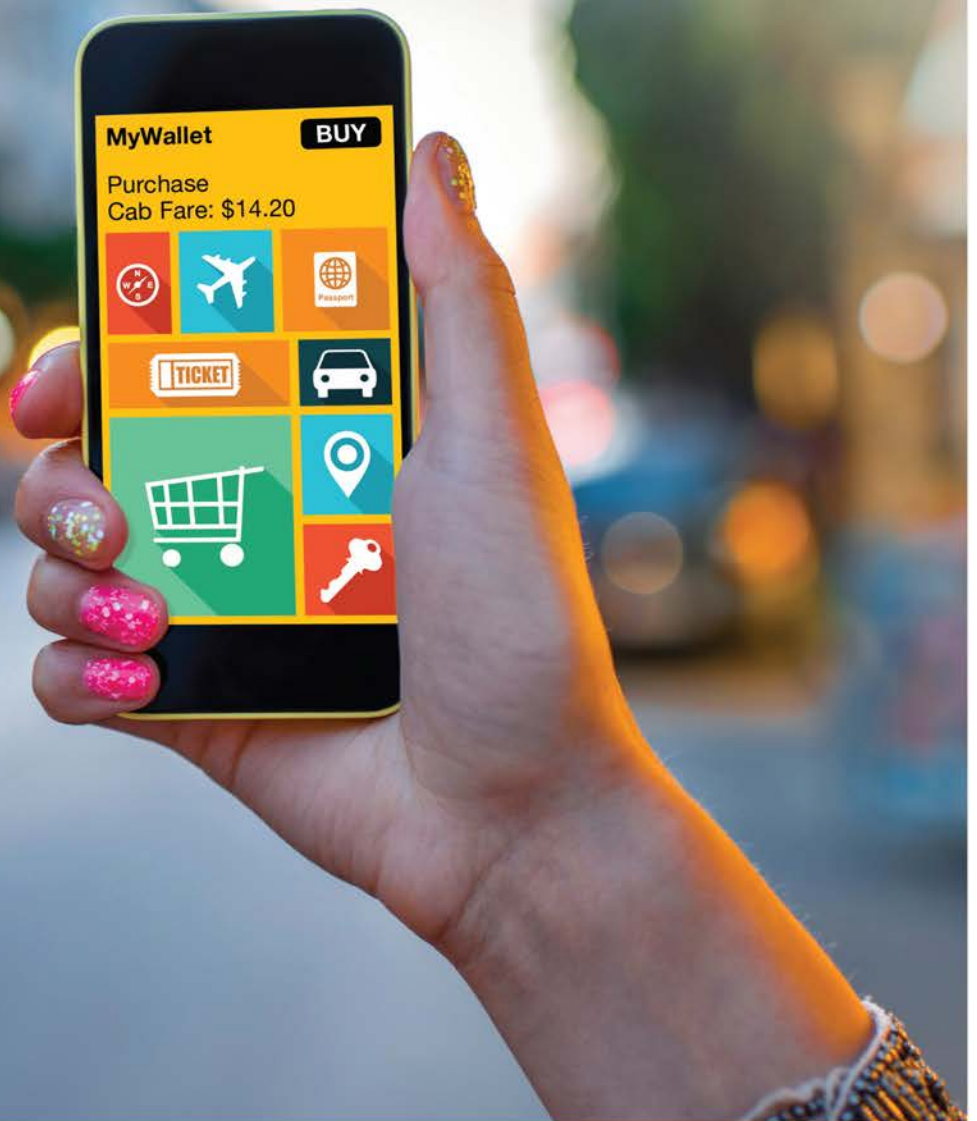


BABIN + HARRIS

CB⁸

CONSUMER BEHAVIOR



NOW WITH CB ONLINE
\$85 US SUGGESTED RETAIL PRICE

THE PROCESS

4LTR Press uses a Student-Tested, Faculty-Approved process to meet the unique needs of each course.

Learn Consumer Behavior YOUR Way with **CB[®]**!
CB[®]'s easy-reference, paperback textbook presents course content through visually engaging chapters as well as Chapter Review Cards that consolidate the best review material into a ready-made study tool. With the textbook or on its own, **CB Online** allows easy exploration of **CB[®]** anywhere, anytime — including on your device!

STUDENTS SAY

Students have asked for an overview of the course concepts that illustrate their value and impact in the world of consumer behavior, especially around consumer decision making. They want a resource with real-world examples that focus on consumers and their actions.

STUDENT RESOURCES:

- Tear-Out Chapter Review Cards
- CB Online available at cengagebrain.com
 - Interactive Reading
 - Practice Quizzes
 - Interactive Figures
 - Flashcards
 - Videos

INSTRUCTORS REQUIRE

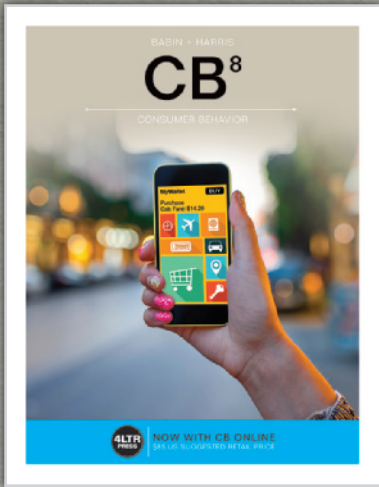
Those teaching consumer behavior want a text that covers current trends and topics directly related to students taking the course. Throughout this edition, the authors focus on social media and current demographic research and the impact each has had on the role of the consumer within society.

INSTRUCTOR RESOURCES

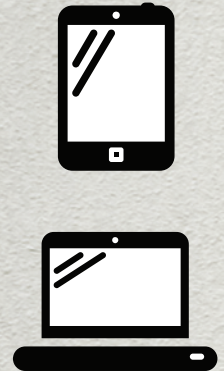
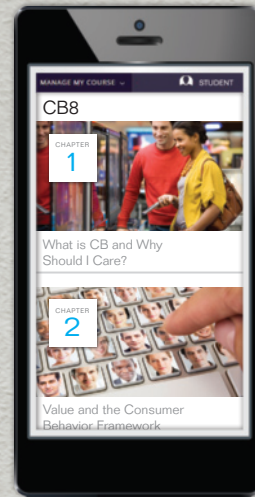
AVAILABLE AT CENGAGE.COM/LOGIN:

- All Student Resources
- Assignable Chapter Readings and Assessments
- LMS Integration
- Instructor's Manual
- Test Bank
- PowerPoint® Slides
- Tear-Out Instructor Prep Cards

