



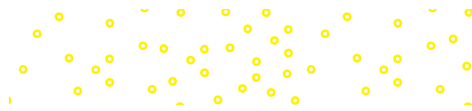
Fourteenth Edition

# Consumer Behavior

Building Marketing Strategy

Mothersbaugh  
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Kleiser

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# Consumer Behavior

## Building Marketing Strategy

FOURTEENTH EDITION

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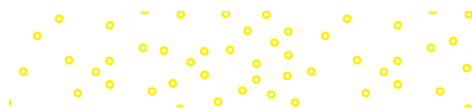
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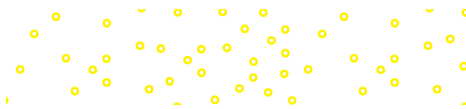
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## CONSUMER BEHAVIOR: BUILDING MARKETING STRATEGY, FOURTEENTH EDITION

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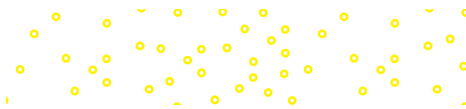
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# Preface



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

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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 we 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 also can 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 are 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.

## AREAS OF ONGOING CHANGE AND FOCUS

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 fourteenth edition includes a number of important features.

### Internet, Mobile, and Social Media

The Internet, mobile marketing, and social media are dramatically changing how and where 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. Multiple global examples can be found woven into the text across the chapters. 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.

## UNIQUE FEATURES AND NEW TO THIS EDITION

### 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 also are focused on ethical or regulatory issues, including all of the cases following Part Six.

### 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 fourteenth edition.

### New to This Edition

As with our prior editions, we strive to keep pace with the changing environment surrounding consumer behavior by updating each chapter with the latest research, as well as current and relevant examples from industry. Fresh, new ads, photos, and screenshots have been added throughout the text relating to the discussion of various consumer behavior concepts. We detail below the specific revisions made throughout the fourteenth edition.

## CHAPTER 1

- New Consumer Insight on market segmentation based on product-related needs

## CHAPTER 2

- New Consumer Insight on Coca-Cola’s glocalization strategy (adapting locally, marketing globally)
- Updated tables related to global demographics

## CHAPTER 3

- New Chapter Opener on the reversal of gender roles
- Updated tables on gender-based activities, including social media usage

## CHAPTER 4

- New Chapter Opener on changing U.S. living situations, with the rise of multigenerational households
- New Consumer Insight on the segmentation of the Generation Y market, using demographic identifiers
- New term (multigenerational household), new section on generations (Generation Alpha) added to the chapter
- Updated tables throughout, especially those referencing the Simmons National Consumer Survey

## CHAPTER 5

- New Consumer Insight on ethnic subcultures
- Updated figures and tables, including those referencing the Simmons National Consumer Survey

## CHAPTER 6

- New Consumer Insight on American family structures

## CHAPTER 7

- New Chapter Opener on brand communities with lululemon
- New Consumer Insight related to the impact on a brand of consumer-generated content posted online about that brand
- Updated Consumer Insight related to online marketing, buzz, and WOM that deals with “astroturfing”
- New term added (brand ambassador)

## PART II CASES (new or updated)

- IKEA Uses Market Research to Adapt for Global Markets
- How Social Media Nearly Brought Down United Airlines
- *Grace and Frankie*: The Invisibility of Baby Boomer Women

## CHAPTER 8

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- New Chapter Opener on brands' use of product placement in video games, movies, video streaming services, and music videos to reach consumers
- Updated Consumer Insight on the effectiveness of advertising in the DVR and “cord-cutting” era
- Updated tables, especially those referencing the Simmons National Consumer Survey

## CHAPTER 9

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- New Consumer Insight on a brand's repositioning to attract a new consumer segment

## CHAPTER 10

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- New Chapter Opener on brand personalities, based on Gap Inc.'s brands

## CHAPTER 11

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- New Chapter Opener on changing consumer attitudes, using avocados as the example

