

Consumer Behavior

Week 6

SESSION 11

15. Lifestyles and Consumption Cultures

Purpose: describe consumer lifestyles with psychographic methods

16. Consumer Attitudes and Decisions

Purpose: understand consumption decisions

17 Marketing Strategies

Purpose: establish consumer strategies

SESSION 12

Cases

Lifestyles and Consumption Cultures

Since products are integral to the extended self and that products are not purchased alone, consumers are concerned with product constellations, or consumer lifestyles, that is, the clusters of complementary products, specific brands and consumption activities and in the case of devotion to one particular brand there is the constitution of a brand tribe.



To describe consumer lifestyles, psychographic methods (AIO measures) are used that aim to describe the activities, interests and opinions of consumers.



Consumer Attitudes and Decisions

Consumption involvement with a product brings about an attitude – consumer attitude

It is the result of consumers having not only experienced the product, but also passed judgment relative to their intention and associated expectations.



Consumers have attitudes because they help them:

- Organize and simplify experiences and stimuli – knowledge function
- Act in their own interest by seeking rewards – utilitarian function



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- Express personal values and other important aspects of the self – value-expressive function
- Construct defense against threats to the self – ego-defensive function
- Facilitate, maintain and disrupt social relations – social-adjustment function

From all the possible attitudes some dominate. This is when symbolic constructions are matched to the dominant attitude – matching hypothesis.

If some attitudes dominate, they are constructed attitudes that is a combination of other attitudes.

Moreover, they depend on the attitudes expressed by others in interpersonal relations – balance theory.

Consumer attitudes involve consumer judgments, value estimates by setting an initial value which is subsequently adjusted – anchor-and-adjust process.

In particular consumers may:

- Imagine and simulate events to make a judgment – simulation heuristic
- Use what comes easily to mind from knowledge – availability heuristic
- Assign characteristics to a product against a prototype or ideal – representativeness heuristic

If consumer attitudes change with focus, time and dimension, so do consumer judgments and so do consumption decisions:

consumers are adaptive decision makers in the sense that they adapt to their environment so as to achieve consumer intentions.



Theories explaining consumer decision making include:

- Expected utility theory: emphasis placed on what consumers can derive as utility (i.e. satisfaction) from consuming an optimum quantity of products
- Prospect theory: emphasis placed on how consumers value potential gains and losses that result from making losses

- Satisficing theory: emphasis placed on how consumers try to make acceptable rather than optimal decisions
- Compensatory model: emphasis placed on how consumers offset a negative judgment by a positive judgment
- Non-compensatory model: emphasis placed on how consumers proceed by elimination when making judgments

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- Affective model: emphasis placed on how consumers take decisions that are emotional rather than rational



Consumer Behaviors and Marketing Strategies

If consumption is a cultural event (i.e. a particular way of thinking and doing relative to consumption), it is a function of the following consumer variables:

1. Values
2. Myths
3. Symbols
4. Rituals
5. Contexts
6. Principles



Knowledge of consumer variables can help organizations construct consumer profiles with the following variables:

- Semiotic – meanings, symbols, myths
- Personal – knowledge, experience, motives, readiness, innovation, satisfaction
- Topographical – region, climate
- Demographical – age, gender
- Social – family, religion, ethnicity, education
- Economic – income, status, class, occupation
- Psychological – personality, lifestyle, attitude,
- Contextual – interpersonal, culture, occasions

Knowledge of consumer profiles can help organizations carry out effective consumer analyses so as to construct brand loyalty while obtaining information on behaviors that are not worthwhile for the organization.



Achieving brand loyalty involves two aspects:

1. Strategy, marketing and organizational (a focus on what)
2. Method, segmentation and market research (a focus on how)



Marketing strategy is about those specific actions taken to maintain or improve the relations between the business organization and its consumers.

It is about constructing brand loyalty with a view to achieving organizational strategies.



To achieve its marketing strategies, the business organization as a whole needs to be:

- Market oriented: construct knowledge of the market space in terms of consumer needs, competitor actions, and growing trends
- Consumer focused: gain insights from customers to construct a sense of the market

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- Value inspired: create value to exceed customer expectations
- Difference sensitive: offer customers a product they value that the competitors do not have

A pre-condition for displaying such qualities is coordinated marketing i.e. that marketing is the concern of the organization as a whole.

Typically marketing strategies include

An emphasis on product: product development to be offered in either the existing markets (defender) or in new markets (prospector) or both (analyzer).

An emphasis on markets: market expansion of the existing market by either offering new products or developing core products (analyzer), or search for new markets to offer the same or new products (prospector)

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On both:

- Product and market development (prospector)
- Product and market differentiation (analyzer, prospector)



case studies