**Unit 5. Analyzing consumer markets & Buyers Behavior**

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After studying this unit, the student must be able to:

* + describe the general characteristics that influence consumers' behaviors
  + define consumer markets and proposes a simple model of consumer buying behavior
  + identify the different types of individual buying decisions
  + explain the buyers decision processes

**5.1 Introduction**

Managers in an organization spend a great deal of time thinking about customers. They want to know who their customers are, what they think and how they feel, and why customers buy their product rather than competitors' owners themselves do not know exactly what motivates their buying. But management needs to put top priority on understanding customers and what makes them tick.

Thus, understanding buyers behavior is an essential but difficult task – the company must carefully produce its product and its image to match buyer needs and desires. But buyers are moved by a complex set of deep and subtle motivations. Buyer behavior springs from deeply held values and attitudes, from what they think of themselves and what they want others to think of them, from rationality and common sense, and from whimsy and impulse.

**5.2 Meaning of consumer buying behavior**

Consumer buying behavior refers to the buying behavior of final consumer, individuals and households who buy goods and services for personal consumption. It is all of these final consumers that make up the consumer market.

Consumers around the world vary tremendously in age, income, educational level, and tastes. Therefore, marketers need to satisfy consumer needs. And in order to do this, they need to understand the consumers or buyers behavior. If customers are satisfied:

* they will buy more of a companies products
* they advocate or talk favorably about the companies and company's product
* they may advice the company for improvement
* they give little attention to other companies and their goods
* they may buy new products of the company.

Consumers or buyers behavior involves the activities of people engaged when selecting, purchasing and using products, so as to satisfy the need and desire. It also involves the study of:

* Who makes up the market?
* Possible reasons for purchasing?
* What kind of buying decisions are made?
* What are the key processes in purchasing?
* What influences the buying decision?

But the central question in marketing is: how do consumers respond to various marketing efforts the company might use? The company that really understands how consumers will respond to different product features, prices and advertising appeals has a great advantage over its competitors.

Product choice

Brand choice

Dealer choice

Purchase timing

Purchase amount

Buyer's responses

Political

Economic

Socio-cultural

Technological

Buyer's Black Box

Product

Price

Place

Promotion

Marketing & other stimuli

Buying Decision Process

Buyer characteristics

**Fig. 5.1 Model of buyer behavior**

The figure shows that marketing and other stimuli enter the consumer's "black box" and produce certain responses that marketers must figure out what is in the buyer's black box.

Marketing stimuli consist of the 4 (four) Ps: Product, Price, Place and Promotion. Other stimuli include major forces and events in the buyer's environment: Political-legal, Socio-Cultural, Economic and Technological factors. All these inputs enter the buyer's black box, where they are turned into observable buyer responses: Product choice, Bran choice, Dealer choice, Purchase timing and Purchase amount.

The marketer wants to understand how the stimuli are changed in to responses inside the consumer's black box, which has two parts. First, the buyer characteristics influence how he/she perceives and reacts to the stimuli. Second, the buyer's decision process itself affects the buyer behavior.

**5.2.1 Who Makes Up the Market?**

The market can be broadly categorized into two major groups, for the study of buyers behavior. These are:

1. consumer or individual or final or ultimate users or buyers
2. organizational or business or industrial buyers.
   * Consumer or individual buyers are those groups that purchase products (goods & services) for their own personal or household use consumption purpose.
   * Organizational buyers are those groups of buyers that purchase products (goods & services) for use in making other products, for resale, or for day-to-day operation purpose. These include government institutions, manufacturing companies, resellers (wholesalers, retailers) and so on. Each of these market groups has specific behaviors that must be studied by marketers.

**5.2.2 Why Do Customers Buy Products?**

There are so many reasons why customers purchase products. But learning about why of customers buying behavior is not so easy- the answers are often located deep within the consumer's head. However, we can at least site some of the possible reasons for purchasing like:

* to solve specific problems
* to prevent a problem from occurring
* for symbolic purpose: emotional and psychological satisfaction
* out of a habit
* because of persuasion
* because of coercion.

# 5.3 what are the types of individual purchasing decision making process?

Sometimes consumers do not engage in the five steps purchase decision process. Instead, they skip or minimize one or more steps depending on the level of involvement, the personal, social, and economic significance of the purchase to the consumer. High-involvement purchase occasions typically have at least one of the three characteristics.

The item to be purchased;

1. is expensive
2. can have serious personal consequences or
3. could reflect on one's social image.

