



Customer & Consumer behaviour and international marketing

<http://www.youtube.com/watch?v=NA617W6pWPQ&feature=related>

Customer/Consumer behaviour



Customer/Consumer behaviour:

- the study of individuals, groups, or organizations and **the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas** to satisfy needs and the impacts that these processes have on the consumer and society.

The Nature of Customer/Consumer Behaviour:

- External Influences
- Internal Influences
- Self-Concept
- Situations
- Experiences and acquisitions

Customer/Consumer behaviour = Why, where, what, with whom, how... who buys:

some issues

- + whether
- +
 - How much?
 - How often?
 - Which effect is stronger?
 - What if...? I buy a Chinese car?
 - What do we do before, during and after buying?

Gitanes?

Consumption – contextualizing the „why“ and cultural differences



WHO

Inter-individual, inter-group, and cross-cultural differences among consumers/customers

HOW

Cognitive and affective processes

WHY

Consumption motives, goals and desires

WHEN and WHERE

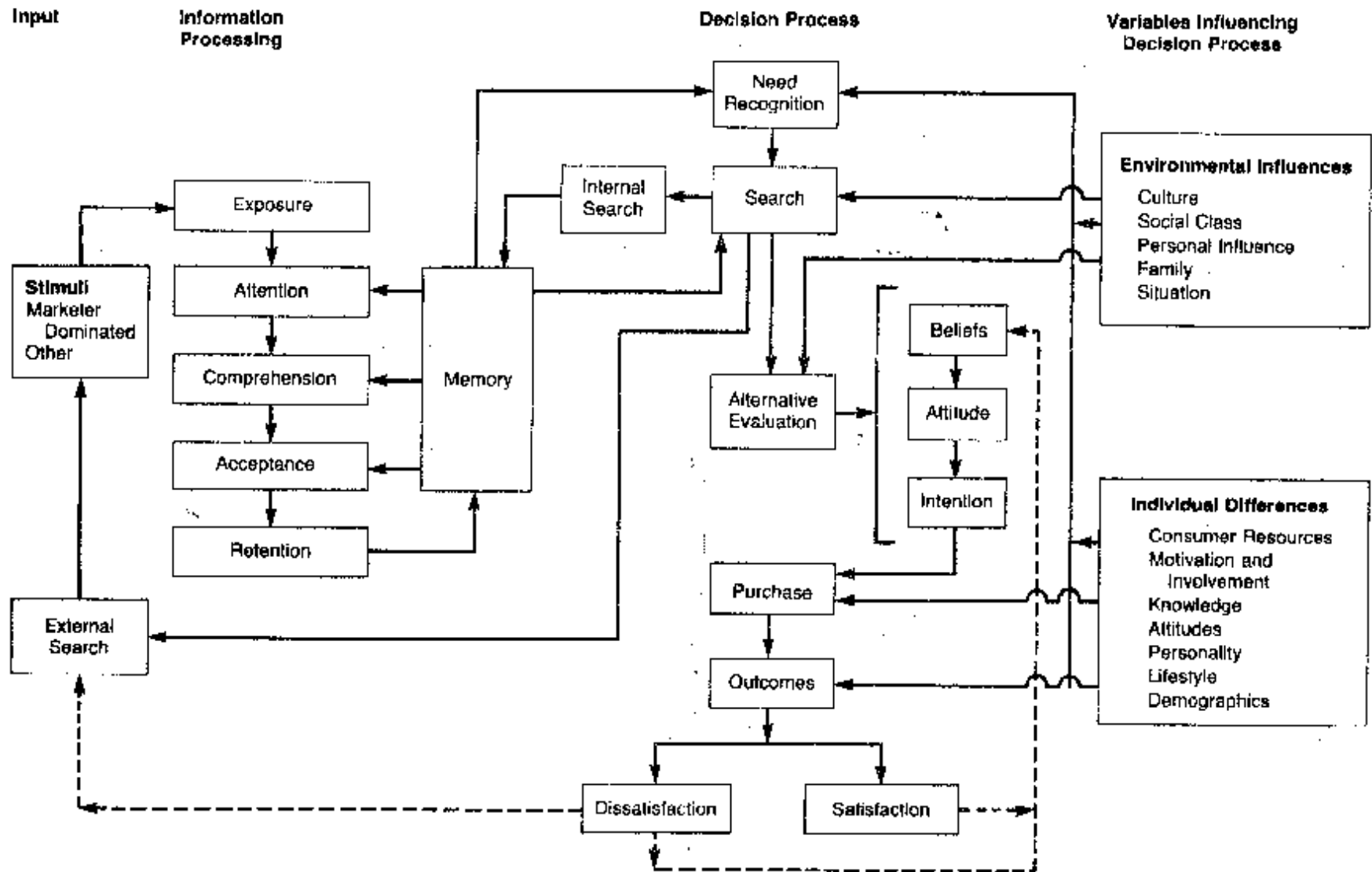
Situation/contextual differences

WHAT

products

Transparency 16.5

FIGURE 16.6 A COMPLETE MODEL OF CONSUMER BEHAVIOR SHOWING PURCHASE AND OUTCOMES



Buyer Behaviour Model

