensual gratification/Abstinence.* To what extent is it acceptable to enjoy sensual pleasures such as food, drink, and sex?
- *Material/Nonmaterial.* How much importance is attached to the acquisition of material wealth?
- *Hard work/Leisure.* Is a person who works harder than economically necessary admired more than one who does not?
- *Postponed gratification/Immediate gratification.* Are people encouraged to "save for a rainy day" or to "live for today"?
- *Religious/Secular.* To what extent ar

Consumer Insights

These boxed discussions provide an in-depth look at a particularly interesting consumer study or marketing practice. Each has several questions within it that are designed to encourage critical thinking by the students. Many of the consumer insights are new to the thirteenth edition.



CONSUMER INSIGHT 2-1

Unilever Adapts to Sell Laundry Products Globally

Unilever is highly successful in marketing its laundry products outside of the United States. The reason is it continually adapts to existing and emerging factors both within and across the countries where it does business. A stunning statistic is that "[e]very half hour 7 million people in the world wash their cloths with Unilever products, and 6 million of them do so by hand." Below we touch on each of the seven global considerations as they relate to Unilever's global strategy.[138]

- ***Cultural Homogeneity.*** In the global laundry market, heterogeneity, even within a country, can occur. For example, Brazil's Northeast and Southeast regions are very different. One difference is that in the poorer Northeast region, most laundry is done by hand and more bar soap than powder is used. In the more affluent Southeast region, most laundry is done in a washing machine and more powder detergent is used than bar soap in the process.
- ***Needs.*** Hand washing versus machine washing leads to different laundry product needs. In addition, in developing countries that are an important focus for Unilever, products must be adapted to meet strength of cleaning needs related to removing sweat, odors, and tough stains due to physical labor.
- ***Affordability.*** Clearly affordability is a component in pricing the laundry detergents themselves to be competitive. However, Unilever also faces the situation that a transition from hand washing to washing machines depends in large part on the economic prosperity of a country or region, as this determines the affordability of washing machines. Adoption of washing machines, in turn, changes the type and amounts of laundry products used, as we saw earlier.
- ***Relevant Values.*** One source indicates that cleanliness, convenience, and sustainability are key value aspects in laundry products that vary across cultures. In many countries where Unilever operates, there are segments of kids dubbed "Nintendo Kids" who don't tend to go outside and play and thus don't get dirty. A core strategy for a number of their brands in these markets is the "dirt is good" campaign that stresses that playing and getting dirty are part of a healthy child's development and "let Unilever worry about getting their clothes clean."
- ***Infrastructure.*** A broad infrastructure issue in laundry is access to hot water. Many in developing countries don't have access to hot water or large quantities of water. Unilever responded in India with Surf Excel Quick Wash, an enzyme-based product that uses less water and works under lower water temperatures.
- ***Communication.*** Europeans have traditionally cleaned their clothes in much hotter water with the logic being that "boiling clothes" is the only real way to get them clean and kill germs. This trend is reversing as Unilever pushes more environmental-friendly products and as Europeans have begun to wash in cooler temperatures to save energy. An interesting consequence of the shift is that antibacterial additives are now demanded by European customers to kill the germs.
- ***Ethical Implications.*** While conversion of the world's consumers to fully automated washing machines would help standardize Unilever's approach, it has major implications for water usage. This is because compared to hand washing, machine washing can, depending critically on the number of rinse cycles needed, use more water. Continued innovation in products toward lower water use will be a key ethical and performance issue for Unilever moving forward.

As you can see, Unilever has and must continue to innovate and adjust as its target markets evolve along these critical dimensions.

Critical Thinking Questions

1. How might generational influences affect the adoption of washing machines even after economic conditions make them affordable?
2. What other features beyond price and form (bar versus powder) do you think Unilever has had to adjust to meet different needs/wants/preferences across different markets?
3. Which core value is related to sustainability and green marketing? Does this value vary across countries and cultures?

