



Consumers Buying Secrets **REVEALED!**

*A Marketer's Guide For Business*

By Paul Tunde Raji (Bsc. Accounting)

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## About this Book and the Author

"Consumer Buying Secrets Revealed!" is about consumer behavior. It was written for marketers and business students by Paul Tunde Raji. This text will be a major source of information on consumer behavior for many years to come because the writer did research online and offline for practical and theoretical information for six years before writing this book.

This book is timely and outlines many ideas - ideal for your personal library as a reference tool. It walks the readers around all the roadblocks in marketing.



Paul Tunde Raji is a Nigerian and holds a Bachelor of Science Degree in Accounting in 1998. He worked as an Audit Assistant for two years. Then, he joined an insurance company as Marketing Executive. This is where his marketing career started.

He is a Freelance Writer with UVOCORP, an Academic Writing Assistance Agency based in the United Kingdom where he assists in academics, from high school to master degree level, solving academic problems.

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He is the owner and C.E.O. of <http://www.webneur.com/>

He is happily married to Racheal Olasunmbo Raji. They are blessed with a beautiful daughter named "Wisdom" and a lovely son named "Fortune".

Paul Tunde Raji often understands the problems of others quite easily. He has a sympathetic nature and is dedicated to helping others. The sick and the troubled often turn to him for assistance and advice.

He is a broadminded, trustworthy and an earnest person and will do what he can to persuade people that have taken a wrong turn in life to rehabilitate themselves.

He is an idealistic person and interested in making the world a better place in which to live. He believes that we should all help each other.

He will do more than his share in order to achieve co-operation with others.

## Contents

<b>Please Read This FIRST!</b> .....	<b>2</b>
Copyright Notice.....	2
Terms of Use for the Electronic Edition.....	2
Disclaimer.....	2
<b>About this Book and the Author</b> .....	<b>3</b>
<b>Contents</b> .....	<b>5</b>
<b>Introduction</b> .....	<b>8</b>
<b>Consumer Behavior</b> .....	<b>10</b>
<b>Buying Decision Process</b> .....	<b>13</b>
Commercial Sources.....	14
Public Sources.....	14
<b>Nicosia Flow Chart Model of Consumer Behavior</b> .....	<b>17</b>
<b>Marketing Implications</b> .....	<b>18</b>
<i>Criticism</i> .....	18
<b>Engel, Kollat and Blackwell Complete Model of Buying Behavior</b> .....	<b>19</b>
<b>Post-Purchase Behavior</b> .....	<b>22</b>
<b>Cognitive Dissonance</b> .....	<b>23</b>
Coping .....	23
Marketing Response.....	23
<i>Critique of Engel et al Model</i> .....	24
<b>Howard and Sheth Model of Consumer Behavior</b> .....	<b>25</b>
Endogenous Variables or Hypothetical Construct .....	27
<i>Critique of this Model</i> .....	28
<b>Andresen Model of Complex Customer Decision</b> .....	<b>29</b>
<i>Critique of the Model</i> .....	29
Learning Influence on the Consumer .....	31

<b>Connectionist Theory .....</b>	<b>33</b>
Marketing Implication.....	33
<b>Cognitive Theory.....</b>	<b>36</b>
Tolman's Latent Learning Theory .....	37
<b>Attitude in Relation to Consumer Behavior .....</b>	<b>38</b>
<b>Components of Attitude .....</b>	<b>40</b>
Functions of Attitude.....	40
<b>Marketing Implication of Attitude in Consumer Behavior .....</b>	<b>42</b>
<b>Factors that Resist Attitude Change .....</b>	<b>44</b>
<b>Attitude and Persuasive Communication .....</b>	<b>46</b>
<b>Planning of Persuasive Communication .....</b>	<b>49</b>
<b>Factors that Influence Consumer Behavior.....</b>	<b>50</b>
<b>Primary Group or Membership Group .....</b>	<b>52</b>
Family .....	52
Friends and Associates .....	52
Anticipatory or Aspiratory Group .....	53
Dissociate Group.....	53
<i>Role and Status.....</i>	<i>53</i>
<b>General Implication of Group in Marketing.....</b>	<b>55</b>
<b>Economic Factors Effect on Consumer Behavior.....</b>	<b>57</b>
<b>General Economic Situation .....</b>	<b>58</b>
<b>Income .....</b>	<b>59</b>
Disposable Personal Income.....	59
<i>Discretionary Income .....</i>	<i>59</i>
<b>Consumers' Income Expectation .....</b>	<b>61</b>
<b>Credit Facilities .....</b>	<b>62</b>
Installment Credit .....	62

Non-Installment Credit .....	62
<b>Possession of Assets .....</b>	<b>63</b>
Physical Assets .....	63
Financial Assets .....	63
<b>Consumerism .....</b>	<b>64</b>
<i>Seller's Rights:</i> .....	64
<i>Buyer's Rights:</i> .....	65
<b>Consumer and Consumer Organizations .....</b>	<b>67</b>
<b>Consumer Behavior Online.....</b>	<b>69</b>
What Consumers Are Looking For .....	69
<b>Steps I Follow as a Routine to Improve Sales .....</b>	<b>73</b>
<i>Recommended Marketing Sources</i> .....	75

## Introduction

"Learning about a human being is a lifetime's task"

Paul Tunde Raji (Bsc. Accounting) <http://www.webneur.com>

Dear Friend, the first step is what counts

Welcome and congratulations!

You have just taken a huge, first step towards boosting your sales-potential. You've made it farther than 90% of businessmen ever do. You've been exploring your options and we've connected through the power of the Internet.

To support your informed decision, I have spent countless hours and hundreds of dollars on research and developing this information product. And, I simply want to make sure you know that I really appreciate your purchase.

Thank You!

Sincerely, you are one of life's few *decision-makers* and *action takers*. I admire those qualities greatly. And, you should know that I intend to do everything within my power to see that your decision will prove to be the right decision.

I'll even go as far as to say: Your decision to purchase this ebook – as far as having a tremendous increase in sales performance is concerned – is probably going to be the wisest decision you will EVER make!

Here's why:

You are about to learn the real secrets to consumers' "buying behavior" using this ebook with virtually no additional cost. I will also reveal to you the most viable place where you could sell any product or service for "hungry and thirsty" consumers.



And, you should know right off the bat that the information you are about to read totally delivers on every promise made on my web site. What's more, everything you are about to read is not just mere theory. It is hard-won, tested and proven solution/discovery and theory.

## Consumer Behavior

Consumers consist of individuals, households, and corporate bodies that buy products or services. They are widely varied in the way they react to products and other stimuli. Each consumer is a decision-making unit who collects information and uses many dimensions to analyze it. The resulting decision is the purchase or rejection of a product or service.

The difference in consumers and factors that they consider to make a purchase decision are important to marketers. Marketers need to understand the type of stimuli that can yield a favorable response from consumers and also to identify the factors and interactions that go into decision-making.

The careful study and understanding of consumers requires the marketer to design an effective marketing plan.

Marketers' success anchors on the extent to which they understand and respond perfectly to the behavior of consumers. They are compelled to search for new ideas, theories and principles from behavioral sciences such as Anthropology, Sociology, Psychology and Economics.