Needs - wants, stimuli

Product, price, place,
promotion etc →

Environmental (PEST)
factors

**buyer's
black
box**



**Buyer
responses**

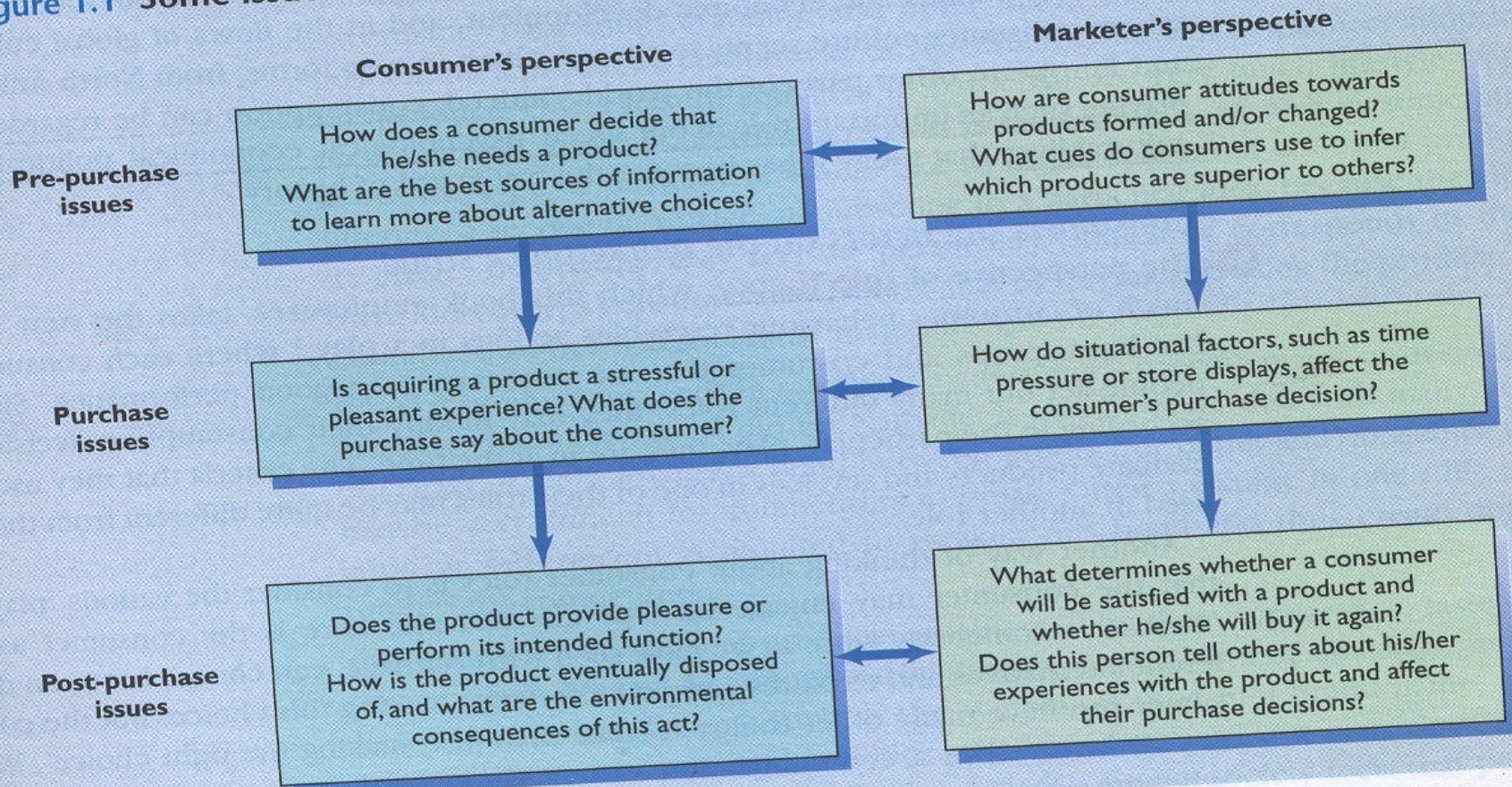
Choices of

- product
- brand
- dealer
- timing
- price

Buy more, less, stay
loyal etc.

Consumption and marketing

Figure 1.1 Some issues that arise during stages in the consumption process



Influences on Consumer Behaviour

Cultural

- broadest & deepest influence
- cultures & subculture
- social classes

Social

- Family
- Social roles and status (multiple)
- Reference groups
 - Membership - primary vs. secondary
 - Aspirational vs. dissociative

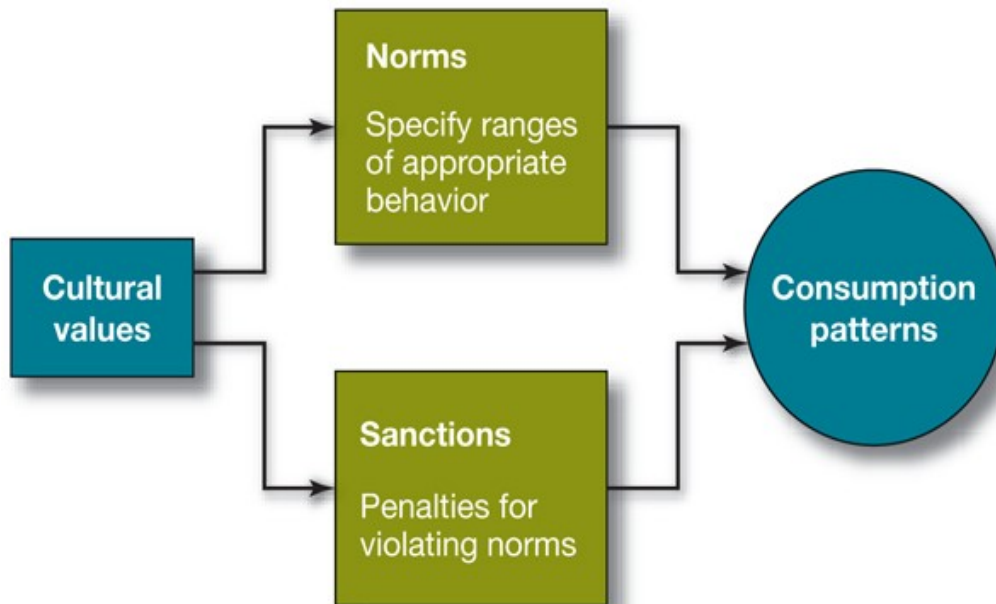
Personal

- Age
- Life cycle stage
- Occupation
- Economic circumstances
- Lifestyle
- Personality
- Self-concept

Psychological

- Motivation
- Perception
- Learning
- Beliefs
- Attitudes

The Concept of Culture



Cultural values give rise to norms and associated sanctions, which in turn influence consumption patterns. Cultures are not static. They typically evolve and change slowly over time.

Alcohol in Muslim countries, USA and ???

Personal influences

Perception

- "mind" processes - selection, association, organisation & interpretation. We
 - only note some things (selective) i.e. what grabs attention + distortion & retention
 - associate & categorise information into meaningful wholes
 - interpret/make inferences
- information framing e.g.
 - good news or bad news first ?
 - accentuate the positives, eliminate the negatives

Learning

- classical & operant conditioning
- cognitive learning
 - by rote
 - vicarious (from others)
 - reasoning

- what motivates us
- what we believe in
 - real knowledge, opinion or faith
- Our attitudes
 - relatively consistent evaluations, feelings, tendencies towards something
 - Three components
 - cognitive (belief),
 - affective (feeling),
 - conative (behavioural)
- personality
- self-concept, lifestyle & life cycle stages

Perceptual, conceptual & related capacities

Perceptual - Sensing, measuring, judging

Colour, sound, texture, smell Interpreting smells, noises, signals

- Monitoring sounds, vibrations, data, information
- Frames of reference – what is your “vantage point”

Conceptual

- associating, abstracting, formulating, calculating, inferring
- understanding processes in the abstract
- deriving ideas & predicting from associated, comparative information
- **depends on knowledge and know-how (range & level)**
- **dealing with symbolic information + its associations**

Made in?

