CHAPTER 1: INTRODUCTION: CONSUMER NEEDS, MOTIVES AND VALUES

CHAPTER SYNOPSIS

This chapter will cover:
- Introduction to consumer behavior and the topics for the module
- Consumer needs and wants
- Consumer motivation
- Consumer values

CHAPTER OBJECTIVES

By the end of this chapter, students will be able to:
- Define what is meant by consumer behavior
- Describe theories of how conscious and unconscious needs drive motivation to purchase products and services
- Distinguish between needs, motives and values
- Explain how an understanding of consumer behavior may influence marketing strategy

ISSUES FOR REVIEW AND DISCUSSION

1. Consumer Behavior Definition:
   “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.”

2. Consumer Behavior May be Influenced By:
   - Individual wants, needs, motivations, values
   - Demographic factors – age, gender, social class
   - Psychographic factors – personality, concept of self, lifestyle
   - Environment – social groups, local culture, family
3. **Understanding Consumer Behavior is Important for Developing Appropriate Marketing Strategies:**
   - Helps to identify segments that have the same needs and behave in the same way.
   - Helps guide the development of products and services that can be targeted at specific segments.
   - Leads to the development of differentiated brands that appeal to different segments.
   - Helps guide the development of marketing campaigns and messages that appeal to the needs/motives of consumers in the target segment.

4. **Understanding Consumer Wants and Needs**
   - One of the main principles of marketing is to satisfy customer wants and needs in a way that is beneficial to a company.
   - Wants and needs are what motivate a consumer to act – to buy a product or services to satisfy the want or need.
   - Wants (desirables) are just as important as needs (essentials) to marketers – both act as a motivator.

5. **Wants and Needs**
   - May be physiological (biological) – hunger, thirst etc.
   - Or may be social or psychological – acquiring status, belonging to a group, etc.
   - Maslow described a hierarchy of needs – he suggested that lower levels of needs must be at least partially met before higher level needs became important.

6. **Maslow’s Hierarchy of Needs**

7. **Maslow’s Needs**
   - Physiological needs – hunger, thirst, shelter, sleep
   - Safety needs – protection, security
   - Social needs – relationships, family, love, acceptance, belonging
   - Esteem needs – achievement, recognition, status
   - Cognitive needs – learn, know, understand
   - Aesthetic needs – creativity
   - Self-actualization needs – self-realization, meaningful activities

8. **Maslow’s Hierarchy of Needs**
   - Do we have to satisfy the needs of one level before we move to another?
   - Do we move rigidly up the levels or may we skip a level or drop a level at different times?
   - Does everyone in a society move through the levels at the same rate?

9. **Motivation**
   - The driving force that moves people to act – motivation to act is created by unfulfilled needs and the search for homeostasis or equilibrium
   - Can be positive (approach) – people look for positive situations, pleasure, comfort, goals they want to reach – e.g. holidays, ice cream
   - Or negative (avoidance) – escape from negative situations, pain, illness – avoid and remove problems e.g. pain killers, insurance policies
   - Can be internal (inner drives) or external, created by attractiveness of environmental stimuli (products and services)
   - Individual motives can be very varied – e.g. motives for shopping – adventure, social, gratification, ideas, role, value (Arnold & Reynolds 2003)

10. **Freud’s Psychoanalysis Theory**
    - Suggests we are not aware of all our wants and needs – behavior is driven by unconscious needs
    - Freud identified three structures of the mind:
      - Id – Unconscious – tries to satisfy whatever delivers pleasure
      - Superego – Conscious – controls behavior according to morals and values
      - Ego – Subconscious – mediates between the other two to find an acceptable way of satisfying Id
    - Marketing messages may appeal to the different structures – but how do we identify unconscious or subconscious wants and needs?