It has been discovered that consumers involve considerations from these perspectives when making their purchase decisions. Consumer behavior is known to be an element of human behavior that deals with how people interact with his or her environment, particularly in order to purchase and after purchasing a product or service.

For a marketer to penetrate the hearts of many consumers and to let them react positively to his products or service, understanding the behavior of a consumer is inevitable. The reason is because the knowledge acquired about the consumers has an important role to play for the marketers' success.

In modern business, every organization needs to learn buyer's behavior. The outcome of the study helps the company to know WHO the consumers are,

WHAT, WHERE, WHEN and WHY they prefer a particular product to other competing products.

The theme of marketing philosophy is "consumer sovereignty" which states that consumer is king and all the activities performed by an organization should be channeled towards satisfying the needs and wants of the consumers while at the same time trying to achieve organizational objectives which is to make profit.

Cundiff, Still and Govoni (1973) supports this analogy by saying what the result management is looking for in managing their departments. This is not only to satisfy consumers' needs, wants and desires, but to also facilitate achievement of company goals.

In an economy with freedom of choice, the principle of "consumer Sovereignty" dictates that the consumer ultimately determines a firm's continued existence and performance. Consumer behavior will determine the fate of the enterprise because for an efficient and effective allocation of resources to be achieved, those who produce products and services cannot passively place their wares before the public. There is an additional and dynamic function to be performed which is their reason for seeking to satisfy the needs and desires of those who purchases and consumes these products and services.

The essence of marketing therefore is to analyze the process through which a group of people make and carry out buying decisions, identify the buyers and buying decision process.

Although many buying decisions involve only one decision maker other decisions may involve several participants who play such role as initiator, influencer, decider, buyer and user. The marketer's job is to identify the other buying participant, their buying criteria, and their level of influence on the buyer.

A consumer's experience has been widened by his or her exposure to competing products, rapid changes in technology which result in regular availability of innovative products, socio- economic and other environmental changes, all these conditions in which consumer are subjected to, make them to be complex and more unpredictable to deal with.

## The Buying Decision Process

When making a decision to buy a product from many competing products, a consumer unknowingly passes through a few stages of the decision process. There are five stages and each stage motivates the buyer to purchase. Only one stage is concerned with actual purchasing. Sometimes, the consumer does not pass through all the five stages before purchasing a product.

**Need Arousal** is the first stage of a buying decision process. The need for a given product is activated by internal and external stimuli. The marketer creates awareness for his product through sales promotion and advertising. The external stimuli helps to arouse the consumer's need for the product while internally, physiological imbalance such as hunger, thirst, warmth, etc. which are primarily unlearned makes a person recognize a need. The consumer recognizes a significant difference in his perceived desire and actual position. He thereafter responds by searching for a product that can satisfy the identified need.

The consumer having sufficiently been motivated to satisfy a need searches for information about every product brand that can perfectly match the need. If a suitable product is available for an urgently felt need, the consumer quickly purchases the product. However, in most cases, consumers do not purchase products immediately the products are brought to their awareness. At this stage, consumers look for further information, and the intensity and duration of this depends on their past experience together with the importance of the product.

Different products are identified through intensive and passive searches. Passive search involves the consumer reading information about the product on the Internet or in newspapers, magazines and other published materials.

Intensive, or heightened search is where the consumer actively searches for information from many sources, while moving from one place to another. These sources include personal sources such as family, friends, neighbors,

acquaintances, associates and members of his social group whose opinions he trusts and respects.

## **Commercial Sources**

The consumer pays close attention to commercial messages through advertising, packaging, talking to salespeople, sales promotion and point of purchase displays.

## **Public Sources**

These provide messages from mass media publicity, government reports, news and product-testing companies.

These messages are objective, reliable and factual. The motivated consumer tries to get a feel for the product through his senses. He tastes a sample, tests the product during a demonstration by the salesperson; this can be achieved by having a trial or testing period, where he can handle the product to judge its suitability. All these sources present the consumer with a large number of alternative products and information on the features of the product, like packaging, operating manual, pricing, warranty, etc. The product has features or characteristics that attracts consumers/customers to buying or using it.

Empirical research confirmed that consumers use their cognition consciousness and rational judgment to examine products before making their purchases.

They evaluate by comparing products in order to make a choice. Evaluation takes the following dimensions or guiding rules: Those features of interest to the consumers are listed for further analysis. These consist of performance, taste, color, physical appearance, packaging, range, price etc. Consumers are asked to list what they prefer in the product. The preferred attributes of competing products is used to attach weight or priority or rank the attributes to facilitate ranking, the consumer uses brand belief or image of each brand

(if any) to compare one product with other products. This evaluation establishes the position of each product in relation to the important attributes.

Other evaluation criteria and techniques use quantitative and qualitative models to apply objectivity. They consist of dominance, conjunctive, disjunctive, lexicographic, expectancy and ideal-product, compensatory and determinant models.

In the Dominance model, the customer lists all his preferred attributes and rates all available alternative products with the attribute; the product with superiority in many attributes over others is retained while the inferior quality brands are dropped.

In the Conjunctive model, all products are classified into two groups (acceptable and unacceptable) based on the minimum attributes that a product must meet. Unacceptable products are those that fall short of minimum specification and are eliminated from further consideration.

The disjunctive model only sets in if the consumer only has to pick from products whose attributes exceed the specified minimum attributes.

In the Lexicographic model, a single dominant attribute which is common to all products is used to rank them.

The product with the highest score becomes the consumer's choice. If two or more products have the same score, the consumer uses the next best attribute to compare each product with others. This process is repeated until a surviving product that has the highest total score is identified while the rest are eliminated.

The Expectancy model is when the consumer identifies attributes of importance and assigns a weight that represents degrees of preference to each attribute. The resultant score is obtained by the aggregate of weights of each attribute, multiplied by the performance level of the product for each attribute.

In the Ideal product model, the consumer forms an image of his ideal product. He lists many attributes that the product must possess. If the current products do not have the attributes he desires, he selects the one whose attribute is closer to the ideal product. To capitalize on the opportunity offered by this model, a marketer can interview consumers to find two or more ideal attributes of interest and build these into his product.

Under the Compensatory model, also known as Multi-attribute model, the product chosen is the one that has the overall balance of favored features across all attributes.

There is also the Determinant Attribute Model, which states that attributes of importance sometimes do not significantly influence consumers choices among competitive products whose attributes are similar.

The choice of product may be made because of a less important attribute that differentiates the product.



## Nicosia Flow Chart Model of Consumer Behavior

Using a computer flow-chart system, this model shows the input, processor and output variables together with their relationships towards reaching a decision that will solve current and future problems of the consumer. It assumes that the consumer does not have direct experience with a particular product.

In addition, there are four main stages of decision present in this model.

**Stage One:** An advertising message about a firm and its products is presented to the consumer who is not familiar with the product. The consumer uses psychological, personality and environmental attributes to examine it.

He then forms an attitude towards the product.

**Stage Two:** To avoid making mistakes, the consumer searches for more information about the advertised product and its competitors. He conducts product/service comparison, to form a more favorable attitude to a few of the product/service options offered out of the various available alternatives.

The result of the analysis may or may not be a motivation to the advertised product.

**Stage Three:** If the consumer is motivated to prefer one product to all the others, he makes the final decision to purchase.

