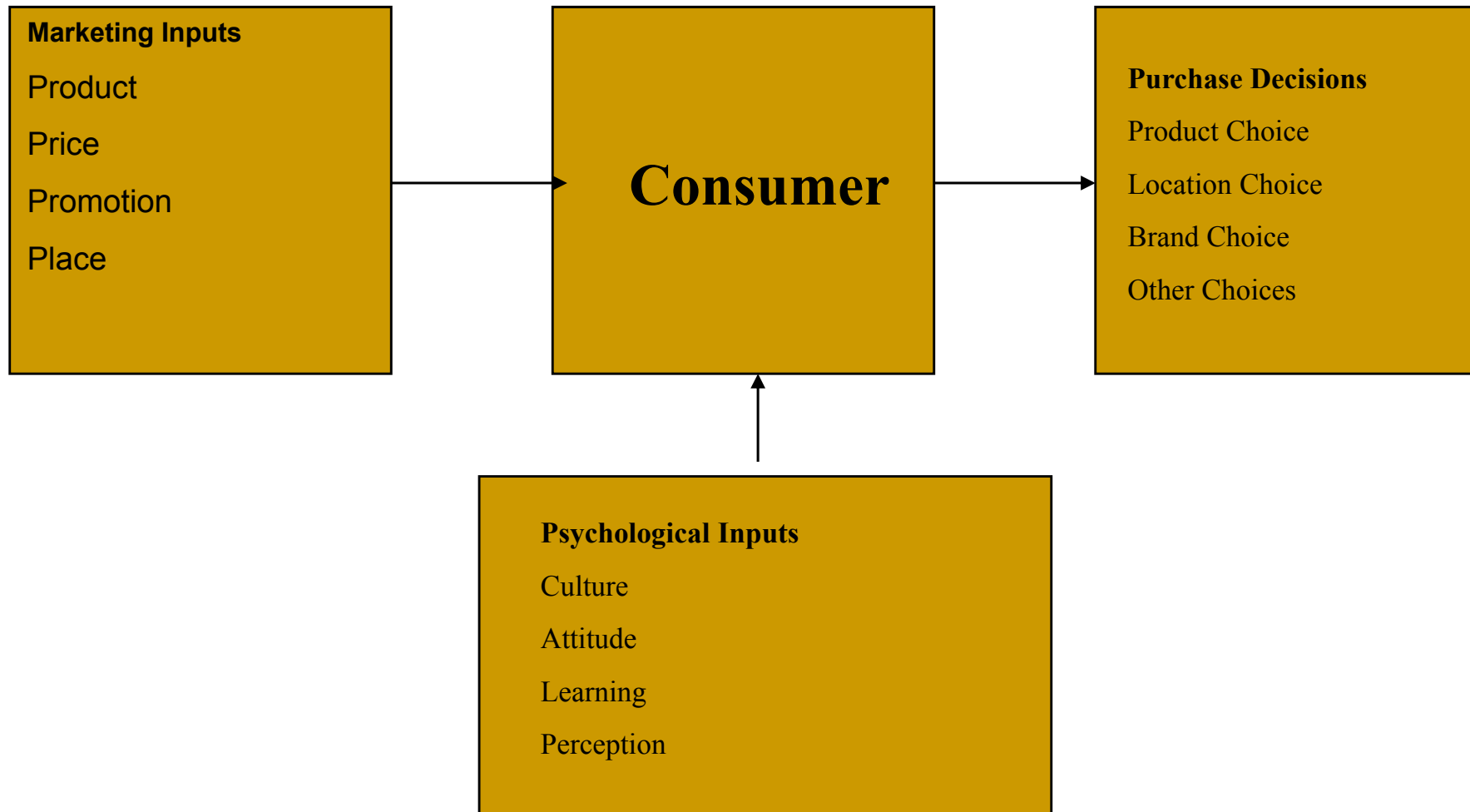

Lesson 5 Buying behavior of consumers and organizations – Analyzing consumer and business markets

- Consumers' decision process and buying behavior
 - Types of consumers' purchasing decisions
 - Nature of organizational markets (b2b markets) and goods and services purchased
 - Organizational buying behavior
-

Consumer behaviour

- study of how people buy, what they buy, when they buy and why they buy
 - it blends elements from psychology, sociology, sociopsychology, anthropology and economics
 - it attempts to understand the buyer decision processes/buyer decision making process
 - it studies characteristics of consumers such as demographics, psychology,...
-

The Consumer Buying Process



Based on Cohen (1991)

Demographic Factors

- Age →
- Stage in family life cycle (single, married, married with children, „empty nest“, retired)
- Occupation
- Economic circumstances
- Lifestyle
- social influence variables
 - family background
 - reference groups
 - roles and status

Reference groups/opinion leader

- **reference group** – people to whom an individual looks when forming attitudes about a particular topic
 - **opinion leader** – a person who influences others (each social class and age group tends to have its own opinion leader)
 - **culture** – beliefs , attitudes and ways of doing things
-

