

Chapter 6

Consumer Behavior

- Understand the steps involved in the **consumer decision process**
- Describe factors influencing the consumer decision process

Consumer decision process

You must understand how this process works in your specific industry ...



... because this process affects:

- How, when and **where** you advertise
- How you **position** your product vs. the competition
- How you **communicate** with consumers
- How you **price** your **products**
- How you address consumers' fears and hesitation
- How you relate to consumers' post-purchase

1. Need Recognition



First generation iPhones were released in June 2007. Was there an “obvious” and immediate need for them? Not exactly...

Original ads from 2007 featured all the functions of the iPhone to communicate this “need” to consumers:

<http://www.youtube.com/watch?v=6lZMr-ZfoE4>

Understanding this “step” in the consumer decision process **will affect how you advertise.**

1. Need Recognition

Two types of needs

- **Functional** needs
 - Product or service functionally and performance
- **Psychological** needs
 - Personal gratification

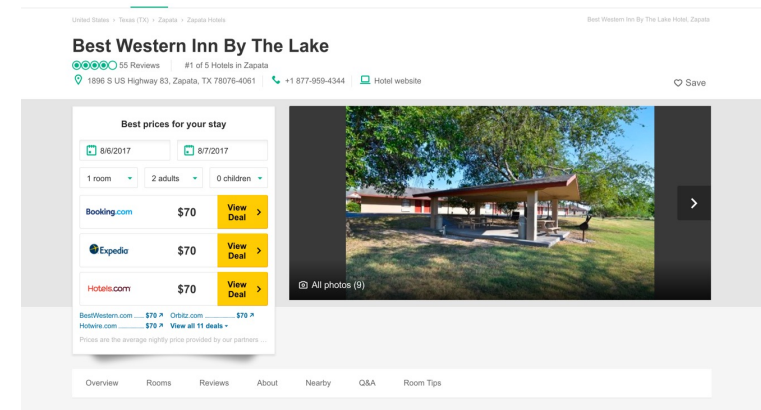
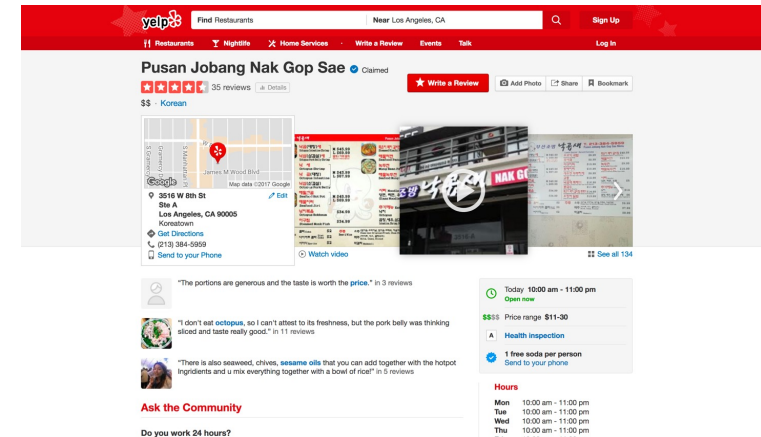