**Stage Four:** The post-purchase experience gathered in the course of using the product is stored in his memory. This data bank is used to decide whether or not to buy the same product /service in future. This completes the circular decision process of the consumer.

By buying the product or not, the result of the decision stage is known (through the Feedback System) by the firm and the firm's knowledge about its consumer's behavior is also completed.

## Marketing Implications

This model is scientific enough to help marketers gain an insight into the consumer behavior process. By stating what happen at each stage, the firm can apply the right marketing decision to improve the probability that the consumer purchases the product/service.

### ***Criticism***

The research leading to construction of the model was based on a narrow scope of advertising and how consumers accept the new product. The research limitations and variables considered were not stated.

This makes it difficult for other interested researchers to find where they can support and improve the model through further research. The relationship between the stages is not as direct as the explanation states. In addition, the descriptions and explanation accompanying the model are too brief.

How consumers form and sustain attitudes to a new product requires further research and explanation.

## **Engel, Kollat and Blackwell Complete Model of Buying Behavior**

This model is an improvement on the Black box model. It contains such elements as Information input and the Processing unit (which has product evaluation, general motivation and personal inputs). All these elements interact and move the consumer across five decision-making stages.

It explains what happens to the inputs in the evaluation process and the type of outputs. The black box model that contains the invisible intervening variable, becomes the CENTRAL CONTROL UNIT (CCU). It serves as the consumer's psychological structure. It contains memory and manner of thinking and behavioral pattern, personality variables, past information of direct experience and current information.

Personality features are the stable behavior pattern of an individual that he perceives as helpful in satisfying his needs. They are called MOTIVES.

The means of reacting to situation are called RESPONSE TRAITS. They vary among individuals.

Both motives and traits combine in function to form a general psychological reaction of a person. They resist change from outside influences.

Experience or past information is, consciously or unconsciously, retained in the central control unit to make the person respond consistently to stimuli. The consumer develops product-related values and attitudes from personality and experience.

This gives shape to their behavior and makes the consumer form a habit for evaluating products by choosing one product out of many alternatives.

## Detailed Analysis of the Model

Messages relating to the firm and a product/service are transferred to consumers through their sense organs and are stored in the central control. After processing it, the required response to the message is passed to the awareness level of the consumer.

He becomes alert due to feelings of discomfort that he suffers through the sensory receptors. The need is strengthened by a drive to find the best solution to his need.

In his effort to satisfy the needs with the right product/service, he is exposed to many stimuli about other products.

Through a process of product/service comparison, the consumer restricts his attention to the product that is not misleadingly promoted.

Information about the selected product is used in the next stage.

If the consumer has the financial means, he recognizes the need. He knows that his desired condition is not yet reached. This feeling arouses a response to satisfy the drive caused by motives and needs.

Where the consumer is unaware of his needs, the firm uses sales promotions, advertisements, a salesperson, packaging, etc., to trigger or create awareness. This stage is the starting point for a lengthy buying process. Where they have little or no information on competing product/service, the consumer may have to identify many products/services and research their prices, suppliers, features, operating instruments (manual), packaging, product or services etc.

He uses internal or passive methods, such as reading, review and recalling information stored in memory that relates to the specific type of product/service.

Externally, he looks for information from his reference group, marketing firms and salespersons connected with the product/service.

The search will present him with many possible products/services from which he locates a group of products from which choices can be made.

The products/services are examined and compared with one another in order to choose the best one.

The consumer compares each product on a set of criteria used for evaluating all the product/services. The criteria may include price, features, performance, color and packaging.

Each product/service is also rated from the reference group and psychological viewpoints. As products have many attributes, only those falling within the consumer's specifications are considered.

At the end, he forms product/service image (or preference, judgment) for some alternatives (choice set). He can buy any product or service from the set.

At this stage, the consumer selects the best or preferred product from the choice set. The decision may be influenced again by the positive/negative attitudes of other people and the consumer's willingness to comply with the group.

Other situational factors, such as unanticipated occurrence like sickness, loss of job, perceived risks etc., may force the consumer to modify, postpone or avoid purchase of the product.

If these obstructions are not present, the consumers purchase the product immediately the decision is made.

## Post-Purchase Behavior

The consumer asks himself after purchasing a product, "WAS MY DECISION GOOD?" He compares his own expectations of the product with the actual (perceived) performance of the product.

If the actual performance is lower than the expected performance, frustration (cognitive dissonance) sets in.

If the product's performance equates or exceeds the consumer's expectations, there is a high probability for repeat purchase and spreading of good information about the product. The criteria used for evaluating products are applied for analysis of post-purchase perception.

To maintain stable positive mental attitudes about the products, the consumer requires assurance from the producer in the form of after-sales services through advertising, salesperson contact, repair, availability, warranty, maintenance etc.

From the buying process explained above, regardless of the type of buying decision, the buyer has one stage that reflects in the actual purchase. The decision to buy can stop at any stage. Not every instance of buying behavior passes through all the five stages.

After need-recognition, the Central Control Unit passes an instruction (go, stop) to set the next action of the consumer. And, as the buyer proceeds towards their decision, each action is stored in memory. This helps him to learn from what he does; the result of past experience is retained for future decisions.

This decision-making model transcends routine response behavior to extensive problem-solving behavior. However, the model allows varying buying situations.

## **Cognitive Dissonance**

This is the post- (perceived) bad-purchase experience of the consumer of a product and how he copes with it.

It occurs when the buyer examines the performance of the product each time he uses it to know if the actual experience is in line with his desired expectation. This frustration (regret, annoyance) is heightened when the product is a durable type, which is usually expensive, the negative feature of the chosen product/service is many and/or the product itself does not perform satisfactorily. The rejected alternative becomes more attractive.

### **Coping**

The consumer reacts in many ways such as:

- He feels like returning the product to the seller
- He sells the product and buys another product
- He looks for favorable information (reassurance) about his purchase.
- He avoids information that favors the rejected product
- He changes his attitude/belief to be consistent with the favorable behavior.

### **Marketing Response**

Post-purchase follow-up of the consumer is necessary to provide after-sales services. These include installation, product availability, maintenance and repair, use of warranty, availability of spare parts etc., depending on the nature of the product. Others include a salesperson's visit to monitor the consumer's experience, sale promotion, and use of reminder advertisements to boost the confidence of user.

### ***Critique of Engel et al Model***

It shows the various behavioral influences that occur in the box and how they interact from need arousal through need recognition to post-purchase behavior.

Marketers have a lesson to learn about these variables and how they recur in a way that consumers can prefer their products or services.

Examination of post-purchase behavior allows marketers to have a permanent business relationship with every consumer. The model implicitly points out the importance of this stage for repeat purchase/patronage. Lastly, it affords companies the opportunity to enrich their marketing activities with a message that consumers need during decision-making.



## Howard and Sheth Model of Consumer Behavior

It presents the decision-making process in a most elaborate manner. The means of blending the inputs with intervening variables and the resultant outputs are indicated in the four components of the model.

The elements to be explained include stimuli input, intervening variable available (which contain endogenous and exogenous variables) and output response.

**Input Stimuli:** Information from the business firm and the social environment is passed to the consumer. It contains indicative messages about the product features and symbolic information from other sources like salesmen, mass media and reference groups.