THE **CB** SOLUTION



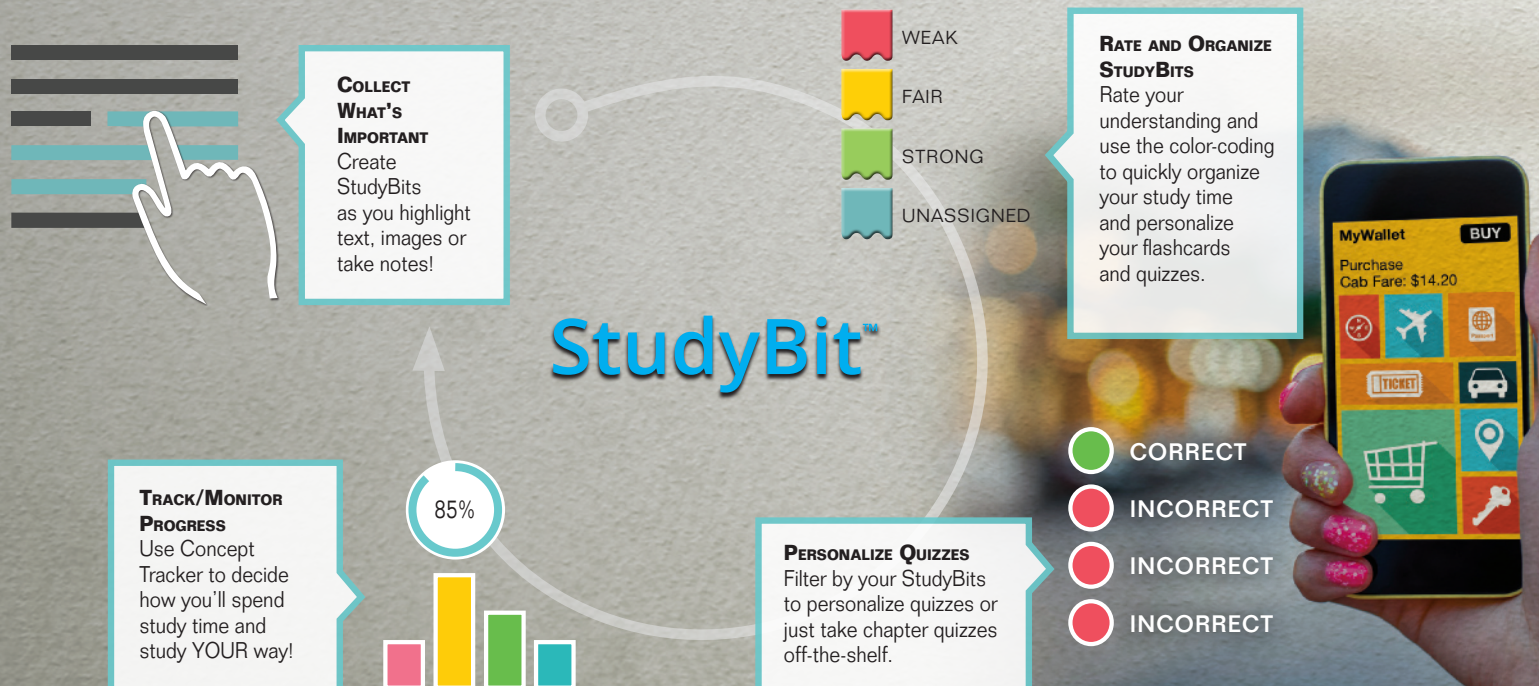
Print
+
Online



CB⁸ delivers all the key terms and core concepts for the **Consumer Behavior** course.

CB Online provides the complete narrative from the printed text with additional interactive media and the unique functionality of **StudyBits**—all available on nearly any device!

What is a StudyBit™? Created through a deep investigation of students' challenges and workflows, the StudyBit™ functionality of **CB Online** enables students of different generations and learning styles to study more effectively by allowing them to learn their way. Here's how they work:



CB8**Barry J. Babin, Eric J. Harris**Sr. Vice President, General Manager:
Balraj Kalsi

Product Manager: Laura Redden

Content/Media Developer: Tricia Hempel

Product Assistant: Eli Lewis

Marketing Manager: Katie Jergens

Marketing Coordinator: Audrey Jacobs

Content Project Manager: Darrell E. Frye

Manufacturing Planner: Ron Montgomery

Production Service: MPS Limited

Sr. Art Director: Bethany Casey

Internal Designer: Joe Devine, Red Hangar

Cover Designer: Lisa Kuhn, Curio Press,
LLC/Trish & Ted Knapke, Ke Design

Cover Image: © RossHelen

Special Page Images: Computer and tablet
illustration: ©iStockphoto.com/furtaev;
Smart phone illustration: ©iStockphoto.
com/dashadima; Feedback image:
Rawpixel.com/Shutterstockcom

Intellectual Property Analyst: Diane Garrity

Intellectual Property Project Manager:
Carly Belcher

© 2018, 2016 Cengage Learning®

ALL RIGHTS RESERVED. No part of this work covered by the copyright herein may be reproduced or distributed in any form or by any means, except as permitted by U.S. copyright law, without the prior written permission of the copyright owner.

For product information and technology assistance, contact us at
Cengage Learning Customer & Sales Support, 1-800-354-9706For permission to use material from this text or product,
submit all requests online at www.cengage.com/permissions
Further permissions questions can be emailed to
permissionrequest@cengage.com

Library of Congress Control Number: 2016959310

Student Edition ISBN: 978-1-305-57724-4

Student Edition with Online ISBN: 978-1-305-57714-5

Cengage Learning20 Channel Center Street
Boston, MA 02210
USACengage Learning is a leading provider of customized learning solutions with employees residing in nearly 40 different countries and sales in more than 125 countries around the world. Find your local representative at www.cengage.com

Cengage Learning products are represented in Canada by Nelson Education, Ltd.

To learn more about Cengage Learning Solutions, visit www.cengage.comPurchase any of our products at your local college store or at our preferred online store www.cengagebrain.com

**PART I INTRODUCTION 2**

- 1 What Is CB and Why Should I Care?
- 2 Value and the Consumer Behavior Framework

PART II INTERNAL INFLUENCES 52

- 3 Consumer Learning Starts Here: Perception
- 4 Comprehension, Memory, and Cognitive Learning
- 5 Motivation and Emotion: Driving Consumer Behavior
- 6 Personality, Lifestyles, and the Self-Concept
- 7 Attitudes and Attitude Change

PART III EXTERNAL INFLUENCES 158

- 8 Group and Interpersonal Influence
- 9 Consumer Culture
- 10 Microcultures

PART IV SITUATIONS AND DECISION MAKING 228

- 11 Consumers in Situations
- 12 Decision Making I: Need Recognition and Search
- 13 Decision Making II: Alternative Evaluation and Choice

PART V CONSUMPTION AND BEYOND 286

- 14 Consumption to Satisfaction
- 15 Beyond Consumer Relationships
- 16 Consumer and Marketing Misbehavior

Endnotes 352

Glossary 373

Subject Index 383

Name Index 388

Products/Organizations Index 389

CONTENTS

Part 1 INTRODUCTION



Juice Images/Getty Images

1 What Is CB and Why Should I Care? 2

- 1-1 Consumption and Consumer Behavior 4
 - 1-1a Consumer Behavior as Human Behavior 4
 - 1-1b Consumer Behavior as a Field of Study 6
- 1-2 The Ways in Which Consumers Are Treated 9
 - 1-2a Competition and Consumer Orientation 9
 - 1-2b Relationship Marketing and Consumer Behavior 11
- 1-3 The CB Field's Role in Business, Society, and for Consumers 12
 - 1-3a Consumer Behavior and Marketing Strategy 12
 - 1-3b Consumer Behavior and Society 15
 - 1-3c Consumer Behavior and Personal Growth 17
- 1-4 Different Approaches to Studying Consumer Behavior 17
 - 1-4a Interpretive Research 17
 - 1-4b Quantitative Consumer Research 18

