

Contents

Part 1

About the Authors	xxiii
Preface	xxv
Introduction to Consumer Behavior	1
Consumer Behavior and Consumer Research	2
OPENING VIGNETTE	2
WHAT IS CONSUMER BEHAVIOR?	4
WHY STUDY CONSUMER BEHAVIOR?	6
Consumer Behavior Determines the Economic Health of a Nation	7
Consumer Behavior Determines the Success of Marketing Programs	7
“The Consumer Is King”	7
“Only the Customer Can Fire Us All”	8
Consumer Behavior Determines the Economic Health of Everyone	9
Consumer Behavior Helps Formulate Public Policy	11
Consumer Behavior Affects Personal Policy	12
EVOLUTION OF CONSUMER BEHAVIOR	14
Who Determines What Consumers Can Buy?	14
Shifting from Supply to Demand	17
From Manufacturing to Selling	18
From Selling to Marketing	18
Customer-Centric Organizations in Demand Chains	20
HOW DO YOU STUDY CONSUMERS?	20
A Foundation in the Sciences	21
Methods of Studying Consumer Behavior	21
Observation	21
Interviews and Surveys	22
Experimentation	24
Consumption Research	25
THE UNDERLYING PRINCIPLES OF CONSUMER BEHAVIOR	26
The Consumer Is Sovereign	26
The Consumer Is Global	26

Consumers Are Different; Consumers Are Alike	26
The Consumer Has Rights	28
CHALLENGES FOR THE FUTURE	29
SUMMARY	30
Review and Discussion Questions	30
Notes	31
Creating Marketing Strategies for Customer-Centric Organizations	32
OPENING VIGNETTE	32
THE CENTURY OF THE CONSUMER	34
What Is Strategy?	34
What Are Customer-Centric Organizations?	34
Shared Vision and Values	35
Cross-Functional Integration	35
System-Wide Simultaneous Training	35
Customer-Based Metrics	35
FROM MARKET ANALYSIS TO MARKET STRATEGY: WHERE DOES CONSUMER BEHAVIOR FIT?	35
Market Analysis	36
Consumer Insight and Product Development	36
Consumer Environment	37
Corporate Strengths and Resources	38
Current and Potential Competitors	39
Market Environment	39
Market Segmentation	41
Identifying Segments	43
Addressing the Needs of Market Segments	44
Profitability of Market Segmentation	45
Criteria for Choosing Segments	47
Bayesian Analysis	47
Marketing Mix Strategies	48
The Value of Brands in Marketing Strategy	50
The Seven Rs of the Marketing Mix Implementation	52
CUSTOMER LOYALTY AND RETENTION STRATEGIES	54
Customer Relationship Management	54
GLOBAL MARKETING STRATEGY	58
Global Market Analysis and Strategy	58
Can Marketing Be Standardized?	59

Part 2

Intermarket Segmentation	60
Localization Based on Differences	60
Global Advertising Effectiveness	61
Overcoming Language Problems	62
Global Branding	63
SUMMARY	64
Review and Discussion Questions	64
Notes	65
Consumer Decision Making	67
The Consumer Decision Process	68
OPENING VIGNETTE	68
THE CONSUMER DECISION PROCESS MODEL	70
Stage One: Need Recognition	71
Stage Two: Search for Information	74
Sources of Information	75
Information Processing	77
Stage Three: Pre-Purchase Evaluation of Alternatives	79
Stage Four: Purchase	81
Stage Five: Consumption	82
Stage Six: Post-Consumption Evaluation	83
Stage Seven: Divestment	84
How Organizations Use the CDP Model	85
VARIABLES THAT SHAPE THE DECISION PROCESS	86
Individual Differences	86
Environmental Influences	87
Psychological Processes Influencing Consumer Behavior	88
TYPES OF DECISION PROCESS	88
Decision Process Continuum	88
Initial Purchase	88
Extended Problem Solving	89
Limited Problem Solving	89
Midrange Problem Solving	90
Repeat Purchases	91
Repeated Problem Solving	91
Habitual Decision Making	91
Impulse Buying	91
Variety Seeking	92