2. Search for information

Internal vs external search

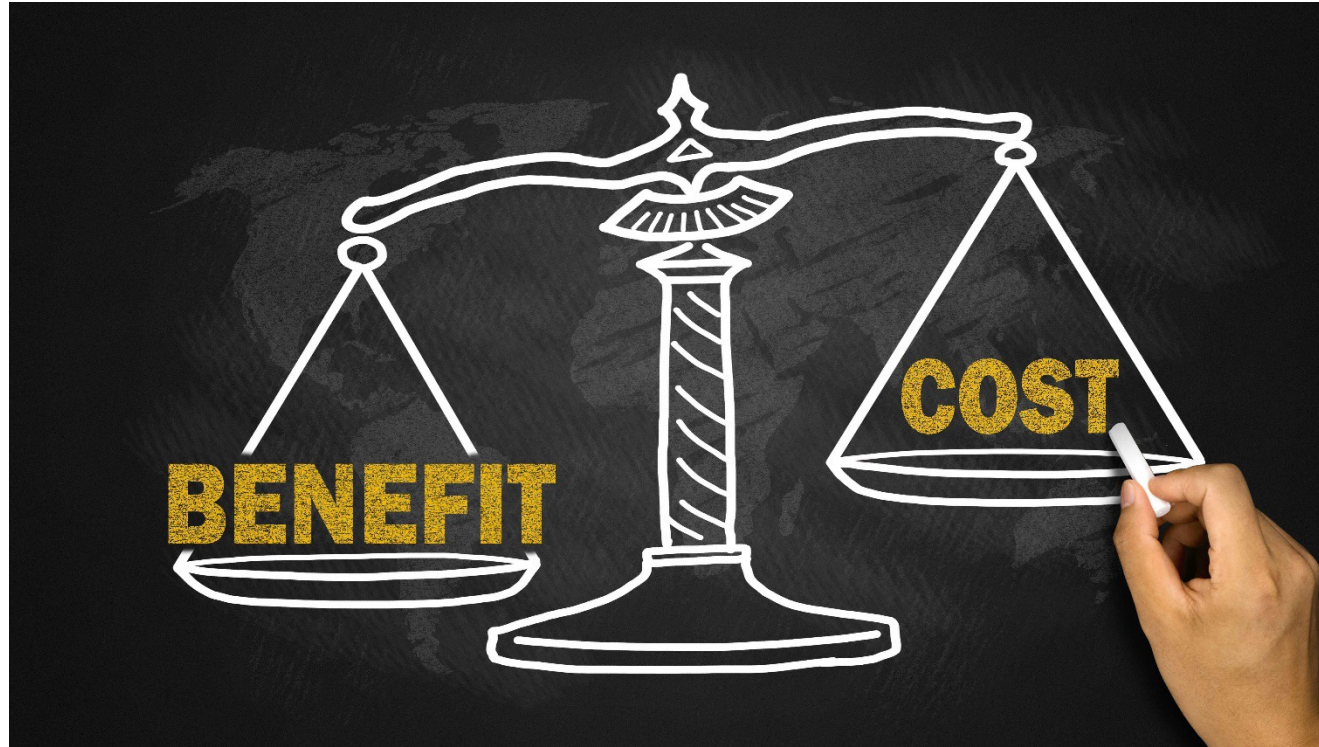


VS



2. Search for information

Factors affecting search processes



Perceived
benefits

Perceived costs
(not just price!)