- 1-5 Consumer Behavior Is Dynamic 20
 - 1-5a Internationalization 20
 - 1-5b Technological Changes 20
 - 1-5c Changing Demographics 22
 - 1-5d Changing and Sharing Economy 22

2 Value and the Consumer Behavior Framework 24

- 2-1 The Consumer Value Framework and Its Components 25
 - 2-1a The Consumer Value Framework 25
 - 2-1b Value and the CVF Components 25
 - 2-2 Value and Its Two Basic Types 30
 - 2-2a The Value Equation 30
 - 2-2b Utilitarian Value 31
 - 2-2c Hedonic Value 31
 - 2-3 Marketing Strategy and Consumer Value 33
 - 2-3a Marketing Strategy 33
 - 2-3b Total Value Concept 34
 - 2-3c The Total Value Concept Illustrated 35
 - 2-3d Value Is Co-Created 36
 - 2-4 Market Characteristics: Market Segments and Product Differentiation 36
 - 2-4a Market Segmentation 36
 - 2-4b Product Differentiation 38
 - 2-5 Analyzing Markets with Perceptual Maps 39
 - 2-5a Perceptual Maps 39
 - 2-5b Illustrating a Perceptual Map 39
 - 2-5c Using Consumer Behavior Theory in Marketing Strategy 40
 - 2-6 Value Today and Tomorrow—Customer Lifetime Value 42
- Part 1 Cases 44

Part 2

INTERNAL INFLUENCES



Tony Shi Photography/Getty Images

3 Consumer Learning Starts Here: Perception 52

- 3-1 Defining Learning and Perception 52
 - 3-1a Consumer Perception 53
 - 3-1b Exposure, Attention, and Comprehension 54
- 3-2 Consumer Perception Process 55
 - 3-2a Sensing 55
 - 3-2b Organizing 56
 - 3-2c Reacting 58
 - 3-2d Selective Perception 58
 - 3-2e Subliminal Processing 59
- 3-3 Applying the JND Concept 60
 - 3-3a Just Meaningful Difference 62
- 3-4 Implicit and Explicit Memory 62
 - 3-4a Mere Exposure Effect 62
 - 3-4b Attention 65
- 3-5 Enhancing Consumers' Attention 65
- 3-6 The Difference between Intentional and Unintentional Learning 66

- 3-6a Behaviorism and Cognitive Learning Theories 66
- 3-6b Unintentional Learning 67

4 Comprehension, Memory, and Cognitive Learning 70

- 4-1 What Influences Comprehension? 70
 - 4-1a Factors Affecting Consumer Comprehension 72
 - 4-1b Characteristics of the Message 72
 - 4-1c Message Receiver Characteristics 76
 - 4-1d Environmental Characteristics 80
- 4-2 Multiple Store Theory of Acquiring, Storing, and Using Knowledge 81
 - 4-2a Multiple Store Theory of Memory 81
- 4-3 Making Associations with Meaning as a Key Way to Learn 83
 - 4-3a Mental Processes 83
- 4-4 Associative Networks and Consumer Knowledge 87
 - 4-4a Associative Networks 87
 - 4-4b Declarative Knowledge 87
- 4-5 Product and Brand Schemas 88
 - 4-5a Exemplars 89
 - 4-5b Prototypes 89
 - 4-5c Reaction to New Products/Brands 90
 - 4-5d Script 90
 - 4-5e Episodic Memory 90
 - 4-5f Social Schemata 90

5 Motivation and Emotion: Driving Consumer Behavior 92

- 5-1 What Drives Human Behavior? 92
 - 5-1a Homeostasis 93
 - 5-1b Self-Improvement 93
 - 5-1c Regulatory Focus 94

5-2	General Hierarchy of Motivation	94
5-2a	Simpler Classification of Consumer Motivations	95
5-2b	Consumer Involvement	95
5-3	Consumer Emotions and Value	98
5-3a	Emotion	98
5-3b	Cognitive Appraisal Theory	98
5-3c	Emotion Terminology	99
5-4	Measuring Emotion	100
5-4a	Autonomic Measures	101
5-4b	Self-Report Measures	102
5-5	Differences in Emotional Behavior	104
5-5a	Emotional Involvement	104
5-5b	Emotional Expressiveness	105
5-5c	Emotional Intelligence	106
5-5d	What's Funny	106
5-6	Emotion, Meaning, and Schema-Based Affect	107
5-6a	Semantic Wiring	107
5-6b	Mood-Congruent Recall	107
5-6c	Schema-Based Affect	108
5-6d	Self-Conscious Emotions	110
5-6e	Emotional Contagion	110

6 Personality, Lifestyles, and the Self-Concept 112

6-1	Personality and Consumer Behavior	112
6-1a	Psychoanalytic Approach to Personality	114
6-1b	Trait Approach to Personality	115
6-2	Major Traits Examined in Consumer Research	116
6-2a	Many Traits Examined in CB	116
6-2b	Brand Personality	121
6-3	Consumer Lifestyles, Psychographics, and Demographics	123
6-3a	Lifestyles	123
6-3b	Psychographics	124
6-3c	Demographics	125
6-4	The Role of Self-Concept in Consumer Behavior	126
6-4a	Self-Concept and Body Presentation	127

6-5	Self-Congruency Theory and Consumer Behavior	128
6-5a	Segmentation and Self-Congruency	128

7 Attitudes and Attitude Change 130

7-1	Attitudes and Attitude Components	131
7-1a	Components of Attitude	132
7-2	Functions of Attitudes	132
7-2a	Utilitarian Function	132
7-2b	Knowledge Function	133
7-2c	Value-Expressive Function	133
7-2d	Ego-Defensive Function	133
7-3	Hierarchy of Effects	133
7-3a	High-Involvement Hierarchy	134
7-3b	Low-Involvement Hierarchy	134
7-3c	Experiential Hierarchy	134
7-3d	Behavioral Influence Hierarchy	134
7-4	Consumer Attitude Models	135
7-4a	Attitude-Toward-the-Object Model	135
7-4b	Behavioral Intentions Model	138
7-5	Attitude Change Theories and Persuasion	140
7-5a	Attitude-Toward-the-Object Approach	140
7-5b	Behavioral Influence Approach	142
7-5c	Changing Schema-Based Affect	142
7-5d	The Elaboration Likelihood Model	142
7-5e	Balance Theory	144
7-5f	Social Judgment Theory	145
7-6	Message and Source Effects and Persuasion	146
7-6a	Interactive Communications	147
7-6b	Message Appeal	147
7-6c	Message Construction	149
7-6d	Source Effects	150
	Part 2 Cases	152