**Intervening Variables:** These are used to analyze the input and consist of seven exogenous variables, which combine with perception and learning in the endogenous variables.

**Exogenous variables:** There are seven. They are the external parts of the hypothetical construct.

1. **Importance of Purchase:** The consumer measures the perceived role of each product/service. If a specific product/service is more important than the rest, it limits the information search by ignoring other products/services.
2. **Time Pressures:** The degree of urgency for a product may not allow the consumer to carefully analyze other products features. He hurriedly pays close attention to only one or two products.
3. **Financial Status:** The quality and quantity of the product that a consumer focuses on is affected by his purchasing power. Many products are evaluated according to the consumer's income, income

expectation, job stability, credit facilities etc. Where he has a strong financial base, many more products are evaluated.

4. **Personality Factors:** Traits like confidence, authority, self-esteem and self-concept, etc., assists in making the choice. They make the consumer suppress information from other sources and uses his discretion in choosing the right product/service.
5. **Organization:** For an organizational buyer, the influence of other persons involved in the decision, particularly their status, power and authority are considered by the actual buyer. In addition, he reflects the organization's buying policies and channels of operation in his buying decision.
6. **Social Class:** The consumer tries to conform to the values and norms of the class of people he belongs to, in order to enjoy their praise and acceptance of the product.
7. **Culture:** Being the product of a culture, some of the items the consumer purchases are a reflection of the inherited patterns of consumption. He tends to prefer products that the culture has ingrained into his personality from his childhood.

## **Endogenous Variables or Hypothetical Construct**

It contains basically psychological variables: perception and learning. These unseen variables work upon the product information input and the outcome of it is expressed as either a purchase or no purchase.

From the perception aspect, the consumer is made to consider information that relates to his past experience, personality and need, for a product category. He develops sensitivity by applying perceptual vigilance and perceptual defense to a given product.

If the product is inconsistent with the consumer's beliefs, the consumer may distort its information to stop it changing his long-standing beliefs. This is called perceptual bias.

He goes through a search for information on a product that is urgently needed. The learning aspect of the construct contains specific and non-specific motives, product-potential of the evoked set, decision mediators, and predisposition towards product, inhibitors, and satisfaction with the purchase of a product.

Specific motives relate to a product's features such as safety, durability, reliability etc., while non-specific motives may be power, status and prestige.

The consumer uses the decision mediators (a set of rules) to rank other alternative products in the evoked set.

He uses past learning, experience and external information to compare the satisfaction that each product can give (brand differentiation) with other products. The result of these motives, evoked set and decision mediators analysis manifest in the consumer, forming as attitude or predisposition towards a specific product.

Rather than actualizing the predisposition in terms of purchase, the consumer is delayed by Inhibitors (constraint forces). Inhibitors are environmental forces that modify behavior. They include a product's price,

availability, time pressure, financial status etc. If they persist, the buyer's attitude can be changed.

**Output Variables:** After passing through the information input and processing in the previous stages, the consumer's response appears in five ways. He pays more attention to a set of products and has a better comprehension (reservoir of knowledge) about a product to which he then forms an attitude, based on its need-satisfying strength.

### ***Critique of this Model***

This model is the most favored by researchers as it presents the most comprehensive steps that a consumer uses to make a decision.

It urges marketers to analyze their strategies in line with consumers' buying processes and influences in order to get their product /service sold. All the major influences, such as economic, psychological and socio-cultural influences, are integrated in the model.

Nevertheless, further research is needed to replicate and improve on the model.

## Andresen Model of Complex Customer Decision

This model uses attitude formation and attitude change, borrowed from social psychology, to explain consumer behavior. Sources of information about a product and the product itself (features, availability etc.,) pass through a perpetual barrier in the mind of the consumer. The buying cycle contains four stages: input, perception and filtration, disposition changes and outcome.

It is assumed that the consumer selectively perceives and distorts product information in a way that is different from the original messages from the company. By drawing information from this reference group, personality needs and their attitude about complimentary products, the consumer filters and perceives the product messages.

Hence, his feelings, beliefs and disposition about the product are adjusted. He may thereafter develop an intention to buy by searching for further information or stop any further action on the product. Positive intention to buy may be negative information from other people about the product and its competitors.

If the obstacles are cleared, he purchases the item and his experience after purchase is stored for future purchase decisions.

### ***Critique of the Model***

Andresen discovered two marketing strategies that affect the buyer's attitude, namely: market segmentation and product differentiation.

**Market segmentation** fits the product into the attitude and behavior of consumers, so that a positive attitude is formed towards the product.

**Product differentiation** makes the consumers change their attitude by being forced to accept or consume the existing product. To make consumers develop a positive attitude and to effect a change of attitude to a product, the marketer should use acceptable channels of communication to provide good product information.

Any assumption that a positive attitude can directly lead to purchase behavior is condemned. This is because the attitude/behavior relationship is too complex to be given simplistic interpretation, and empirical evidence to support the proposition is absent.

**The issue of whether attitude has a direct influence on behavior is controversial and social psychologists are still working towards verifying the claim.**

## Learning Influence on the Consumer

**Behavior:** Learning is an intervening variable between input stimuli and output. It is not visible; rather its result is what helps us to know whether or not a person has learned something. It is defined as a relatively permanent change in behavior of a person that is caused by practice or experience. It deals with the acquisition of knowledge by deliberately performing a manual or mechanical action, or by memorizing some theories.

From this definition, certain terms are clarified to avoid ambiguity. Learning makes a person experience an enduring change in behavior. Temporary change caused by tiredness or the intake of alcohol or drugs is not included. The change in behavior is achieved by practice or experience. Therefore, unconscious change in behavior due to illness, growth etc., is not part of learning. The change in behavior occurs to the feelings, emotion and personality of the person.

Learning can be positive or negative.

Learning has stages that an individual passes through. Each stage has a marketing implication. Product message and information from their social environment arouses the need for a product by the consumer. The recognition on reaching a threshold level gives rise to a drive. Based on this, the person, after some evaluation and research, purchases the product that he anticipates will satisfy his need. If the product rewards him by performing satisfactorily, the person stores and retains his post-purchase experience. The data is recalled or remembered and used in making subsequent purchases.

Hence, if an advertised product performs satisfactorily for the consumer, he develops a habit or product loyalty to ensure a repeat purchase whenever the same need arises in the future.

After the first trial, the person experiences a stable change in his attitude and response to the same product. He forms a firm attitude, which finally makes

his purchase decision towards the product to become somewhat automatic or routine. The sum of all these changes of a person's behavior from the state of unawareness and reluctance to buy a product, through product identification and automatic response to the product is known as learning.

Two broad theories of learning, which were borrowed from the study of animals through experiments, are relevant in marketing. They include **connectionist** and **cognitive theories**.



## Connectionist Theory

This asserts that a consumer can be made to change behavior by conditioning him over time. This requires presenting the person with stimuli about a product that will make him respond. If the product is rewarding, the consumer will subsequently buy the product.

This method of learning is also called Stimulus – response or Association theory. Over time, the consumer responds to a product because he has learned about it. If he has not used it, he collects suitable information from his reference group to decide to make the purchase.