For these occasions, consumers engage in extensive information search, consider many product attributes and brands, form attitudes and participate in word -of-mouth communication. Low involvement purchases, such as toothpaste and soap, barely involve most of us, whereas stereo systems and automobiles are very involving. Researchers have identified three general variations in the consumer purchase process based on consumer involvement and product knowledge.

**5.3.1 Routine Problem Solving**

For products such as toothpastes and milk consumers recognize a problem, make a decision and spend little effort seeking external information and evaluating alternatives. The purchase process for such item is virtually a habit and typifies low-involvement decision-making. Routine problem solving is typically the case of low priced, frequently purchased products. It is estimated that about 50 percent of all purchase occasions are of this kind.

Routine type of decision making have the following characteristics:

* level of information about the market is very high
* price knowledge and experience is very high
* frequency of purchase is very high
* perceived risk is very low or none

e.g. Purchasing a pen

# 5.3.2 Limited Problem Solving Buying Decision

In such kind of purchase decision, consumers typically seek some information or rely on a friend to help them evaluate alternatives. In general, several brands might be evaluated using a moderate number of different attributes. You might use limited problem solving a toaster, a restaurant for dinner, and other purchase situations in which you have little time or effort to spend. Limited problem solving accounts for about 38 percent of purchase occasions.

Limited buying decision making has the following characteristics:

* Level of information about the market is intermediate or moderate
* Price knowledge and experience is moderate
* Frequency of purchase is average
* Perceived risk is also moderate.

Example of such buying decision includes purchasing furniture and cloths.

# 5.3.3 Extended Problem Solving Buying Decision

In extended problem solving, each of the five stages of the consumer purchase decision process is used in the purchase, including considerable time and effort on external information search and in identifying and evaluating alternatives. Extended problem solving exists in high-involvement purchase situations for items such as CD Players, VCRs and investments in stocks and bonds. Firms marketing these products put significant effort into informing and educating these customers. About 12 percent of purchases fall into this category.

The following are some of the characteristics of problem solving buying decision:

* level of information about the market is none or very little
* Price knowledge and experience is almost none or very little
* Frequency of purchase is very little and,
* Perceived risk is very high.

Example for such kind of purchase decision includes buying a house, a car and any other similar nature.

|  |  |  |  |
| --- | --- | --- | --- |
| **Characteristics of purchase decision process** | Involvement **High**  **Low** | | |
| **Extended problem solving** | **Limited problem solving** | **Routine problem solving** |
| Number of brands | Many | Several | One |
| Number of sellers considered | Many | Several | Few |
| Number of product attributes evaluated | Many | Moderate | One |
| Number of external information sources used | Many | Few | None |
| Sources used | Many | Few | None |
| Time spent searching | Considerable | Little | Minimal |

# 5.4 The Buyer Decision Processes

The consumer passes through five stages: ***need recognition, information search, evaluation of alternatives, purchase decision, and post purchase behavior***. Clearly the buying process starts long before actual purchase and continues long after. Marketers need to focus on the entire buying process rather than on just the purchase decision.

Consumers pass through all the five stages with every purchase. But in more routine purchases, they often skip or reverse some of the stages. However, we use the model in the figure below because it shows all the considerations that arise when a consumer face a next and complex purchase situations.

Post Purchase Behavior

Purchase Decision

Evaluation of Alternatives

Information Search

Need Recognition

## Fig. 5.2 Buyer Decision Process

**5.4.1 Need Recognition**

The buying process starts with need recognition where the buyer recognizes a problem or need. The buyer senses his/her actual state and some desired state. The need can be triggered by internal stimuli when one of the persons normal needs, hunger, thirst, sex – rises to a level high enough to become a drive. A need can also be triggered by external stimuli. At this stage the marketer should research consumers to find out what kinds of needs or problems arise, what brought them about, and how they led the consumer to this particular product.

**5.4.2 Information Search**

An aroused consumer may or may not search for more information. If the consumer's drive is strong and a satisfying product is near at hand, the consumer is likely to buy it then. If not the consumer may not store the need in memory or undertake an information search related to the need.

The consumer can obtain information from any of several sources:

* *Personal Source*: family, friends, neighbors, acquaintances.
* *Commercial Sources:* advertising, salespersons, dealers, packages, displays
* *Public Sources:* mass media, consumer-rating organizations.

As more information is obtained, the consumers' awareness and knowledge of the available brands and features increase. A company must design a marketing mix to make prospects aware of and knowledgeable about its brand. Consumers should be asked how they first heard about the brand, what information they received, and what importance they placed on different information sources.