Family as a Purchasing Unit

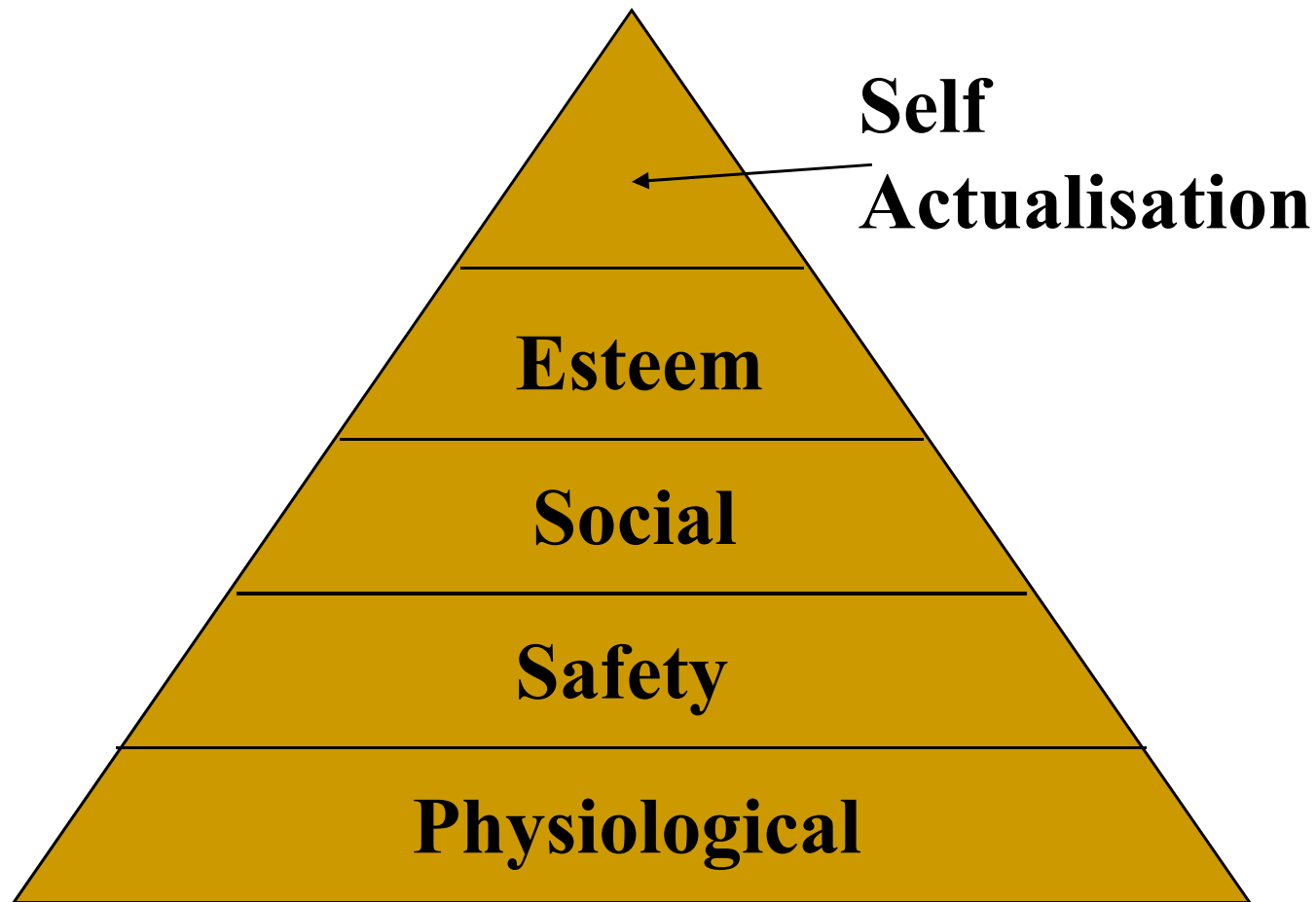
Kategorie	Rok 1961		Rok 1970		Rok 1980		Rok 1991		Rok 2001	
	vtis.	%	vtis.	%	vtis.	%	vtis.	%	vtis.	%
Úplné rodiny	2 405,40	74,8	2 487,50	71	2 556,80	66	2 512,90	62	2 333,60	54,6
Neúplné rodiny	249,6	7,8	306,7	8,8	325,1	8,4	434,4	10,7	576,4	13,5
Nerodinné domácnosti	44,6	1,4	39,9	1,1	55	1,4	14,7	0,4	84,5	2
Domácnosti jednotlivců	514,7	16	600,6	19,1	900,0	24,2	1 009,00	26,9	1 270,20	29,9
Rodiny a domácnosti celkem	3 214,30	100	3 502,70	100	3 875,70	100	4 051,60	100	4 270,70	100

- Úplné rodiny = mother-and-father families
- Neúplné rodiny = single parent families
- Nerodinné domácnosti = unmarried couples
- Domácnosti jednotlivců = singles