FACTORS INFLUENCING THE EXTENT OF PROBLEM SOLVING	93
Degree of Involvement	93
Personal Factors	93
Product Factors	94
Situational Factors	94
Perceptions of Difference among Alternatives	94
Time Availability	94
Consumer's Mood State	95
DIAGNOSING CONSUMER BEHAVIOR	95
SUMMARY	97
Review and Discussion Questions	97
Notes	97
Pre-Purchase Processes: Need Recognition, Search, and Evaluation	100
OPENING VIGNETTE	100
NEED RECOGNITION	102
The Need to Understand Need Recognition	103
Influencing Need Recognition	105
SEARCH	109
Internal Search	110
External Search	111
What to Search?	111
Where Do Consumers Go for Information?	113
The Internet and Consumer Search	114
How Much Do Consumers Search?	122
The Value of Understanding Consumer Search	125
PRE-PURCHASE EVALUATION	127
Determining Choice Alternatives	128
Constructing the Consideration Set	131
Deciding How to Evaluate the Choice Alternatives	132
Relying on Preexisting Evaluations	132
Constructing New Evaluations	132
How Good Are We at Evaluating Alternatives?	138
SUMMARY	140
Review and Discussion Questions	141
Notes	142
Purchase	148
OPENING VIGNETTE	148
TO BUY OR NOT TO BUY	150
Fully Planned Purchase	150

Partially Planned Purchase	150
Unplanned Purchase	151
Purchase Factor	151
RETAILING AND THE PURCHASE PROCESS	152
Why People Shop	153
The Purchase Decision Process	157
Retail Image	158
DETERMINANTS OF RETAILER SUCCESS OR FAILURE	158
Location	160
Nature and Quality of Assortment	160
Price	160
Advertising and Promotion for Positioning of the Retail Brand	163
Sales Personnel	163
Physical Store Attributes	165
Services Offered	165
Store Clientele	167
Point-of-Purchase Materials	168
E-Theater	168
d-POP	168
Computer-Enhanced Merchandising	169
Digital Self-Service	169
Consumer Logistics	169
THE CHANGING RETAIL LANDSCAPE	171
Location-Based Retailing	171
Value-Oriented Retailers	171
The Shopping Mall	171
Direct Marketing	172
Direct Selling	173
Direct Mail Ads	174
Direct Mail Catalogs	174
Telemarketing	174
Direct Response Ads	174
PURCHASE BEHAVIOR IN THE E-COMMERCE REVOLUTION	174
CONSUMER RESOURCES: WHAT PEOPLE SPEND WHEN THEY PURCHASE	178
Money and Time Budgets	178
Time-Using Goods	180
Time-Saving Goods	180
Polychronic Time Use	181

Time Prices	181
Cognitive Resources	181
Shallow Attention	182
Danger of Exceeding Cognitive Capacity	182
COMMUNICATING WITH CONSUMERS: INTEGRATED MARKETING COMMUNICATIONS	182
SUMMARY	183
Review and Discussion Questions	184
Notes	184
Post-Purchase Processes: Consumption and Post-Consumption Evaluations	188
OPENING VIGNETTE	188
CONSUMPTION	190
Consumption Behaviors	190
When Does Consumption Occur?	191
Where Does Consumption Occur?	194
How Is the Product Consumed?	194
How Much Is Consumed	196
Consumption Experiences	202
How Does It Feel?	202
How Rewarding or Punishing Was the Experience?	202
Did It Confirm or Disconfirm Expectations?	203
Shaping Consumers' Interpretation of the Consumption Experience	206
Consumption Norms and Rituals	206
Compulsive Consumption	207
Understanding Consumption through Ethnography	208
POST-CONSUMPTION EVALUATIONS	210
The Importance of Customer Satisfaction	212
It Influences Repeat Buying	213
It Shapes Word-of-Mouth and Word-of-Mouse. Communication	214
Dissatisfaction Can Lead to Complaints and Lawsuits	217
Satisfaction Lowers Consumers' Price Sensitivity	220
Implications for Customer Recruitment	220
It Ultimately Affects Shareholder Value	221
So What Determines Satisfaction?	221
Product Performance	222
Consumption Feelings	222
Expectations	222
Additional Influences on Customer Satisfaction	226
SUMMARY	227
Review and Discussion Questions	227
Notes	228