## CHAPTER 12

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- New Chapter Opener on lifestyles, as related to Cooking Enthusiasts
- Updated figures and tables related to lifestyle segments, such as VALS and Global Mosaic

## PART III CASES (new or updated)

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- Repositioning McDonald's
- Let's Move! Campaign Celebrities Endorsing Soda?!
- Meal Kits Are Shifting How Consumers Shop for Food
- The Tale of Two Emotional Ads
- The World Shares a Coke

## CHAPTER 13

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- New Chapter Opener on rituals

## CHAPTER 14

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- Updates throughout for accuracy and currency

## CHAPTER 15

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- Updated Consumer Insight on the personalization of the online search experience
- New table on segments of smartphone consumers

## CHAPTER 16

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- Updated Consumer Insight on context effects

## CHAPTER 17

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- Major restructuring of “The Evolving Retail Scene” section of the chapter, including learning objective 2, emphasizing omni-channel shopping and mobile retailing
- New Consumer Insight on mobile retailing
- New terms added (showrooming, webrooming)
- New tables on online buying behavior, including smartphone shopping and shopping app downloads
- Updated table on shopping orientations

## CHAPTER 18

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- Updates throughout for accuracy and currency

## PART IV CASES

### (new or updated)

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- Nissan Goes after the Dog Lover Niche
- WAWA Dominates with Its Mobile App

## CHAPTER 19

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- New Chapter Opener on the role of technology in business relationship marketing
- New Consumer Insight on organizational culture

## PART V CASES

### (new or updated)

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- Cuties: How Commodity Fruits Became a Branded Sensation
- Farmers' Brand Loyalty for Heavy Farm Equipment Machinery

## CHAPTER 20

---

- Updates on government regulations and online marketing to children, including social media marketing

## PART VI CASES

### (new or updated)

---

- Is Crude Puppet Movie Hitting a Dead End on *Sesame Street*?
- COPPA Evolves, but Technology Industries Evolve Faster

## END OF CHAPTER ACTIVITIES

### 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.

### 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 assignments.

### 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 ads. They range in complexity from short evening assignments to term projects.

## ADDITIONAL LEARNING MATERIALS

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 fourteenth edition. 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.

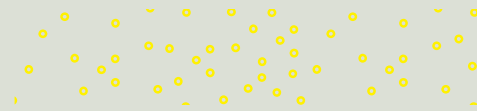
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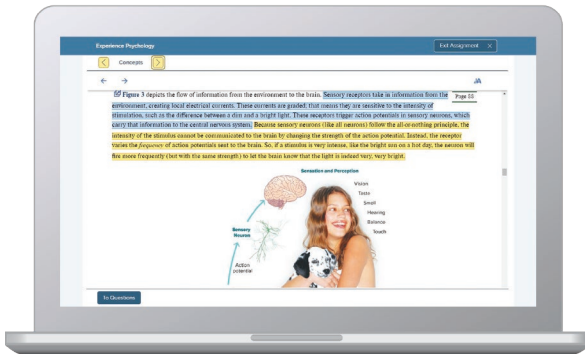
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*David L. Mothersbaugh*