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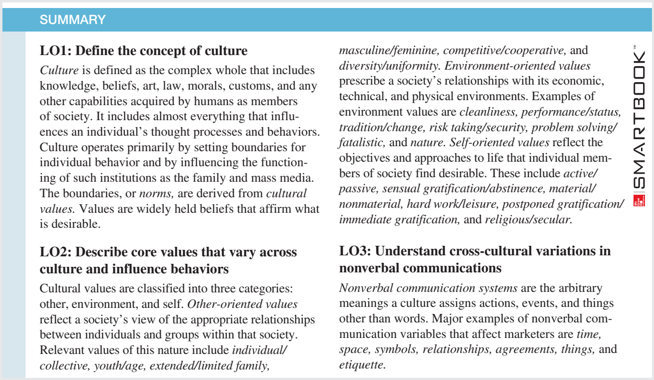
End of Chapter Material

Summary

The summary section integrates material organized around the learning objectives to provide additional clarity.



SUMMARY

LO1: Define the concept of culture

Culture is defined as the complex whole that includes knowledge, beliefs, art, law, morals, customs, and any other capabilities acquired by humans as members of society. It includes almost everything that influences an individual's thought processes and behaviors. Culture operates primarily by setting boundaries for individual behavior and by influencing the functioning of such institutions as the family and mass media. The boundaries, or *norms,* are derived from *cultural values.* Values are widely held beliefs that affirm what is desirable.

LO2: Describe core values that vary across culture and influence behaviors

Cultural values are classified into three categories: other, environment, and self. *Other-oriented values* reflect a society's view of the appropriate relationships between individuals and groups within that society. Relevant values of this nature include *individual/collective, youth/age, extended/limited family, masculine/feminine, competitive/cooperative,* and *diversity/uniformity. Environment-oriented values* prescribe a society's relationships with its economic, technical, and physical environments. Examples of environment values are *cleanliness, performance/status, tradition/change, risk taking/security, problem solving/fatalistic,* and *nature. Self-oriented values* reflect the objectives and approaches to life that individual members of society find desirable. These include *active/passive, sensual gratification/abstinence, material/nonmaterial, hard work/leisure, postponed gratification/immediate gratification,* and *religious/secular.*

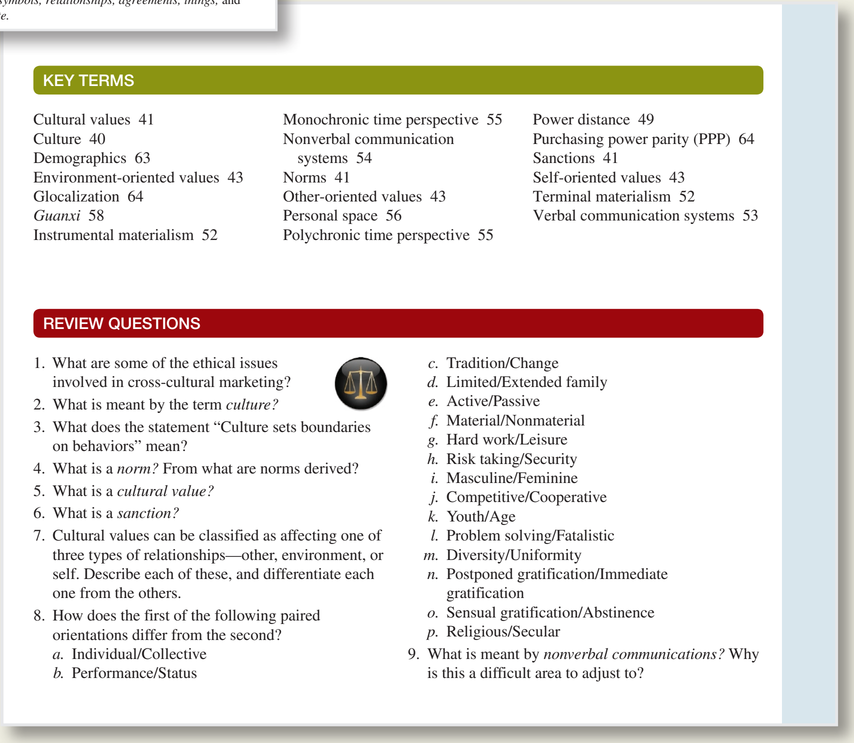
LO3: Understand cross-cultural variations in nonverbal communications

Nonverbal communication systems are the arbitrary meanings a culture assigns actions, events, and things other than words. Major examples of nonverbal communication variables that affect marketers are *time, space, symbols, relationships, agreements, things,* and *etiquette.*

Key Terms

Review Questions

The review questions at the end of each chapter allow students or the instructor to test the acquisition of the facts contained in the chapter. The questions require memorization, which we believe is an important, though insufficient, part of learning.