Part 3

Individual Determinants of Consumer Behavior	233
Demographics, Psychographics, and Personality	234
OPENING VIGNETTE	234
ANALYZING AND PREDICTING CONSUMER BEHAVIOR	236
Demographic Analysis and Social Policy	236
Demographics and Industrial Demand	238
CHANGING STRUCTURE OF CONSUMER MARKETS	238
People: Foundation of Market Analysis	238
How Many Babies Will Be Born? 239	
How Long Will People Live? 241	
How Many People Will Immigrate? 242	
Most Likely Population Scenarios	243
CHANGING AGE DISTRIBUTION IN THE UNITED STATES	245
Children as Consumers	245
Why Gen Y?	246
Gen X—Young Adults	246
Baby Boomers or “Muppies”	247
Young-Again Market	250
Macromarketing to an Aging Population	251
CHANGING GEOGRAPHY OF DEMAND	253
Segmenting Geographically	253
Which States Are Growing?	253
ECONOMIC RESOURCES	256
Consumer Confidence	257
Wealth	257
Targeting the Up Market	258
Targeting the Down Market	258
Poverty	260
GLOBAL MARKET OPPORTUNITIES: REACTING TO SLOW-GROWTH MARKET CONDITIONS	263
GLOBAL MARKET DEMOGRAPHICS AND ATTRACTIVENESS	264
Consumer Behavior in Emerging Markets	265

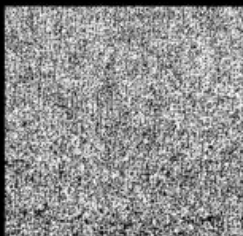
Consumer Behavior in the Pacific Rim	266
Australia	267
Japan	267
China	267
Latin America	268
Eastern Europe	268
European Single Market	269
Canada	270
THE INFLUENCE OF INDIVIDUAL DIFFERENCES ON CONSUMER BEHAVIOR	270
PERSONALITY AND CONSUMER BEHAVIOR	270
Personality	271
Psychoanalytic Theory	271
Sociopsychological Theory	272
Trait-Factor Theory	272
Predicting Buyer Behavior	273
PERSONAL VALUES	273
Rokeach Value Scale	274
Schwartz Value Scale	274
Values and Consumer Decision Process	275
Laddering	276
LIFESTYLE CONCEPTS AND MEASUREMENT	277
Psychographics	278
Market Segmentation	279
VALS™	280
LOV	281
Global Lifestyles	281
SUMMARY	283
Review and Discussion Questions	283
Notes	284
Consumer Motivation	288
OPENING VIGNETTE	288
TYPES OF CONSUMER NEEDS	290
Physiological Needs	290
Safety and Health Needs	290
The Need for Love and Companionship	297
The Need for Financial Resources and Security	299
Social Image Needs	300
The Need for Pleasure	303
The Need to Possess	305
The Need to Give	306

