Consumer Behavior

ELEVENTH EDITION

Leon G. Schiffman • Joseph L. Wisenblit

PEARSON

Consumer Behavior

Consumer Behavior

Global Edition

Leon G. Schiffman

J. Donald Kennedy Chair in Marketing
and E-Commerce
Peter J. Tobin College of Business
St. John's University, New York City

Joseph Wisenblit

Professor of Marketing
Stillman School of Business
Seton Hall University, New Jersey

Credits and acknowledgments borrowed from other sources and reproduced, with permission, in this textbook appear on the appropriate page within text.

In Memory of Leslie Lazar Kanuk
Our Coauthor, Colleague, and Friend

Brief Contents

Contents

Preface

New to the Eleventh Edition

Our guiding principle in writing this edition has been the leaping progress towards the inevitable synthesis of media, entertainment content, and marketing. Not long ago, marketers bought advertising space within information and entertainment content produced by print and broadcast media. Today, media and their contents are often "produced" by consumers. In the past, marketers used media's "audience profiles" in deciding where to place "one size fits all" ads. Today, dynamic-ad-servers customize ads based on consumers' Internet browsing behavior, and marketers use behavioral targeting and employ firms that listen to and analyze what consumers are talking about in social media sites. Marketers that once purchased advertising space in only a few magazines or TV sitcoms, today buy ads through multiple ad exchanges and use predictive analytics that assess the effectiveness of their ads.

- New topics: In this edition, we discuss behavioral targeting, customizing products and promotional messages, predictive analytics, reaching "eyeballs" instead of demographic groups, tracking online navigation and analyzing websites' visits, gauging word-of-mouth and opinion leadership online, consumer-generated advertising, and new media platforms, such as mobile and apps advertising.

- New Technologies and Online Practices: In this edition we also address the usage of new technologies and the online practices of all age subcultures. At a time where the loss of privacy is the subject of an intensive public debate, we have charts showing how leading social networks collect data about consumers and a corresponding judgmental analysis in the chapter on ethics.

- We strengthened the book's principal facet, conceived in its first edition in 1978, which is focusing on the strategic applications of understanding consumer behavior. Our cases feature authentic campaigns that advertisers submitted for recognition by Effie Worldwide—a global entity that pays tributes to exceptional marketers. Each chapter opens with a "hands-on" example (some with comments by marketing executives) and exhibits based on recent, empirical data are showcased in all chapters together with guidelines for marketing applications.

- We added sections about sensory audio input, "actual" and "ideal" product-related attitudes, extra measures of cultural values, and empirical data about occupational prestige rankings and social class.

- The presentation about consumers overseas has been updated to include more comprehensive coverage of cross-cultural analysis, charts depicting consumers' spending of disposable income in several countries, brand shares of American products overseas, and profiles of leading global brands.

- Finally, in its first edition, this book was the first one ever to use print ads as illustrations of consumer behavior (a practice that was quickly adopted by all marketing textbooks), and this edition includes over 100 new ads.

Chapter-by-Chapter Updates: In Detail

Part I: Consumers, Marketers, and Technology

Chapter 1 explains consumer behavior as an interdisciplinary framework. It describes the evolution of marketing, prominent marketing strategies, and marketers' social responsibilities. The chapter details the revolutionary impact of technology on strategic marketing, and the interrelationships among customer value, satisfaction, and retention. It concludes with a model of consumer decision-making.

Chapter 2 describes market segmentation, including the demographic, sociocultural, and psychographic bases for segmenting markets. It explores the criteria for selecting target markets, behavioral targeting, and positioning and differentiating products and services.

Chapter 1: Technology-Driven Consumer Behavior

- *Hands-On:* Porsche; Scion
- Technology enriches the marketing exchange
- Behavioral information and targeting
- Interactive communication channels
- Customizing products and ads
- Better pricing and distribution
- Technology and customer satisfaction and retention
- *Showcased:* Ownership of mobile devices, prominent online activities, comparing e-readers, an airline's profitability tiers, and an updated model of consumer decision-making.
- *Ads:* Porsche, Scion, Classico sauce, P*e*TA (People for the Ethical Treatment of Animals), and the U.S. Navy.

