

Consumer Behavior and Marketing Strategy

Sixth Edition

J. Paul Peter

University of Wisconsin, Madison

Jerry G. Olson

Pennsylvania State University



Boston Burr Ridge, IL Dubuque, IA Madison, WI New York San Francisco
St. Louis Bangkok Bogota Caracas Lisbon London Madrid
Mexico City Milan New Delhi Seoul Singapore Sydney Taipei Toronto

Contents

Section 1

A Perspective on Consumer Behavior

1 Introduction to Consumer Behavior and Marketing Strategy 2

Cybershoppers and Cyberconsumers 2

What is Consumer Behavior? 6

Consumer Behavior is Dynamic 6

Consumer Behavior Involves Interactions 8

Consumer Behavior Involves Exchanges 9

Approaches to Consumer Behavior Research 9

Uses of Consumer Behavior Research 10

Consumer Behavior's Role in Marketing Strategy 12

Back to Cybershoppers and Cyberconsumers 16

MARKETING STRATEGY IN ACTION: Toyota IS

A Framework for Consumer Analysis 20

Buying a Smith & Wesson: Good or Bad Idea? 20

Three Elements for Consumer Analysis 22

Consumer Affect and Cognition 22

Consumer Behavior 23

Consumer Environment 25

Relationships among Affect and Cognition, Beliefs; and the Environment 25

Marketing Strategy 28

Levels of Consumer Analysis 29

Societies 29

Industries 30

Market Segments 30

Individual Consumers 31

Back to Buying a Smith & Wesson 32

MARKETING STRATEGY IN ACTION: Starbucks 34

Secttooiro 2

Affect and Cognition and Marketing Strategy

3	Introduction to Affect and Cognition	38 ,
	"Everyday" Affect and Cognition: Greg Macklin Goes Shopping	38
	Components of the Wheel of Consumer Analysis	39
	<i>Environment</i>	40
	<i>Behavior</i>	40
	<i>Marketing Strategies</i>	40
	<i>Affect and Cognition</i>	40
	Affect and Cognition as Psychological Responses	41
	<i>Types or Levels of Affective Responses</i>	42
	<i>The Affective System</i>	42
	<i>What Is Cognition?</i>	44
	<i>Relationship between Affect and Cognition</i>	45
	<i>Marketing Implications</i>	47
	<i>Using Metaphors to Communicate Affective and Cognitive Meaning</i>	48
	Cognitive Processes in Consumer Decision Making	49
	<i>A Model of Consumer Decision Making</i>	51
	<i>More Characteristics of the Cognitive System</i>	52
	<i>Marketing Implications</i>	54
	Knowledge Stored in Memory	55
	<i>Types of Knowledge</i>	55
	<i>Structures of Knowledge</i>	57
	<i>Types of Knowledge Structures</i>	59
	<i>Marketing Implications</i>	59
	<i>Cognitive Learning</i>	60
	Back to Greg Macklin	65

MARKETING STRATEGY IN ACTION: Barnes & Noble 68

Consumers' Product Knowledge and Involvement	i()
How Gillette Knows About Shaving	70
Levels of Product Knowledge	72
Consumers' Product Knowledge	73
<i>Products as Bundles of Attributes</i>	74
<i>Products as Bundles of Benefits</i>	76
<i>Products as Value Satisfiers</i>	78
Means-End Chains of Product Knowledge	79
<i>Examples of Means-End Chains</i>	82
<i>Identifying Consumers Means-End Chains</i>	82
<i>Marketing Implications</i>	83
Digging For Deeper Consumer Understanding	85
<i>The 7.MET Approach to Consumer Knowledge</i>	86
<i>The 'MET Interview</i>	86
<i>Marketing Implications</i>	86
Involvement	87
<i>Focus of Involvement</i>	89

<i>The Means—End, Basis for Involvement</i>	89
<i>Factors Influencing Involvement</i>	91
Marketing Implications	93
<i>Understanding the Key Reasons for Purchase</i>	93
<i>Understanding the Consumer-Product Relationship</i>	94
<i>Influencing Intrinsic Self-Relevance</i>	97
<i>Influencing Situational Self-Relevance</i>	97