11. **Values**
    - Higher level needs approach the status of values (Baier 1969)
    - Values are “an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode conduct or end-state of existence” Rokeach (1968)
    - Rokeach Value Survey
- Instrumental values – preferred modes of conduct that lead to acceptance
e.g. honesty, friendliness
- Terminal values – end state goals e.g. wisdom, happiness

12. Consumer Values
- Vinson and Lamont (1977) – Consumer value system
  - Global values – enduring beliefs about modes of behavior/states of
    existence
  - Domain specific values – relevant to economic, social, religious and
    other activities
  - Evaluations of product attributes – beliefs concerning product
    attributes

13. Development of Values
- Engel et al (1986) – Intergeneration value transmission – families, religious
  institutions and schools plus early life experience leads to value
  transmission between generations.
- Values differ in different cultures
- Marketing activities may seek to associate particular values with a product
  or service

14. Marketing and Consumer Motivations and Values 1
- Consumers buy solutions to their needs – they buy the benefits offered by
  products not their features e.g. people want to buy 8mm holes, not 8mm drill
  bits.
- Marketing messages sell the benefits of products so consumers can see more
  clearly how they meet their needs.
- Consumers may not always be aware of their needs – marketing messages
  and images may be directed at unconscious as well as conscious needs and
  motivations.

15. Marketing and Consumer Motivations and Values 2
- Understanding consumer needs, wants and motivations aids the
  identification of segments to target products and messages
  e.g. toothpaste isn’t just bought because it cleans teeth
  this allows for differentiation of brands that satisfy the needs of different
  segments
- Higher level needs approach the status of values. Values are different in
  different cultures.
- Values may become associated with products and services through
  marketing messages.
CHAPTER 2: INFLUENCE OF CONSUMER DEMOGRAPHICS

CHAPTER SYNOPSIS

This chapter will cover:
- What is meant by demographics
- The role of age and generational cohorts in consumer behavior
- The role of gender and sexually in consumer behavior
- The role of social grade and income in consumer behavior

CHAPTER OBJECTIVES

By the end of this chapter, students will be able to:
- Understand the role of age, gender and social grade in explaining consumer behavior
- Evaluate the limitations in using demographics alone to explain consumer behavior
- Describe the issues for marketers in using demographics as a basis for developing marketing activities

ISSUES FOR REVIEW AND DISCUSSION

1. Consumer Demographics
   - Variables such as age, gender, social class etc. that can be used to distinguish between consumers
   - Often used as a basis to analyze consumer research – they are easy to research
   - Used by marketers to segment markets and to target specific groups
   - But do demographics provide sufficient insight into consumer behavior?

2. Consumer Demographics - Basic Premise
   - Age – different age groups buy different products e.g. stair lifts are bought by elderly people, young people buy more hair gel
   - Gender – some products are specific for males or females and some purchasing roles are gender specific e.g. women buy 80% of household products
   - Social class and income – expensive, luxury goods more likely to be bought by higher social classes/higher earners e.g. 20% of hotel spending in the UK is made by the top 1% of earners
3. **Age – what does it mean?**
   - Barak and Schoffman (1981) suggested different definitions of age:
     - Biological age
     - Social age – age in terms of social roles and habits during lifecycle
     - Cognitive age – self-perceived age
     - Subjective age – self – perceived age relative to other age groups such as middle aged, elderly etc.
     - Personal age, how old you feel, look, age related activities, interest groups
     - Other perceived age – age as perceived by others
   - Which age definition is most relevant to marketers?

4. **Age Related Behavior**
   - Do wants, needs, motivation and values change with age
   - In UK, over 50s hold 80% of wealth and 40% of spending – an attractive group to marketers
   - Tend to be more loyal than young consumers
   - But they don’t all behave the same – Cummins (1994) identified different groups based on shopping attitudes and behavior – astute cosmopolitans, temperate xenophobes, thrifty traditionalists, apathetic spenders

5. **Generational Cohorts**
   - Another way of grouping individuals by age
   - Defined as a group of individuals who have gone though the same era and who have had similar experiences during their formative years as adults
   - May be used as a basis for understanding how a specific generation behaves as consumers
   - Marketers use clues on how to appeal to the cohort based on the formative events experienced by each generation
   - Examples – Baby boomers, Generation X, Generation Y
   - Do they have defining characteristics?