**5.4.3 Evaluation of Alternatives**

How does the consumer choose among the alternative brands? The marketer needs to know about alternative evaluation that is, how the consumer processes information to arrive at brand choices.

Certain basic concepts help explain consumer evaluation process:

* 1. We assume that each consumer sees a product as a bundle of product attributes. They pay the most attention to those attributes connected with their needs.
  2. The consumer will attach different degrees of importance to different attributes according to his/her needs and wants.
  3. The consumer is likely to develop a set of brand beliefs about where each brand stands to each attribute. The set of beliefs held about a particular brand is known as the brand image.
  4. The consumer's expected total product satisfaction will vary with levels of different attributes.
  5. The consumer arrives at attitudes toward (through) the different brands through some evaluation procedure.

Marketers should study buyers to find out how they actually evaluate brand alternatives.

**5.4.4 Purchase Decisions**

In the evaluation stage, the consumer ranks brands and forms purchase intentions. Generally, the consumer's purchase decision will be to buy most prepared brand, but two factors can come between the purchase intention and the purchase decision. The first factor is the attitude of others. The second factor is unexpected situational factors. The consumer may form a purchase intention based on factors such as expected income, expected price, and expected product benefits.

**5.4.5 Post Purchase Behavior**

The marketer's job doesn't end when the product is bought. After purchasing the product, the consumer will be satisfied or dissatisfied and will engage in post purchase behavior of interest to the marketer. The negative feeling that may occur after a commitment purchase has been made is called cognitive dissonance. What determines whether the buyer is satisfied or dissatisfied with a purchase? The answer lies in the relationship between the consumer's expectations and the product's perceived performance.

If the product fall short of expectations, the consumer is disappointed, if it meets expectations, the consumer is satisfied, if product's performance exceeds expectations, the consumer is delighted.

**5.5 Major factors influencing consumers buying behavior**

Consumer purchases are influenced strongly by culture, social groups, personal and psychological characteristics. For the most part marketers cannot control such factors, but they must take them into account.

**5.5.1 Cultural Factors**

Cultural factors exert the broadest and deepest influence on consumer behavior. The marketer needs to understand the role played by the buyer's culture, sub-culture and social class.

***5.5.1.1 Culture***

It is the most basic cause of a person's wants and behavior. Human behavior is largely learned. Growing up in a society, a child learns basic values, perceptions wants and behaviors from the family and other important institutions. Every group or society has a culture, and cultural influences on buying behavior may vary greatly from country to country. Failure to adjust to these differences can result in ineffective marketing or embarrassing mistakes. Hence marketers are always trying to spot cultural shifts in order to imagine new products that might be wanted.

***5.5.1.2 Subculture***

Each culture contains smaller sub-cultures, or groups of people with shared value systems based on common life experiences and situations. Subcultures include nationalities religions, racial groups, and geographic regions. Many subcultures make up important market segments, and marketers often design products and marketing programs tailored to their needs.

* + - 1. ***Social Class***

Almost every society has some form of social class structure. Social classes are society's relatively permanent and ordered divisions whose members share similar values, interests, and behaviors.

Social class is not determined by a single factor, such as income, but is measured as a combination of occupation income, education, wealth and other variables. In some social systems, members of different classes are reared for certain roles and can't change their social position. Marketers are interested in social class because people with in a given social class tend to exhibit similar buying behavior.

Social classes should distinct product and brand preferences in areas such as clothing, home furnishings, leisure activity and automobiles.

**5.5.2 Social Factors**

A consumer behavior also is influenced by social factors, such as consumer's small groups, family and social roles and status. Because these social factors can strongly affect consumer responses, companies must take them in to account when designing their marketing strategies.

***5.5.2.1 Groups***

A person's behavior is influenced by many small groups. Groups which have a direct influence and to which a person belongs are called membership groups. Some are primary groups with whom there is regular but informal interaction such as family, friends, neighbors and co-workers. Some are secondary groups, which are more formal and have less regular interaction. These include organizations like religious groups, professional associations and trade unions.

Reference groups are groups that serve as direct (face to face) or indirect points of comparison or reference in forming a persons attitudes or behavior. People often are influenced by reference groups to which they don't belong. For example, an aspirational group is one to which the individual wishes to be a member of or whishes to be identified with such as a professional society.

Marketers try to identify the reference groups of their target market. Reference groups influence a person in at least three ways. They expose a person to new behaviors and lifestyles.