*Del I. Hawkins*

*Susan Bardi Kleiser*

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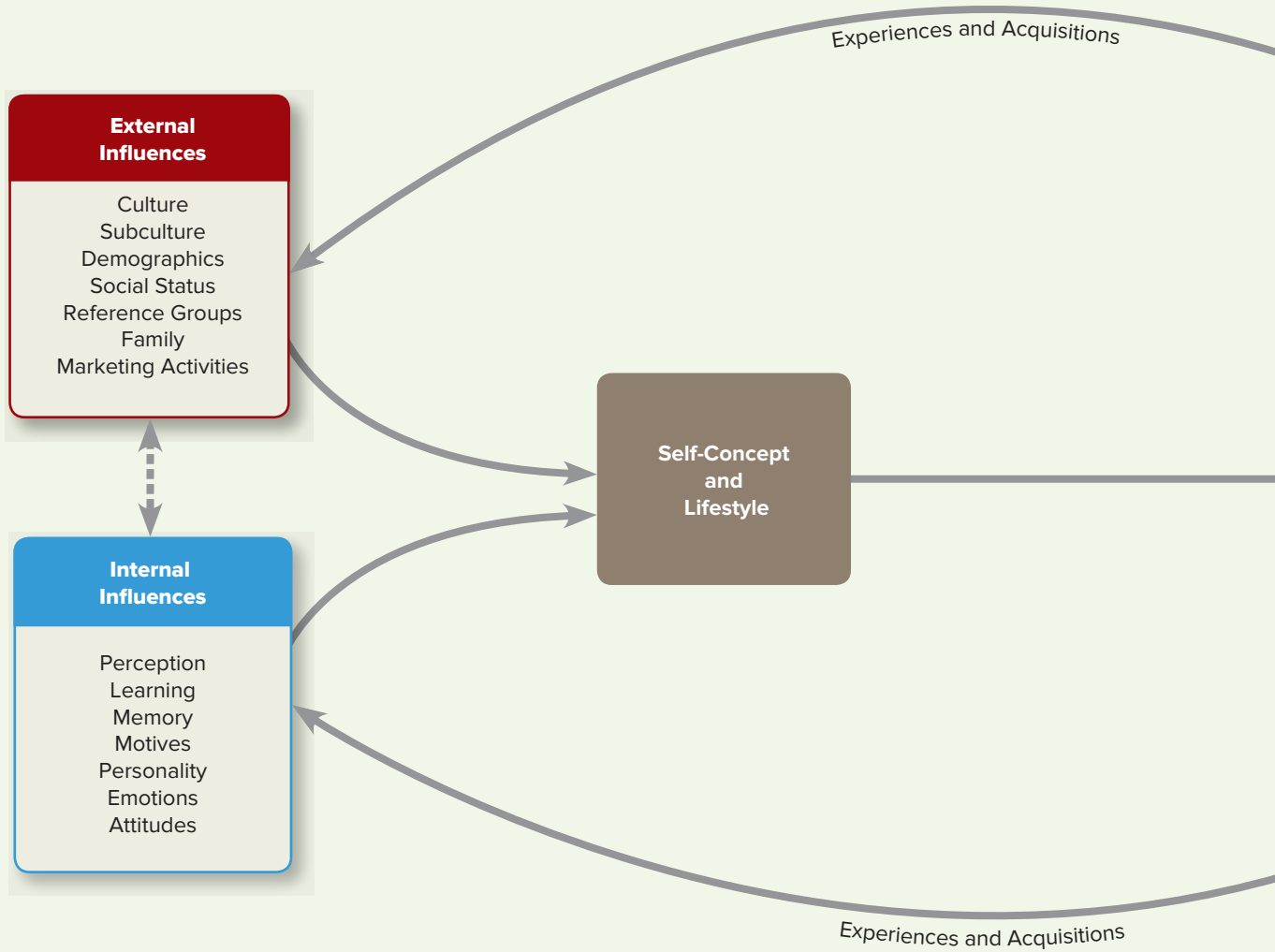
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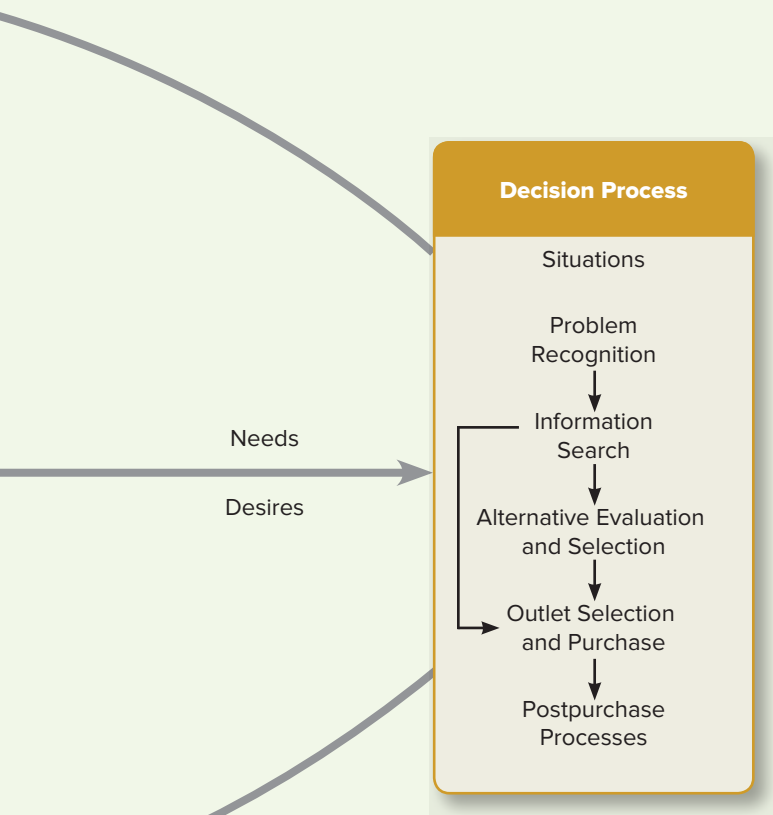
# I