Chapter 2: Segmentation, Targeting, and Positioning

- *Hands-On:* Qantas
- Behavioral targeting
- Tracking online navigation
- Geographic location and mobile targeting
- The information "arms race"
- Positioning and repositioning
- *Showcased:* Nielsen's segmentation frameworks, segmenting green consumers, samples of psychographic statements, and Target's behavioral targeting
- *Ads:* Count on Shell, Bertolli pasta, V8 100% Original Vegetable Juice, Mack's Earplugs, Healthy Choice lunch, TOMTOM GPS, and Fage Total yogurt
- *Case:* Porsche

Part II: The Consumer as an Individual

Part II examines the impact of psychological factors on consumer behavior. Chapter 3 discusses the influence of needs, motivation, and personality characteristics. Chapter 4 explores consumer perception, which consists of selecting, organizing, and interpreting marketing stimuli. Chapter 5 describes the learning process and how past shopping experiences affect subsequent buying. Chapter 6 looks at the formation, study, and strategic applications of consumer attitudes.

Chapter 3: Consumer Motivation and Personality

- *Hands-On:* Government of Alberta; Mr. Clean
- *Showcased:* Promotional applications of key psychogenic needs, personality characteristics of opinion leaders and innovators, individuals with a high need for uniqueness, materialistic consumers, compulsive shoppers, and vain persons
- *Ads:* Kaplan Bar Review, Ving hotels, Godiva, Outward Bound Wilderness, Rock Resorts, Yoplait Light, and Reach Listerine.

Chapter 4: Consumer Perception

- *Hands-On:* McCain French Fries; Heinz Tomato Ketchup
- *Showcased:* Sensory audio input and product perception, a price quality relationship "riddle," and brand image updates that create emotional bonds with consumers
- *Ads:* Mitchell Eye Centre, Betty Crocker, Xerox, Crest Whitestrips, Children's Defense Fund, Canadian Dental Association, Gillette Proglide, Saab, Spy Museum, MADD (Mothers Against Drunk Driving), and Sweet' n Low.

Chapter 5: Consumer Learning

- *Hands-On:* Samsung Galaxy Note 3 + Gear; Febreze
- *Ads:* Fresh Step cat litter, V8 soups from Campbell's, Mr. Clean Febreze exotic scents, Clorox Bleach Gel, Ragu pasta sauce, Crest Pro-Health, and American Airlines.

Chapter 6: Consumer Attitude Formation and Change

- *Hands-On:* Snickers Peanut Butter Squared and Snickers Easter Egg
- Primary data-based application of the attitude-toward-object-model
- "Ideal," "concept," and "actual" attitudes in developing a new orange juice
- Alumni donations illustration of self-attribution theory
- *Ads:* Avocado Mexico, Aleve, Phillips' Caplets, Dole Fruit Bowls, Lysol Wipes, Healthy Choice lunch, V8 Fusion vegetable juice, Certified Angus Beef, Method Laundry Detergent, and the American Academy for Orthopedic Surgeons.
- *Case:* Febreze
- *Case:* Superfast Handwash

Part III: Communication and Consumer Behavior

Part III addresses communication and persuasion. Chapter 7 covers the elements of communications and overcoming barriers to effective communications. We outline the differences between the broadcasting communications model (which is rooted in mass and traditional media), and the narrowcasting model (which originates in new media, such as online advertising and social media). The chapter then focuses on the message: its structure, persuasive appeal, and effectiveness. Chapter 8 explores communication channels and the transition from print and broadcast media to social media and mobile advertising. We expore the targeting methods used in old and new communication channels, the role of key entities (such as Google and Facebook), and the electronic evolution of traditional media. Chapter 9 examines the credibility of media and personal sources of information, consumers' reference groups, the role of opinion leaders, and the dynamics of word-of-mouth offline and online.

Chapter 7: Persuading Consumers

- *Hands-On:* Persuasive Appeals—Desley Travel Light, Sojourner Family Peace Center, ALT magazine, and Clorox Bleach
- Narrowcasting versus broadcasting
- Traditional versus new media
- Addressable advertising
- Measures of message effectiveness
- Timely advertising appeals
- *Ads:* British Airways, Mistique Ultra Soft Tissue, "I can't believe its not butter," Sainsbury's, Bucharest's City Police, and Ving hotels.