They influence the person's attitudes and self-concept because he/she wants to "fit in". They also create pressures to conform that may affect the person's product and brand choices.

The importance of group influence varies across products and brands, but it tends to be strongest for conspicuous purchases. A product or brand can be conspicuous for one of two reasons. First, it may be noticeable because the buyer is one of few people who own it. Second, a product can be conspicuous because the buyer consumes it in public where others can see it.

Manufacturers of products and brands subject to strong group influence must figure out how to reach the opinion leaders in the relevant reference groups. Opinion leaders are people with in a reference group who, because of special skills knowledge, personality or other characteristics, exert influence on others. Opinion leaders are found in all strata of society and one person may be an opinion leader in certain product areas and an opinion follower in others. Marketers try to identify the personal characteristics of opinion leaders for their products, determine what media they use, and direct messages at them.

***5.5.2.2 Family***

Family members can strongly influence buyer behavior. We can distinguish between two families in the buyer's life. The buyer's parents make up the family of orientation. Parents provide a person with an orientation toward religion, politics, and economics and a sense of personal ambition, self-worth, and love. Even if the buyer no longer interacts very much with parents, they can still significantly influence the buyer's behavior. In countries where parents continue to live with their children their influence can be crucial.

*The families of procreation* – the buyer's spouse and children have a more direct influence on everyday buying behavior. This family is the most important consumer buying organization in society, and it has been researched extensively. Marketers are interested in the roles and relative influence of the husband, wife and children on the purchase of a large variety of products and services.

***5.5.2.3 Roles and Status***

A person belongs to many groups – family, clubs, and organizations. The person's position in each group can be defined in terms of both role and status. For instance, a person plays the role of a child with his/her parents. In his/her family, he/she plays the role of marketing manager. A role consists of the activities people are expected to perform according to the persons around them. Each of a person's roles will influence some of his/her buying behavior.

Each role carries a status reflecting the general esteem given to it by society. People often choose products that show their status in society. For example, the role of marketing manager has more status in our society than the role of a child. As a marketing manager, a person will buy the kind of clothing that reflects his/her role and status.

**5.5.3 Personal Factors**

A buyer's decisions also are influenced by personal characteristics such as the buyer's age and life-cycle stage, occupation, economic situation, lifestyles, and personality and self-concept.

***5.5.3.1 Age and Lifecycle Stage***

People change the goods and services they buy over their life times. Tastes in food, clothes, furniture and recreation are often age related. Buying is also shaped by the stage of the family life cycle – the stages through which families might pass as they mature overtime. Marketers often define their target markets in terms of life cycle stage and develop appropriate products and marketing plans for each stage.

***5.5.3.2 Occupation***

A person's occupation affects the goods and services bought. Blue-collar workers tend to buy more work clothes, where as white –collar workers buy more suits and ties. Marketers try to identify the occupational groups that have an above – average interest in their products and services. A company can even specialize in making products needed by a give occupational group. For example, computer software companies will design different products for marketing managers, accountants, engineers, lawyers and doctors.

***5.5.3.3 Economic Situation***

A person's economic situation will affect product choice. A person can consider buying an expensive product (brand) if he/she has enough spendable income, savings, or borrowing power. Marketers of income sensitive goods closely watch trends in personal income, savings and interest rates. If economic indicators point to a recession, marketers can take steps to redesign, reposition, and re-price their products.

***5.5.3.4 Life Style***

People coming from the same subculture, social class, and occupation may have quite different lifestyle. Lifestyle is a person's pattern of living as expressed in his/her activities, interest and opinions. Lifestyle captures something more than the person's social class or personality. It profiles a person's whole pattern of acting and interacting in the world.

The technique of measuring lifestyle is known as psychographics. It involves measuring the major dimensions shown in the table below.

|  |  |  |  |
| --- | --- | --- | --- |
| **Activities** | **Interest** | **Opinions** | **Demographics** |
| Work  Hobbies  Social events  Vacation  Entertainment  Club membership  Community  Shopping  Sports | Family  Home  Job  Community  Recreation  Fashion  Food  Media  Achievements | Themselves  Social issues  Politics  Business  Economics  Education  Products  Future  Culture | Age  Education  Income  Occupation  Family size  Dwelling  Geography  City size  Stage in life cycle |

**Fig. 5.3 Life Style Dimensions**

Life style classifications are by no means universal – they can vary significantly from country to country. The lifestyle concept, when used carefully can help the marketer understand changing consumer values how they affect buying behavior.