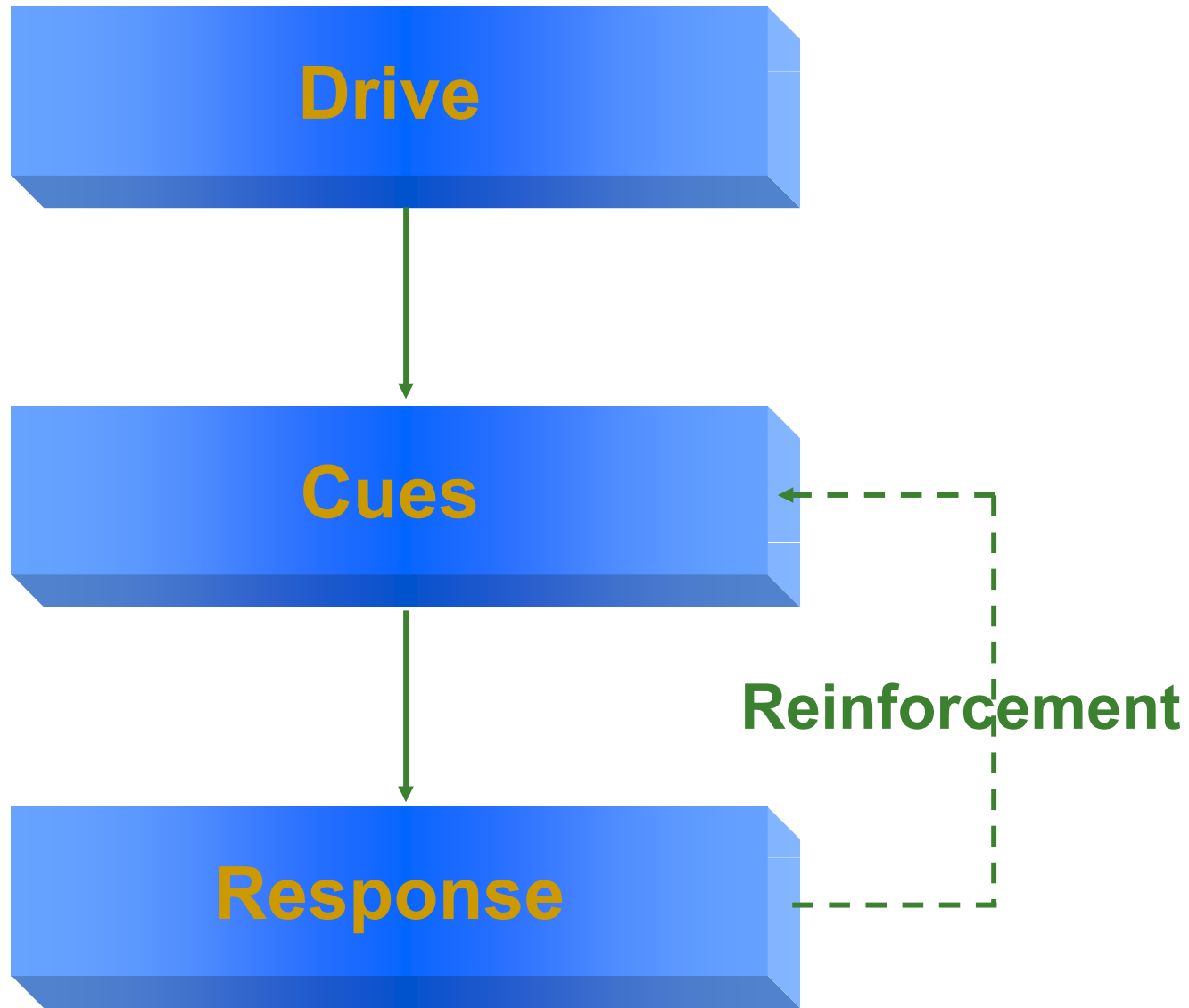
The PSSP Hierarchy of Needs



Maslow's Hierarchy of Needs



The Learning Process



Lifestyle Dimensions