Part 3

EXTERNAL INFLUENCES

Donald Miralle/Getty Images



8 Group and Interpersonal Influence 158

- 8-1 Reference Groups 158
 - 8-1a Group Influence 159
 - 8-1b Conformity and Authority 161
- 8-2 Social Power 162
 - 8-2a Types of Social Power 162
- 8-3 Reference Group Influence 163
 - 8-3a Informational Influence 163
 - 8-3b Utilitarian Influence 164
 - 8-3c Value-Expressive Influence 164
 - 8-3d Value and Reference Groups 164
 - 8-3e Reference Group Influence on Product Selection 165
- 8-4 Social Media's Role in Group and Interpersonal Influence 166
 - 8-4a Social Media and Consumer Behavior 166
 - 8-4b Individual Differences in Susceptibility to Group Influence 168
- 8-5 Word-of-Mouth and Consumer Behavior 170
 - 8-5a Positive and Negative WOM 170
 - 8-5b Buzz Marketing 171
 - 8-5c Stealth Marketing 172
 - 8-5d Opinion Leaders 173
 - 8-5e Diffusion Processes 174

- 8-6 Household Decision Making and Consumer Behavior 174
 - 8-6a Traditional Family Structure 174
 - 8-6b Household Life Cycle 176
 - 8-6c Household Purchase Roles 178

9 Consumer Culture 180

- 9-1 Culture and Meaning Are Inseparable 180
 - 9-1a What is Culture? 180
 - 9-1b Culture, Meaning, and Value 181
 - 9-1c Cultural Norms 182
 - 9-1d Cultural Sanctions 182
- 9-2 Using Core Societal Values 184
 - 9-2a Where Does Culture Come From? 184
 - 9-2b Dimensions of Cultural Values 185
 - 9-2c The CSV Scoreboard 188
 - 9-2d Cultural Distance 190
- 9-3 How Is Culture Learned? 192
 - 9-3a Enculturation 192
 - 9-3b Acculturation 192
 - 9-3c Quartet of Institutions 193
- 9-4 Fundamental Elements of Communication 195
 - 9-4a Verbal Communication 195
 - 9-4b Nonverbal Communication 197
- 9-5 Emerging Cultures 200
 - 9-5a BRIC Markets 200
 - 9-5b Chindia 201
 - 9-5c Glocalization 201

10 Microcultures 202

- 10-1 Microculture and Consumer Behavior 202
 - 10-1a Culture Is Hierarchical 202
 - 10-1b Microcultural Roles and Value 204
- 10-2 Major U.S. Microcultures 204
 - 10-2a Regional Microculture 205
 - 10-2b Sex Roles and Microculture 205
 - 10-2c Age-Based Microculture 207
 - 10-2d Generation Microculture 208
 - 10-2e Religious Microculture 212
 - 10-2f Ethnic Microculture 213

- 10-2g Income and Social Class Microculture 215
- 10-2h Street Microculture 216
- 10-3 Microculture Is Not Uniquely American 216**
- 10-3a Microcultures Around the World 216
- 10-3b Street Microcultures Worldwide 216
- 10-4 Demographic Analysis 217**
- 10-4a U.S. Census Data 217
- 10-5 Major Cultural and Demographic Trends 219**
- 10-5a Trends Affecting Consumer Behavior 219
- Part 3 Cases 222**

Part 4

SITUATIONS AND DECISION MAKING



Larry Dale Gordon/Getty Images

11 Consumers in Situations 228

- 11-1 Value in Situations? 228**
- 11-1a Situations and Value 229
- 11-2 Time and Consumer Behavior 230**
- 11-2a Time Pressure 230
- 11-2b Spare Time 231
- 11-2c Time of Year 232
- 11-2d Cycles 232
- 11-2e Adver timing 232
- 11-3 Place Shapes Shopping Activities 233**
- 11-3a What Is Shopping? 233
- 11-3b Virtual Shopping Situations 233

- 11-3c Shopping Activities 234
- 11-3d Shopping Value 236
- 11-4 Impulsive Shopping and Consumption 237**
- 11-4a Impulsive versus Unplanned Consumer Behavior 237
- 11-4b Distinguishing Impulsive and Unplanned Consumer Behavior 238
- 11-4c Susceptibility to Situational Effects 239
- 11-4d Consumer Self-Regulation 239
- 11-4e Impulsive versus Compulsive Behavior 241
- 11-5 Places Have Atmospheres 241**
- 11-5a Retail and Service Atmospherics 241
- 11-5b Atmosphere Elements 242
- 11-6 Antecedent Conditions 247**
- 11-6a Economic Resources 247
- 11-6b Orientation 248
- 11-6c Mood 249
- 11-6d Security and Fearfulness 249

12 Decision Making I: Need Recognition and Search 250

- 12-1 Consumer Decision Making 250**
- 12-1a Decision Making and Choice 251
- 12-2 Decision-Making Perspectives 253**
- 12-2a Rational Decision-Making Perspective 254
- 12-2b Experiential Decision-Making Perspective 254
- 12-2c Behavioral Influence Decision-Making Perspective 254
- 12-3 Decision-Making Approaches 255**
- 12-3a Extended Decision Making 256
- 12-3b Limited Decision Making 256
- 12-3c Habitual Decision Making 256
- 12-4 Need Recognition, Internal Search, and the Consideration Set 257**
- 12-4a Need Recognition 258
- 12-4b Search Behavior 258
- 12-4c The Consideration Set 260
- 12-5 External Search 261**
- 12-5a The Role of Price and Quality in the Search Process 261
- 12-5b External Search and Emerging Technologies 262
- 12-5c Consumer Search and Smartphone Applications 262
- 12-5d Amount of Search 263
- 12-5e Search Regret 265

13 Decision Making II: Alternative Evaluation and Choice 266

- 13-1 Evaluation of Alternatives: Criteria 266
 - 13-1a Evaluative Criteria 267
 - 13-1b Determinant Criteria 268
- 13-2 Value and Alternative Evaluation 268
 - 13-2a Hedonic and Utilitarian Value 268
 - 13-2b Affect-Based and Attribute-Based Evaluations 269
- 13-3 Product Categorization and Criteria Selection 270
 - 13-3a Category Levels 270
 - 13-3b Criteria Selection 272
- 13-4 Consumer Choice: Decision Rules 276
 - 13-4a Compensatory Models 276
 - 13-4b Noncompensatory Models 278
 - 13-4c Use of Decision Rules 279
 - 13-4d Retail Outlet Selection 280
- Part 4 Cases 281

Part 5 CONSUMPTION AND BEYOND



14 Consumption to Satisfaction 286

- 14-1 Consumption, Value, and Satisfaction 286
 - 14-1a Consumption Leads to Value 286

- 14-1b Consumption and Product Classification 287
- 14-1c Situations and Consumer Reactions 288
- 14-1d Consumption, Meaning, and Transference 289
- 14-1e Consumption Outcomes and Emotion 289
- 14-1f Value in Experience 290
- 14-2 Value and Satisfaction 290
 - 14-2a What Is Consumer Satisfaction? 292
 - 14-2b What Is Consumer Dissatisfaction? 293
- 14-3 Other Post-consumption Reactions 293
- 14-4 Theories of Post-consumption Reactions 294
 - 14-4a Expectancy/Disconfirmation 294
 - 14-4b Equity Theory and Consumer Satisfaction 297
 - 14-4c Attribution Theory and Consumer Satisfaction 298
 - 14-4d Cognitive Dissonance 299
- 14-5 Consumer Satisfaction/Dissatisfaction Measurement Issues 300
 - 14-5a Improving Satisfaction Measures 300
- 14-6 Disposing of Refuse 301
 - 14-6a Disposal Decisions 301
 - 14-6b Disposal, Emotions, and Product Symbolism 303