Reinforcement (satisfaction) and other marketing stimuli (advertisement, sales promotion) can make the consumer repeatedly purchase the same product. The theory followed the classical conditioning and operant conditioning of Ivan Pavlov of Russia and B.F Skinner of the U.S.A.

Ivan Pavlov's classical conditioning experimented on dogs by pairing their food supply with the ringing of a bell. After so many repeated instances, associating the food and the bell, the food was removed and the dog responded to the bell alone. Thus, the initial unconditioned response of the dog and the bell was turned to conditioned response.

**B. F. Skinner's Operant, or Instrumental, conditioning was done by putting a cat in a box. The cat, in its bid to escape pressed a spring that let it escape or released food to it. By applying this continuously, the cat distinguished the spring from other levers and it repeatedly pressed the right spring. The reinforcement led to slower learning.**

## Marketing Implication

With these theories, psychologists have performed similar experiments and the results were the same. In marketing, consumers have been used to test the theory and the following implications are derived.

An intensive advertisement campaign can build up a strong association between the product and its function. This makes the consumer want to try the product. If the product meets the buyer's expectation, he tends to buy it again in future.

This is **primary reinforcement** (reward).

Secondary reward, in the form of sales promotion such as price reduction, seasonal greeting, prizes and praise for purchase of a product can let the consumer, who has almost forgotten the product (extinction), continue to buy the product (spontaneous recovery).

Occasional reminder advertisement at off-season may almost level the sales value over time. It narrows the difference in income from sales between peak-season and off-season. Non-stop presentation of information about a product makes the consumer quickly discriminate the product from others in the market.

In addition, good positioning of a product through a unique price selling point can assist in product discrimination.

Product generalization can occur. If a product performs well, the consumer may pass a general judgment on other products provided by the same company or persons. For example, good judgment about King's vegetable oil that has been used is passed to King's Toothpaste, King's Toilet soap and King's Scouring Powder, which are yet to be used. By branding its product, the company can encourage brand recognition after the first trial by the consumer.

For example, if the word panadol is not written on the product, many people will not buy it because they believe that, "it does not have the same quality as the one that carries the word p-a-n-a-d-o-l".

Consumers can be encouraged to have loyalty to the product only if their response is reinforced frequently, or at regular intervals, through sales promotion programs. Learning is effectively achieved if the thing to be

learned is presented in a familiar environmental setting, such as a good demonstration and presentation.

## Cognitive Theory

This theory views learning as a process of restructuring a person's cognition (knowledge) with regards to a specific problem. The person uses distinctive and systematic reasoning and intellectual activity to solve the problem.

A person faced with a problem collects information deliberately (planned) or by accident (trial and error). He assimilates the information to form an experience (direct or indirect) and attitude towards the object. The stored information is recalled to solve a given problem and subsequent ones.

This makes man a problem solver. Wolfgang Kohler's insight learning belongs to this cognitive theory. He used a chimpanzee to solve a problem. The animal was put in a cage with pieces of wood that could be fitted to become long. Outside the cage were bananas which were beyond the reach of the animal. After many trials, the animal succeeded in fitting the pieces of wood and used it to draw the bananas into the cage. The solution was suddenly discovered as if a light was turned on in the darkness.

Insight depends on the arrangement of a problem situation for which the solution comes from organizing forces of perception. Once a solution occurs through insight, it can be promptly repeated. The solution can be applied in new situations.

Therefore, the solution to the problem does not involve learning of a specific set of conditioned associations but rather, forming of a cognitive relationship between a means and an end.

## **Tolman's Latent Learning Theory**

This is also a form of cognitive theory. It shows that learning goes on without the presence of reward but, when good reward appears, previous information is used to enhance it.

He put a rat in a puzzle box. While trying to escape through the complex routes, the rat developed a mental picture (cognitive map) of the layout, which led to its escape. The Reward (escape) and Punishment (imprisonment) experience served to convey information that assisted the rat to improve its escape in subsequent attempts.

Tolman transferred the findings to human beings by stating that an individual may form many kinds of cognitions about the way the world is structured. An individual finds out how goals can be achieved and relationships between things.

For an individual to respond adaptively to new situations to solve problems, they may combine much cognition from past experience. A consumer can buy a never-used item by making use of his intelligence to analyze the product.

A consumer is a rational problem-solver who uses detailed evaluation of many factors; economic, sociological and psychological to make each purchase decision.

Trial and error is used to purchase unbranded products, which may then be purchased repeatedly if they are satisfactory.

If the consumer has never used a product, he can collect information from other sources to form an evoked set.

Where enough information is not available, he imitates his reference group. Repetition of an advertisement makes the consumer become familiar with and perhaps develop a preference for the product.

## **Attitude in Relation to Consumer Behavior**

Attitude is a person's feelings about an object or person. It is their learned readiness to respond in a stable (favorable or unfavorable) manner to a given object.

A person develops their attitudes through past experience. That can be direct or indirect and are enhanced by physical and social cues in the environment. Once it is formed, the person directs his attitude to the object or person and this influences his perception.

It is enduring in nature and guides the person's response to similar objects or persons that confront him. If the object is a product, his purchase behavior is influenced by the attitude. The consumer uses his present or past experience about a product to form an attitude towards it in future.

But, he experiences change in the attitude as he grows older and faces higher responsibility. This makes products that were initially rejected to be sought after. For example, a young boy who likes pop and disco music can later prefer traditional music, as he grows older. A spendthrift bachelor gradually learns to save money to meet additional obligations as his responsibility increases after marriage.

Favorable and unfavorable attitudes to products or the company develops gradually and selectively according to the consumer's need, information exposure, social group and environment.

Input from reliable sources creates a favorable attitude. Information from people and credible mass media is judged reliable while some is suspected. If the person trusts the source, he forms a positive attitude, according to the nature of the information.

In this regard, a marketer has to consider the influence of the source of information available to consumers. He needs to identify and use such reliable sources in presenting his product message. Other relevant sources,

such as window displays of a product, recommendations from people etc., create favorable attitudes towards the product.

The consumer is indirectly influenced by the beliefs and norms of his reference group. However, he selects only those aspects that are compatible with his own beliefs. A large portion of attitude is formed from childhood within his family setting. He learns the patterns of behavior toward the society, sex, money, religion, marriage, type of consumption etc.

In adulthood, his aspiration groups gradually change the consumer's attitude. He sheds some childhood attitudes and picks those from his aspiration group in order to secure their approval. Group information in attitude formation and attitude change is most effective where the consumer lacks adequate information and he is uncertain how to identify the right product.

When a person has unsatisfied needs, a drive emerges which directs attitude towards a product that can satisfy such needs.

The resultant attitude helps to simplify his response to an advertised product. If the needs are fully satisfied by the product, he forms a good attitude to it and responds quickly to the same product in future. A marketing-oriented company can elicit favorable attitudes from its consumers by building a good corporate image, a suitable marketing mix and consumer-oriented service that satisfy consumers physical and psychological needs.

Acquisition of new knowledge (education) arouses a new attitude to an object. The person's orientation to life changes as a result of advanced knowledge and interaction with other educated people. Attitude formation occurs objectively in consumers, based on their educational exposure. For this reason, they read all available messages about the product to form an attitude that may be positive or negative.

## Components of Attitude

Attitude has three inter-related elements namely cognitive, affection and reaction.