# Introduction



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 here, which is presented again in Figure 1–3 and discussed toward the end of the chapter.



chapter

# 1

## Consumer Behavior and Marketing Strategy



Source: Starbucks Corporation

### 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 K-Cup® pods and brew a single 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.<sup>1</sup> This Starbucks in New Orleans pictured at the beginning of this chapter is a great 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 dialogue. Product creation is no longer exclusively in the hands of marketers. Consumers can initiate and participate in product innovation by pitching an idea and/or funding a pitch (e.g., Kickstarter, Etsy). Consumers can verify marketers’ promises of competitive prices for all nature of things from air fare (e.g., Kayak) to products (e.g., NexTag). And consumers do not have to take marketers at their word because they easily can access customer reviews (e.g., Amazon.com).<sup>2</sup>



*Social Media*—The power shift from marketers to consumers has been further amplified by the rise of social media—Facebook, Pinterest, Snapchat, Twitter—which place user-generated, consumer-to-consumer(s) communication outside of the direct control and influence of marketers. A humorous example is the more than 8,000 Tweets (on Twitter) reporting the abnormally long receipts CVS gives its customers. Tweets show photos of consumers holding up CVS receipts that stretch above their heads and wrap around their waists. The motivation behind these long receipts is big data. CVS collects data on each customer purchase via the customer's CVS card. When customers check out, the cash register prints out on each consumer's receipt custom coupons mined from the history of previous purchases. CVS was both fortunate and savvy. They noticed the trend (social media allows for this to be done quickly and efficiently), noted

the negativity (consumers' perception of waste and lack of environmental concern), and are reacting (moving more of their coupons and rewards direct to consumer cards). Such "real-time" trend tracking was simply not possible in most cases prior to social and digital media.

This shift in power from Marketing 2 Consumers to Marketing 4 Consumers and the rise of social media have made it all the more crucial for marketers to understand consumer behavior. Marketers' use of crowdsourcing to give voice to their consumers' needs and wants exemplifies marketers' understanding of the need to place consumers at the center of marketing. Examples of online crowdsourcing include Amazon Studios' Amazon Preview, Lay's "Do Us A Flavor," and Lego's LEGO Ideas. These examples show how valuable it can be when marketers talk "with" their customers rather than simply talk "to" them.<sup>3</sup>

**L01**

The field of **consumer behavior** is *the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society.* This view of consumer behavior is broader than the traditional one, which focused more narrowly on the buyer and the immediate antecedents and consequences of the purchasing process. Our broader view will lead us to examine more indirect influences on consumption decisions as well as far-reaching consequences that involve more than just the purchaser and the seller.