15 Beyond Consumer Relationships 304

- 15-1 Outcomes of Consumption 304
- 15-2 Complaining and Spreading WOM 306
 - 15-2a Complaining Behavior 306
 - 15-2b Word-of-Mouth/Publicity 309
- 15-3 Switching Behavior 313
 - 15-3a Procedural Switching Costs 314
 - 15-3b Financial Switching Costs 314
 - 15-3c Relational Switching Costs 314
 - 15-3d Understanding Switching Costs 315
 - 15-3e Satisfaction and Switching 315
- 15-4 Consumer Loyalty 316
 - 15-4a Customer Share 316
 - 15-4b Customer Commitment 318
 - 15-4c Preferred Customer Perks 319
 - 15-4d Antiloyalty 319
 - 15-4e Value and Switching 320

- 15-5 **Link the Concept of Consumer Co-creation of Value to Consumption Outcomes** 321
- 15-5a Relationships and the Marketing Firm 322
- 15-5b Value and Relationship Quality 322

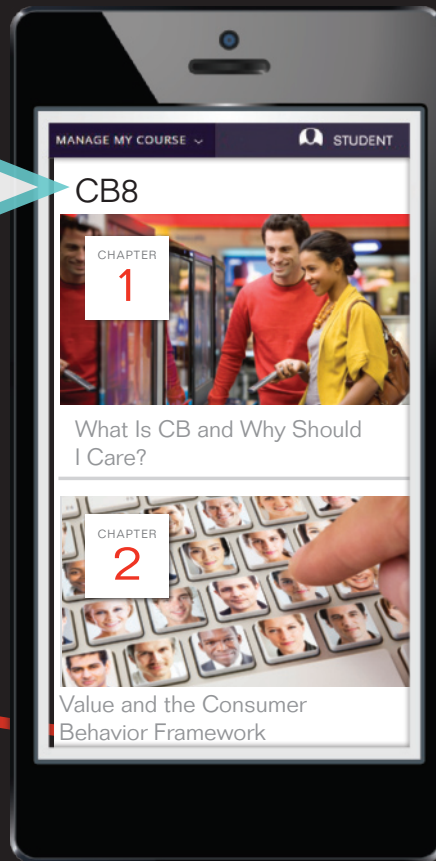
16 Consumer and Marketing Misbehavior 324

- 16-1 **Consumer Misbehavior and Exchange** 324
 - 16-1a The Focus of Misbehavior: Value 325
 - 16-1b Consumer Misbehavior and Ethics 326
 - 16-1c Motivations of Misbehavior 327
- 16-2 **Distinguish Consumer Misbehavior from Problem Behavior** 327
 - 16-2a Consumer Misbehavior 328
 - 16-2b Consumer Problem Behavior 332
- 16-3 **Marketing Ethics and Misbehavior** 334
 - 16-3a Consumerism 336
 - 16-3b The Marketing Concept and the Consumer 336
- 16-4 **Corporate Social Responsibility** 339
 - 16-4a The Societal Marketing Concept 339
- 16-5 **Regulation of Marketing Activities** 340
 - 16-5a Marketing and the Law 340
- 16-6 **Public Criticism of Marketing** 341
 - 16-6a Deceptive Advertising 341
 - 16-6b Marketing to Children 341
 - 16-6c Pollution 342
 - 16-6d Planned Obsolescence 342
 - 16-6e Price Gouging 342
 - 16-6f Manipulative Sales Tactics 343
 - 16-6g Stealth Marketing 344
 - 16-6h Products Liability 344
- Part 5 Cases** 346
- Endnotes** 352
- Glossary** 373
- Subject Index** 383
- Name Index** 388
- Products/Organizations Index** 389

CB8 ONLINE

ACCESS TEXTBOOK CONTENT ONLINE—
INCLUDING ON SMARTPHONES!

Includes Videos & Other
Interactive Resources!



4LTR
PRESS

Access **CB8** ONLINE at www.cengagebrain.com

1 What Is CB and Why Should I Care?

LEARNING OBJECTIVES

After studying this chapter, the student should be able to:

- 1-1 Understand the meaning of *consumption* and *consumer behavior*.
- 1-2 Describe how competitive marketing environments lead to better outcomes for consumers.
- 1-3 Explain the role of consumer behavior in today's business and society.
- 1-4 Be familiar with basic approaches to studying consumer behavior.
- 1-5 Appreciate how dynamic the field of consumer behavior continues to be, particularly as CB is shaped by technological advances including big data analytics, the "internet of things" and the sharing economy.

Juice Images/Getty Images

Remember to visit **PAGE 23** for additional **STUDY TOOLS**

INTRODUCTION

Students rarely feel like an expert when they begin a new college class. However, a consumer behavior (CB) course is an exception. Everyone reading this book has years of experience spending and consuming! As we will see, spending means that something is being used, perhaps, time and/or money, are being used toward a value-producing activity, meaning consumption takes place. In fact, we act as consumers every day and every waking hour. That's correct: Every day you have been alive you have been a consumer. As a result, you begin this book with a degree of expertise that makes the subject come alive with relevance.

The human experience is made up largely of consumption-relevant episodes. We wake, we drink, we eat, we clean, we dress, we ride, we shop, we play, we read, we choose, we watch, we Instagram, we Tweet, and on and on. Practically everything we do involves consumer behavior in some way. Take a look at Pinterest and it becomes obvious that many of the posts call attention to things to buy, places to go, things to do, and

how they should be done. Websites like Pinterest mimic real discussions where one consumer tells others about the things that bring value to their lives. Certainly, the sharing of preferences and information about what to do helps consumer make decisions. The desire to share such information has driven Pinterest to one of the top websites in the United States.¹

Consumer decisions are sometimes simple, involving few resources, and other times complex, involving large amounts of resources. When consumers make decisions, they set in place a chain of reactions that change their lives, the lives of those around them, and the lives of people they don't even know. How can even simple decisions be so important to society? The answer to this question is one of the key points of this subject.

