Chapter 3

CONSUMER BEHAVIOUR

-- SOLVED QUESTIONS --

1. **What is the purpose of studying consumer behaviour?**

   - Knowing the consumption structure in order to design marketing strategies.
   - Identifying current and future needs in the most effective way possible.
   - Improving communication capacity with customers.
   - Obtaining their trust and assuring their loyalty.
   - Designing more effective marketing strategies.
   - Evaluating decisions taken.

2. **The buying decision process.**

   The buying decision process begins when a problem or need is recognized. A need appears, along with the desire to satisfy it. Motivation and environmental factors strongly influence this stage. From a marketing standpoint, the company must guide and channel needs towards a specific demand for the offered products.

   Once the problem is recognized, there begins the process of the search for information, which may be internal, if one resorts to memory, or external if other sources of information are tapped, such as friends, experts, catalogues, magazines, etc. The search for information, both internal and external, will be more or less intense depending upon the complexity of the purchase and the buyer's prior experience. The more complex the decision, the more information, so the advertising of this type of product most specify in greater detail the features and benefits of the product. In contrast, in low implication products the content of information can be more succinct.

The next stage is evaluation or study of alternatives available to satisfy this need. This is the stage in which one sees the attributes of the different products being considered for choice and our preferences take shape.

From this point the decider will choose between buying the product or not. This decision may be final, or on the contrary, temporary, until he/she collects more information or the time is right.

If the purchase is done, there will be post-purchase feelings to it, of satisfaction or dissatisfaction. A continual satisfaction will stimulate to purchase again, and if so, to brand loyalty. Any insatisfaction, on the other hand, will lead to a change of brand. In this stage, a buyer may experience a dissonance, that is, they will question if they made the right decision. In order to reduce this, they may look for testimony or proof that strengthens the correctness of their purchase. This communication act is called viral marketing, and it is a very effective marketing technique.

3. Consumer search for information.

Consumers search for information before making their consumption decisions. Information comes through an impersonal means, such as advertising in the media or through personal means, such as family, friends and reference groups.

The volume of information depends on the importance of the decision and the on the following factors:

- Amount of stored information as a consequence of learning and experience.
- Updated stored information since the consumption decisions require a permanent updating.
- Perceived risk: the higher the perceived risk; the greater effort required to gather information.

The information the consumer receives helps him to solve doubts and evaluate alternatives. One must evaluate the influence each source of information has on the consumer, as well as the criteria used for evaluation to establish a marketing strategy in accordance with those trends.

From a marketing point of view, we must influence the processes of information searching and alternative evaluation in order to gain greater proximity and sympathy between the consumer and the brand. We must identify the sources of information potential customers are going to use, as well

as the influence of each one of them. The next step is to identify the evaluation criteria said customers use and finally, plan the strategy to be carried out.

4. Maslow Needs.

One of the most comfortable classifications is Maslow's, who establishes five types of needs:

- Self-actualization:
    - Morality
    - Creativity
    - Spontaneity
    - Lack of prejudice
    - Acceptance of facts
    - Problem solving
- Esteem:
    - Self-esteem, confidence
    - Respect, achievement
- Belonging:
    - Friendship, family, sexual intimacy
- Safety:
    - Security of body, employment, resources
    - morality, family, health and property
- Physiological:
    - Breathing, food, sleep, sex, homeostasis

- Physiological: the primary needs of a human being, food, housing, etc. Until these are not to some extent meet, there are no other needs.
- Safety: these refer to a protected and consolidated job, health and accident, etc. insurance; they do not offer immediate happiness but a future one.
- Belonging: these led us to relationships with the rest of the members of society, of looking for their affection.
- Esteem: average people have a need or wish for a stable evaluation. They need self-esteem and that of others. These needs lead to, on the one hand, a wish for strength, realization, sufficiency, dominance, competence and confidence and on the other, a wish for reputation, prestige, domination and recognition. Maslow argues that the satisfying of these needs leads to feelings of self-confidence, of being useful and necessary. On the other hand their non-satisfaction causes feelings of inferiority or weakness.