● **Activities**

● **Interests**

● **Opinions**

Social Class Dimensions

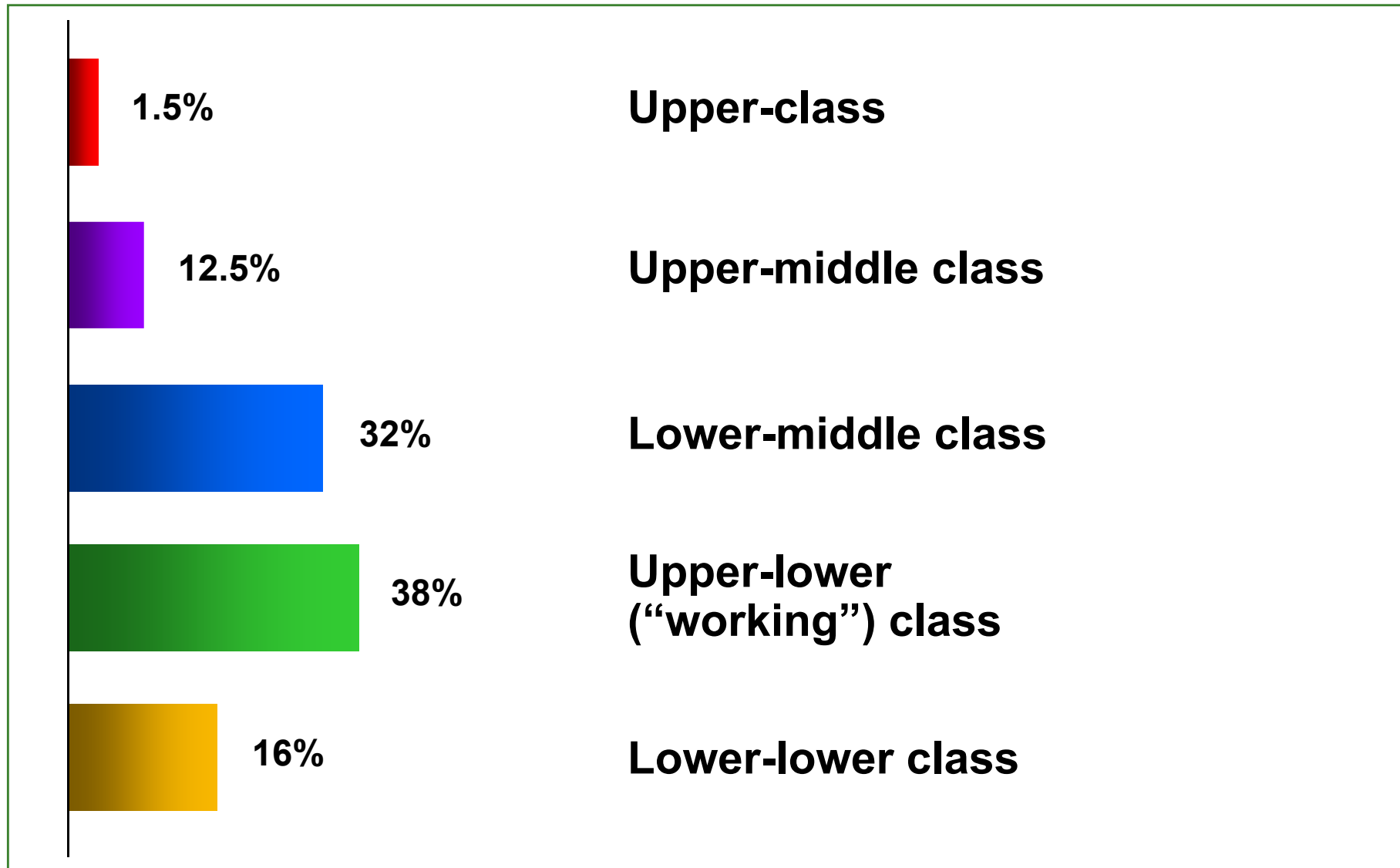
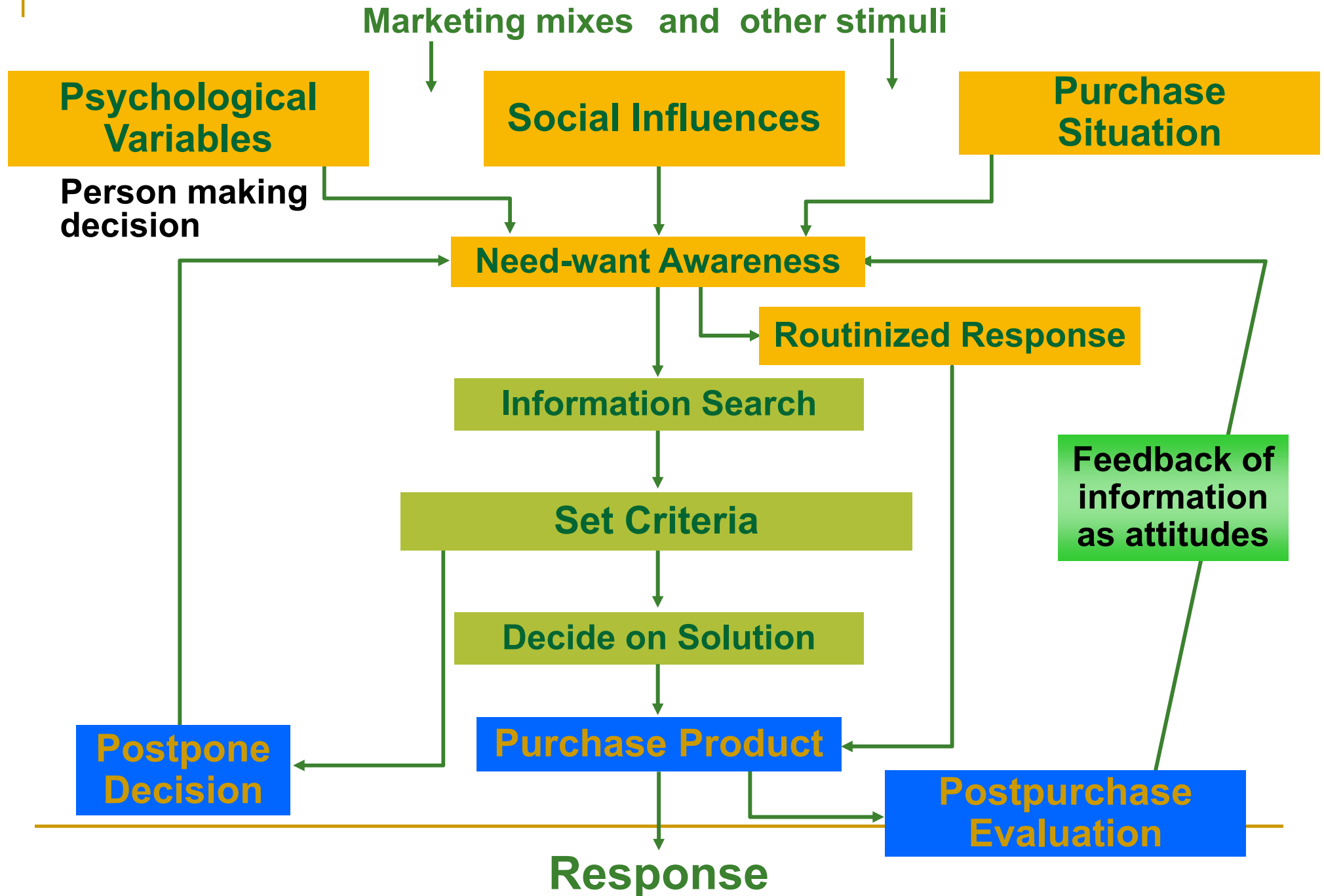