**Cognitive:** is the belief or knowledge about the product. It is acquired by obtaining information from many sources. The belief is formed towards known things or product after obtaining this detailed information.

**Affection:** feeling of like or dislike for the product aroused from traits, motives, social norms etc. It is an emotional variable emanating from the mind of the consumer.

**Reaction:** the person is pressed to react in some ways towards the advertised product. This element makes the person develop a favorable attitude that may lead to the purchase of a product.

However, having a favorable attitude does not lead to automatic purchase as other factors may inhibit the consumer's decision e.g. finance. These three components are consistently inter-related. Each has a level of appeal to the consumer that occupies any point between a very favorable and very unfavorable scale. A positive attitude makes a consumer react favorably to an advertised product.

## Functions of Attitude

Attitude directs the consumer towards products that satisfy his needs and away from unsatisfactory ones. The person can defend his integrity, prestige and ego by having reasons to support his feelings.

Possession of adequate information by the consumer arms him with sufficient data to defend him and maintain his ego (self-image). The consumer forms values or beliefs about the product. He uses the value to achieve satisfaction, or express his feeling in the form of opinion towards the product. The cognitive, or knowledge, aspect of attitudes makes the consumer give



meaning to the product. This experience is organized and consistent for the product over time.

## **Marketing Implication of Attitude in Consumer Behavior**

Attitude helps a marketer to measure the effect of advertising on behavior. Public opinions about social or political issues are known through the attitude of people. People with a positive attitude tend to react favorably to an advertised product. If a consumer has a negative attitude towards an aspect of the firm, it may affect his buying behavior for the company's product. The consumer's attitude towards the firm and/or its product can make or break the marketing programs of the firm.

A consumer may experience a change of attitude as the factors ( social, cultural and personality) that help to form the attitude change.

Nevertheless, the self-concept element of personality may slow down change of attitude. Positive change occurs when an existing attitude and beliefs are in context with self-concept and vice-versa.

Marketers have to ensure that consumers have a favorable attitude at all times. Attitude change is realizable if old attitudes no longer yield satisfaction and the person becomes frustrated. His behavior can be modified by learning or past experience. In addition, improvement in the level of aspiration of the person can effect the change.

Mass media can help in promoting new ways for solving problems or satisfying needs. If the person is convinced that he can get satisfaction only by revising an existing attitude, he tends to change. An unpleasant experience with a product, or anticipation of harmful consequences, can make the consumer rethink and review his attitude. When punishment or fear is attached, a course of action that will save a consumer from undesirable results of the person is relieved of any need to conform with present attitudes.

Here, the punishment is shown and the solution to the problem is presented, so that the consumers see good reason to change.

For example, by showing HIV patients and presenting a gold circle condom as a means of avoiding that disease, the consumer is encouraged to have a favorable attitude to the product.

Attaching a reward to the purchase of your product can make the reward-minded consumer try a product. Sales promotion is relevant in this sense. The marketer can identify the reference group to which his consumer belongs and get opinion leaders to consume the product. This will have the effect of attracting the purchase by other members.

## **Factors that Resist Attitude Change**

A long-held attitude tends to resist change, as it has become part of the consumer's patterns of inner adjustment to the product. A high degree of likes or dislike for a product take time to be altered in the mind of the consumer. Complex attitudes can more easily be made to adjust to a point of agreement than a simple attitude. It is possible to break down the complexity for the person to appreciate his problem.

When many inter-related attitudes have been ingrained into a person's value system, they are more difficult to change than an isolated attitude towards a product. Attitudes that are consistent tend to be stable and a marketer will find difficulty in changing it.

The personal factors from intelligence, self-concept, etc., are more durable and resistant to attitude change. A person that belongs to a group and largely depends on the cohesive group norms, does not easily accept change unless it is compatible with changes in the group's norms.

The communicator, the message and the audience affect whether and to what extent, attitude is changed. The personality of the communicator used in an advertisement should be acceptable to the consumers. He can be more relevant by being involved in a profession relating to the product type. For example, the following personalities positively influence the attitude of consumers of the product in their professions; Ronaldo (sport kits), Model (dresses), Michael Jackson (musical equipment). If the wrong person is used, the consumers attitudes will remain unchanged.

In addition, from the interaction with other people, oral communication among members that pass credible and reliable information to the consumer.

It engenders a positive attitude and vice-versa. If the content of the message is logically presented to give incentive, the reasonable argument makes the audience (consumers) accept it.

Positive appeals suggest rewards to be gained by responding to the message and a negative message about possible punishment from consuming the product can each lead to attitude change.

This way, the warning of Federal Ministry of Health to cigarette smokers about the consequences of drug consumption may make the consumers form a new attitude. Remember the words "drug kills", "cigarette smoking is dangerous to your health". The presentation should relate to social and cultural factors influencing the consumers.

Presentation of persuasive information through popular media may lead to a positive change of attitude.

## **Attitude and Persuasive Communication**

Some attitudes make a consumer develop an interest in a product. Marketers have an obligation to use all suitable communication methods to make consumers form good attitudes toward their products.

All the elements of the promotion mix are involved in achieving this goal. Proper planning and implementation of promotional campaigns result in the building of goodwill and laundering of any existing poor image. Use of information stimuli can soon make employees and the public have good attitudes and express favorable opinions about the company and its product.

Through well-conceived marketing communication, old negative attitudes can be changed to favor the firm and its products. This communication may include anything from local media, such as the use of trumpet, talking drum, horns, metal gongs etc., up to the modern print and electronic media.

Modern communication media are the most suitable means of penetrating the heart and breaking down the attitude barrier of consumers. They use soft selling techniques through color, personalities, power of reasoning, attractive phrases or words and other pleasing appeal that draws the consumers' attention.

However, traditional communication is sometimes combined with the modern type to reflect the particular environment of consumers. The following promotion tools are found to be effective in arousing positive mental attitudes and changing the negative attitudes of consumers.

Electronic media such as radio, television, cinema and print media which include newspapers, journals, billboards, magazine, periodicals, posters and other published material serve as good and reliable sources of information for the consumer. The NBC and its international branches profit from Coca Cola® due to its ever-changing advertisements. Different appeals – dogmatism, and emotionalism is applied to effect change of attitudes. By interacting with

relevant public, and implementing social and economic projects, the firm creates a good public image and, indirectly, a positive attitude of consumers toward its product. Many companies register their names and products permanently in the favorable mind of the consumers due to their display of social responsibility.

The firms' salespeople attract the interest and change the attitudes of consumers through good presentation, handling of consumers' complaints, courtesy, rapport after sales services and other inter-personal communication.

Competent and well-trained salespersons add weight to attitude change of consumers. Marketers have to train salespersons and ensure that they demonstrate their knowledge in the field. The way products are displayed inside and outside the seller's store can appeal to or repel consumers.

Merchandising uses many techniques to make products attractive and create impulse decisions in the consumers' minds. Use of backing group music, displaying posters, a good arrangement of products on the shelves and positioning of goods near the point of purchase can motivate consumers.

The attractive design, color and reusability of packages of a product can lead to the formation of positive attitudes. Marketing can enhance packaging by employing the service of competent product designers and motivating the Research and Development Staff.