Relating - Ego + alter-ego oriented:

- need for achievement, power, affiliation
- sensitivity and empathy, **identification and association**, objective-subjective, **attitudes and values**

Physical

- Storage, access, processing & transmission capacity, **security, privacy**

Lifestyle



- Lifestyle = mode of living identified by:
 - Activities (work, hobbies etc.)
 - Interests
 - Opinions (political, social, etc.)
- Related to personality, but different:
 - more observable (less deep)
 - easier to measure
- Measured through AIO scales

Different values

Table 4.3 Distribution of LOV (List of Values) values in different countries (% rating as most important value)

	Germany	USA	Norway	France	Denmark	USSR	Japan
Self-fulfilment	4.8	9.6	7.7	30.9	7.1	8.8	36.7
Sense of belonging	28.6	7.9	33.4	1.7	13.0	23.9	2.3
Security	24.1	20.6	10.0	6.3	6.3	5.7	10.9
Self-respect	12.9	21.1	16.6	7.4	29.7	10.1	4.7
Warm relationships with others	7.9	16.2	13.4	17.7	11.3	23.3	27.6
Fun and enjoyment in life/Excitement*	10.1	4.5	3.6	16.6	16.8	9.7	7.5
Being well respected	6.1	8.8	8.4	4.0	5.0	8.5	2.1
Sense of accomplishment	5.4	11.4	6.8	15.4	10.9	10.1	8.3

* The value 'excitement' was collapsed into 'fun and enjoyment' because just a negligible percentage in certain samples selected this as the most important value.

Source: Reprinted from Lynn Kahle, Sharon Beatty and John Mager, 'Implications of Social Values for Consumer Communications: The Case of the European Community', in B. Englis, ed., *Global and Multinational Advertising* (Hillsdale, NJ: Lawrence Erlbaum Ass.): 47-64.

Some factors influencing different Customer/consumer behaviour



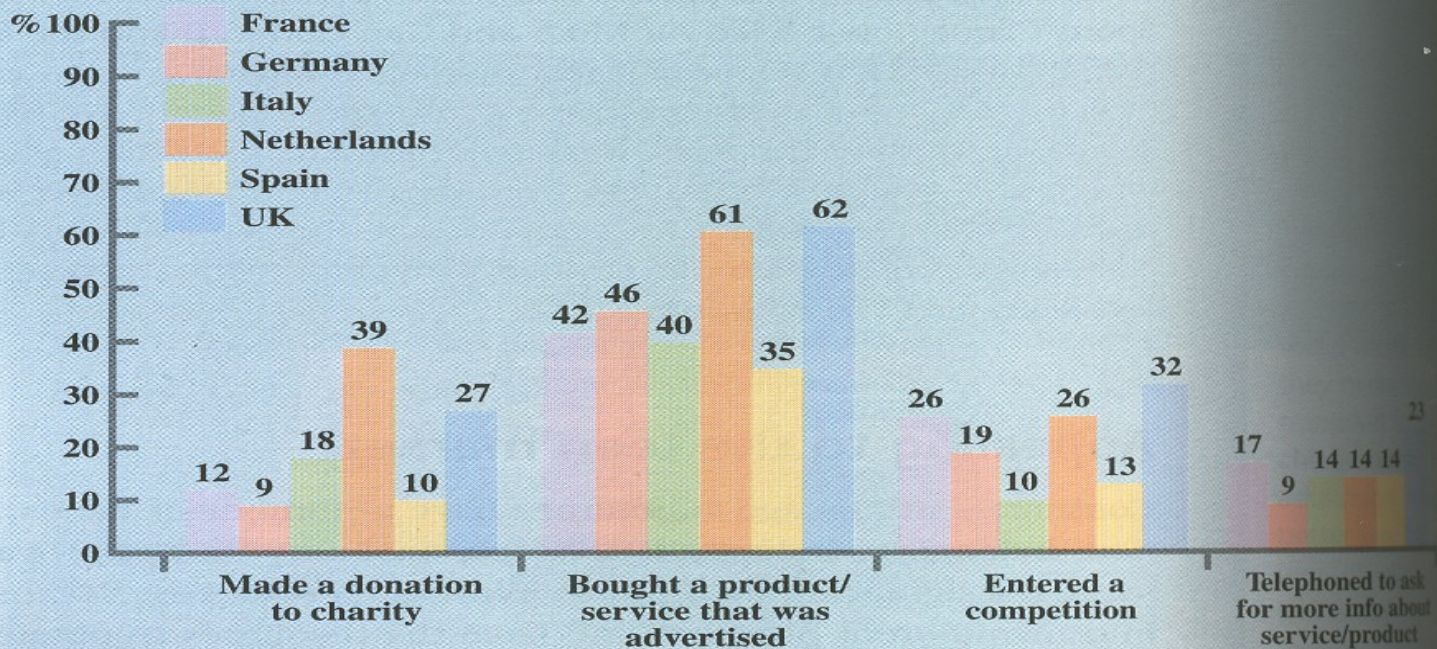
- Geography
- Regulations and rules
- Migration
- Employment rate
- Working part-time
- Display of wealth and money – egalitarianism
- Occupational prestige
- Class structure and social mobility (education, entrepreneurship, income...)
- Age