6. **Baby Boomers**
   - 45-65 years old in 2010
   - Born in the years after World War ll
   - Grew up in 1960s – the first “teenagers”
   - Social revolution – changes in fashion, music, social attitudes, women’s lib, the contraceptive pill, Vietnam War, Cold War.
   - Large, relatively wealthy cohort
   - Cognitive age less than biological age – youthful self perception
   - “Youth styles and lifestyles are migrating up the age scale and as the 1960s generation ages they are taking some of the youth-oriented dispositions with them” Featherstone (1991)
7. Generation X
   - 33-34 years old in 2010
   - Individualistic
   - Advertising literate
   - Skeptical of marketing activity, dislike type
   - May be more interested in more interactivity in marketing

8. Generation Y
   - 16-33 years old in 2010 – the N-Gen (net – generation)
   - Information revolution has had a major impact on their development
   - Materialistic, brand-oriented, risk takers, hedonistic
   - Cult of celebrity
   - Spend less time reading newspapers and watching TV than other generations – mobile phones, instant messaging, social networking sites more important

9. Gender
   - Traditional gender roles in consumer purchasing are changing – 95% of condom purchasing traditionally done by men but now one third is done by women (Cubitt 2004)
   - Stereotypes common but have changed reflecting changing roles – 1970s women portrayed as “mother” or “mistress” – 1990s women more independent and assertive and this is reflect in ad images
   - Portrayal of women in advertising frequently criticized as sexist
   - Portrayal of men has also changed – but are some of these portrayals also sexist?

10. Gender and Behavior
    - Gender may define some consumer roles, but does gender define behavior?
    - Research (Evans et al(1999)) suggests male and female brains process the same information in different ways – women appear to pay attention to more of the information
    - But not all women or all men behave the same as consumers

11. Social Grade
    - Used instead of social class or income for profiling
    - Commercial market research programs have found significant differences in buying behavior between groups
    - Still in common use e.g. Mintel reports
    - Easy to research
    - But correlation between social grade and income is being eroded, and people move between social grades
    - Useful for selecting appropriate advertising media, but does occupation define values and attitudes?
12. **Social Grade**
- Determined by occupation of chief income earner of household – in the UK the classification is:

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<tr>
<td>A</td>
<td>Top of profession</td>
</tr>
<tr>
<td>B</td>
<td>Middle management</td>
</tr>
<tr>
<td>C1</td>
<td>Teachers/students</td>
</tr>
<tr>
<td>C2</td>
<td>Skilled manual</td>
</tr>
<tr>
<td>D</td>
<td>Semi-skilled manual</td>
</tr>
<tr>
<td>E</td>
<td>Unemployed, state pensioners</td>
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13. **Age – Issues for Marketers**
- Generational cohorts may be more useful than age itself in informing marketing choices
- Different cohorts have different attitudes to marketing and access marketing information in different places
- Targeting the more mature consumer may be off putting for younger consumers – hence specialist focus for more mature consumers e.g. Saga
- Some older cohorts may prefer to align themselves with younger lifestyles and products – not everyone acts or behaves according to their age

14. **Gender – Issues for Marketers**
- Gender roles are changing affecting behavior
- Not all men or all women behave in the same way
- Avoiding stereotypes and criticism of sexism in marketing imagery which may be offensive – targeting the message at a suitable audience and using an appropriate medium may reduce the risk of causing offence
- Ethical issues around using perfect models for women and men in marketing images
- Sexual identity is also a determinant of behavior

15. **Social Grade – Issue for Marketers**
- Some correlation exists between social grade and behavior but correlation with income is being eroded
- Some think that this gradation is no longer sophisticated enough – particularly as mass media is in decline
16. Summary