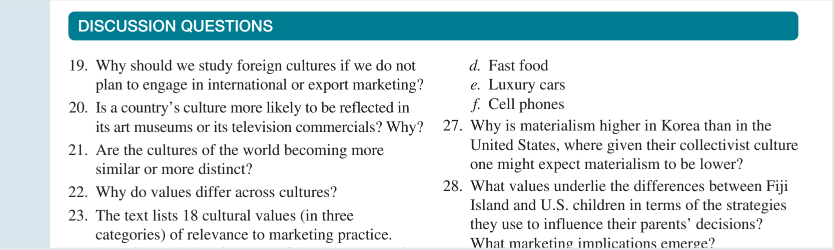


KEY TERMS

Cultural values 41
Culture 40
Demographics 63
Environment-oriented values 43
Glocalization 64
Guanxi 58
Instrumental materialism 52
Monochronic time perspective 55
Nonverbal communication systems 54
Norms 41
Other-oriented values 43
Personal space 56
Polychronic time perspective 55
Power distance 49
Purchasing power parity (PPP) 64
Sanctions 41
Self-oriented values 43
Terminal materialism 52
Verbal communication systems 53

REVIEW QUESTIONS

1. What are some of the ethical issues involved in cross-cultural marketing?
2. What is meant by the term *culture?*
3. What does the statement "Culture sets boundaries on behaviors" mean?
4. What is a *norm?* From what are norms derived?
5. What is a *cultural value?*
6. What is a *sanction?*
7. Cultural values can be classified as affecting one of three types of relationships—other, environment, or self. Describe each of these, and differentiate each one from the others.
8. How does the first of the following paired orientations differ from the second?
   a. Individual/Collective
   b. Performance/Status
   c. Tradition/Change
   d. Limited/Extended family
   e. Active/Passive
   f. Material/Nonmaterial
   g. Hard work/Leisure
   h. Risk taking/Security
   i. Masculine/Feminine
   j. Competitive/Cooperative
   k. Youth/Age
   l. Problem solving/Fatalistic
   m. Diversity/Uniformity
   n. Postponed gratification/Immediate gratification
   o. Sensual gratification/Abstinence
   p. Religious/Secular
9. What is meant by *nonverbal communications?* Why is this a difficult area to adjust to?



DISCUSSION QUESTIONS

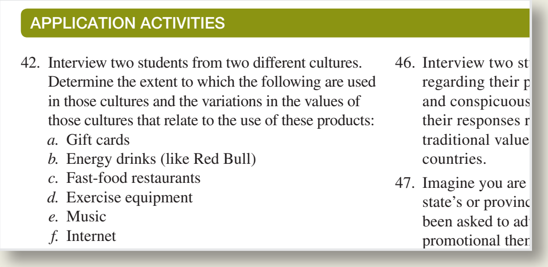
19. Why should we study foreign cultures if we do not plan to engage in international or export marketing?
20. Is a country's culture more likely to be reflected in its art museums or its television commercials? Why?
21. Are the cultures of the world becoming more similar or more distinct?
22. Why do values differ across cultures?
23. The text lists 18 cultural values (in three categories) of relevance to marketing practice.
    d. Fast food
    e. Luxury cars
    f. Cell phones
27. Why is materialism higher in Korea than in the United States, where given their collectivist culture one might expect materialism to be lower?
28. What values underlie the differences between Fiji Island and U.S. children in terms of the strategies they use to influence their parents' decisions? What marketing implications emerge?

