

Kardes | Cronley | Cline

Consumer **Behavior**

2e



ConsumerBehavior

2e

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*Chapters 18–19 are available on the companion website, accessible at www.cengagebrain.com.

Preface

Businesses spend enormous amounts of time, money, and other resources on monitoring, predicting, understanding, and influencing the behavior of consumers. Success depends on convincing consumers to use their products and services rather than competitors' offerings. Toward this end, consumers are inundated by marketing communications in the traditional media (e.g., television, radio, print advertising, and direct mail), the new media (e.g., Internet), and in retail stores (e.g., packaging and point-of-purchase displays). However, effective marketing requires an in-depth understanding of the variables that capture the attention and interest of consumers; that influence how consumers acquire, retain, and update product knowledge; and that influence how consumers use product knowledge as a basis for judgment and choice.

Consumer behavior encompasses all consumer activities associated with the purchase, use, and disposal of goods and services, including the consumer's emotional, mental, and behavioral responses that precede, determine, or follow these activities. The unwavering focus on the consumer is the unique contribution of marketing that distinguishes this activity from the other business functions (e.g., accounting, finance, production, management). An in-depth understanding of consumers is needed to develop better products and services, to market these products and services more effectively, and to achieve a sustainable competitive advantage.

This book provides in-depth, scientifically grounded explanations of consumer behavior without sacrificing breadth. We discuss a variety of "classic" consumer behavior topics, including consumer information processing, consumer decision making, persuasion, and the role of culture and society on consumer behavior. In addition, we address some novel topics that enhance the usefulness and impact of the text, including an emphasis on international and ethical perspectives, an examination of "contemporary" or "state-of-the-art" media, and a discussion of online tactics and branding strategies. In summary, we aim to strike a balance among theoretical concepts, research findings, and applied marketing examples to achieve a strong, consumer-focused, strategy-oriented approach.

Organization of the Book

This book is organized in five main parts. Part One focuses on consumer behavior and marketing strategy. It explores what consumer behavior comprises, how it fits into the larger field of marketing, and how marketers study it. Part One also explains how marketing managers use their research-based knowledge about consumers to develop more effective segmentation,

positioning, and branding strategies. Effective strategic decisions related to segmentation, positioning, and branding are essential for successful marketing practice.

Part Two focuses on consumer information processing, or the steps or stages of thinking and reasoning that influence how consumers acquire, retain, and revise product knowledge. Here, we take an internal view of the consumer to examine how these fickle, stubborn, passionate, and fascinating creatures interact with the marketing world by processing information and making decisions.

Part Three focuses on consumer decision making, or how consumers use their knowledge about products and services to choose the brands they buy. The chapters in Part Three break down consumer decision making and examine each step in detail.

Part Four focuses on consumer social influences and contemporary strategies for marketers. It looks at the influence of consumer self-concept and personality and how those interact with the more external influences of culture, values, and the influence of others on consumers and their behaviors. Part Four also explains how to reach consumers more effectively and how to develop more effective online tactics.

Part Five focuses on common biases and errors in managerial decision making and how to avoid them. Even experts are susceptible to a wide range of decision-making biases that can hurt business. A clearer understanding of managers' decision-making processes helps managers to avoid some common pitfalls. The chapters in Part Five (Chapters 18 and 19) can be found on the book companion site, accessible at www.cengagebrain.com.

Finally, it should be noted that although the chapters are presented in separate sections in this book, all chapters, topics, and themes are related to all the others.

Pedagogical Enhancements

We believe that students work best when they can see phenomena from all angles—when they can understand what theories and concepts mean, see how they integrate with other concepts, and see how they are applied to smart business practice. To help students understand, apply, and integrate the concepts of consumer behavior in terms of real companies and marketing situations, this book is filled with a variety of features that heavily emphasize interesting examples, strong visuals, and applied exercises.

Part Features

Each of the first four parts of the book begins with an interview with one or two well-respected consumer researchers to stimulate student interest. This helps set the tone for each part, providing a “big picture” of its theme that helps students understand the relevance of the topics addressed in the part.