And what about cultural dimensions? (Geert Hofstede)

- **Power distance (equality or inequality in interpersonal interactions?)**
 - Low power distance (power is equally distributed) *West*
 - High power distance (hierarchy is strong) *Asia*
- **Uncertainty avoidance (the attitude towards risk in society?)**
 - Low uncertainty avoidance (calculated risk is necessary) *USA*
 - High uncertainty avoidance (risk is threatening & to be avoided) *Japan*
- **Individualism versus collectivism (Do people rely on others or themselves?)**
 - Individualist (self reliance is valued) *West*
 - Collectivist (dependence is valued, and society expects individual to subordinate own needs) *Asia*
- **Masculinity versus femininity (To what extent and at whose expense should the weaker members of society be cared for?)**
 - Feminine (caring and nurturing roles are favoured) *Scandinavia*
 - Masculine (personal achievement and assertiveness are favoured) *Great Britain*

Age and...

Figure 13.1 Percentage of 16–24-year-olds who have taken action as a direct result of watching a television programme or commercial



Source: The Henley Centre, *Frontiers: Planning for Consumer Change in Europe* (1996/7)

And what about Hall's cultural dimensions?

- Time
- Distance + space
- Message

Siesta? Bazaar?

RITUALS - A typology of ritual experience...

- cosmological - religious, aesthetic, sacred – places, people, events, items, sacralization – stars
- cultural – festivals, holidays (Valentine's Day...), graduation, wedding, funeral
- group - fraternity initiation, business negotiations, gift-giving, New year's Eve
- individual - grooming, household rituals – birthday, eating, Christmas, Halloween...
- biological - greeting, mating
- exchange rituals
- possession rituals
- divestment rituals

What Rituals Are Associated With???

And selling and shopping rituals???

Buyer Decision Process

- Problem Recognition
- Information Search
- Evaluation of Alternatives
- Purchase Decision
- Consumption
- Postpurchase behaviour

- *Consuming as experience*
- *Consuming as integration*
- *Consuming as classification*
- *Consuming as play*

The Czechs
and sushi?

The meaning of
consumption?

Relationship with a product:

- self-concept attachment – helps to establish the user's identity
- nostalgic attachment – serves as a link with a past self
- interdependence – part of the user's daily routine
- love – elicits bonds of warmth, passion or other strong emotion

Buying roles and opinion formers



BUYING ROLES

- Initiator
- Influencer
- Decider
- Buyer
- User

OPINION FORMERS

- Trendsetters
 - influential people in a group who
 - purchase new products early
 - serve as information sources for others
- The Media
 - TV, newspapers, magazines, Internet communication
 - commentators
 - the media need "stories"
- Sellers & Marketers
 - "seeding" the media. Pay media producers for product placement in "publication channels"
 - From a Fashion house to Primark
 - Advertising, promotions & incentives
 - Word-of-mouth - viral

Opinion formers



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Buyer decisions



- Product Choice
- Brand Choice
- Dealer Choice
- Purchase Timing
- Purchase Amount

Choice criteria

- attributes and variables -a consumer uses when evaluating products & services
- different members of buying centre obviously may use different criteria