A consumer makes a decision with the intention of improving his or her life—that is, doing something of value. But, the value creation doesn't stop here. Businesses survive by offering value propositions that tell consumers how they can maintain or make life better by engaging with some good, service, or experience. As long as consumers continue shopping, buying, and consuming, opportunity exists for business. The process



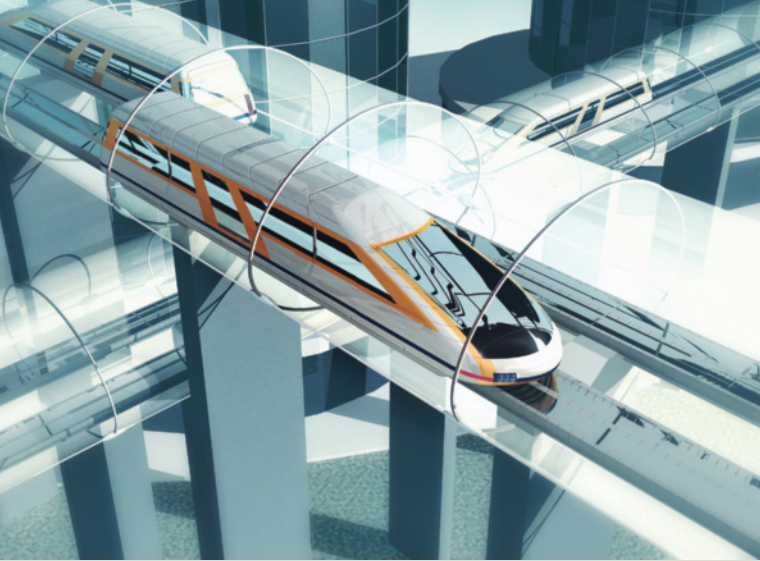
of making a purchase starts a chain reaction of value-creating actions.

Much of the news reported in the media focuses on the economy. Various aspects of the economy cause great concern. Why so? Consider the labor participation rate, which has slid every year since 2007.² As a result, analysts become concerned about what is being sold, particularly housing sales. When consumers stop buying houses, many industries and people downstream are affected. Fewer home sales means fewer appliance and furniture purchases, less demand for architects, builders, and building supplies, and in turn, fewer jobs for people in those industries. Jobs provide resources for consumers to enhance their lives by acquiring value-providing goods and services. Those that are unemployed or underemployed are less likely to be able to make major purchases like a home. Thus, when consumers stop buying, bad things can take place.

Now, what happens when consumers buy things? Have you adopted some type of smartwatch yet? Three out of four smartwatch adopters express satisfaction with the device. Although owners are aggravated by some aspects such as short battery life, overall sales are growing. When someone buys a smartwatch, a chain

reaction occurs. Not only does the owner receive value, but value is created for others as the store must restock its inventory, meaning the manufacturer produces more products. To do this, the manufacturer purchases raw materials, parts, and services from suppliers. Companies like UPS or FedEx ship raw materials and finished products, providing even more jobs. The consumer also will enhance the product by adding appropriate apps. Apps that track fitness can even change lifestyles: some consumers report changing their lifestyles and exercising because they don't want their Fitbit or other exercise tracking app to register 0 at the end of a day.³ Thus, what seems to be even a simple purchase sets in place a chain reaction of value-enhancing activities that improve individual lives and lives for those who work to provide those products.

Marketers are challenged to continue to provide innovations that offer relative value advantages. While Apple turns its attention toward an autonomous electric car, others are looking at transportation alternatives that don't involve cars at all. In fact, imagine climbing inside a tube that is propelled through a hyperloop at 500 miles per hour using technology commonly seen at bank drive-throughs for decades.⁴ Will innovations like these offer value for consumers?



andrey_1/Shutterstock.com

Imagine climbing inside a tube that is propelled through a hyperloop at 500 miles per hour using technology seen at bank drive-throughs for decades. . . .

Although some may call a course like this one “buyer behavior,” consuming involves more than just *buying*. Certainly, businesses are interested in getting someone to buy something. But consumption goes on long after purchase, and this consumption story ultimately determines how much value results.

As you can see, our behavior as consumers is critically important, not just to ourselves, but to many other people. This is why so many people, not just marketing people, are interested in learning about CB. True, the marketer who understands consumers will be able to design products with greater value potential and thus a greater chance of enhancing the well-being of stakeholders, including the company and customers. Policy makers also show interest in CB because the knowledge allows them to make more effective public policy decisions. Last but not least, consumers who understand CB can make better decisions concerning how they allocate scarce resources—that is, they become better consumers. Thus, an understanding of CB

can mean better business for companies, better public policy for governments, and a better life for individuals and households.

consumer behavior set of value-seeking activities that take place as people go about addressing their real needs

1-1 CONSUMPTION AND CONSUMER BEHAVIOR

We consider CB from two unique perspectives:

1. The actual human thoughts, feelings, and actions involved in consumption experiences, and/or
2. A field of study (human inquiry) that is developing an accumulated body of knowledge about human consumption experiences.

If we think of a consumer considering the purchase of a smartwatch, CB captures the thoughts, feelings, reactions, and consequences that take place as the consumer goes through a decision-making process, ownership, and usage of a product, in this case a smartwatch. Alternatively, we consider the body of knowledge that researchers accumulate as they attempt to explain these thoughts, feelings, actions, reactions, and consequences as the field of study known as consumer behavior. Thus, rather than choosing between the two alternative approaches, the best appreciation of CB requires consideration of both perspectives.

1-1a Consumer Behavior as Human Behavior

Consumer behavior is the set of value-seeking activities that take place as people go about addressing and attempting to address real needs. In other words, when a consumer is motivated by a need, a process kicks in as the consumer sets out to find desirable ways to fill this need. The process involves multiple psychological events, including thinking, feeling, and behaving, and the entire process culminates in value. If it’s successful, the process creates sufficient value to address the need that began the process.

Consumers who understand CB can make better decisions concerning how they allocate scarce resources—that is, they become better consumers.

THE BASIC CB PROCESS

Exhibit 1.1 illustrates the basic consumption process. We discuss each step in detail in later chapters. However, we briefly illustrate the process here, using a consumer who just got a new smartwatch. At some point, the consumer realized a need to more conveniently access outside media, such as Snapchat, Viber, and email,

Exhibit 1.1

The Basic Consumption Process



via the Internet. The realization of this need may be motivated by a desire to do better on the job, to have better access to friends and family, to more quickly post news about personal activities, or some combination of reasons. The realization of a need creates a want. A **want** is a specific *desire* that spells out a way a consumer can go about addressing a recognized need. A consumer feels a need to stay in touch, belong, socialize, or feel good about him or herself, and this need manifests itself in the want for better media access devices.

Realizing the need, our consumer decides to visit the new Buckhead HH Gregg store (consumer electronics



Devices create customers for apps.
Consumers drive the economy.

and appliances retailer). After looking at several alternative devices and talking it over with a salesperson, the consumer selects the Samsung Gear S2 smartwatch. Having made a choice, the consumer completes an exchange in which he gives up resources in return for ownership and the potential to use the product. An **exchange** is the acting out of a decision to give something up in return for something perceived to be of greater value. Here, the consumer decides the watch will be worth at least the price of the product plus any apps and subscriptions that may be needed to fully use the device.