Discussion Questions

These questions can be used to help develop or test the students' understanding of the material in the chapter. Answering these questions requires the student to utilize the material in the chapter to reach a recommendation or solution. However, they can generally be answered without external activities such as customer interviews; therefore, they can be assigned as in-class activities.

Application Activities

The final learning aid at the end of each chapter is a set of application exercises. These require the students to utilize the material in the chapter in conjunction with external activities such as visiting stores to observe point-of-purchase displays, interviewing customers or managers, or evaluating television ads. They range in complexity from short evening assignments to term projects.



APPLICATION ACTIVITIES

42. Interview two students from two different cultures. Determine the extent to which the following are used in those cultures and the variations in the values of those cultures that relate to the use of these products:
    a. Gift cards
    b. Energy drinks (like Red Bull)
    c. Fast-food restaurants
    d. Exercise equipment
    e. Music
    f. Internet

46. Interview two st
regarding their p
and conspicuous
their responses r
traditional value
countries.

47. Imagine you are
state's or provinc
been asked to ad
promotional ther

OTHER LEARNING AIDS IN THE TEXT

Three useful sets of learning material are presented outside the chapter format—cases, an overview of consumer research methods, and a format for a consumer behavior audit.

Cases

There are cases at the end of each major section of the text except the first. Many of the cases are new to the 13e. Many of the cases can be read in class and used to generate discussion of a particular topic. Students like this approach, and many instructors find it a useful way to motivate class discussion.

Other cases are more complex and data intense. They require several hours of effort to analyze. Still others can serve as the basis for a term project. We have used several cases in this manner with success (the assignment is to develop a marketing plan clearly identifying the consumer behavior constructs that underlie the plan).

Each case can be approached from a variety of angles. A number of discussion questions are provided with each case. However, many other questions can be used. In fact, while the cases are placed at the end of the major sections, most lend themselves to discussion at other points in the text as well.

Consumer Research Methods Overview

Appendix A provides a brief overview of the more commonly used research methods in consumer behavior. While not a substitute for a course or text in marketing research, it is a useful review for students who have completed a research course. It can also serve to provide students who have not had such a course with relevant terminology and a very basic understanding of the process and major techniques involved in consumer research.

Consumer Behavior Audit

Appendix B provides a format for doing a consumer behavior audit for a proposed marketing strategy. This audit is basically a list of key consumer behavior questions that should be answered for every proposed marketing strategy. Many students have found it particularly useful if a term project relating consumer behavior to a firm's actual or proposed strategy is required.

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Acknowledgments

We enjoy studying, teaching, consulting, and writing about consumer behavior. Most of the faculty we know feel the same. As with every edition of this book, our goal for the thirteenth edition has been to make a book that students enjoy reading and that excites them about a fascinating topic.

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David L. Mothersbaugh
Del I. Hawkins

