

GLOBAL
EDITION



Consumer Behavior

TWELFTH EDITION

Leon G. Schiffman
Joe Wisenblit



Consumer Behavior

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Twelfth Edition

Global Edition

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Reid, Jordyn, Emily, Blake, and Grey.

Leon Schiffman

To my niece, Maya, and nephews Daniel, Eli, and Saul Wegarzyn.

Joe Wisenblit

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Preface

New to This Edition

Following is a list of the significant chapter-by-chapter updates to the 12th edition of the text:

Chapter 1: Consumer Behavior and Technology

- Technology enriches the value exchange between consumers and marketers
- More sophisticated consumers and flexible buying channels and pricing
- Customized advertising and targeting
- Interactive communications
- New media and optimal targeting
- Stronger customer retention

Chapter 2: Market Segmentation and Real-Time Bidding

- Targeting impressions optimizes marketers' resources
- Predictive analytics and behavioral biometrics
- Ad exchanges and the application programming interface
- The dynamics of real-time bidding
- Cross-channel campaigns

Chapter 3: Consumer Motivation and Personality

- Technology serves consumers' needs
- Technology reshapes some needs
- New section on the impact of hidden motives
- Expanded narrative about personality traits

Chapter 4: Consumer Perception and Positioning

- Technology enables astute positioning
- Perceptions of social media
- Discerning more complex perceptions
- Technology and perceived risk

Chapter 5: Consumer Learning

- Technology and decision-making
- More complex information processing
- Involvement and customized messages
- Increasingly diverse measures of brand loyalty

Chapter 6: Consumer Attitude Formation and Change

- Multi-attribute attitude models and advanced media
- Social media and attitude formation
- Customized communications and changing attitudes
- Enhanced discussion of attribution theory

Chapter 7: Persuading Consumers

- Source credibility and social media
- New media and communication feedback
- The growing impact of time-shifted viewing
- Addressable, customized, and interactive advertising
- Reshaping measures of communication effectiveness

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

- Consumer engagement and social media
- Advertising goals in employing social media
- Promotional strategies in mobile marketing
- Forms of social media
- Web-search, display, and mobile ads
- Google's "organic results" and "sponsored space"
- Consumers' permissions for apps' information gathering
- Effective social media campaigns
- Consumers and mobile media
- Measuring the effectiveness of advertising in new media
- Analyzing website visits
- Gauging influence within social networks
- Google Analytics
- Traditional media's electronic evolution

Chapter 9: Reference Groups and Communities, Opinion Leaders, and Word-of-Mouth

- Word-of-mouth in social networks and brand communities
- Klout scores
- Weblogging and tweeting
- Buzz agents and viral marketing
- Managing negative rumors online
- The impact of more astute word-of-mouth on marketing new products
- The changing dynamics of opinion leadership

Chapter 10: The Family and Its Social Standing

- Parental styles and children's media exposure
- Family decision-making and more diverse sources of information
- The impact of multiple screens on consumer socialization
- Enriched depictions of America's social classes

Chapter 11: Cultural Values and Consumer Behavior

- The Rokeach typology and illustrative promotional themes
- Gordon's Survey of Personal and Interpersonal Values
- How new media reshapes cultural values

Chapter 12: Subcultures and Consumer Behavior

- Multicultural consumers
- Generational patterns of adopting and utilizing technology
- Ethnicity, social media, and internet utilization

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

- Expanded measures of cross-cultural dimensions
- New narrative describing linguistic and legal barriers in global marketing
- Technology and social media in overseas markets

Chapter 14: Consumer Decision-Making and Diffusion of Innovations

- Streamlined narrative about decision-making
- Technology and diffusion of innovations

Chapter 15: Marketers' Ethics and Social Responsibility

- The alarming breakdown and violation of consumers' privacy
- The disregard for consumer privacy by data brokers such as Acxiom
- Disregard for ethics by online giants—Google and Facebook
- Customized messages that encourage irresponsible buying
- More aggressive manipulation of children by advertisers
- Blunt violations of privacy, such as facial recognition and location targeting

Chapter 16: Consumer Research

- Technology enhances consumer research

Chapter 2 Market Segmentation and Real-Time Bidding

Learning Objectives

- 2.1 To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
- 2.2 To understand how to identify, select, and reach target markets.
- 2.3 To understand real-time bidding as compared with market segmentation.

MARKET SEGMENTATION is dividing a market into subsets of consumers with common needs or characteristics. Each subset represents a consumer group with shared needs that are different from those shared by other groups. After dividing the market into distinct groups, the company must select segments that are profitable and reachable, as well as feasibly targetable within its objectives and resources. **Product positioning** is the process by which a company creates a distinct image and identity for its products, services, and brands in consumers' minds; **product repositioning** means changing and "refreshing" a brand's portrayal. The image differentiates the company's offering from competition by communicating to the target audience that the product, service, or brand fulfills their needs better than alternatives. This chapter describes segmentation and targeting; positioning is covered in Chapter 3. Following a discussion of segmentation and targeting, this chapter describes real-time bidding—that is, reaching individual customers rather than large segments.