The Need for Information	308
The Need for Variety	309
MOTIVATIONAL CONFLICT AND NEED PRIORITIES	310
MOTIVATIONAL INTENSITY	312
THE CHALLENGE OF UNDERSTANDING CONSUMER MOTIVATION	313
MOTIVATING CONSUMERS	314
Motivating with Money	315
Providing Other Incentives	316
Implementing a Loyalty Program	320
Enhancing Perceived Risk	323
Arousing Consumers' Curiosity	324
SUMMARY	325
Review and Discussion Questions	325
Notes	325
Consumer Knowledge	330
OPENING VIGNETTE	330
THE IMPORTANCE OF CONSUMER KNOWLEDGE	332
TYPES OF CONSUMER KNOWLEDGE	334
Product Knowledge	334
Product Category Knowledge	334
Brand Knowledge	335
Purchase Knowledge	346
How Much Does It Cost?	347
When to Buy?	348
Where to Buy?	348
Consumption and Usage Knowledge	350
Persuasion Knowledge	351
Self-Knowledge	353
SOURCES OF CONSUMER KNOWLEDGE	354
THE BENEFITS OF UNDERSTANDING CONSUMER KNOWLEDGE	359
Implications for Business	359
Gauging the Product's Positioning Success	359
Identifying Purchase Barriers	363
Discovering New Uses	366
Gauging the Severity of Competitive Threats	366

Enhancing the Effectiveness of Customer Recruitment Activities 367	
Implications for Public Policy	367
SUMMARY	369
PRODUCT SLOGANS	369
Review and Discussion Questions 369	
Notes 370	
Consumer Beliefs, Feelings, Attitudes, and Intentions	374
OPENING VIGNETTE	374
CONSUMER BELIEFS	376
The Indices of Consumer Expectations and Consumer Sentiment	377
Beliefs about Brand Distinctiveness	378
Inferential Beliefs	380
Consumer Confusion	384
CONSUMER FEELINGS	386
Feelings as Part of the Advertising Experience	388
Feelings as Part of the Shopping Experience	389
Feelings as Part of the Consumption Experience	390
CONSUMER ATTITUDES	392
Attitude Properties	396
Types of Attitudes	399
Using Multiattribute Attitude Models to Understand Consumer Attitudes	401
The Fishbein Multiattribute Attitude Model 401	
The Ideal-Point Multiattribute Attitude Model 404	
Benefits of Using Multiattribute Attitude Models 405	
Attitude Change Implications from Multiattribute Attitude Models 407	
CONSUMER INTENTIONS	409
Constraints on the Predictive Power of Intentions	412
Other Uses of Consumer Intentions	415
SUMMARY	417
Review and Discussion Questions 417	
Notes 418	
Environmental Influences on Consumer Behavior	423
Culture, Ethnicity, and Social Class	424
OPENING VIGNETTE	424

Part 4

WHAT IS CULTURE?	426
Values and Norms	429
How Do People Get Their Values?	430
Adapting Strategies to Changing Cultures	431
HOW CULTURE AFFECTS CONSUMER BEHAVIOR	432
Influence of Culture on Pre-Purchase and Purchase	432
Influence of Culture on Consumption and Divestment	434
HOW CORE VALUES AFFECT MARKETING	435
CHANGING VALUES	436
Changing Family Influences	437
Changing Religious Influences	437
Changing Educational Institutions	439
The Influences of Age-Related Microcultures on Values	441
NATIONAL CULTURE	442
Geographic Culture	442
North American Core Values	446
The Foundation of American Values	446
American Values and Advertising	447
U.S. and Canadian Variations in Values	447
ETHNIC MICROCULTURES AND THEIR INFLUENCES ON CONSUMER BEHAVIOR	447
America's Ethnic Microcultures	449
Euro-Descent Americans	451
Native American Culture	452
Multiethnic Microcultures	452
BLACK OR AFRICAN AMERICAN CULTURE	454
Structural Influences on Black/African American Markets	454
Income	454
Education	455
Family Characteristics	455
Discrimination	456
African American Consumption Patterns	456
ASIAN AMERICAN CULTURE	458
Structural Influences	458
Income	458
Education	458