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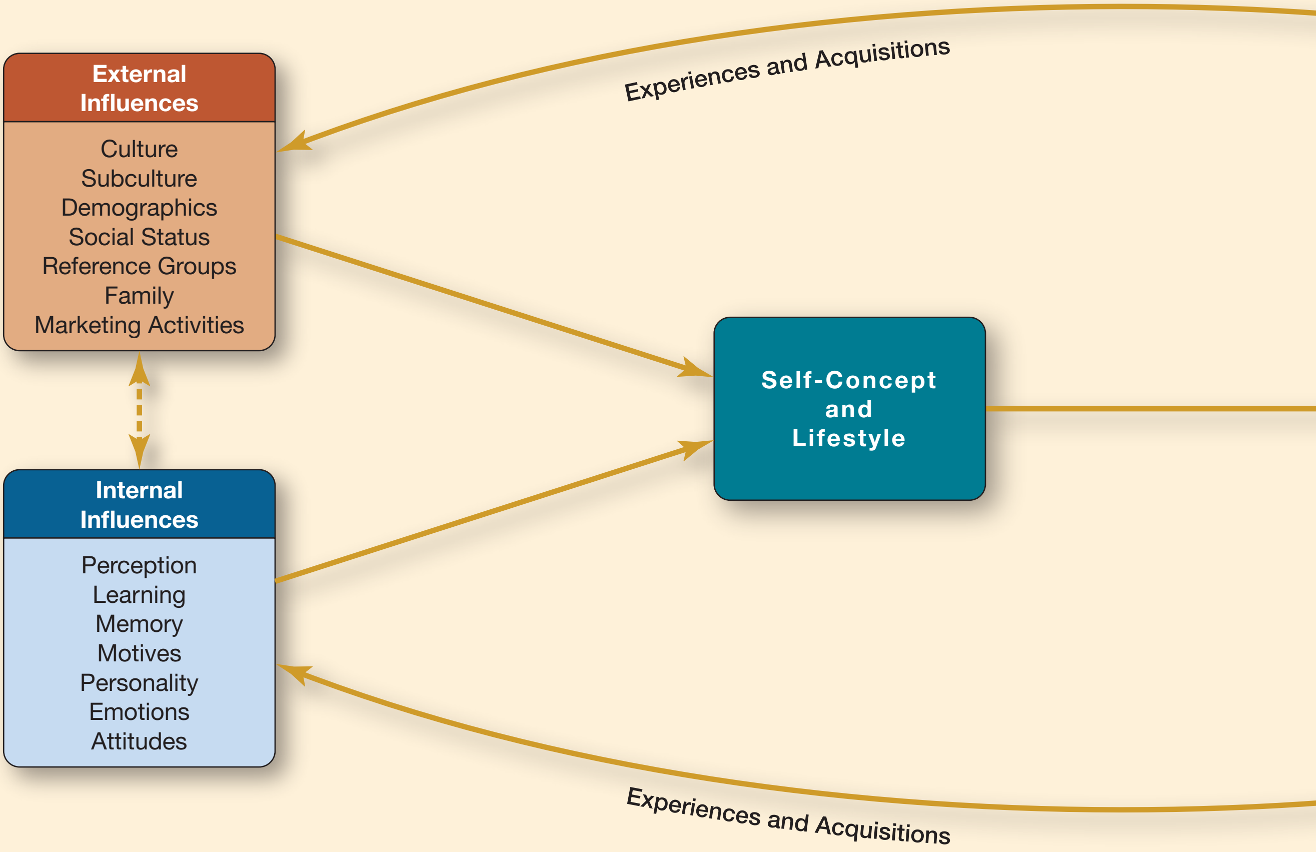
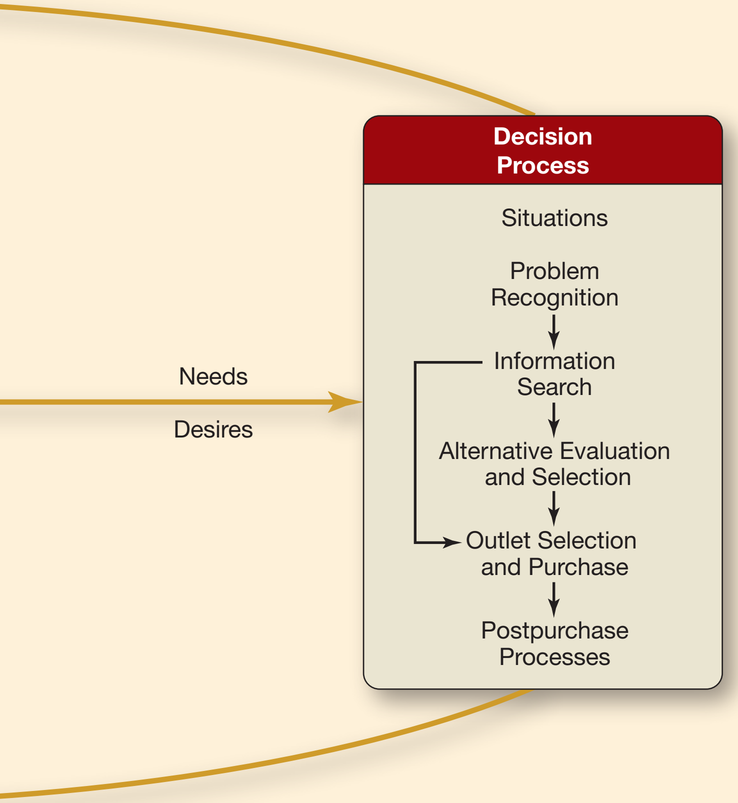
Consumer Behavior