The consumer then uses the product and experiences all the associated benefits and costs associated with consumption. **Costs** are the negative results of consumption experiences. The costs involve more than just the monetary price of the product. Consumers spend time

both shopping for and learning how to use a device. Physical effort also takes place as consumers visit retail stores and browse web resources during the process. The time, money, and effort spent acquiring a product comes at the expense of other activities, resulting in high opportunity costs for the consumer. Also, compatibility often is an issue for so-called smart devices. Health-conscious, budget-minded consumers like the Fitbit Blaze? Consumers need to check compatibility with Windows, Android, and OSX before making the purchase. An incompatible phone or PC means the smartwatch's value is limited. In fact, even if a consumer might prefer a Samsung Gear S2, he/she may end up with an iWatch, especially if he/she already owns an iPhone or MacBook.⁵

Benefits are positive results of consumption experiences. The benefits are multifaceted, ranging from potentially better job performance, easier text, email, and social network access, and benefits from other smartwatch apps that do things like monitor heart rate and calories consumed. Other tacit benefits may exist for some consumers who like the fact that other consumers notice and admire the smartwatch. Benefits like these potentially enhance the perceived self-esteem of the consumer.

Over time, the consumer evaluates the costs and benefits and reacts

want a specific desire representing a way a consumer may go about addressing a recognized need

exchange acting out of the decision to give something up in return for something perceived to be of greater value

costs negative results of consumption experiences

benefits positive results of consumption experiences

to the purchase in some way. These reactions involve thoughts and feelings. The thoughts may involve reactions to features such as the ease of use. The feelings may sometimes include frustration if the features do not work correctly or conveniently. Ultimately, the process results in a perception of value. We will discuss value in more detail in Chapter 2.

CONSUMPTION

Another way to look at the basic consumer behavior process is to consider the steps that occur when consumption takes place. Obviously, a consumer consumes. Interestingly, very few consumer behavior books define consumption itself. **Consumption** represents the process by which consumers use goods, services, or ideas and transform the experience into value. Thus, the actions involved in acquiring and using a technological device like a smartwatch create value for a consumer. Consumption is a value-producing process in which the marketer and the consumer interact to produce value. When the consumer fails to realize value from the process, something has broken down in the process; perhaps a bad performance from the marketer or perhaps a bad decision by the customer. Thinking about the result of all of these interactions considered together, one easily sees that consumption outcomes affect consumer well-being by affecting quality of life.

1-1b Consumer Behavior as a Field of Study

Consumer behavior as a field of study represents the study of consumers as they go through the consumption process. In this sense, consumer behavior is the science of studying how consumers seek value in an effort to address real needs. This book represents a collection of knowledge resulting as consumer behavior researchers go about studying consumers.

consumption process by which consumers use and transform goods, services, or ideas into value

consumer behavior as a field of study study of consumers as they go about the consumption process; the science of studying how consumers seek value in an effort to address real needs

economics study of production and consumption

Consumer behavior, as a field of study, is a very young field. The first books focusing on consumer or buyer behavior date from the 1960s.⁶ Thus, compared with older disciplines, researchers have had less time to develop the body of knowledge. Therefore, each decade the accumulated body of knowledge grows significantly. Clearly, however, much uncertainty

Exhibit 1.2

Relationships of CB with Other Disciplines



Source: Based on D. J. MacInnis and V. S. Folkes, "The Disciplinary Status of Consumer Behavior: A Sociology of Science Perspective on Key Controversies," *Journal of Consumer Research* 36 (April 2010): 899–914.

remains, and consequently, the body of accepted theory and rules of practice remains small. This is one reason consumer behavior is so exciting to study. CB researchers continue to expand the knowledge base at a fast pace compared to more mature disciplines.

Like other fields of study, CB has family ties with other disciplines. Exhibit 1.2 displays the relationship between CB and other disciplines. Research in various disciplines produced relevant knowledge for marketers seeking to understand consumers. The genesis of the CB field lies in business and the growing body of academic research produced by business schools in the late 20th and early 21st century.⁷ The exhibit displays the overlapping nature of CB and marketing; other fields that sometimes contribute to and to which CB sometimes contributes are also shown. A few of these disciplines share a special bond with CB, as we discuss below. CB shares particularly strong interdisciplinary connections with economics, psychology (particularly social psychology), marketing, and anthropology.⁸

ECONOMICS AND CONSUMER BEHAVIOR

Economics often is defined as the study of production and consumption. A free enterprise system allows individuals to participate freely in the market.⁹ Accordingly, it is easy to see that marketing has origins

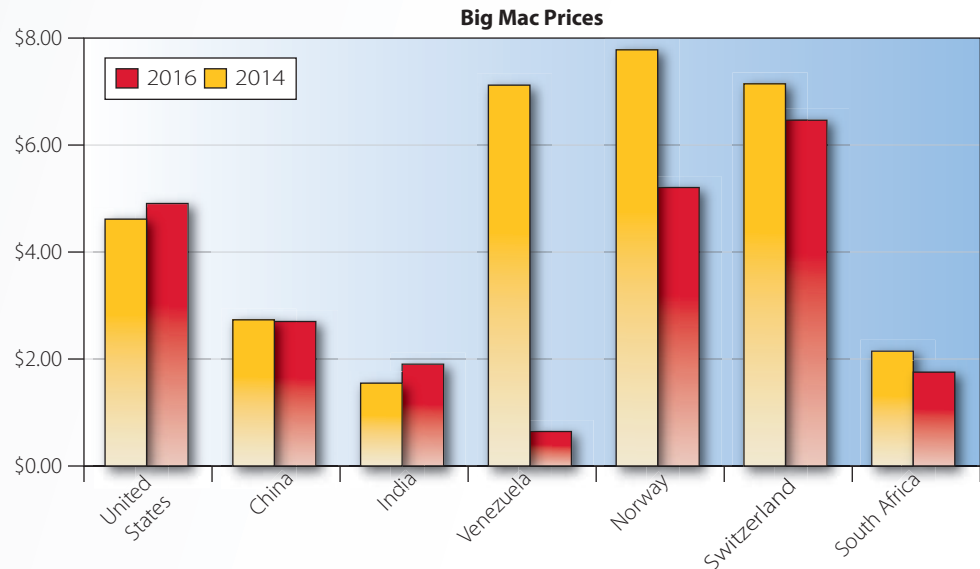
in economics, particularly with respect to the production and distribution of goods. As the definition implies, economics also involves consumption. Therefore, consumer behavior and economics have a lot in common. However, the economist's focus on consumer behavior is generally a broad or macro perspective bounded by broad assumptions. Economic studies often involve things like commodity consumption of nations over time. This may even involve tracking changes in consumption with different price levels, enabling price elasticity to be determined. The economist finds data for a study like this in historical sales records. This type of study does not require data describing individual consumers that may reveal the thoughts, feelings, and behaviors associated with consumption.

Economists' inclination to track and compare overall consumption of a specific phenomenon illustrates a macro perspective. For instance, *The Economist* journal tracks prices of Big Macs globally.¹⁰ The Big Mac Index compares the relative price of hamburgers country by country. The idea was to show relative purchasing power, but economists now realize the Big Mac Index actually predicts currency fluctuations with some accuracy. A relatively low price indicates an undervalued currency. The prices represent aggregate prices paid by thousands of anonymous consumers within each country. Exhibit 1.3 displays the Big Mac Index prices for several countries for both 2014 and 2016. Large differences in the prices indicate less stable currencies. In this case, Venezuela and Norway show the biggest changes in two years. The fluctuation is likely tied to the fact that oil prices have dropped from well over \$100 per barrel in 2014 to well under \$50 a barrel in 2016.¹¹ Both Norway's and Venezuela's economies rely heavily on oil.