Family Characteristics	458
Asian American Consumption Patterns	459
LATINO (HISPANIC) CULTURE	460
Who Is Latino?	461
Structural Influences	462
Income	462
Education	462
Family Characteristics	462
Religion	462
Latino Consumption Patterns and Characteristics	464
Avoiding Marketing Blunders	465
Translation Blunders	466
Culture Misunderstandings	466
Latino Idiosyncrasies	468
FRENCH CANADIAN CULTURE	468
SOCIAL-CLASS MICROCULTURES	468
What Determines Social Class?	469
Occupation	469
Personal Performance	470
Interactions	470
Possessions	470
Value Orientations	470
Class Consciousness	471
Social Stratification	471
Social-Class Dynamics	471
Social Class and Consumer Behavior	473
Market Segmentation	473
Positioning Based on Social-Class Characteristics	473
SUMMARY	475
Review and Discussion Questions	475
Notes	476
Family and Household Influences	480
OPENING VIGNETTE	480
THE IMPORTANCE OF FAMILIES AND HOUSEHOLDS ON CONSUMER BEHAVIOR	482
What Is a Family?	482
What Is a Household?	482
Structural Variables Affecting Families and Households	483
Sociological Variables Affecting Families and Households	483
Family Celebrations and Gift Giving	483

WHO DETERMINES WHAT THE FAMILY BUYS?	485
Role Behavior	485
Individual Roles in Family Purchases	486
Spousal Roles in Buying Decisions	487
Influences on the Decision Process	487
Influence by Decision Stage	489
Influence of Employment	490
Influence of Gender	490
FAMILY LIFE CYCLES	491
Family Life Cycle Characteristics	491
Family and Household Spending	495
CHANGING FAMILY AND HOUSEHOLD STRUCTURE	495
To Marry or Not to Marry? That Is the Question	495
The Singles Boom	498
Mature Singles Markets	498
Younger Singles Markets	499
Gay and Lesbian Markets	499
Household Characteristics	501
CHANGING ROLES OF WOMEN	503
Female Employment	503
Career Orientation	504
Women and Time	505
Role Overload	505
Marketing to Women	505
CHANGING MASCULINE ROLES	508
CHILDREN AND HOUSEHOLD CONSUMER BEHAVIOR	510
Influence of Children	510
Childhood Socialization	512
RESEARCH METHODOLOGY FOR FAMILY DECISION STUDIES	513
Measuring Influences	514
Interviewer Bias	515
Respondent Selection	515
SUMMARY	515
Review and Discussion Questions	516
Notes	516
Group and Personal Influence	520
OPENING VIGNETTE	520

GROUP AND PERSONAL INFLUENCES ON INDIVIDUALS	522
What Are Reference Groups?	522
Types of Reference Groups	523
Types of Group Influence	524
HOW REFERENCE GROUPS INFLUENCE INDIVIDUALS	525
Socialization	525
Self-Concept	525
Social Comparison	526
Conformity	526
When Are People Likely to Conform to Norms?	527
Profits of Conformity	527
Conspicuousness	527
Appealing to Normative Influence in Marketing Strategy	529
Celebrities and Other Reference Group Appeals in Advertising	531
TRANSMISSION OF INFLUENCE THROUGH DYADIC EXCHANGES	532
Word-of-Mouth Communication	533
Opinion Leadership	534
Characteristics of Opinion Leaders	535
Overlapping Opinion Leadership	536
Service Encounters	536
How Personal Influences Are Transmitted	539
Two-Step Flow	539
Multistep Flow	539
WOM AND OPINION LEADERS IN ADVERTISING AND MARKETING STRATEGY	540
The Advertising-WOM Relationship	540
Primary Reliance on Word-of-Mouth	541
Targeting Opinion Leaders	541
Stimulating Word-of-Mouth	541
Creating Opinion Leaders	542
Managing Negative WOM	542
Monitoring the Content of Word-of-Mouth	543
Curbing Negative Word-of-Mouth	543
DIFFUSION OF INNOVATIONS	544
Innovations and New Products	544
Types of Innovations	546