Chapter Features

Each chapter includes a variety of aids to enrich student interaction and learning, including:

- **Learning Objectives.** A list of key concepts and objectives for each chapter.
- **Opening Vignette.** A mini-case using a real company, product, or situation to bring the subject of the chapter alive.
- **Marketing in Action.** A feature that illustrates the use of various consumer behavior concepts in the practice of marketing for a real company, product, or situation.
- **Global Perspectives.** A feature that discusses the use of consumer behavior concepts in real companies, products, or situations in international contexts.
- **Ethics.** A feature to increase student sensitivity to ethical issues and to stimulate classroom discussion.
- **Advertisements, Websites, Photos, Charts, and Illustrations.** Specific examples show students how companies attempt to persuade and influence consumers. Numerous photographs and illustrations of products, package designs, and consumers in action increase student interest and involvement in the material.
- **Chapter Summary.** An overview of key topics and concepts addressed in the chapter. Students can check their comprehension of the material by reviewing the summary.
- **Key Terms.** A list of the key concepts presented in the chapter, which can be used to reinforce students' comprehension.
- **Review and Discussion.** Questions to encourage students to think critically about what they have just read.
- **Short Application Exercises.** Questions help students apply the knowledge they have gained from reading the chapter.
- **Managerial Application.** A mini-case problem requiring the use of multiple concepts discussed in the chapter.
- **Marketing Metrics.** At the end of selected chapters is a short marketing statistics problem with an accompanying data set

The Consumer Behavior Resource Package

Teaching consumer behavior is an exciting and challenging task. A comprehensive set of ancillary materials has been created to support instructors.

For the Instructor

Instructor's Manual This teaching tool provides suggestions and additional assignments designed to supplement the textbook and help enhance the classroom experience. Each chapter includes the following materials:

- Learning objectives and teaching tips
- Lecture outlines

- Answers to review and discussion questions
- Suggested classroom activities and assignments

The Instructor's Manual can be downloaded from the book companion site, accessible at www.cengage.com/login.

Test Bank Cengage Learning Testing Powered by Cognero is a flexible, online system that allows you to:

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- Full-featured test generator. Create ideal assessments with your choice of 15 question types (including true/false, multiple choice, opinion scale/Likert, and essay). Multi-language support, an equation editor, and unlimited metadata help ensure your tests are complete and compliant.
- Cross-compatible capability. Import and export content into other systems.

For *Consumer Behavior 2e*, the test bank contains more than 1,200 questions, including a mix of:

- Definitional questions that test knowledge of concepts
- Conceptual questions that test the ability to recognize concepts and relate to situations
- Applied questions that test the ability to integrate and apply concepts

Question formats include multiple-choice, true/false, and essay questions for each chapter.

Recent pressure on faculty and institutions to implement and report on learning outcome requirements by the AACSB and other accreditation bodies is a challenge in higher education. The development of *Consumer Behavior* has given us the opportunity to help faculty meet these needs. We have tagged test items with general business and marketing discipline outcomes that allow you to more easily produce learning outcome reports for accreditation purposes.

PowerPoint Presentation A comprehensive set of PowerPoint slides is available to adopters of the textbook. These chapter-by-chapter slides include important figures, tables, and graphs taken directly from the text, as well as an overview of the key concepts of each chapter. These user-friendly PowerPoint slides can be

used “as is” or integrated with the instructor’s own PowerPoint presentations. Instructors can modify or delete any slide or add their own slides to the existing set. In addition, instructors may choose to share the slides with students by uploading them to the school’s network. The PowerPoint slides are available on the book companion site, accessible at www.cengagebrain.com.

Additional Online Chapters Part 5 of the textbook (Chapters 18, “Biases in Managerial Decision Making” and Chapter 19, “Strategies for Improving Managerial Decision Making”) can be found on the book companion site, accessible at www.cengagebrain.com.