***Personality and Self-Concept:*** each person's distinct personality influences his/her buying behavior. Personality refers to the unique psychological characteristics that lead to relatively consistent and lasting responses to one's own environment. Personality is usually described in terms of traits such as self-confidence, dominance, sociability, autonomy, defensiveness, adaptability and aggressiveness. Personality can be useful in analyzing consumer behavior for certain product or brand choices.

Many marketers use a concept related to personality – a person's self-concept (also called self image). The basic self-concept premise is that people's possessions contribute to and reflect their identities; that is, "We are what we have". Thus, in order to understand consumer behavior, the marketer must first understand the relationship between consumer self concept and possessions.

**5.5.4 Psychological Factors**

A person's buying choices are further influenced by four major psychological factors: Motivation, Perception, Learning, Beliefs and attitudes.

***5.5.4.1 Motivation***

A person has many needs at any given time. Some are biological, arising from states of tension such as hunger, thirst or discomfort. Others are psychological, arising from the need for recognition, esteem or belongingness. Most or these needs will not be strong enough to motivate the person to act at a given point in time. A need becomes a motive when it is aroused to a sufficient level of intensity. A motive (drive) is a need that is sufficiently pressing to direct the person to seek satisfaction. Psychologists have developed theories of human motivation. Two of the most popular-the theories of Sigmund Freud and Abraham Maslow – have quite different meanings for consumer analysis and marketing.

**Freud's Theory of Motivation**

He assumes that people are largely unconscious about the real psychological forces shaping their behavior. He sees the person as growing up and repressing many urges. These urges are never eliminated or under perfect control, they emerge in dreams, in slips of the tongue, in neurotic and obsessive behavior, or ultimately in psychoses.

Thus, Freud suggests that a person doesn't fully understand his/her motivation.

**Maslow's Theory of Motivation**

Abraham Maslow sought to explain why people are driven by particular need at particular time. Why does one person spend much time and energy on personal safety and another on gaining the esteem of others? Maslow's answer is that human needs are arranged in hierarchy from the most pressing to the least pressing. In order of importance, they are physiological needs, safety needs, social needs, esteem needs, and self-actualization needs.

Self-actualization

Needs

(Self-dev't and realization)

Esteem needs (Self-esteem,

recognition, status)

Social needs (sense of belonging, love)

Safety needs (Security, protection)

Physiological needs (hunger, thirst)

## Fig. 5.4 Maslow's Hierarchy of Needs

A person tries to satisfy the most important need first. When that important need is satisfied, it will stop being a motivator and the person will then try to satisfy the next most important need. For instance, a starving man will not take an interest in the latest happenings in the art world, or in how he/she is seen or esteemed by others, nor even in whether he is breathing clean air. But as each important need is satisfied, the next most important need will come in to play.

#### 5.5.4.2 Perception

A motivated person is ready to act. How the person acts is influenced by his/her perception of the situation. Two people with the same motivation and in the same situation may act quite differently because they perceive the situation differently.

Why do people perceive the same situation differently? All of us learn by the flow of information through our five senses: sight, hearing, smell, touch and taste. However, each of us receives, organizes, and interprets this sensory information in an individual way. Perception is the process by which people select, organize and interpret information to form meaningful picture of the world.

People can form different perceptions of the same stimulus because of three perceptual processes: selective attention, selective distortion and selective retention.

***Selective Attention:*** the tendency for people to screen out most of the information to which they are exposed. People are exposed to a great amount of stimuli every day. For example, the average person may be exposed to a lot of ads a day. And it is impossible for a person to pay attention to all these stimuli. Thus, marketers have to work especially hard to attract the consumer's attention. Their message will be lost on most people who are not in the market for the product. Moreover, even people who are in the market may not notice the message unless it stands out from the surrounding sea of other ads.

***Selective Distortion:*** it describes the tendency of people to adapt information to personal meanings. In other words, noted stimuli do not always come across in the intended way. Each person fits incoming information into un-existing mind-set. People tend to interpret information in a way that will support what they already believe. Thus, marketers must try to understand the mindsets of consumers and how these will affect interpretations of advertising and sales information.

***Selective Retention:*** people also will forget much that they learn. They tend to retain information that supports their attitudes and beliefs. Because of selective retention, a person is likely to remember good points made about a particular product, which he/she is familiar, and forget good points made about competing products.

Because of selective exposure, distortion and retention marketers have to work hard to get their messages through. This fact explains why marketers use so much drama and repetition in sending messages to their market.