WHY SOME INNOVATIONS SUCCEED AND OTHERS DON'T	547
Relative Advantage	547
Compatibility	548
Complexity	548
Trialability	549
Observability	550
THE DIFFUSION PROCESS	550
Communication	552
Time	552
Social System	552
Speed of Diffusion	553
Consumer Decision Process for Innovations	554
Knowledge	554
Persuasion	554
Decision	555
Implementation	555
Confirmation	555
Consumers Most Likely to Buy New Products	556
MANAGERIAL PERSPECTIVES ON ADOPTION AND DIFFUSION OF INNOVATION	557
SUMMARY	559
Review and Discussion Questions	559
Notes	560
Influencing Consumer Behavior	565
Making Contact	566
OPENING VIGNETTE	566
EXPOSURE	568
Reaching the Consumer	568
Traditional Media and Distribution Channels	568
The Internet	569
Additional Modes of Contact	579
Selective Exposure	582
The Danger of Overexposure	583
ATTENTION	586
Short-Term Memory: The Cognitive Resource for Attention	586
Grabbing Consumers' Attention	587
Connect with Consumers' Needs	587
Permission Marketing	587
Paying Consumers to Pay Attention	588

Look! It Moves!	588
Use Isolation	588
Make It Bigger	588
Colors Are Nice	590
Make It More Intense	590
Location! Location! Location!	590
The Surprise Factor	591
Distinctiveness	592
The Human Attraction	592
The Entertainment Factor	593
“Learned” Attention-Inducing Stimuli	595
Look for a Less Cluttered Environment	595
Attracting Attention: Some Additional Observations and Recommendations	597
Can Consumers Be Influenced If They Don't Pay Attention?	600
SUMMARY	601
Review and Discussion Questions	601
Notes	602
Chapter 15	
Shaping Consumers' Opinions	606
OPENING VIGNETTE	606
OPINION FORMATION	608
Stimulus Categorization	608
The Amount of Processing	609
Classical Conditioning	610
The Content of Processing	613
The Central Process of Opinion Formation	614
The Peripheral Process of Opinion Formation	615
The Influence of Biased Processing	617
OPINION CHANGE	618
The Differential Threshold	619
The Difficulty of Changing Consumers' Opinions	620
The Danger of Changing Consumers' Opinions	621
HOW BUSINESSES SHAPE CONSUMERS' OPINIONS	622
The Product's Role in Shaping Consumers' Opinion	622
The Name Game	622
Product Packaging	624
Different Colors Evoke Different Meanings	625
Shaping Consumers' Price Perceptions	628
Free Product Samples	629

Advertising's Role in Shaping Consumers' Opinion	632
Type of Advertising Appeal	632
Advertising Claims	634
Advertising's Executional Elements	635
Product Endorsers	635
Framing	641
Perceived Scarcity	644
Purchase Restrictions	644
Put Consumers in a Good Mood	646
SUMMARY	647
Review and Discussion Questions	647
Notes	648
Helping Consumers to Remember	654
OPENING VIGNETTE	654
COGNITIVE LEARNING	658
Rehearsal	658
Elaboration	658
Motivation	659
Ability	659
Mental Representations	659
RETRIEVAL	661
Forgetting	662
Recognition and Recall	663
Product Awareness	663
Advertising Awareness	664
HOW COMPANIES CAN HELP CONSUMERS TO REMEMBER	667
Get More Attention	667
Use Reminders	667
Use Retrieval Cues	669
Say It Over and Over: The Value of Repetition	672
Encourage Elaboration	673
Encourage Multiple Representations in Memory	674
Be Consistent	674
Use Easy-to-Remember Stimuli	675
Use Closure	676
Put Consumers in a Good Mood	677
PRODUCTS THAT HELP CONSUMERS TO REMEMBER	678

SUMMARY

Review and Discussion Questions 682

Notes 682

Case 1	Amazon.com	687
Case 2	Volvo YCC (Your Concept Car)	692
Case 3	Equitec	694
Case 4	Family Furniture	698
Case 5	CrimsonCup	702
Case 6	Aldi	705
Case 7	National Christmas Tree Association	708
Case 8	Pick 'n Pay	715
Case 9	Battle of the Beers	719
Case 10	T-Mobile USA	722
Case 11	Creating Brands That Last	724
Glossary		733
Index		745