The opening examples above summarize some attempts to apply an understanding of consumer behavior in a rapidly evolving environment that includes changes in technology and how consumers interact and communicate with firms. Throughout this text, we will explore the factors and trends shaping consumer behavior and the ways marketers and regulators can use this information. Four key aspects regarding consumer behavior are highlighted in this text.

- *Consumer behavior is a complex, multidimensional process.* Consumer decisions often involve numerous steps and are influenced by a host of factors including demographics, lifestyle, and cultural values. Consumer decisions are further complicated when the needs and wants of multiple individuals or groups are considered, as when families must make decisions about where to eat for dinner or where to go on vacation.
- *Successful marketing decisions by firms, nonprofit organizations, and regulatory agencies require an understanding of the processes underlying consumer behavior.* This relates to



Source: Air France



Source: Flexjet

## ILLUSTRATION 1-1

understanding theories about when and why consumers act in certain ways. Whether they realize it or not, organizations are making decisions every day based on explicit or implicit assumptions about what processes drive consumer behavior. Examine the Air France and Flexjet ads in Illustration 1-1. *What assumptions about consumer behavior underlie each ad? Which approach is best? Why?*

- *Successful marketing decisions require organizations to collect information about the specific consumers involved in the marketing decision at hand.* Consumer decisions are heavily influenced by situation and product category. Thus, consumer research is necessary to understand how specific consumers will behave in a specific situation for a given product category. Appendix A examines various consumer research approaches.
- *Marketing practices designed to influence consumer behavior involve ethical issues that affect the firm, the individual, and society.* The issues are not always obvious and many times involve trade-offs at different levels. The fast-food industry is currently dealing with such issues. While their products are highly desirable to many consumers in terms of taste and affordability, they also tend to be high in calories, fat, and sodium. These health-related issues have grabbed the attention of government and consumer groups.

Sufficient knowledge of consumer behavior exists to provide usable guidelines. However, applying these guidelines effectively requires monitoring the environment for changes and factoring those changes into marketing decisions. It also requires practice. We provide a variety of such opportunities in the form of (a) questions and exercises at the end of each chapter, (b) short cases at the end of each main part of the text, and (c) a consumer behavior audit for developing marketing strategy (Appendix B) at the end of the text.



The Air France and Flexjet advertisements are targeting the same consumers with very similar products, yet they use two very different approaches. Why? They are based on different assumptions about consumer behavior and how to influence it.

## APPLICATIONS OF CONSUMER BEHAVIOR

### Marketing Strategy

**LO2**

Marketing decisions based on explicit consumer behavior theory, assumptions, and research are more likely to be successful than those based on hunches or intuition, and thus create a competitive advantage. An accurate understanding of consumer behavior can greatly reduce the odds of failures such as:

S.C. Johnson pulled the plug on its Ziploc TableTops, a line of semi-disposable plates. TableTops was one of the company's most expensive launches with \$65 million spent on marketing. A number of factors appear to have contributed to the failure including relatively high prices (which made consumers less likely to throw them away) and the fact that the products really weren't all that disposable. As one retailer explained, "There are no repeat purchases. The things last forever."<sup>4</sup>

Thus, a primary goal of this book is to help you obtain a usable managerial understanding of consumer behavior to help you become a more effective marketing manager. Before we take a look at marketing strategy and consumer behavior, let's examine regulatory policy, social marketing, and the importance of being an informed individual.

### Regulatory Policy

Various regulatory bodies exist to develop, interpret, and/or implement policies designed to protect and aid consumers. For example, the Food and Drug Administration (FDA) administers the Nutrition Labeling and Education Act (NLEA). Among other things, NLEA requires that packaged foods prominently display nutrition information in the form of the Nutrition Facts panel.