Technical

reliability
durability
performance
style/looks
comfort
delivery
convenience
taste

Economic

price, VfM
running costs
residual
value
life cycle
costs

Social

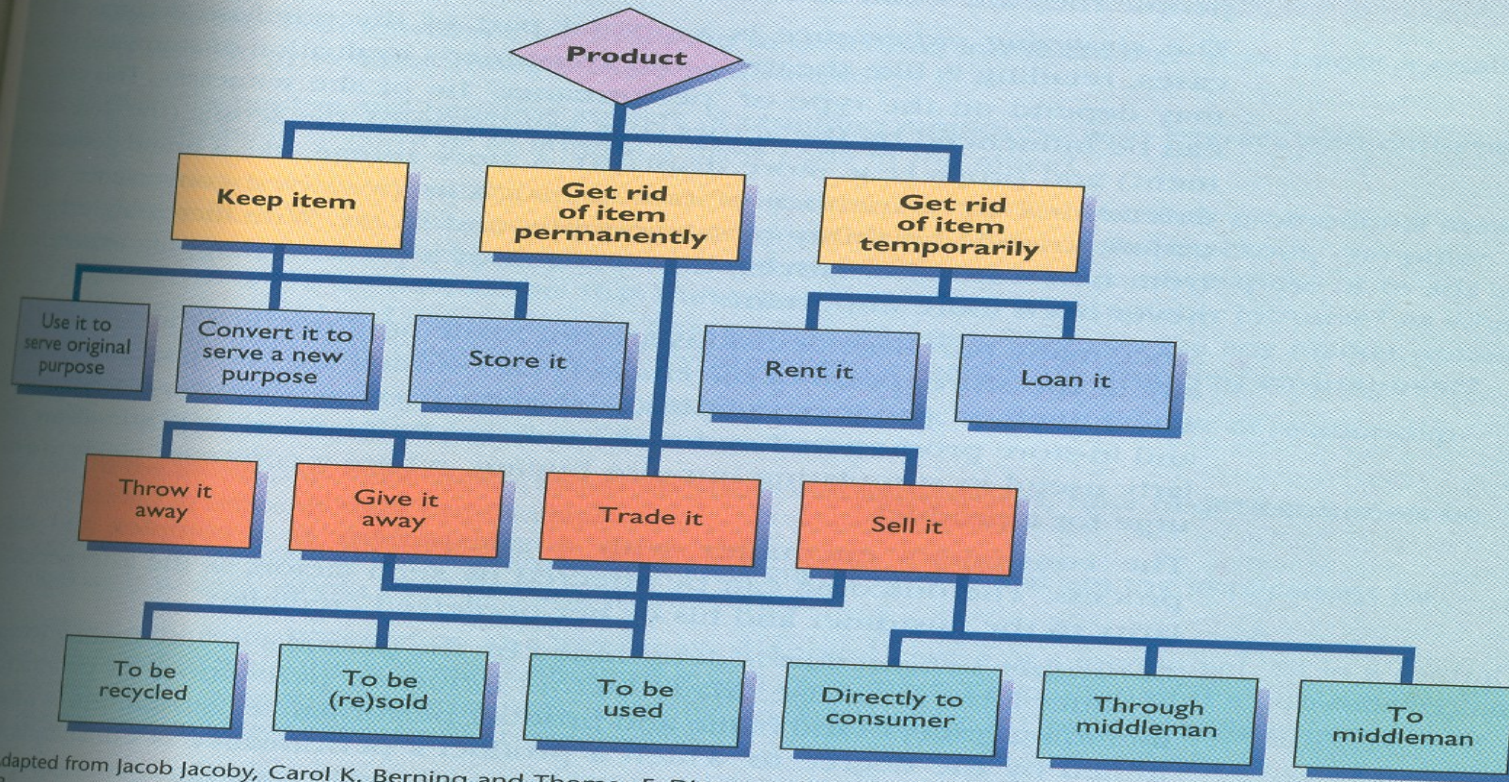
status
social
belonging
fashion

Personal

self-image
risk reduction
morals
emotion

Disposal options and differences

Figure 9.6 Consumers' disposal options



Adapted from Jacob Jacoby, Carol K. Berning and Thomas F. Dietvorst, "What About Disposition?", *Journal of Marketing* 41 (April 2007), 23.