Back to Gillette 98

MARKETING STRATEGY IN ACTION: Nike 101

Attention and Comprehension	104
The Power of Packaging	104
Exposure to Information	107
<i>Selective Exposure to Information</i>	109
<i>Marketing Implications</i>	110
Attention Processes	112
<i>Variations in Attention</i>	112
<i>Factors Influencing Attention</i>	114
<i>Marketing Implications</i>	115
Comprehension	118
<i>Variations in Comprehension</i>	118
<i>Inferences During Comprehension</i>	121
<i>Factors Influencing Comprehension</i>	122
<i>Marketing implications</i>	124

Back to The Power of Advertising 127

MARKETING STRATEGY IN ACTION: Exposure, Attention and Comprehension on the Internet 130

Attitudes and Intentions	132
The Gap	132
What Is an Attitude?	134
<i>Attitudes toward What?</i>	135
<i>Marketing Implications</i>	136
Attitudes toward Objects	140
<i>Salient Beliefs</i>	140
<i>The Multidimensional Attitude Model</i>	142
<i>Marketing Implications</i>	145
<i>Attitude-Change Strategies</i>	147
Attitudes toward Behavior	149
<i>The Theory of Reasoned Action</i>	150
<i>Marketing Implications</i>	154
Intentions and Behaviors	155

Back to The Gap 158

MARKETING STRATEGY IN ACTION: Coca-Cola 160

Consumer Decision Making	163
Buying a Used Car	163
Decision Making as Problem Solving	168
Elements of Problem Solving	170
<i>Problem Representation</i>	170
<i>Integration Processes</i>	174
<i>Decision Plans</i>	178
Problem-Solving Processes in Purchase Decisions	178
Influences on Consumers' Problem-Solving Activities	ISO
<i>Effects of End Goals</i>	180
<i>Effects of Goal Hierarchies</i>	181
<i>Effects of Involvement and Knowledge</i>	182
<i>Environmental Effects</i>	182
<i>Implications for Marketing Strategy</i>	185
Back to Buying a Used Car	189
MARKETING STRATEGY IN ACTION: Hallmark Cards	192

Section 3

Behavior and Marketing Strategy

8 Introduction to Behavior	196
Lands' End Inlet Store	196
What Is Overt Consumer Behavior?	198
<i>The Importance of Overt Consumer Behavior</i>	J9S
A Model of Overt Consumer Behavior	199
<i>Information Contact</i>	202
<i>Funds Access</i>	205
<i>Store Contact</i>	206
<i>Product Contact</i>	208
<i>Transaction</i>	210
<i>Consumption and Disposition</i>	210
<i>Communication</i>	211
Marketing Implications	212
Back to Lands' End Inlet Store	213
MARKETING STRATEGY IN ACTION: Peapod	216
Conditioning and Learning Processes	218
Lottery Games	218
Classical Conditioning	220
<i>Consumer Research on Classical Conditioning</i>	222
<i>Marketing Implications</i>	223
Operant Conditioning	223
<i>Reinforcement Schedules</i>	226
<i>Shaping</i>	227

<i>Discriminative Stimuli</i>	228
<i>Marketing Implications</i>	229
Vicarious Learning	229
<i>Uses of Vicarious Learning in Marketing Strategy</i>	230
<i>Factors Influencing Modeling Effectiveness</i>	233
<i>Marketing Implications</i>	235

Back to Lottery Games 236

MARKETING STRATEGY IN ACTION: Rollerblade Inc. 239

10	Influencing Consumer Behaviors	241
	What Were These Marketers Tying to Do?	241
	Consumer Behavior Influence Strategies	242
	Sales Promotion	244
	<i>Purchase Probability</i>	247
	<i>Purchase Quantity</i>	249
	<i>Purchase Timing</i>	249
	<i>Purchase Location</i>	249
	<i>Effectiveness of Sales Promotions</i>	249
	Social Marketing	251
	<i>Increasing Desired Behaviors</i>	251
	<i>Decreasing Undesired Behaviors</i>	252
A	Strategic Model for Influencing Consumer Behaviors	252
	<i>Measure Current Levels of Consumer Affect, Cognition, and Behavior</i>	253
	<i>Analyze Consumers and Markets</i>	256
	<i>Select and Implement Influence Strategy</i>	256
	<i>Measure Strategic Effects</i>	257
	<i>Evaluate for Performance Improvement</i>	258
	<i>Marketing Implications</i>	258