2. Search for information

Factors affecting search processes

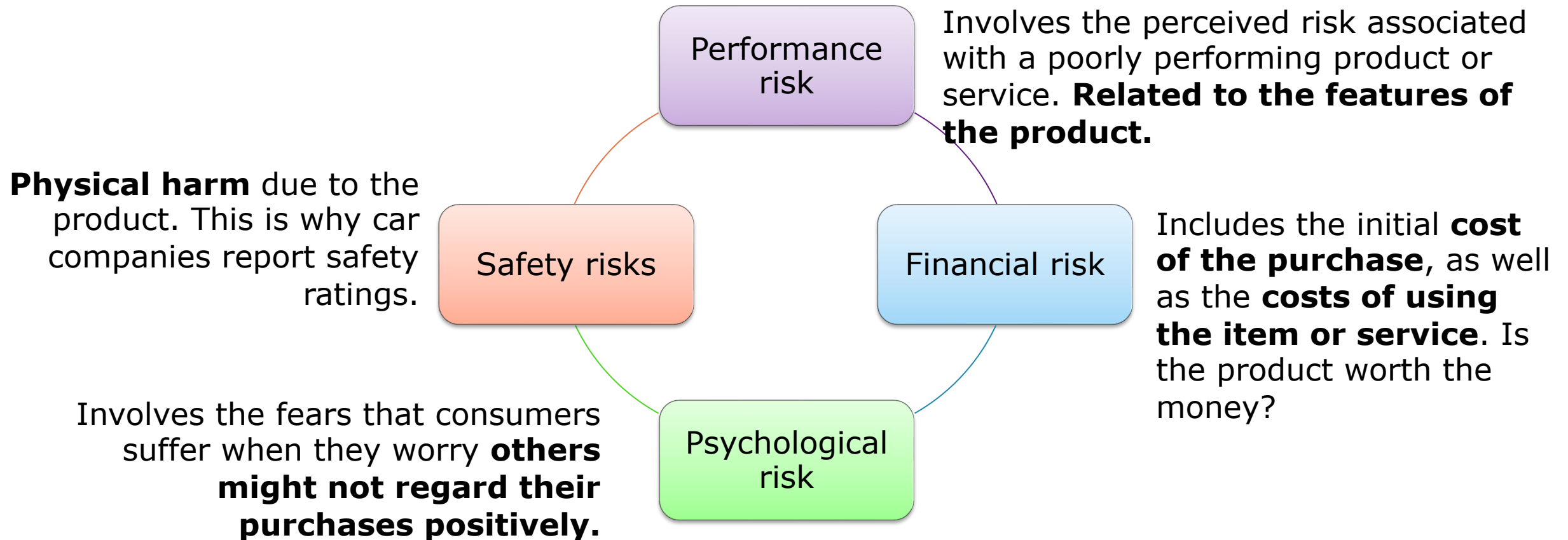
Perceived risks



2. Search for information

Factors affecting search processes

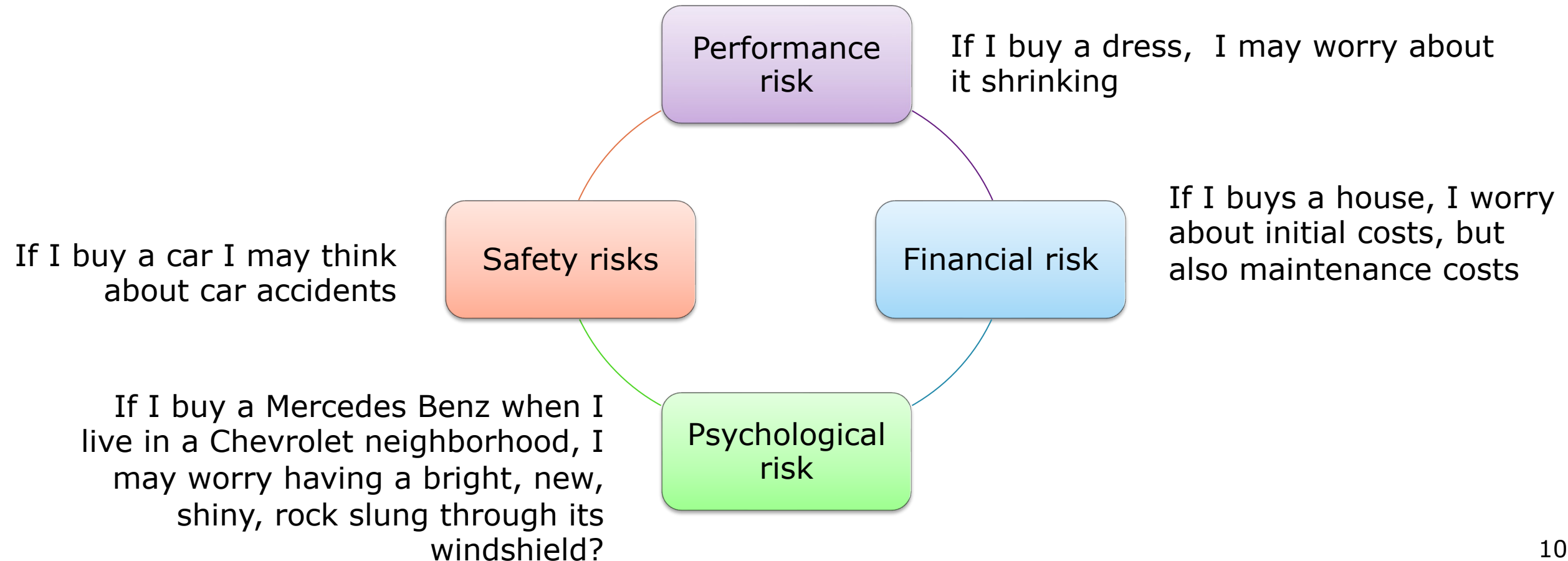
Actual and perceived risks



2. Search for information

Factors affecting search processes

Actual and perceived risks



3. Evaluation of alternatives




Some key concepts (not all!)

– **Attribute sets**

- Universal → **all** choices (too many!)
- Retrieval → from memory
- Evoked → considered (I would buy it)

– **Determinant attributes**

- Features that are important

	Taste	Calories	Natural/Organic Claims	Price	Overall Score
Importance Weight	0.4	0.1	0.3	0.2	
Cheerios 	10	8	6	8	8.2
Grape-Nuts 	8	9	8	3	7.1
Kashi 	6	8	10	5	7.2