Chapter 8: From Print and Broadcast Advertising to Social and Mobile Media

- *Hands-On:* Impression-Based Targeting
- Targeting segments versus eyeballs
- Real-time bidding and data aggregators
- Retargeting
- Google's consumer tracking and targeting
- Web-search, display, and mobile ads
- Google's "organic results" and "sponsored space"
- Consumers' permissions for apps' information gathering
- Effective social media campaigns
- Owned, paid, and earned social media channels
- Consumers and mobile media

- Measuring the effectiveness of advertising in new media
- Analyzing website visits
- Gauging influence within social networks
- Google Analytics
- Nielsen's Cross-Platform measures
- Traditional media's electronic evolution
- Webisodes, advergames, and branded entertainment
- *Showcased:* Google's revenues, number of permissions requested from users by the most popular apps, types of permissions requested, M&M's Mr. Red, declining advertising ad pages, and effective tweeting.

Chapter 9: Reference Groups and Word-of-Mouth
- *Hands-On:* Campbell's
- Word-of-mouth in social networks and brand communities
- Klout scores
- Weblogging and twetting
- Buzz agents and viral marketing
- Managing negative rumors online
- Diffusion of Innovations
- *Showcased:* Group membership and comparative versus normative influence, characteristics of conformists, product conspicuousness and reference group influence, motivations of opinion leaders and receivers, characteristics and shopping patterns of fashion opinion leaders, sample items used in the self-designation of opinion leadership, and characteristics of risk-averse consumers
- *Ads:* MADD, the U.S. Navy, ALT magazine, and P*e*TA.
- *Case:* Keystone Light

Part IV: Consumers in Their Social and Cultural Settings

Part IV examines consumers in their social and cultural settings. Chapter 10 examines the family as a consumption unit and its standing within the social class structure. Chapter 11 describes culture and how it is expressed through values, rituals, and customs. It explains how to measure cultural values, and illustrates Americans' core values with ads and consumers' purchases and priorities. Chapter 12 describes how subcultures are derived from ethnicity, religion, geographic location, age, and gender. Chapter 13 explores cross-cultural analysis, how to assess marketing opportunities abroad, and whether or not customize products and promotions in global markets.

Chapter 10: The Family and Its Social Standing
- *Hands-On:* Toyota's Auris, Yaris, Verso, and Avensis
- Parental styles' and children's development
- Empirical measures of family decision-making
- The role of occupational prestige in determining social class
- Current data about the correlation between education and income
- Enriched descriptions of America's social classes
- *Showcased:* Mothers' socialization styles, parental styles and consumer socialization, children's development as consumers, children as three markets, measure of family decision making, occupational prestige rankings, ethics and occupational prestige, seven educational levels and corresponding incomes, descriptions of social classes: "inherited wealth and privilege," "the nouveau rich," "achieving professionals," "faithful followers," "security minded," "the insecure," and "rock bottom."
- *Ads:* Listerine Smart Rinse, Mott's apple juice, MADD, Lever 2000 soap, Ligne Roset furniture, Rock Resorts, Bad Bath & Beyond, and Brain Candy Toys.

Chapter 11: Culture's Influence on Consumer Behavior

- *Hands-On:* Dodge; Dell
- The Rokeach typology and illustrative promotional themes
- Gordon's Survey of Personal and Interpersonal Values
- *Ads:* distraction.gov, Everlast Recovery, 3-in-one oil, Campbell's Chunky, Dove chocolate, Cross pen, HP, Sojourner Family Peace Center, and Campbell's Healthy Request.

Chapter 12: Subcultures and Consumer Behavior

- *Hands-On:* Kohler's Elevance
- *Showcased:* Age and sources of information; online activities and interests of generations Z, Y, X, Baby Boomers, and older Americans; post-retirement segments
- *Ads:* Jeep and MADD.

Chapter 13: Cross-Cultural Consumer Behavior: An International Perspective

- *Hands-On:* Patek Philippe; Frito Lay
- Measures of cross-cultural dimensions
- Linguistic and legal barriers in global marketing
- *Showcased:* Profiles of leading global brands, five charts depicting prominent nations' consumers' disposable income expenditures, and Japan's VALS.
- *Case:* LG Mobile

Part V: Consumer Decision-Making, Marketing Ethics, and Consumer Research

Chapter 14 integrates the psychological, social, and communication elements into a consumer decision-making model, and discuss the adoption of new products. Chapter 15 addresses marketers' social responsibilities and morals with a focus on ethical issues originating from new media, and, particularly, abuses of consumers' privacy. Chapter 16 details the steps of marketing studies and tools of consumer research.

