**COMSATS University Islamabad, Virtual Campus**

**MGT210 Principles of Marketing**

**Lecture 09 Handouts**

**Consumer Markets and Consumer Buyer Behavior**

Consumer buyer behavior is the buying behavior of final consumers: individuals and households that buy goods and services for personal consumption. All these consumers add up to the consumer market: all the households and individual that buy or acquire goods and services for personal consumption. Consumers make buying decisions every day, but it can be difficult to determine why they make certain decisions. Consumer purchases are influenced by different characteristics.

**Cultural factors:**

Cultural factors have an influence on consumer behavior. Culture is the set of basic values, perceptions, wants and behaviors learned by a member of society from family and other important institutions. A subculture is a group of people with shared value systems based on common life experiences and situations. They are distinct, but not necessarily mutually exclusive. Social classes are relatively permanent and ordered divisions in a society whose members share similar values, interests and behaviors.

**Social factors:**

Another influence is social factors. Groups are two or more people who interact to accomplish individual or mutual goals. Many small groups influence a person’s behavior. Membership groups are groups in which a person belongs, while reference groups serve as direct points of comparison.

Word-of-mouth influence of friends and other consumers can have a strong influence on buying behavior. An opinion leader is a person within a reference group who, because of skills, knowledge, personality or other characteristics, exerts social influence on others. Marketers try to identify the opinion leader and aim their marketing efforts towards this person. Buzz marketing involves creating opinion leaders to serve as brand ambassadors. Online social networks are online communities, such as blogs, social networking sites or even virtual worlds, where people socialize or exchange information and opinions.

Family can have a strong influence on buying behavior as well. Buying role patterns in families change with evolving consumer lifestyles. A person belongs to many groups beside the family, also clubs, organization and online communities. The position of a person in a group is defined in terms of role and status. A role consists of the expected actions of a person. People usually choose products appropriate to their role and status.

**Personal factors:**

Personal characteristics also have an influence on consumer buyer behavior. These characteristics can be the person’s age and life-cycle stage, the person’s occupation and economic situation, but also lifestyle and personality. ***Lifestyle*** is a person’s pattern of living as expressed in his or her activities, interests and opinions. ***Personality*** is the unique psychological characteristics that distinguish a person or group.

It can be said that brands also have personalities. A ***brand personality*** is the mix of human traits that may be used to describe the brand. There are five general brand personality traits: sincerity, excitement, competence, sophistication and ruggedness.

**Psychological factors:**

Buying behavior is influenced by four major psychological factors: motivation, perception, learning and beliefs and attitudes.

* Motive (drive) is a need that is sufficiently pressing to direct the person to seek satisfaction of the need. Motivation research refers to qualitative research designed to find consumer’s hidden motivations. Maslow’s hierarchy of needs categorizes needs into a pyramid, consisting of psychological needs, safety needs, social needs, esteem needs and self-actualization needs.
* Perception is the process by which people select, organize and interpret information to form a meaningful picture of the world. People form different perceptions of the same stimulus because of three perceptual processes: selective attention, selective distortion and selective retention. Learning describes changes in an individual’s behavior arising from experience. A drive is a strong stimulus that calls for action. Cues are minor stimuli that determine how a person responds.
* A belief is a descriptive thought that a person holds about something.
* An attitude is a person’s consistently favorable or unfavorable evaluations, feelings and tendencies toward an object or idea. Attitudes can be difficult to change, because they are usually part of bigger pattern.