Exhibit 6-6

The Consumer Problem Solving Process



Types of Buying Decisions

- Expensive
- Risky
- Infrequent
- Self-Expressive

High Involvement

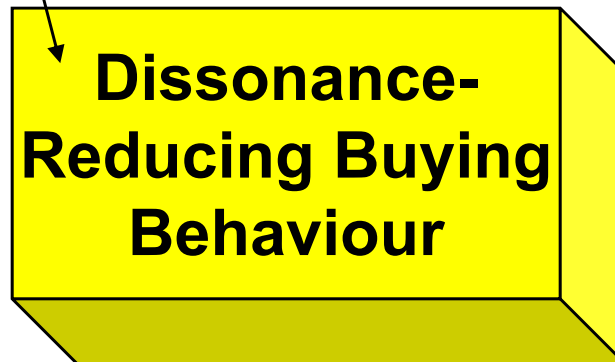
Low Involvement

- Low cost
- Low risk
- Frequent

Significant differences between brands



Few differences between brands



The Adoption Process

Awareness



Interest



Evaluation



Trial

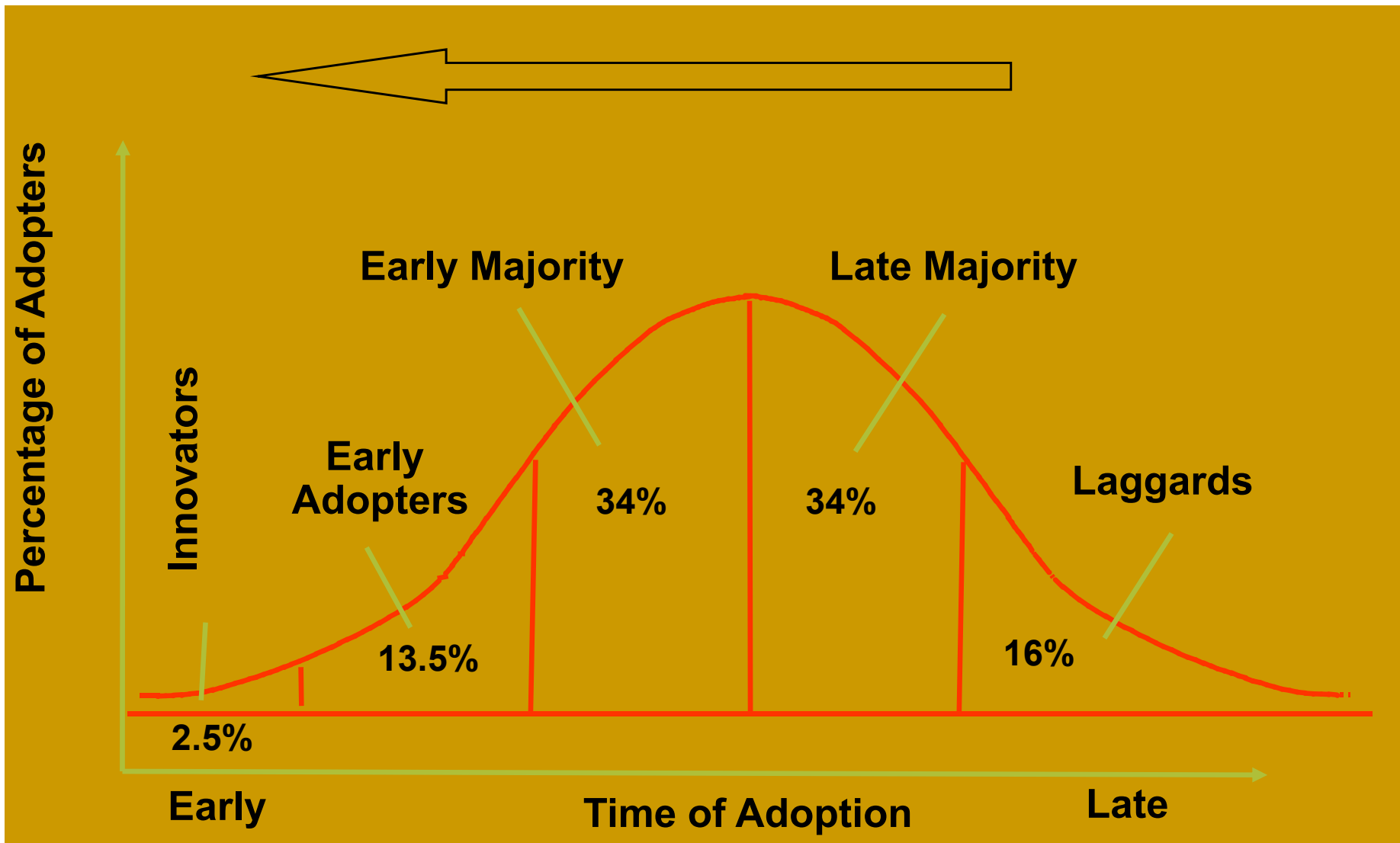


Decision



Confirmation

Adoption of Innovations



Organisational Buyer Behaviour

‘The decision-making process by which formal organisations establish the need for purchased products and services, and identify, evaluate, and choose among alternative brands and suppliers’