4. Purchase and consumption

Conversion rate

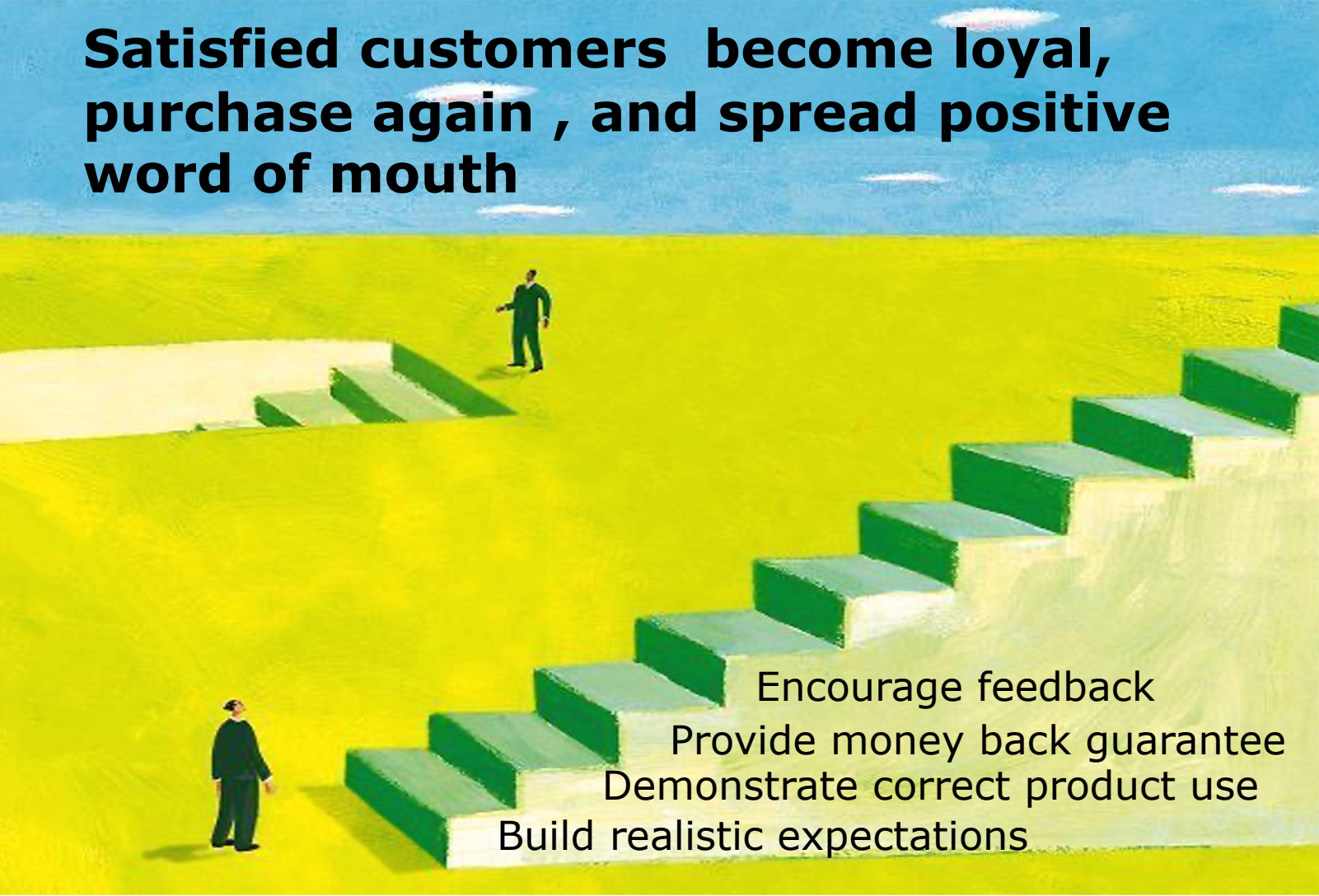
- How well they have converted purchase intentions to purchase

Reasons for not purchase

- Product not in store/ out of stock
- Try different store or channel
 - I see it in store but I buy it online

5. Post purchase

**Satisfied customers become loyal,
purchase again , and spread positive
word of mouth**



Encourage feedback
Provide money back guarantee
Demonstrate correct product use
Build realistic expectations

Undesirable output

– Negative word of mouth

- Offline and **Online**



Travis Johnson



Garbage grill from a garbage company.

Reviewed in the United States on July 21, 2022

Verified Purchase

Broke after 2 months.

I overpaid for this pile of crap thinking that Weber gas grills would be of the quality of the charcoal ones. Well, they're crap. I've had this thing for about 2 months and have put a half a tank of propane through it before it broke. The regulator connection is dumping gas so quickly, our whole backyard wrecks of propane. I called Weber and they won't send me the replacement part without video evidence that that is where the leak is from. I've obviously shut off the tank and am not really interested in sending them a video of me dumping more propane out into the atmosphere. Amazon sells a replacement for \$10.

Again, garbage grill from a garbage company.