New package designs of automobile, electronic and other technical products serve as sources of attitude change. Companies have to mix these promotional elements in the proportion that can lead to attainment of their marketing and overall goals.

Though the cost can be enormous, management have to strike a balance in their attempt to use more than one element. Success of persuasive communication anchors or depends on the manner in which it is planned and executed by the firm.

The following process shows the technique of the communication program.



## **Planning of Persuasive Communication**

Define the target market i.e. the group of consumers for which the communication is designed.

Observe, study and understand the consumers' purchase decisions about the product.

Set the type and scope of information that is suitable to the target market and how to appeal to them.

State the objectives of the communication against which the purchase can be compared, to determine its efficiency and effectiveness.

Design the promotion elements to use and assign the task to each relevant area.

**Draw the total amount of money (budget) needed to implement all the communication elements. Implement the program at the same time to feel the impact on consumers' attitudes.**

## Factors that Influence Consumer Behavior

A comprehensive approach to buying behavior acknowledges that man is a complex creature and an ardent information processor. Any explanation of man's economic activities which does not take note of his psychological makeup, the society in which he lives and the cultural background that shapes his orientation towards life, is likely to cause bad business decisions being taken by the marketer.

It is necessary to understand these facts so that we can appreciate the decision-making pattern of the consumer and his or her behavior in the target market. Some of these influences on the consumer include:

**Cultural Factors:** The most fundamental influence on consumer behavior can be the culture in which he lives or had grown up in. Thus, the products and services that are of high, or pressing interest to an individual in one culture may be different from that of another culture. The difference in beliefs, values and norms can account for this difference in need-satisfying orientation or behavior.

**Group** is defined in many ways but in this context. It refers to a collection of people who interact with one another in a manner that each member influences and is influenced by other members.

Based on this definition, a normal human being is a member of at least one group. By his nature, man is a social animal whose life history depends on his interaction with other people. He is influenced directly or indirectly by the attitudes of the people around him. Therefore, he tries to adapt to the attitude of some members, while he rejects others.

Before he makes any decision, he thinks first about how others will judge him.

**Reference group** is the aggregate of all the groups that an individual interacts with, either directly or indirectly. It includes primary and secondary

groups. An individual who is a consumer can belong to many groups at a time. He identifies with and uses the group as a guide to give shape to his own behavior. They change the behavior and life styles of the consumer by molding his attitude and self-concept to fit into the group norms. This influence reflects in the product and brand selection of members.

## **Primary Group or Membership Group**

This form of reference group includes family, friends, neighbors, workmates, etc. An individual has a regular face-to-face interaction with them and they can largely affect his behavioral patterns.

### **Family**

**Family** is the smallest, single group that most affects a person's behavior. The consumer was born and bred by the family. As he or she grew up in the system, he imbibed a lot of features of the family in the form of love, types of food, personal ambition, self-worth etc.

The habit formed from the interaction becomes part of his lifestyle even when he lives outside the family. The family is very persuasive by praising, cajoling, criticizing, suggesting, giving orders etc., to its members.

Each member has a role to play. The wife is dominant in purchasing of items like food, kitchen utensils, carpet etc. while both husband and wife are involved in the purchase of expensive products like furniture, housing, entertainment etc.

An experienced marketer has an opportunity to identify the dominant spouse in the purchase of specific items.

He then uses the marketing program to make a positive impact on the influencer or decider in the purchase of his product or service.

### **Friends and Associates**

This group includes neighbors, childhood friends, business partners, co-workers and others in the peer group. They serve as a good source of information about a product or they certify that a product is socially acceptable.

Since they have influence on members' product choices, the marketer can adopt the use of sales promotion and word-of-mouth communication to make the group like the product. In turn, the group could spread favorable information about the product to convince their members.

Sometimes, an opinion leader (influential person whose purchases are imitated by others) can be identified and reached by the marketing communication about a product. They will unknowingly help to carry their members along by purchasing the products.

However, these leaders have influence only in their chosen profession but not on all products e.g. Maradona for football, Venus and Serena Williams in lawn tennis, Michael Jackson in music, etc., serves as attractions to their fans.

### **Anticipatory or Aspiratory Group**

This group is secondary and has indirect influence on the consumer who is not yet a member but who aspires (wishes) to be a member. The aspiring members tend to like what the group does. He or she acts like them and will possibly imbibe their consumption behavior.

### **Dissociate Group**

People that an individual tries to avoid belong to this group. For example, occult groups, armed robbers, assassins, fraudsters etc. The consumer dislikes their values and attitudes. Therefore, he avoids whatever they consume in order to be seen a non-member of the group.

### ***Role and Status***

A person belongs to many groups at a time and his position in each group is clearly defined. The standard of performance or behavior that is attached to the status is equally explained. The role of the person in the group determines his general and, possibly, buying behavior.

It is not surprising, therefore, that manager of a company may have to put on a new personality that befits his status. For example; eating habits, items he purchases, his mode of dressing and general behavior depend on his status and role within the society or group in which he is a member.

For a marketer to succeed in getting consumers for products that demonstrate esteem or prestige, he should understand how the roles affect behavior, identify the target market and direct the marketing effort to the market.

## General Implication of Group in Marketing

A **Reference group** serves as the basis for comparing products; source of information to reduce perceived risks and source of sanitation for wrong behavior. Their influence on members can be expressed positively or negatively and changes the consumer's attitude, motivation and direct decisions.

They also modify the perception of consumers. Factors peculiar to an individual's reference group can be used to create a market segment from the mass market. They pass reliable buying information to a consumer of a never-used item to make him have a first trial of the product.

The influence of a reference group on consumer is more pronounced when the consumer uses a product that is visible to the group e.g. books, clothing, shoes and when the items are luxury or durable items that carry higher risk, and particularly in a cohesive group. Also, when the consumer belongs to and is committed to the group norms, particularly in a cohesive group.

This also occurs when the group activity is very attractive to the buyer or if he or she is buying a product on which limited information is available. When an individual belongs to many groups, he or she experiences conflicts of norms and may feel he is in dilemma. For example, a school girl wearing a pair of trousers at school, while her family sanctions it at home, can solve the problem through multi-faceted personality by obeying norms of each group when she is in their midst. This method is known as **compartmentalization**.

Alternatively, she can weigh the importance of the groups in relation to her fulfillment of physical, social and psychological needs. The degree of value attached to each group of a norm is measured. She also identifies her status and role in each group; a high status may put her in a position to flout the norms without serious repercussions.

Finally, she provides a defensive argument to support reasons for accepting a group norm but rejecting others.

A marketer is expected to identify and reflect group influences in their advertisements and personal selling.

Every society, particularly in a free enterprise system, has different levels of groups; those with wealthy people and those that are less privileged as members.

Generally, the various group levels are called social classes. Every class is a group of similar and enduring set of persons who have a hierarchy of authority. Their members share similar interests and behavior.

Each class is distinct from others. Members are similar in ways they tend to react and associate with each other. One class differs from another in terms of occupation, wealth, power and distinctiveness. Each class is relatively higher or lower in status and power to others.

Social class is divided into upper and lower classes, each of which has specific patterns of general behavior and consumption. Members are judged as superior or inferior, based on their social status.