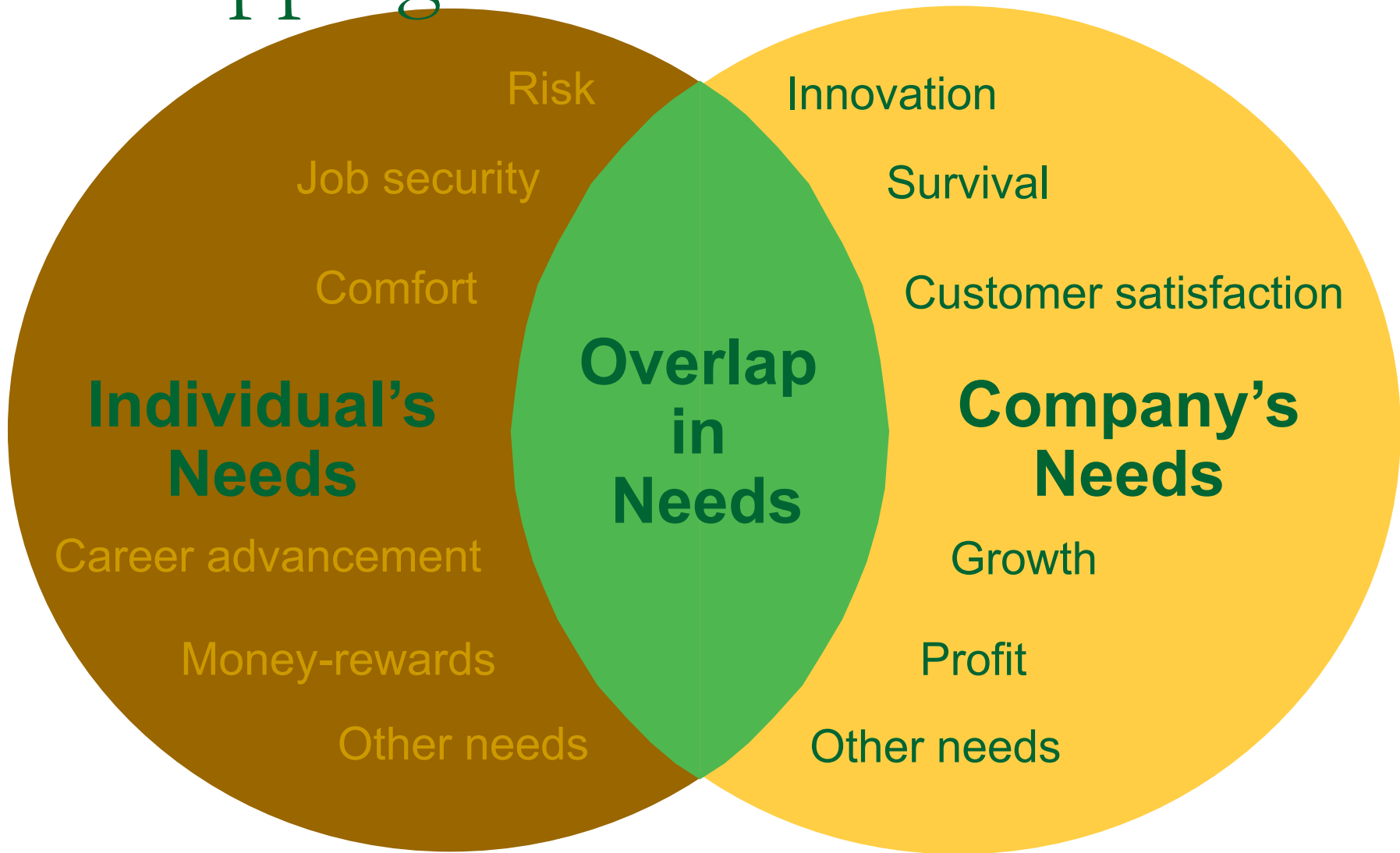
Kotler and Armstrong 1989

ALSTOM

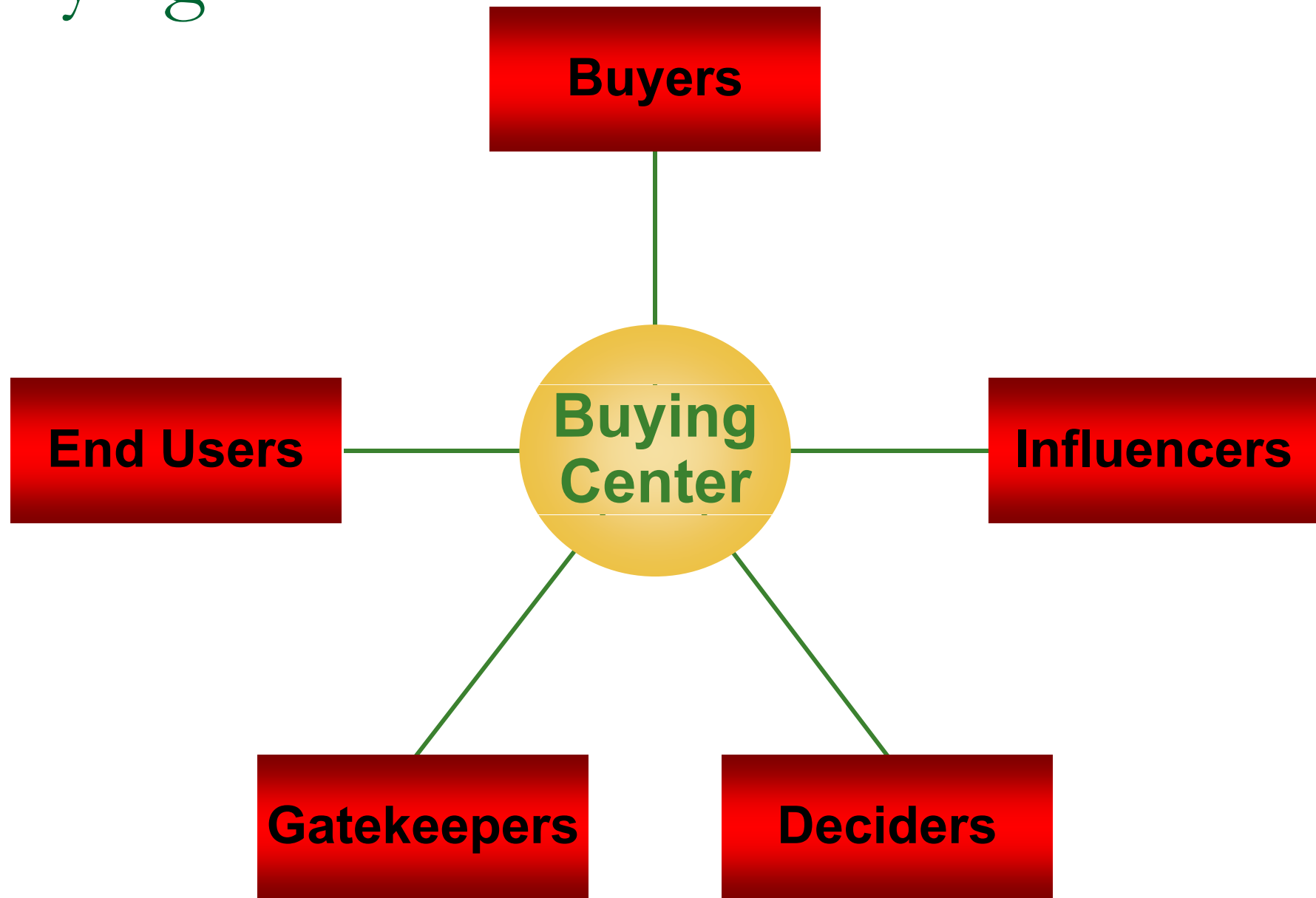


- Few customers
- Big customers (size of contract)
- Strong relations in B2B
- B2B related to B2C
- Professional teams of negotiators