Back to What Were These Marketers Tying To Do? 259

MARKETING STRATEGY IN ACTION: Cub Foods 261

The Environment and Marketing Strategy

1 1	Introduction to the Environment	264
	Megaresorts in Las Vegas	264
	The Environment	266
	Aspects of the Environment	267
	<i>rlw Social Environment</i>	267
	<i>The Physical Environment</i>	270
	<i>Marketing Implications</i>	271
	Situations	272
	<i>Analyzing Situations</i>	273

	<i>Generic Consumer Situations</i>	274
	<i>Marketing Implications</i>	282
	Back to Megaresorts in Las Vegas	282
	MARKETING STRATEGY IN ACTION: America's Movie Theaters	285
112	Cultural and Cross-Cultural Influences	288
	McDonald's . . . All Around the World	288
	What is Culture?	290
	The Content of Culture	291
	<i>Measuring the Content of Culture</i>	293
	<i>The Core Values of American Culture</i>	294
	<i>Changing Values in America</i>	294
	Culture as a Process	296
	<i>Moving Cultural Meanings into Products</i>	298
	<i>Cultural Meanings in Products</i>	299
	<i>Moving Meanings from Products into Consumers</i>	301
	<i>Cultural Meanings in Consumers</i>	304
	<i>Moving Meaning to the Cultural Environment.</i>	305
	<i>Marketing Implications</i>	305
	<i>Helping Consumers Obtain Cultural Meanings</i>	307
	Cross-Cultural Influences	308
	<i>Cross-Cultural Differences</i>	308
	<i>Developing International Marketing Strategies</i>	311
	<i>Marketing Implications: The European Union</i>	314
	Back to McDonald's . . . All Around the World	316
	MARKETING STRATEGY IN ACTION: Sony	319
113	Subculture and Social Class	321
	Mountain Dew	321
	Subcultures	321
	Analyzing Subcultures	324
	<i>Geographic Subcultures</i>	326
	<i>Age Subcultures</i>	328
	<i>Ethnic Subcultures</i>	333
	<i>Gender as a Subculture</i>	337
	<i>Income as a Subculture</i>	338
	<i>Acculturation Processes</i>	338
	Social Class	340
	<i>Social Class versus Income</i>	342
	Back to Mountain Dew	344
	MARKETING STRATEGY IN ACTION: Abercrombie & Fitch	347

114	Reference Groups and Family	349
	Chuck E. Cheese	349
	Reference Groups	351
	<i>Analyzing Reference Groups</i>	352
	<i>Types of Reference Group Influence</i>	352
	<i>Reference Group Influence on Products and Brands</i>	354
	<i>Reference Groups and Marketing Strategy</i>	354
	Family	357
	<i>Family Decision Making</i>	357
	<i>Consumer Socialization</i>	361
	<i>Factors Influencing American Families</i>	362
	<i>Demographic Changes in Household Composition</i>	364
	<i>Family Life Cycle</i>	366
	Back to Chuck E. Cheese	371
	MARKETING STRATEGY IN ACTION: The Saturn Family	373

Section D 5

Consumer Analysis and Marketing Strategy

US	Market Segmentation and Product Positioning	376
	Gillette Co. in 2000	376
	Analyze Consumer—Product Relationships	379
	Investigate Segmentation Bases	381
	<i>Benefit Segmentation</i>	381
	<i>Psychographic Segmentation</i>	384
	<i>Person/Situation Segmentation</i>	385
	<i>Geodemographic Segmentation</i>	388
	Develop Product Positioning	389
	<i>Positioning by Attribute</i>	391
	<i>Positioning by Use or Application</i>	393
	<i>Positioning by Product User</i>	393
	<i>Positioning by Product Class</i>	393
	<i>Positioning by Competitors</i>	394
	<i>Positioning Maps</i>	394
	Select Segmentation Strategy	395
	Design Marketing Mix Strategy	396
	Back to Gillette Co. in 2000	396
	MARKETING STRATEGY IN ACTION: Hershey Chocolate USA in 2000	399
	Consumer Behavior and Product Strategy	401
	Timberland	401
	Product Affect and Cognition	402
	<i>Satisfaction/Dissatisfaction</i>	402
	Product Behavior	405