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Frank R. Kardes is the Donald E. Weston Professor of Marketing at the College of Business at the University of Cincinnati. He is a recipient of the Distinguished Scientific Achievement Award of the Society for Consumer Psychology, and a Fellow of the American Psychological Association, the American Psychological Society, the Society for Consumer Psychology, the Society for Experimental Social Psychology, and the Society for Personality and Social Psychology. His research focuses on omission neglect, consumer judgment and inference processes, persuasion and advertising, and consumer and managerial decision making. He has published in many leading scientific journals and is frequently invited to present his research at leading universities throughout the world—including Wharton, Yale, Cornell, Chicago, Northwestern, Michigan, the Australian Graduate School of Management, the London Business School, the Hong Kong University of Science and Technology, and INSEAD (France). Dr. Kardes was an Editor of the *Journal of Consumer Psychology*, *Advances in Consumer Research*, and the *Handbook of Consumer Psychology*, and was an Associate Editor of the *Journal of Consumer Research* and the *Journal of Consumer Psychology*. He is currently Co-Editor of *Marketing Letters*.

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Maria L. Cronley is Interim Associate Dean and Professor of Marketing at the Farmer School of Business at Miami University, in Oxford, Ohio, where she teaches undergraduate and graduate courses in Consumer Behavior, Marketing Research, and Marketing Strategy. She earned her Ph.D. in Marketing from the University of Cincinnati, and her undergraduate degree in business from Bowling Green State University, and brings several years of marketing industry experience to the field. Her primary research interests center on consumer judgment and decision processes, with specific emphasis in the areas of consumer inference, biased processing, persuasion, and healthcare marketing. She sits on the *Journal of Consumer Psychology* Editorial Review Board and has published numerous articles in scholarly journals, including the *Journal of Consumer Psychology*, *Journal of Consumer Research*, *Journal of Public Policy and Marketing*, *Journal of Business Research*, *Journal of Economic Psychology*, *Advances in Consumer Research*, *Health Communication*, and the *Journal of Experimental Psychology: Applied*. She has received over three dozen awards and grants for her scholarship and teaching.

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Thomas W. Cline is Professor of Marketing at the Alex G. McKenna School at Saint Vincent College, where he teaches courses in consumer behavior, marketing research, advertising and promotion, strategic marketing, and

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Consumer **Behavior**

CONSUMER
BEHAVIOR
AND MARKETING
STRATEGY



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C H A P T E R S

- 1 Understanding Consumer Behavior and Consumer Research
- 2 Consumer Focused Strategy: Segmentation and Positioning
- 3 Branding Strategy and Consumer Behavior



AN INTERVIEW WITH CHERYL STALLWORTH

*Chief Executive Officer
Greenfield Consulting Group*

Cheryl Stallworth is the Chief Executive Officer for the Greenfield Consulting Group, a global marketing research firm that specializes in qualitative research methodologies. The Greenfield Consulting Group is part of Millward Brown, one of the top ten global marketing research agencies. As a marketing generalist with expertise in qualitative research methodologies, Greenfield Consulting Group focuses on using insights to develop effective marketing strategies.

Q. Why is it important for companies to acquire a deep understanding of their consumers?

Without a deep understanding of consumers it is impossible to meet their expectations. Going beyond the fundamental “functional” needs, e.g., the need for food and shelter, it is important to understand deeper needs like the need for social acceptance. These are the higher order needs that only surface when marketers dig deeper into brand relationships and how these relationships allow consumers to express themselves. For example, a consumer can tell me that they are purchasing a car because they need transportation. A deeper exploratory of their *real* need is to convey a certain image ... so this consumer doesn’t need just a *car*, they need a Toyota Prius because they want to be accepted within the tribe of people that are environmentally conscious opinion leaders.

Q. What research techniques do you use to learn about your consumers?

Our company specializes in qualitative research, so these are tools that are not designed to be projectable to large populations. They are designed to allow us to probe deeply into motivations and desires. In addition to focus groups, we practice “qualographies” which are “ethnographic-like” tools that enable us to actively observe and interact with people in real-life environments like their kitchens, or in-store in order to:

- Understand how people interact with categories and brands in a socio-cultural context
- Understand people’s rituals, artifacts, and folklore to help de-codify the role and meaning of brands

We also use a number of digital tools that enable us to speak to creative consumers across broad geographies to understand trends, social development, and differences in attitudes based on geographic influencers.