- Consumer demographics offer ways of breaking down consumers into groups to try and understand and predict behavior.
- They represent an easy way to research and breakdown markets and so are often used particularly by mass media to describe their market.
- Each individual demographic might provide some useful insight into behavior but on their own they are likely to be lacking in detail.
- Segmenting into smaller groups to understand behavior is more likely to provide better targeting and use of marketing budgets.
CHAPTER 3: INFLUENCE OF CONSUMER PSYCHOGRAPHICS

CHAPTER SYNOPSIS

This chapter will cover:
- Definition of consumer psychographics
- Exploration of the impact of lifestyle on consumer behavior
- Exploration of the impact that personality and self-concept have on consumer behavior

CHAPTER OBJECTIVES

By the end of this chapter, students will be able to:
- Analyze and evaluate the contribution of lifestyle research to the understanding of consumer behavior
- Describe the different theories of personality and their contribution to the understanding of consumer behavior
- Explain why self-concept theory may be more useful than personality theory in understanding consumer behavior

ISSUES FOR REVIEW AND DISCUSSION

1. Consumer Psychographics
   - Lifestyle, personality and self-image (or self-concept) of consumers
   - Used to profile consumers to understand their behavior, segment markets and develop targeted marketing activities
   - Aim to “get beneath the skin” of consumers
   - Explain behavior in greater depth than demographics alone

2. Lifestyle
   - A mode of living as reflected in consumers’ unique patterns of attitudes, interests and opinions
   - Are a reflection of self-concept (see later)
   - Can be used to gain greater insight into behavior
   - Researched via AIO analysis – activities, interests and opinions

3. Target Group Index (TGI)
   - Significant source of consumer data – operates in 60 countries
   - In UK, researches 24000 adults annually
   - Data covers many product markets
   - Covers demographics but also lifestyles
• Can be cross-analyzed to give profile of demographic using a certain product and the lifestyles of the demographic groups
• Useful for obtaining detailed information to formulate segments and develop marketing to target segments

4. TGI Statement Examples

<table>
<thead>
<tr>
<th>Statement</th>
<th>Agree</th>
<th>Disagree</th>
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<tbody>
<tr>
<td>I buy clothes for comfort not style</td>
<td></td>
<td>X</td>
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<tr>
<td>My family rarely sit down to a meal together</td>
<td></td>
<td>X</td>
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<tr>
<td>I dress to please myself</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>I enjoy eating foreign food</td>
<td></td>
<td>X</td>
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Source: BMRB, TGI

5. Lifestyle Groups Example
Consumer Insight – Social Value Groups (2005):
• Self actualiser – innovative, experimental, open, sociable, far-sighted, non-materialistic, self confident, seek personal development (18% of UK population)
• Innovators – self confident, risk-takers, seek out the new and different, set own targets (8%)
• Esteem seekers – acquisitive, materialistic, aspire to symbols of success (23%)
• Strivers – outer-directedness, image and status important, need acceptance, traditional values (10%)

6. Social Value Groups (Cont.)
• Contented Conformers – want to be ‘normal’, follow the herd, accepting, comfortable (24%)
• Traditionalists – risk-averse, traditional values, quiet and reserved, try to blend in (11%)
• Disconnected – stand apart, embittered, apathetic, live in the now (7%)
• Which group do you belong to?

7. Personality Variables
“The relatively stable organization of a person’s motivational disposition arising from the interaction between biological drives and the social and physical environment” (Eysenck et al., 1975)
• Mannerisms, habits and actions that make a person an individual and different from other individuals
• Function of innate drives, learned motives and experiences
• Personality traits can be identified and used to segment markets – assumes that consumers buy products and services that reflect or extend personality traits
8. **Theories of Personality**
   - Freud’s psychoanalytical theory – personality results from polarizing forces of id, superego and ego
   - Trait theory – traits: an individual’s characteristic ways of responding to the social and physical environment – e.g. aggression, honesty, anxiety, independence, sociability
   - Multi-trait approach – e.g. personality big 5 factors – extraversion, openness, agreeableness, conscientiousness, emotional stability