One method of targeting consumers is based on usage occasion. In Figure 2.1, the marketer of Muck's Earplugs employs **usage-occasion segmentation** by appealing to young adults who travel to beaches during spring break.

Segmentation based on demographics is the primary strategy of marketers. Millennials (ages 18 to 34) are the second-largest age group, after the baby boomers, and targeted by most marketers who diligently monitor their values and lifestyles. (discussed in Chapter 12). Old Spice—a brand of men's grooming products including deodorants and antiperspirants, shampoos, body washes, and soaps—was launched in 1937 and owned by Procter & Gamble. Marketing research had indicated that the brand appealed mostly to older consumers and was perceived as unexciting, so P&G decided to reposition it with a new promotional campaign. The ads featured Ishaq Mustafa—a TV star and sports hero—with the slogan, "The Man You Man Could Smell Like." By selecting an Arab American, the company showed its recognition of millennials' penchant for diversity, and the ad's motif reflects their fondness for dramatic and "cool" expressions.

Solving Teaching and Learning Challenges

Our guiding principle in writing this book is to capture the impact of consumer behavior on the marketer's ability to learn more about customers' purchases in order to plan, develop, and implement a strategy with greater precision. For nearly one hundred years, marketers purchased advertising space within information and entertainment content produced by print and broadcast media. In the past, marketers used the media's audience profiles in deciding where to place "one size fits all" ads. Today, dynamic ad servers customize ads based on consumers' browsing online and other data, and marketers closely monitor consumers' contacts and discussions on the internet. Marketers that once purchased advertising space in selected magazines and TV sitcoms now purchase space for their messages through ad exchanges and use predictive analytics that assess the effectiveness of their ads. Instead of targeting large segments, marketers are bidding on impression, which enables them to use their resources most effectively via real-time bidding.

Other forms of reaching consumers include native advertising, cross-channel marketing campaigns, consumer-generated advertising, and new media platforms, such as mobile and app advertising. Nevertheless, the loss of privacy has become a key social concern, and we have analyzed this matter and other ethical issues—such as the impact of extensive viewing of screens on children—in our chapter on social responsibility.

We strengthened the book's principal facet, conceived in its first edition in 1978, which is focusing on the strategic applications of understanding consumer behavior. Each chapter opens with a "hands-on" example (some with comments by marketing executives) and exhibits based on recent, empirical data are showcased in all chapters, together with guidelines for marketing applications.

Finally, in its first edition, this book was the first one ever to use print ads as illustrations of consumer behavior—which has been imitated by most marketing textbooks—and this edition includes scores of new ads.

Conceptually, the book is divided into five parts: Consumers, Marketers, and Technology, The Consumer as an Individual, Communication and Consumer Behavior, Consumers in their Social and Cultural Settings, and Consumer Decision-Making, Marketing Ethics, and Consumer Research. Each part aims to develop a better understanding of the following key learning areas:

- Influence of new technologies and online practices
- Impact of psychological factors on consumer behavior
- Role of communication and persuasion
- Examines consumers in their social and cultural settings
- Discusses consumer decision-making and marketing ethics

The following is a brief overview of each part.



PART I: CONSUMERS, MARKETERS, AND TECHNOLOGY

Chapter 1 explains consumer behavior as an interdisciplinary framework. It describes the evolution of marketing, prominent marketing strategies, and marketers' social responsibilities. The chapter details the revolutionary impact of technology on strategic marketing, and the interrelationships among customer value, satisfaction, and retention. It concludes with a model of consumer decision-making. Chapter 2 describes market segmentation, including the demographic, sociocultural, and psychographic bases for segmenting markets. It explores the criteria for selecting target markets, behavioral targeting, and positioning and differentiating products and services.

PART II: THE CONSUMER AS AN INDIVIDUAL

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

PART III: COMMUNICATION AND CONSUMER BEHAVIOR

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

PART IV: CONSUMERS IN THEIR SOCIAL AND CULTURAL SETTINGS

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

PART V: CONSUMER DECISION-MAKING, MARKETING ETHICS, AND CONSUMER RESEARCH

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

Developing Employability Skills

For students to succeed in a rapidly changing job market, they should be aware of their career options and how to go about developing a variety of skills. In this book, we focus on developing skills and prepare ourselves to work in the field of brand management, advertising, and consumer research. These are fields discussed in Chapter 1 of this book.

Instructor Teaching Resources

This text comes with the following teaching resources.

Supplements available to instructors
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Features of the Supplement

Instructor's Manual

- Chapter summary
- Chapter outline
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- Additional activities
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PowerPoint Presentations

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- PowerPoints meet accessibility standards for students with disabilities. Features include, but are not limited to:
 - * Keyboard and Screen Reader access
 - * Alternative text for images
 - * High color contrast between background and foreground colors

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The recipient of various awards and honors, Dr. Schiffman has also participated in more than 60 Ph.D. dissertation committees, 25 of which he chaired. As a research practitioner, he founded a market research company where he conducted qualitative and lifestyle research and strategic planning for national and international firms, such as, AT&T, Citibank, The Hertz Corporation, Lever Brothers, Mobil Oil, and Patek Phillippe. He has also served on several boards of directors. Currently, he serves on the board of directors of the Mandl Medical College.

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