Basic focus groups are a terrific way of letting consumers “play off of” perceptions relative to categories and brands. In order to understand the strengths and weaknesses of a brand’s equity, we can create a “consumer brawl” in a focus group with consumers taking opposing sides to “argue” the benefits or drawbacks of a brand and highlight issues and opportunities for positioning enhancement.

These are just examples of the many tools that can be employed to “dig deeply.”

Q. How can knowledge about consumer behavior be used to develop more effective segmentation strategies?

Consumers can be clustered based on similar attitudes and behavior to determine which clusters are most similar. This then enables marketers to develop messages that appeal to specific clusters. The size of

clusters is often quantified to determine if a viable business opportunity exists.

Q. How can knowledge about consumer behavior be used to develop more effective positioning strategies?

Understanding consumer motivations, attitudes, and ensuing behavior helps determine the role of a category or brand in the consumer's world. Uncovering the brand's role provides the context or language for talking about that brand in a way that makes sense and is useful for the consumer. So, for example, understanding that a consumer feels better about the world that they are living in when they are doing something active to care for the environment, taps into a basic need for well-being (for them and their family). Not saying that Toyota has done this, but a brand like Toyota Prius can become part of the

consumer's "personal toolkit" of products that help them to achieve a personal sense of well-being. Thus, this can then be a position for Prius to play in, based on an insight that well-being is an important attribute/feeling/state-of-mind for environmentally conscious consumers.

Q. How can knowledge about consumer behavior be used to help consumers make better choices?

This knowledge can help marketers develop products and shape messages that actually meet people's needs instead of creating products that "trick" consumers into buying them based on gimmickry. In other words, identifying and delivering against *real* needs allow marketers to develop sustainable long-term relationships with consumers, which is much more efficient and profitable in the long run.

UNDERSTANDING CONSUMER BEHAVIOR AND CONSUMER RESEARCH

CHAPTER

1

OBJECTIVES After studying this chapter, you will be able to...

- 1 Define consumer behavior. examined and measured through marketing research to develop consumer insights.
- 2 Explain why it is important to understand consumer behavior.
- 3 Describe how the study of consumer behavior has evolved as a scientific field of study.
- 4 Discuss how consumer behavior is specifically
- 5 Examine the marketing research process and discuss various methods for designing and collecting consumer research data.



Reality Television Works for Consumers and Marketers

Reality programming had its humble beginnings in MTV's *The Real World*. Broadcast since 1992, the show is one of the longest running reality shows on television and is usually credited with sparking the reality genre. Today, blockbuster shows such as ABC's *Dancing with the Stars* and CBS's *Survivor* underscore reality programming as a legitimate and predominant genre of television entertainment. Indeed, the most popular reality TV programs, such as *The Voice* and *The Amazing Race*, have been among the top-rated shows over the last several seasons, according to the Nielsen Company's TV Ratings.¹ Every major American television network has produced at least one reality show, and 16% of all primetime television viewing is devoted to reality programming.² Furthermore, reality television isn't produced just for American viewers' tastes. *Bargain Hunt* (an antique purchasing contest) appears on UK television, and *Australian Idol* and *Big Brother Italy* (similar to their U.S. counterparts) are popular in those countries.