***5.5.4.3 Learning***

When people act, they learn. Learning describes changes in an individual's behavior arising from experience. Learning theorists say that most human behavior is learned. Learning occurs through the interplay of drives, stimuli, responses and reinforcement.

The practical significance of learning theory for marketers is that they can build up demand for a product by associating it with strong drives, using motivating cues, and providing positive reinforcement.

***5.5.4.4 Beliefs And Attitudes***

Through doing and learning, people acquire their beliefs and attitudes. These, in turn, influence their buying behavior. A belief is a descriptive thought that a person has about something.

Marketers are interested in the beliefs that people formulate about specific products and services, because there beliefs make up product and brand images that affect buying behavior. If some of the beliefs are wrong and prevent purchase, the marketer will want to launch a campaign to correct them.

People have attitudes regarding religion, politics, clothes, music, food and almost everything else. An attitude describes a person's relatively consistent evaluations, feelings and tendencies toward an object or idea. Attitudes put people into a frame of mind of liking or disliking things, of moving toward or away from them.

Attitudes are difficult to change. A person's attitudes fit into a pattern, and to change one attitude may require difficult adjustments in many others. Thus, a company should usually try to fit its products into existing attitudes rather than try to change attitudes. Of course, there are expectations in which the great cost of trying to change attitudes may pay off.

We can now appreciate the many individual characteristics and forces acting on consumer behavior. The consumer's choice results from the complex interplay of cultural, social, personal, and psychological factors. Although many of these factors cannot be influenced by the marketer, they can be useful in identifying interested buyers and in shaping products and appeals to better serve their needs.

###### Check Your Progress Exercise

1. Explain the term consumer market and buyers behavior.

**………………………………………………………………………………………………………………………………………………………………………………………………**

1. Discuss the model of buyer behavior.

**………………………………………………………………………………………………………………………………………………………………………………………………**

1. Identify and briefly discuss the different types of individual buying decisions.

**………………………………………………………………………………………………………………………………………………………………………………………………**

1. Which step of the consumer buying process is critical in the most complex type of decision making.

**………………………………………………………………………………………………………………………………………………………………………………………………**

1. What is the impact of cultural factors on the consumers buying behavior.

**………………………………………………………………………………………………………………………………………………………………………………………………**

##### 5.6 Summary

Markets have to be understood before marketing strategies can be developed. The consumer market buys goods and services for personal consumption. Consumers vary tremendously in age, income, education, tastes and other factors. Marketers must understand how consumers transform marketing and other inputs into buying responses. Consumer behavior is influenced by the buyer's characteristics and by the buyer's decision process. Buyer characteristics include four major factors: cultural, social, personal and psychological.

Culture is the most basic determinant of a person's wants and behavior. It includes the basic values, perceptions preferences and behaviors that a person learns from family and other key institutions. Marketers try to track cultural shifts that might suggest new ways to serve consumers. Sub-cultures are "Cultures within Cultures" that have distinct values and lifestyles. Social classes are subcultures whose members have similar social prestige based on occupation, income, education, wealth and other variables. People with different culture, sub-cultural, and social class characteristics have different product and brand preferences. Marketers may want to focus their marketing programs on the special needs of certain groups.

Social factors also influence a buyer's behavior. A person's reference groups- family, friends, social organizations, and professional associations – strongly affect product and brand choices. The person's position with in each group can be defined in terms of role and status. A buyer chooses products and brands that reflect his/her role and status.

The buyer's age, life-cycle stage, occupation economic circumstances, lifestyle, personality and other personal characteristics influence his/her buying decisions. Young customers have different needs and wants from older consumers.

The needs of young married couples differ from those of retirees; consumers with higher incomes buy differently from those who have less to spend. Consumer lifestyles – the whole pattern of acting and interacting in the world – are also an important influence on buyer's choices.

Finally, consumer-buying behavior is influenced by four major psychological factors-motivation, perception, learning and attitudes. Each of these factors provides a different perspective for understanding the workings of the buyer's black box.

A person's buying behavior is the result of the complex interplay of all these cultural, social personal and psychological factors. Although many of these factors cannot be controlled by marketers, they are useful in identifying and understanding the consumers that marketers are trying to influence.

**5.7 Answer to Check Your Progress Exercise**

1. Refer to section 5.2
2. Refer to sections 5.2.1 and 5.2.2
3. Refer to section 5.3
4. Refer to section 5.4
5. Refer to section 5.5.1