Overlapping Needs



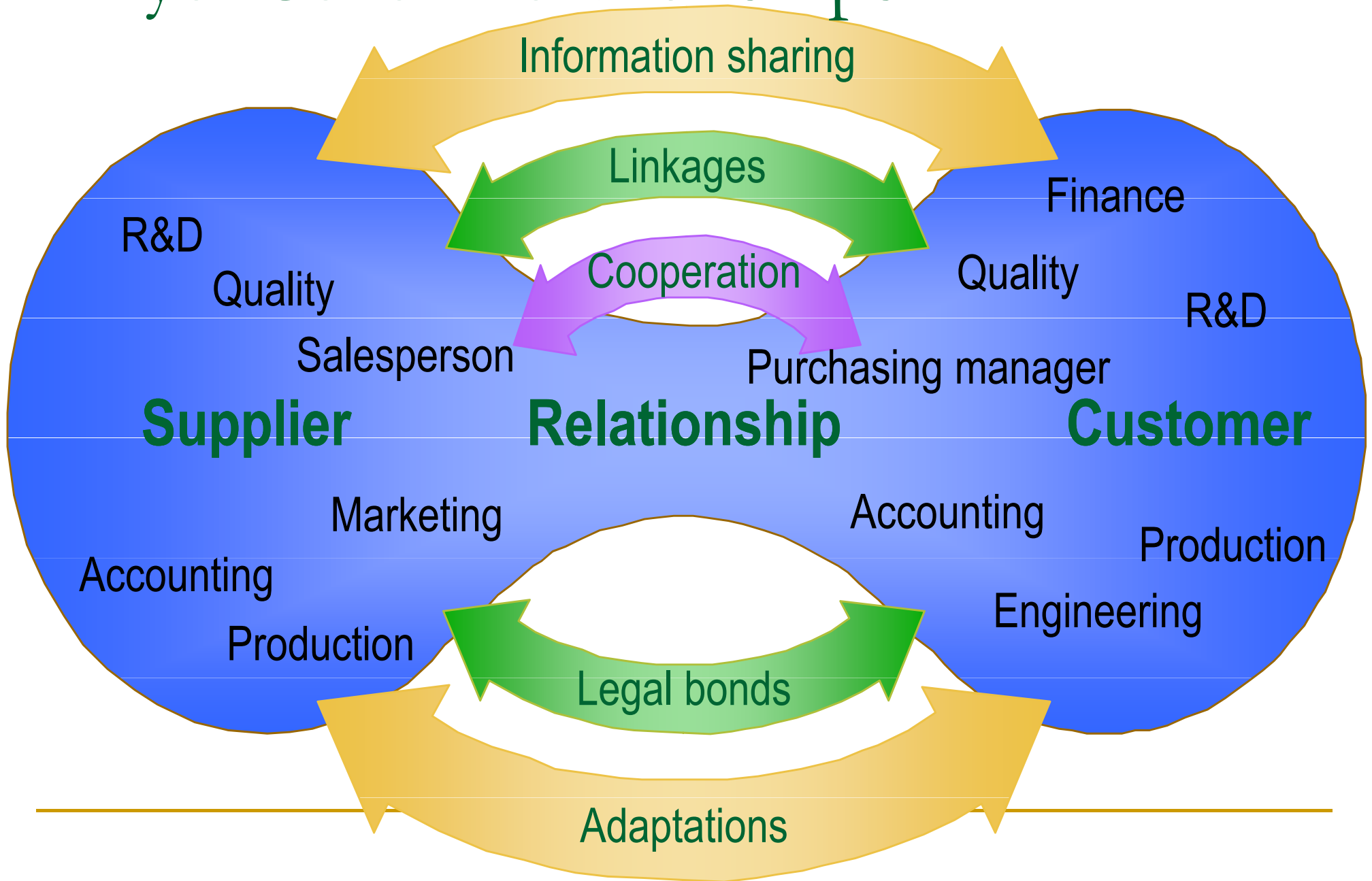
Buying Center



Organizational Buying Processes

Characteristics	Type of Process		
	New-Task Buying	Modified Rebuy	Straight Rebuy
Time Required	Much	Medium	Little
Multiple Influences	Much	Some	Little
Review of Suppliers	Much	Some	None
Information Needed	Much	Some	Little

Buyer-Seller Relationships



Conclusions

- Many variables influencing the behaviour of people
 - The sum of variables will result to a buying decision
 - Most purchasing has several steps, begins with a need and finished with reconfirmation
 - Organizational behaviour is different as the motivation is different too
-