In contrast, consumer behavior researchers generally study CB at much more of a micro level, often focusing

Exhibit 1.3

The Big Mac Index



on individual consumers rather than countries. The Big Mac Index assumes equal liking for Big Macs and does not take into account individual difference characteristics or even cultural variables that might influence the value of a Big Mac. Most Indian consumers for instance, would not pay a penny for a Big Mac because eating beef would run counter to Hindu beliefs. CB research relaxes many assumptions of economics including rationality to better understand why consumer preferences vary so much. For instance, consumer researchers study how consumers' desires for fast food are influenced by various health claims or even by the relative body shape of other individuals in the fast-food restaurant.¹² These results suggest, among other things, that a consumer who buys a "healthy" burger is likely to indulge in more side orders than a consumer buying a burger that makes no health claims.

Consumption is a value-producing process in which the marketer and the consumer interact to produce value.

PSYCHOLOGY

Psychology is the study of human reactions to their environment.¹³ Psychologists seek to explain the thoughts, feelings, and behaviors that represent human reaction. Psychology itself consists of several subdisciplines. Social psychology and cognitive psychology, in particular, are highly relevant to consumer behavior.¹⁴

Social psychology focuses on the thoughts, feelings, and behaviors that people have as they interact with other people (group behavior). Consumer behavior most often takes place in some type of social setting or sometimes with the specific intention of affecting the way others view the self. Thus, social psychology and consumer behavior overlap significantly.

Cognitive psychology deals with the intricacies of mental reactions involved in information processing. Every time a consumer evaluates a product, sees an advertisement, or reacts to product consumption, information is processed. Thus, cognitive psychology is also very relevant to consumer behavior and a prominent topic throughout the text.

Today the study of cognitive psychology is assisted by developments in neuroscience. **Neuroscience**, the study of the central nervous system including brain mechanisms associated with emotion, offers potential for understanding CB by charting a consumer's physiological brain functions during the consumption process. Neuroscience researchers use sophisticated brain imaging equipment to monitor brain activity. One finding suggests that when consumers think about enjoying some of their favorite foods their brains become more active than when they actually eat the food.¹⁵

Is thinking about consuming as good as actually consuming? Neuroscience applications addressing such questions continue to increase in number.

psychology study of human reactions to their environment

social psychology study that focuses on the thoughts, feelings, and behaviors that people have as they interact with other people

cognitive psychology study of the intricacies of mental reactions involved in information processing

neuroscience the study of the central nervous system including brain mechanisms associated with emotion

marketing multitude of value-producing seller activities that facilitate exchanges between buyers and sellers, including production, pricing, promotion, distribution, and retailing



MARKETING

One doesn't have to look very hard to find different definitions of marketing. Many older definitions focus heavily on physical products and profitability. Even though products and profits are very important aspects of marketing, such definitions are relatively narrow.¹⁶ **Marketing** consists of the multitude of value-producing seller activities that facilitate exchanges between buyers and sellers. The value-producing activities include the production, promotion, pricing, distribution, and retailing of goods, services, ideas, and experiences, all with the potential to create value for consumers and other stakeholders.

CB and marketing are very closely related. Exchange is intimately involved in marketing and, as can be seen from Exhibit 1.1, exchange also is central to CB. In fact, in some ways, CB involves "inverse" marketing as consumers operate at the other end of the exchange. Marketing actions are targeted at and affect consumers, while consumer actions affect marketers. A marketer without customers won't be a marketer very long. In fact, without consumers, marketing is unnecessary.

Some researchers view the CB discipline as separate and distinct from marketing. Others view CB as a subdiscipline within marketing.¹⁷ The details of the argument are beyond the scope of this text; however, the very fact that such an argument exists illustrates the close bond between the two. Marketing and CB share considerable relevance, and both are essential inputs to organizational success.

CONSUMER BEHAVIOR AND OTHER DISCIPLINES

Commerce increased tremendously with the industrial revolution and the coinciding political changes that fostered economic freedom in many countries. Businesses looked to the new field of marketing for practical advice initially about distribution and later about pricing, packaging, advertising, and communication. Thus, although marketing may have originally shared more in common with economics, the turn toward consumer research brought numerous psychologists into the field. Many of these psychologists became the first consumer researchers.

CB research and marketing research overlap with each other more than they do with any other discipline, as illustrated by the overlapping shapes in Exhibit 1.2. Beyond this, CB research shares much in common with psychological research, particularly in terms of shared research approaches and shared theories. Consumer research is based largely on psychology, and to some extent psychology draws from consumer behavior research.

Disciplines beyond economics, psychology, and marketing also intersect with consumer behavior. **Sociology** focuses on the study of groups of people within a society. Sociology's relevance for CB lies in the fact that consumption often takes place within group settings or is in one way or another affected by group dynamics. Consumers take value from sharing experiences with others not only because it is enjoyable, but because shared experiences can build social capital.¹⁸

Anthropology has contributed to consumer behavior research by allowing researchers to interpret the relationships between consumers and the things they purchase, the products they own, and the activities in which they participate. Anthropological consumer research often features the symbolic meanings behind our possessions. One interesting study looks at the role of gift-giving among victims held in Nazi concentration camps and links both giving and possessing to self-identity.¹⁹ Other disciplines, such as geography and the medical sciences, overlap with consumer behavior in that they draw from some of the same theories and/or research approaches.

1-2 THE WAYS IN WHICH CONSUMERS ARE TREATED

Is the customer always “king”? Look at this list of familiar service environments:

- ▶ A typical Department of Motor Vehicles (DMV) office
- ▶ The registrar's office at a state university
- ▶ A bank lobby
- ▶ A university health clinic
- ▶ A Veterans' Administration (VA) Clinic
- ▶ A sports bar
- ▶ A New York City fine dining establishment
- ▶ A Honolulu resort

Think about the following questions. Does a consumer receive the same degree of service at each of these



ROBYN BECK/Getty Images

Compared to a restaurant, what motivation does the DMV have to provide a high-value waiting experience?

places? What is the waiting environment like at each one? Is there a clean, comfortable waiting area with pleasant music? How dedicated are the employees to delivering a high-quality service experience? How likely are employees to view the customer as a nuisance? If you don't see the point of these questions yet, contrast the waiting area at a driver's license bureau with the elaborate lobby where you wait for check-in service (probably not very long) at a Miami Beach resort.

Some organizations can survive while treating customers badly, while others need to pamper customers just to have a chance of surviving. Consider these two questions in trying to understand why this is so:

1. How competitive is the marketing environment?
2. How dependent is the marketer on repeat business?

1-2a Competition and Consumer Orientation

Where do consumers go if they don't like the service at the DMV? If the choice comes down to visiting the bureau or not driving, nearly all consumers will put up with the less-than-immaculate surroundings, long waits, and poor service that all too typically go along with getting a driver's license. Put yourself into the shoes of the service providers at the

sociology the study of groups of people within a society, with relevance for consumer behavior because a great deal of consumption takes place within group settings or is affected by group behavior

anthropology field of study involving interpretation of relationships between consumers and the things they purchase, the products they own, and the activities in which they participate