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AP Images/Matt Sayles, file

Reality TV programming is a product, just like t-shirts and coffee, and consumers can't seem to get enough of it. But why do consumers keep watching? This is one type of question that consumer behavior researchers are interested in answering. Why are consumers continually and passionately tuning in to watch a woman in search of Mr. Right, dating a group of eligible bachelors and weeding them out one by one? According to consumer behavior researchers, reality television offers several benefits to consumers, including satisfying their fundamental voyeuristic tendencies. "We all like to watch people in situations where we ourselves might be pressured or tense... It is a safe way of experiencing a socially traumatic event... We can vicariously feel what they are feeling but at a safe distance," says Professor Kip Williams of Macquarie University.³ We also role-play with ourselves in the context of the show, imagining how we might react in a similar situation, which researchers say can teach us to be self-improving and also improve feelings of self-worth.⁴

Knowing that these shows satisfy consumers and keep them viewing is the biggest reason television producers keep churning them out. But there are also lots of reasons for marketing executives to love reality programming, the most obvious of which is that people are watching, and high ratings mean that the advertisements are also potentially viewed.

Another added benefit of reality programming is that marketers can place their products in the settings of the program, allowing consumers to view the products in the context of everyday living. These subtle product endorsements can't be tuned out like an advertisement; they appear to consumers unsolicited. The contestants on *The Amazing Race* drive around in Fords, while the chefs on *Top Chef* drink out of red Solo cups. In fact, *product placement* is so

popular more than half of all broadcast TV product placements during primetime take place on reality shows.⁵

Finally, reality programs are often cheaper to produce than other forms of programming such as dramas or situation comedies, so an advertiser can afford to sponsor a show, place products in the show, run 30-second commercials during the breaks, and block competitors from running advertisements. Coca-Cola is reported to have paid \$35 million in one season for its role on Fox's *American Idol*.⁶ With the winning combination of consumer devotion and a surplus of revenue-generating opportunities, reality television is a phenomenon that shows how consumers' behaviors can influence an entire industry.

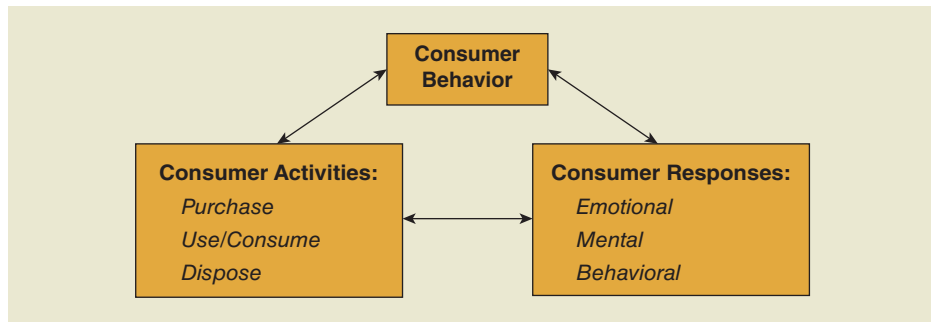
People engage in behaviors as consumers on a daily, even hourly, basis. What purchases have you made in the last few days? Maybe you bought a cup of coffee or something more expensive and long-lasting, like a new cell phone. What were you thinking when you made the purchase? What were you feeling? Even if you didn't actually buy something, you were probably exposed to marketing information in the form of advertisements, product information on packages, opinions from friends or family, and brand symbols on almost everything. Simply being exposed to marketing information is a form of consumer behavior. Consumers devote a great deal of effort, time, and material wealth to evaluating products and services and purchasing and using products of all kinds. Thus, people's behavior as consumers is a critical component of their everyday lives. In our role as consumers, we define our world and our place in it; we interact with the world and collectively, we even shape and change that world, creating phenomena like reality TV.

OBJECTIVE

1

What Is Consumer Behavior?

Not many years ago, when students opened a textbook on consumer behavior, they read that consumer behavior (usually called *buyer behavior*) involves the study of how consumers decide to buy products. While this definition is accurate, it is an inadequate description of the full scope of activities in which consumers engage prior to purchase and during and after consumption. Contemporary definitions are much broader and try to capture the full range of consumer activities. **Consumer behavior** entails all consumer activities associated with the purchase, use, and disposal of goods and services, including the consumer's emotional, mental,

FIGURE 1.1 | What Is Consumer Behavior?

and behavioral responses that precede, determine, or follow these activities (see Figure 1.1).

This definition covers a lot of ground. Let's break down the definition and examine consumers, consumer activities, and consumer responses more closely.