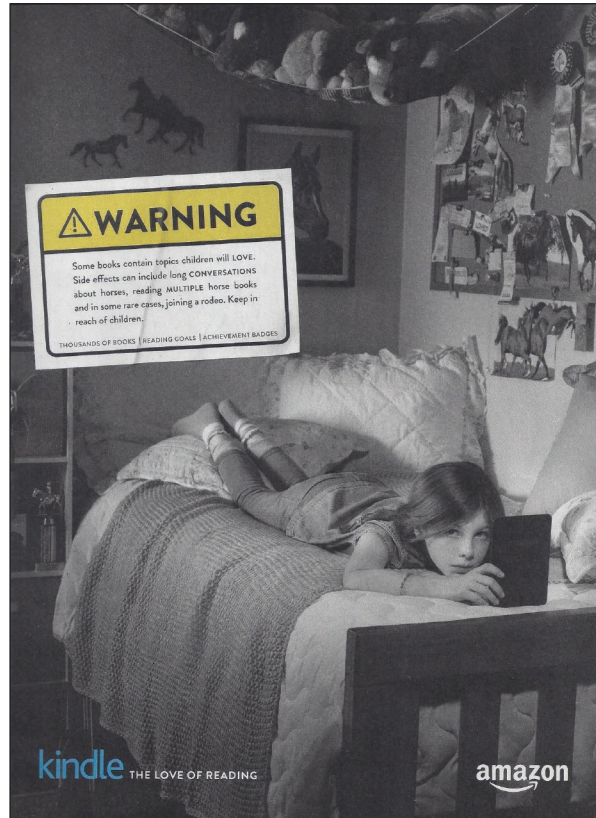
Has NLEA succeeded? One study suggests that it depends. For example, the Nutrition Facts panel is of most benefit to highly motivated consumers who are low in nutritional knowledge. Demonstrating such benefits is important in light of the estimated \$2 billion in compliance costs. However, such cost-benefit comparisons are complicated because placing a dollar value on individual and societal benefits is often difficult.<sup>5</sup>

Clearly, effective regulation of many marketing practices requires an extensive knowledge of consumer behavior. We will discuss this issue throughout the text and provide a detailed treatment in Chapter 20.

### Social Marketing

**Social marketing** is the application of marketing strategies and tactics to alter or create behaviors that have a positive effect on the targeted individuals or society as a whole.<sup>6</sup> Social marketing has been used in attempts to reduce smoking, to increase the percentage of children receiving their vaccinations in a timely manner, to encourage environmentally sound behaviors such as recycling, to reduce behaviors potentially leading to AIDS, to enhance support of charities, to reduce drug use, and to support many other important causes.

Just as for commercial marketing strategy, successful social marketing strategy requires a sound understanding of consumer behavior. For example, Amazon's "I Love Reading" Kindle campaign (see Illustration 1-2) uses an emotional-based appeal. In Chapter 11, we will analyze the conditions under which such campaigns are likely to succeed.



Source: Amazon

### ILLUSTRATION 1-2

Nonprofits as well as commercial firms such as Amazon, as shown here, attempt to influence consumption patterns. Both types of organizations must base their efforts on knowledge of consumer behavior to maximize their chances of success.

## Informed Individuals

Most economically developed societies are legitimately referred to as consumption societies. Most individuals in these societies spend more time engaged in consumption than in any other activity, including work or sleep (both of which also involve consumption). In addition, marketers spend billions to influence consumer decisions. These attempts occur in ads, in websites, on packages, as product features, in sales pitches, and in store environments. They also occur in the content of many TV shows, in the brands that are used in movies, and in the materials presented to children in schools.

It is important that consumers accurately understand the strategies and tactics being used so they can be more effective consumers. It is equally important that, as citizens, we understand the consumer behavior basis of these strategies so we can set appropriate limits when required. That is, an understanding of consumer behavior can establish a foundation for reasoned business ethics.



## MARKETING STRATEGY AND CONSUMER BEHAVIOR

The applications of consumer behavior involve the development, regulation, and effects of marketing strategy. We now examine marketing strategy in more depth.

Marketing strategy, as described in Figure 1-1, is conceptually very simple. It begins with an analysis of the market the organization is considering. On the basis of the consumer analysis undertaken in this step, the organization identifies groups of individuals, households,

LO3