<i>Product Contact</i>	405
<i>Brand. Loyalty/Wariety Seeking</i>	406
The Product Environment	409
<i>Product Attributes</i>	409
<i>Packaging</i>	409
Product Strategy	4.1.2
<i>Characteristics of Consumers</i>	4.1.2
<i>Characteristics of Products</i>	4.1.4
Back to Timberland	4.1.8
MARKETING STRATEGY IN ACTION: Harley-Davidsoil, Inc.	420

1 T	Consumer Behavior and Promotion Strategy	422
	Winning Promotions	422
	Types of Promotions	424
	<i>Advertising</i>	424
	<i>Sales Promotions</i>	425
	<i>Personal Selling</i>	426
	<i>Publicity</i>	428
	<i>The Promotion Mix</i>	428
	A Communication Perspective	430
	<i>The Communication Process</i>	430
	<i>Goals of Promotion Comnniicalions</i>	432
	The Promotion Environment	435
	<i>Promotion Clutter</i>	435
	<i>Level of Competition</i>	436
	Promotion Affect and Cognition	436
	<i>Attitude Toward the Ad</i>	437
	<i>The Persuasion Process</i>	437
	Promotion Behaviors	440
	<i>Information Contact</i>	440
	<i>Word-of-Moiith Communication</i>	441
	Managing Promotion Strategies	442
	<i>Analyze Consinner-Vroduct Relationships</i>	443
	<i>Determine Promotion Objectives and Budget</i>	445
	<i>Design and Implement a Promotion Strategy</i>	445
	<i>Evaluate Effects of the Promotion Strategy</i>	451
	Back to Winning Promotions	452
	MARKETING STRATEGY IN ACTION: The Cereal Wars	455

1 li	Consumer Behavior and Pricing Strategy	458
	Vinnie Bombatz	458
	Conceptual Issues in Pricing	459
	<i>Money</i>	461
	77 He	462

<i>Cognitive Activity</i>	462
<i>Behavior Effort</i>	464
<i>Value</i>	465
Price Affect and Cognition	465
<i>Price Perceptions and Attitudes</i>	466
<i>Funds Access</i>	469
<i>Transaction</i>	469
Price Environment	470
Pricing Strategy	471
<i>Analyze Consumer-Product Relationships</i>	472
<i>Analyze the Environmental Situation</i>	474
<i>Determine the Role of Price in Marketing Strategy</i>	474
<i>Estimate Relevant. Production and Marketing Costs</i>	475
<i>Set Pricing Objectives</i>	475
<i>Develop Pricing Strategy and. Set Prices</i>	476

Back to Vinnie Bombatz 478

MARKETING STRATEGY IN ACTION: Pleasant Company 480

Consumer Behavior, Electronic Commerce, and Channel Strategy 482

IBM 4S2

Store-Related Affect and Cognition 484

Store Image 485

Store Atmosphere 4S6

Store-Related Behavior 487

Store Contact. 487

Store Loyalty 488

Store Environment 489

Store Location 489

Store Lai/out 491

In-Store Stimuli 492

Nonstore Consumer Behavior 497

Catalog and Direct Mail Purchases 498

Vending Machine Purchases 498

Television Home Shopping 499

Direct Sales Purchases 499

Electronic Exchanges 499

A Comparison of Consumer Purchase Modes 500

Electronic Commerce 502

Consumer Strategies for Electronic and Store Exchanges 503

Electronic Exchanges from the Consumer Side 504

The Future of Consumer Electronic Exchanges 505

Channel Strategy 506

Coin.mod.il I/ 507

Conditions 508

Competition 508

Costs 509

Coverage 509

Competence 509

Control 510

Characteristics of Intermediaries 510

Back to IBM 5.10

MARKETING STRATEGY IN ACTION: Amazon.com 513