part I

INTRODUCTION


External Influences
Culture
Subculture
Demographics
Social Status
Reference Groups
Family
Marketing Activities
Internal Influences
Perception
Learning
Memory
Motives
Personality
Emotions
Attitudes
Self-Concept and Lifestyle
Experiences and Acquisitions
Experiences and Acquisitions


Decision Process
Situations
Problem Recognition
Information Search
Alternative Evaluation and Selection
Outlet Selection and Purchase
Postpurchase Processes
Needs
Desires

What is consumer behavior? Why should we study it? Do marketing managers, regulators, and consumer advocates actually use knowledge about consumer behavior to develop strategies and policy? How? Will a sound knowledge of consumer behavior help you in your career? Will it enable you to be a better citizen? How does consumer behavior impact the quality of all of our lives and of the environment? How can we organize our knowledge of consumer behavior to understand and use it more effectively?

Chapter 1 addresses these and a number of other interesting questions, describes the importance and usefulness of the material to be covered in this text, and provides an overview of the text. Chapter 1 also explains the logic of the model of consumer behavior shown below, which is presented again in Figure 1–3 and discussed toward the end of the chapter.

chapter 1

Consumer Behavior and Marketing Strategy

STARBUCKS COFFEE

LEARNING OBJECTIVES

L01 **Define consumer behavior.**

L02 **Summarize the applications of consumer behavior.**

L03 **Explain how consumer behavior can be used to develop marketing strategy.**

L04 **Explain the components that constitute a conceptual model of consumer behavior.**

L05 **Discuss issues involving consumption meanings and firm attempts to influence them.**

Marketers face exciting and daunting challenges as the forces that drive and shape consumer behavior rapidly evolve. Here are just a few examples.

Evolution of Marketing and Customer Experience—Marketers offer different ways for consumers to get their cup of coffee. Consumers can buy coffee beans and make a cup of coffee. They can buy a package of ground coffee and make a cup of coffee. They can opt to go to a coffee shop and buy a cup of coffee. Or they can go to Starbucks and buy a cup of coffee. Which option do you think is more expensive? Likely you would say that the first option is the least expensive and the final option the most expensive—and generally you would be correct! But why is that so? The answer lies in the layers of value that marketers can add to "commodity-like" products. These layers include services and experiences that consumers have indicated are of value to them. Thus, as products move from being a commodity to a good to a service to an experience, consumers are likely to pay more. The success of Starbucks attests to consumer willingness to pay more for a cup of coffee from Starbucks that layers the core product with service and experience. And Starbucks is going further. For example, it recently opened a store in New Orleans that is one of its portfolios of "local relevancy" stores. These *hyper local* stores are designed to provide intense experiential aspects that reflect the historical and cultural ambience of the store's locale.[1] A Starbucks in Philadelphia pictured at the beginning of this chapter is another example of this hyper local approach.

Marketing 2 Consumers versus Marketing 4 Consumers—Marketing has evolved not only in its offerings, but also in its relationship to consumers. A power shift away from marketers to consumers has changed the landscape. Succinctly stated, Marketing 2 Consumers has shifted to Marketing 4 Consumers. Marketing 2 Consumers used mass marketing, a scattered approach to reach as many consumers as possible including unavoidably wasting resources on consumers who have no interest in the product offering. Marketing 2 Consumers saturated consumers with advertisements, repeatedly and frequently, in an effort to gain consumer attention. In contrast, Marketing 4 Consumers uses a more targeted approach in an effort more likely to reach only the consumers who want the marketer's offering. Marketing 4 Consumers recognizes that consumers have the power to choose whether or not they will allow marketers' permission (say with a click on the Internet) to start a dialog. Product creation is no longer exclusively in the hands of