- Self-actualization: they refer to the integral realization of self-potential. Becoming what one can become to be at peace with oneself.

5. Perception.

Perception is a process of selection, organization and integration of sensory stimuli into a significant and coherent image. We can establish four stages:

1. Exposure to information
2. Attention paid
3. Understanding or interpretation of the message
4. Retention of the information in the memory

Perception is selective, that is, one perceives what one is interested in. The same product may be perceived in different ways by different consumers, depending on the attributes or features of the product that may interest them. For example, if a brand enjoys prestige, one tends to associate the product with positive features, whether it actually has them or not.

6. Attitudes.

According to Allport attitudes are learned predispositions to consistently respond favourably or unfavourably to an object.

They are formed through time and experience. They are affected by family influences, the influence of social groups one belongs to or wishes to belong to, the information received, experience and personality.

They have three components: beliefs (cognitive component); value (affective component) and the tendency to act (behavioural component).

The functions of attitudes are the following:

- Utilitarian. Attitudes guide the consumer to satisfy the desired needs.
- Expressing value. Attitudes express a self-concept and a system of values.
- Ego-defensive. Attitudes protect the ego from anxiety and threats.
- Of knowledge organization. Attitudes organize the amount of information the consumer is exposed to and set the standards with which to judge the information.

7. Purchase behaviour in the family.

The buying behaviour of the family members changes with the time evolution of the family. We currently speak of the model of home lifecycle due to the new family models; single, single-parent, divorced, unwed couples, etc.

The roles of each of the members that make up the family and the cohesion of the family unit are decisive at the time of explaining consumption (Grande 2006). Within the family group there are the following roles:

- The initiator, who states the need; for example a laptop.
- Who obtains the information; for example, the search for the best offers on the Internet and stores and informs the family.
- The influencer, who evaluates the information gathered and recommends a particular brand.
- The decider, who determines whether to buy the laptop or not, after listening to the arguments in favour or against.
- The buyer, who physically does the buying.
- The consumer or user who enjoys it.

It is important to consider that the needs and consumption acts are not the same in every family.

8. Define the concepts of rules, roles, status, socialization and power.

- Rules. Behaviour rules and standards set by the group. Its members must abide by them.
- Roles. The functions an individual takes on or the group assigns to reach their goals.
- Status. The position of an individual in the group, source of power and influence.
- Socialization. The process through which an individual learns the rules and roles of the group.
- Power. Determines the influence the group has on the person. This power is usually that of experience or knowledge and its basis is in the identification of the individual with the group.

9. Define the concept of culture and its characteristics.

Culture is a mental programming which makes people keep ways of thinking, feelings, and potential actions which were learned during childhood and which they will probably repeat the rest of their lives.

Cultures have the following features:

- Functionality. It guides the conduct of people in a way that guarantees life together among people. One learns through interaction with the environment.
- Social. It comes from contact among people and evolves throughout time, that is, it is dynamic. For example urbanity rules from fifty years ago are now out of place.
- Prescriptive. It determines what is right and wrong; it is arbitrary at times because values, beliefs, attitudes and conducts in one culture may be rejected by another. For example in European cultures looking at someone in the eye is a sign of honesty, whereas in Asian cultures it is a sign of cheekiness.

10. Explain what is the dissonance and their types.

Dissonance is a mental state regarding the doubt of having made the right decision or not. The dissonance may be cognitive, physical or emotional.

- Cognitive dissonance, according to Festinger, is produced as a result of the discrepancy between the consumer's decision and the evaluation of the product acquired. This dissonance is more likely to appear when the decision is irrevocable and has a high degree of complexity, for example the purchase of a home.
- Physical dissonance appears with the inconsistence between the perception of the product features and the consumer's expectations. For example a facial cream that does not provide the luminosity it promises…
- Emotional dissonance appears when the quality of the product does not correspond to the price paid, for example a shirt bought in a luxury store that loses colour when washed…