9. **Big Five Personality Factors**
   E.g.
   - Emotional Stability
     - Calm----------------------Anxious
     - Secure-------------------Insecure
     - Self-satisfied------------Self-pitying
   - Extraversion
     - Sociable------------------Retiring
     - Fun Loving---------------Sober
     - Affectionate-------------Reserved

10. **Personality Theories 1**
    - Consumer decision making styles – a consumers approach to making shopping choices – a particular mental orientation related to personality traits e.g. quality consciousness, values consciousness etc. have been found to be useful in developing marketing programs
    - Type theory – various types of personality (rather than individual traits). Cohen (1967) identified three types: compliant, aggressive, and detached. Some link with purchasing behavior identified, but not conclusive

11. **Personality Theories 2**
    - Riesman (1950) – used social character to sum up personality type.
      - Tradition–direction – values and behavior stem from the past
      - Inner–direction – strong personal sense of what sort of behavior is correct
      - Other–direction – values, attitudes and behavior largely acquired from others
    - Self monitoring – the degree to which an individual adapts to social environment. Some want to be accepted by others – influences consumer choice

12. **Personality Summary**
    - Lots of theories of personality have been developed and explored to try and understand consumer behavior
    - Some provide a degree of insight, but consumers sometimes behave out of
character – may want to disguise true personality, or portray certain traits through brand choice, or just fit in with the crowd
• Self-concept theory has been developed to provide a closer fit with consumer behavior

13. Self-concept
• Not based on personality but on how consumers perceive themselves
• Self related thoughts, feelings and beliefs that a person has in their memory about himself or herself as an object
• An outcome of our interactions with others in which we strive for self-enhancement
• Self-concept develops over time and it has the purpose of protecting and enhancing our ego and is quite unique

14. Dimensions of Self
Self concept is multi-dimensional:
• Actual self- How one sees him/herself
• Ideal self- How one would like to see him/herself
• Social self- How one feels others see him/herself
• Ideal social self- How one would like others to see him/herself
• Virtual self- The self projected on the internet

15. Research Suggests:
• The things a person buys can be influenced by the image that the consumer has of him/herself
• They use products to demonstrate their self image to themselves
• Purchase and consumption are vehicles of self-expression

16. Self-Image Congruence
• Sirgy(1997)- consumers develop stereotypical images of typical brand users and these images interact with consumers’ self-perceptions during the consumption process leading to the generation of subjective experience known as self-image congruence
• Affects consumers’ product/brand preferences and purchase intentions-buy products that they perceive to be similar to self-concept
• Interaction may be with actual, ideal, social, or ideal social self-image
17. Self-Image Congruence and Self-Brand Congruence 1

![Diagram: Person, Brand User, Consumer, Brand/Organization]

Fit = Self-image Congruence
Fit = Self-brand congruence


18. Self-Image Congruence and Self-Brand Congruence 2

- Extent of self-image congruence can vary by individual according to circumstances
- Effects likely to be stronger for products that are conspicuous and consumed in public (e.g. higher for cars and jeans than for soap and underwear)
- Graeff (1996) showed that activating self concept through advertising had a significant effect, while focus on functional product qualities reduced the effect of self-image congruence

19. Self Expression

- Aaker (1999) - consumers use brands as a means of self expression – “you can even buy a potato peeler that reflects your ‘crazy’ personality” (Davidson, 2003)
- Particularly important for teenage markets who may be searching for an identity
- Move towards self expression and individualism rather than mass social movements

20. Summary

- Consumer lifestyle research useful for developing promotional messages that fit in with the target consumer’s outlook on life
- Personality – some evidence that aspects of purchasing behaviour may be linked to personality traits, but empirical evidence lacking. Identification of some traits (innovativeness, inner-directedness/self-expression) may be useful to marketers
• Personality may be more concerned with how individuals think of themselves (self-concept) rather than how they actually are
• Consumption may be more about expressing the traits we want others to think we possess
• Marketers can appeal to target segments by activating self-concept through advertising