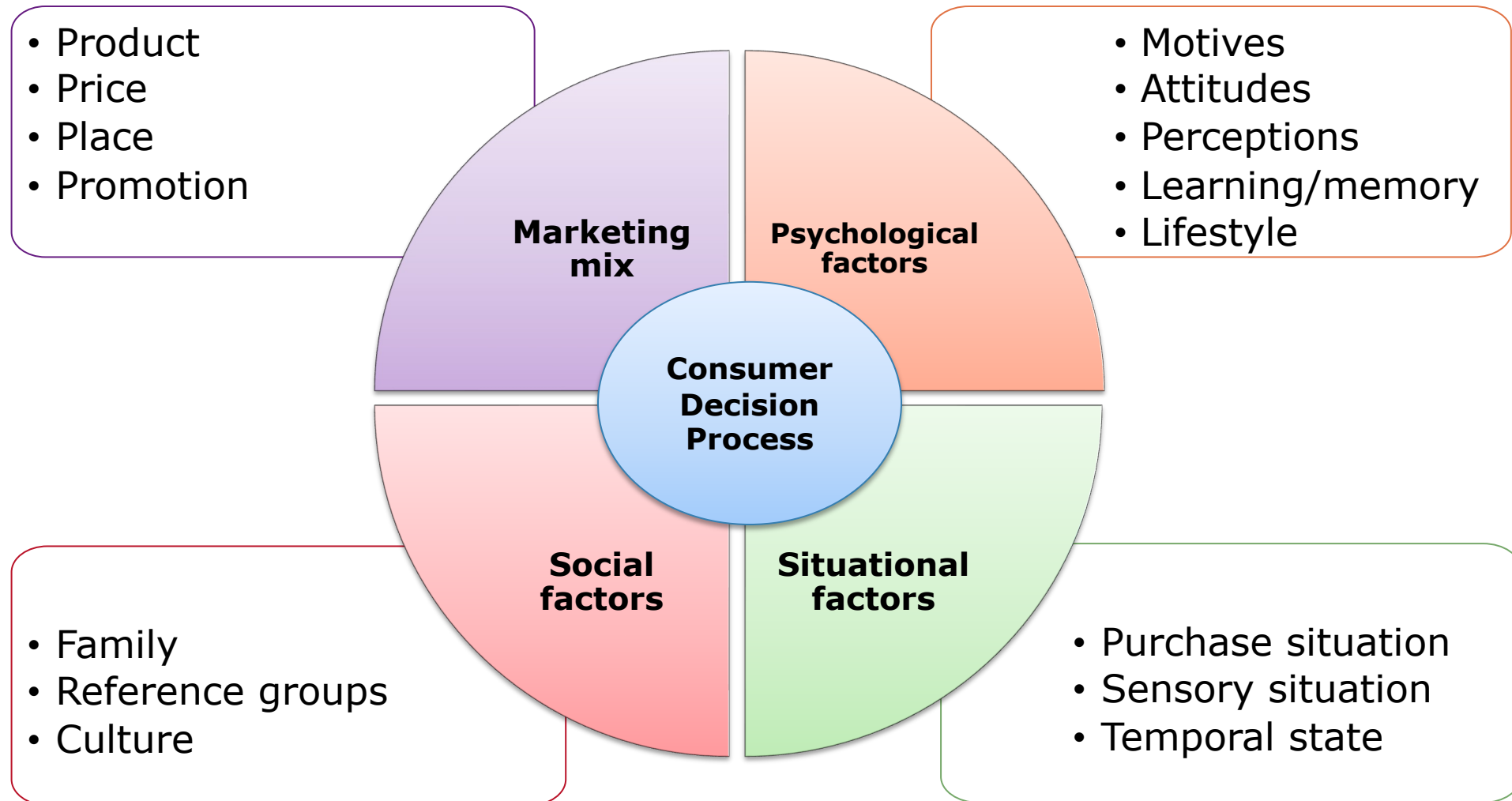
Update: hahahahaha! Weber emailed me for a review and I wrote something similar to the above. They then responded with this:

"Our team has read your review and values your contribution even though it did not meet all our website guidelines. Thanks for sharing, and we hope to publish next time!"

They're blocking negative reviews. Not a surprise, and I know not to trust online reviews, but this is blatant false advertising. If you host reviews, you have to take the good with the bad.

3 people found this helpful

Factors influencing the consumer decision process



Consumer decision process

- 5 steps: recognition, search, alternatives, purchase, and post-purchase

Factors influencing the consumer decision process

- Many including 4ps, groups, etc.