Consumers: Individual versus Organizational

The term “consumer” can describe either individual or organizational consumers. **Individual consumers** purchase goods and services to satisfy their own personal needs and wants or to satisfy the needs and wants of others. Purchases for others can include satisfying household uses, such as filling the family car with gasoline or paying the home's electric bill; gift purchases, such as buying a birthday gift for a brother; or charitable contributions, such as buying cookies from a Girl Scout or a raffle ticket at a school fundraiser. Individual consumers come in all ages, life stages, and social backgrounds; they range from the six-year-old boy begging his mother for chocolate-flavored cereal in the grocery aisle to the 20-something college graduate renting her first apartment to the retired couple in their 70s browsing in antique shops while on vacation.

Organizational consumers purchase goods and services in order to:

- produce other goods or services
- resell them to other organizations or to individual consumers
- help manage and run their organization⁷

For example, Starbucks Coffee Company purchases coffee beans, brewing equipment, and paper cups in order to produce and offer its products. The company also purchases (and repackages) coffee beans to resell to individual consumers and other organizations, such as restaurants and grocery stores. Finally, Starbucks purchases office equipment, uniforms, and cleaning supplies, and may even hire a tax accounting firm—all to help keep the organization running smoothly.

Organizational consumers include for-profit firms, such as manufacturers, farmers, financial institutions, wholesalers, and retailers, and not-for-profit businesses, such as charities, political groups, and civic clubs. Local, state, and federal government agencies and other public institutions such as schools,

hospitals, and libraries are also organizational consumers. Although organizational consumer behavior is an important area of study, this book concentrates on individual consumer behavior.

Now that we understand who consumers are, let's examine consumer activities as they relate to our definition of consumer behavior.

Consumer Activities

Consumer behavior is broken down into purchase, use, and disposal activities. Categorizing consumer behavior by type of activity is useful because consumers' responses to stimuli may differ depending on whether they are purchasing, using, or disposing of a single product or service. For example, when leading up to purchase, a long line outside a nightclub or bar is a positive factor in evaluating that club. Long lines imply that everyone wants to go there, and that the club is probably very good. But, after you have purchased your ticket, that long line is no longer a desirable factor, as you impatiently wait to get in. Furthermore, once you make it to the door, that long line ahead of you now means that the club is overly crowded, and therefore, a lot less appealing. So, from this example, categorizing activities by whether they occur prior to purchase versus during use shows how consumer responses can change significantly within a situation. Before we closely examine consumers' responses, let's first consider consumer purchase, use, and disposal activities in more detail.

Purchase activities are those through which consumers acquire goods and services. Purchase activities also include everything done leading up to the purchase, such as gathering and evaluating information about the product or service and choosing where to make the purchase. The purchase method, such as paying with cash or credit, and any additional services desired—home delivery and installation, and extended warranties, for instance—also influence purchase activities. So too are factors unique to the situation, such as the atmosphere of a store, the design of a website, the reason for the purchase, and the amount of time the consumer devotes to the buying decision.

Use activities describe where, when, and how consumption takes place. For example, do consumers immediately consume the product after purchase, like an ice cream cone or a haircut, or do they delay consumption, such as when they buy new clothing for a future occasion or an airline ticket? Is the product consumed as part of a special event, such as going on vacation or attending a wedding, or as part of a special occasion, such as a holiday or birthday, or is it a product used everyday, such as toothpaste? Is the entire product consumed before disposal, such as a movie theater ticket or a candy bar, or is some left unconsumed, such as a pack of chewing gum or ink remaining in a toner cartridge?

Finally, *disposal activities* are the ways consumers get rid of products and/or packaging after consumption, and these include discarding products, recycling, reuse, and resale. For example, sorting biodegradable trash, giving outgrown clothing to charity, and using plastic grocery bags as trash can liners are recycling and reuse behaviors. Reselling is hugely popular today, with opportunities both local and offline, such as garage sales, classified ads, and flea markets; and online, with websites like eBay and Craig's List.