Chapter 14: Consumer Decision-Making and Diffusion of Innovations

- *Hands-On:* GIA; Advil

Chapter 15: Marketing Ethics and Social Responsibility

- *Hands-On:* P*e*TA
- Stages of consumer socialization and exploitive targeting of children
- Manipulative nutritional labeling
- Encouraging overeating and other undesirable consumption
- Abusing consumers' privacy
- Covert marketing
- Consumer ethics
- *Showcased:* The impact of irresponsible marketing, regulating targeting children online, alternative (award-winning) designs of nutritional labeling, deceptive or false promotional claims, provocative marketing, promoting social causes, and measuring ethical awareness
- *Ads:* Ad Council, NYC Office of Emergency Management, and Utah Transit Authority.

Chapter 16: Consumer Research

- *Hands-On:* Disney's Sophia the First
- *Showcased:* The consumer research process, questions for depth interviews, screener questionnaire, focus group discussion guide, projective techniques, survey methods, wording questions, attitudes' measures, sampling methods, and quantitative versus qualitative research.
- *Case:* Pima Air and Space Museum

Instructor Supplements

Instructor's Manual—This instructor's manual includes sample syllabi, lecture outlines, answers to all end-of-chapter questions, additional activities and assignments for your students. This manual is available for download by visiting www.pearsonglobaleditions.com/Schiffman.

Test Item File—The Test Item File contains more than 1,600 questions, including multiple-choice, true/false, and essay. Each question is followed by the correct answer, the learning objective it ties to, AACSB category, course learning outcome and difficulty rating. It has been thoroughly reviewed by an assessment expert. The Test Item File is available for download by visiting www.pearsonglobaleditions.com/Schiffman.

TestGen—Pearson Education's test-generating software is available from www.pearsonhighered. com/irc. The software is PC/MAC compatible and preloaded with all of the Test Item File questions. You can manually or randomly view test questions and drag and drop to create a test. You can add or modify test-bank questions as needed.

Instructor PowerPoints: This presentation includes basic outlines and key points from each chapter. It includes figures from the text but no forms of rich media, which makes the file size manageable and easier to share online or via email. This set was also designed for the professor who prefers to customize PowerPoints and who wants to be spared from having to strip out animation, embedded files, and other media-rich features.

To Our Families, Colleagues, and Friends

<div align="right">

Leon Schiffman

Joe Wisenblit

</div>

Consumer Behavior

1

Technology-Driven Consumer Behavior

Learning Objectives

1   To understand the evolution of the marketing concept, the most prominent tools used to implement marketing strategies, the relationship between value and customer retention, and the objectives of socially responsible marketing.

2   To understand how the Internet and related technologies improve marketing transactions by adding value that benefits both marketers and customers.

3   To understand the interrelationships among customer value, satisfaction, and retention, and technology's revolutionary role in designing effective retention measures and strategies.

4   To understand consumer behavior as an interdisciplinary area, consumer decision-making, and the structure of this book.

MARKETING is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society.[1] **Consumer behavior** is the study of consumers' actions during searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs. The core of marketing is identifying unfilled needs and delivering products and services that satisfy these needs. Consumer behavior explains how individuals make decisions to spend their available resources (i.e., time, money, effort) on goods that marketers offer for sale. The study of consumer behavior describes what products and brands consumers buy, why they buy them, when they buy them, where they buy them, how often they buy them, how often they use them, how they evaluate them after the purchase, and whether or not they buy them repeatedly.

People buy cars because they need personal transportation. However, the types of cars people buy are determined not by needs alone, but also by how cars express their owners' characteristics. Therefore, car marketers differentiate their products by how specific car brands and models appeal to buyers' psychology. The tagline in Porsche's Boxster ad in Figure 1.1 states that "unfulfilled dreams cost a lot more,"* and its copy urges buyers to "fulfill their dreams rather than deny them."* Porsche recognized that many people daydream about luxurious items, but, even if they can afford them, they feel guilty about the purchase and often think: "Oh, it costs too much" and "What if I don't like it?" The ad's copy resolves such conflicts with a simple rationale: "It is expensive to fulfill one's dreams, but it is worth the expense." The ad anticipates that some buyers will feel guilty after purchasing the car and assures them that "of all the emotions you can expect while driving a Boxster, regret will never be one of them." It ends with Porsche's classic tagline: "Porsche. There is no substitute."*

Egotism and power are pervasive psychological needs, and marketers often appeal to them in advertisements. The Scion ad in Figure 1.2

*Porsche