For a marketer, society can be analyzed to find the set of people belonging to each class. The attributes of the classes are used to develop the right marketing mix. Unique desires for products/brand preference like books, clothing, furniture, leisure, automobile, etc., is found in each class. The marketer has to segment his or her marketing activities to serve his or her preferred class.



## **Economic Factors Effects on Consumer Behavior**

Economic theorists believe that a market for any product consists of identical buyers who are rational. The buyers possess perfect information about the market and use it to get optimum value for their efforts and money. In the same view the suppliers are assumed to be identical, as their products are competitive with little or no difference in their quality. Price serves as the basis of differentiating one product from another. Buyers therefore, make their purchases from sellers with the lowest price. They try to balance the marginal utility among products.

No matter how cheap a product is, the consumer will buy it only if he has the purchasing power to do so. This power depends on many economic variables including the general economic situation, income and credit facilities or possession of specific types of assets.

## **General Economic Situation**

Economic data and trends are used to explain purchasing power. A prosperous economy improves the ability of people to consume many products. Business activities operate at peak level and workers' salaries and benefits are paid easily. Marketing activities are facilitated by economic indices like mass employment, plant capacity utilization, encouraging national treasury and low inflation etc.

This is all reversed in poor economic conditions.

The economy becomes a moving target that must be checked and balanced to eliminate fluctuations in the demand and supply relationship. The Government applies fiscal and monetary policies to influence consumption of different goods and services. Marketers need information on economic data relating to individuals and households to develop the right marketing programs according to economic trends.

## **Income**

**Income** refers to the monetary reward for labor involved in making useful goods and services available to consumers. The level of income that a consumer gets affects the quality and quantity of products he acquires. As income generally increases, consumers have stronger purchasing power for different products. When the level of income is low, consumers tend to spend a higher proportion of it on consumption but, as income rises above poverty level, the propensity for immediate consumption declines and saving increases.

A marketer must know the general income level and distribution among different consumers in order to segregate his product marketing mix to reflect their varied income levels. Knowledge of the dominant income level of families helps a marketer to apply a unique formula for the set of consumers who belong to each given group.

### **Disposable Personal Income**

This is the amount left to the income earner after deducting his tax. Disposable income is an economic factor that influences personal consumption and saving. It is used by consumers to meet fixed and varied commitments such as food, housing, clothing, medication, transportation etc. In an inflationary period, a large portion of this income is spent by consumers, while little or nothing is saved.

### ***Discretionary Income***

Any residual amount is in excess of immediate needs. This part of a consumer's disposable income is used to purchase non-essential items or for saving and is called discretionary income.

It consists of money saved for future use without affecting necessary items. It is set aside to purchase products that are durable and expensive in nature, such as furniture, recreation, traveling personal care, etc.

Marketers need to focus on this type of consumer whose incomes are high enough to meet high-level needs. Discretionary income and purchases increase as income of consumers, generally, increases.

## **Consumers' Income Expectation**

If consumers have a high expectation for a given income, they could be motivated to spend a high proportion of their income to purchase different items. Savings are reduced, as the future is seen to be sure of providing more income to offset excess spending in the present period.

In Nigeria, this expectation accounts for impulse purchases by consumers when new minimum wages are announced. Marketers, who are aware of this development, often capitalize on the opportunity by increasing the prices of their goods.

## **Credit Facilities**

By allowing consumers to make use of "buy product now and pay later", consumption of goods increases even where the consumers do not have enough money to pay quickly. Modern businesses have recognized the economic value of credit transactions. Such methods are widely applied to encourage consumption. Common credit facilities include installment and non-installment credits.

### **Installment Credit**

Buyers are allowed to use expensive items and pay for them at fixed intervals agreed by both the seller and buyer. Furniture, electric appliances, automobiles and machinery etc., are acquired by leasing and hire purchase agreements. However, total ownership does not belong to the consumers until they pay the final installment.

### **Non-Installment Credit**

The consumers are permitted to take possession of the product and make the full payment all at once at an agreed later time. Credit facilities have now been accepted as a way of life in business world.

Through these methods, producers increase sales and realize some profit while the consumers are able to consume products beyond their immediate purchasing power. Credit facilities are tied to economic trends; they increase in prosperity and reduce in harsh conditions.

Both individual and corporate consumers are involved in credit transactions. Individual level high income earners have higher credit opportunities than low-income earners.

## **Possession of Assets**

Existing financial and physical assets possessed by consumers can influence their buying behavior. Each consumer's assets can signify what he wants in the future.

### **Physical Assets**

A consumer who owns a house and a car is liable to need furniture, home appliances, car accessories and so on. It also shows that there is a possibility for repeat purchases of these items in the future. Therefore, these assets are a measure of consumption patterns.

### **Financial Assets**

Cash and other quickly convertible assets, such as money in the bank, prepayment, goods in stock and debtors at the disposal of consumers help to ensure quicker purchase of any item.

In summary, economic factors disclose how consumers are influenced to spend their income, use credit facilities and their assets to satisfy their needs.

Generally, economic background assumes products have the same qualities and only the price serves as the basis for differentiating one product from other products in their buying decisions. They use rational consideration (from economic perspective) and non-rational factors (socio-cultural and psychological) to affect purchase.

These findings prove economic viewpoints wrong. They show that the market consists of different buyers that reflect these differences by adequately proving different products.

In addition, economic consideration is just one of those dimensions that consumers use to make their decisions.

## Consumerism

This is an organized movement of consumers, Government and concerned citizens aimed at protecting the rights of the consumers which are infringed, by sellers or producers.

It is a group that protests against perceived injustices and dissatisfactions suffered by consumers at the hands of producers and sellers. Included in consumerism are responses of the producers and other concerned groups and individuals towards correction of the injustices.

Knowledge about exploitation of consumers by sellers was recognized early in 1900. This led to local protests against harmful products as well as false and misleading advertisements that sellers presented to consumers.

The consumers started to realize that they had some rights, and sellers also had their own rights. It was expected that none of the parties should have superiority over the other.

### ***Seller's Rights:***

The rights of sellers include:

- The right to introduce any product in size and style that is not injurious to the consumer's health by showing warnings controlling product quality
- The right to price their product at any level without discrimination among buyers
- The right to promote products with regards to fair competition
- The right to formulate any product message that is not misleading or fraudulent in content and execution
- The right to introduce any attractive buying incentive schemes.



### ***Buyer's Rights:***

The rights of buyers consist of:

- The freedom to buy or reject a product
- The right to buy only product that is safe
- The right to get proof that the product lives up to its claim
- The right to obtain adequate information about the product
- The right to be protected from doubtful products and unethical marketing practices
- The right to influence products and marketing practices to improve quality of life.

Despite all these rights, sellers and producers have reneged in fulfillment of their obligations. Discontent occurred between sellers and buyers, among business organizations, and environmentalists indirectly joined in the crusade against environmental pollution.

Consumerism became more aggressive around the 1960s in America due to the following causes:

- Economic discontent
- Ecological discontent
- Political discontent
- Aggressiveness of young people

As the complaints of this movement became noticeable, all parties affected by the activity of consumerism started to find solutions by implementing action, responses which differ from time to time.

For this reason, consumer oriented programs which are used to live up to expectations of consumers are focused on the perspective as consumers and

consumer organization, government, business organization, environmentalists and independent organizations that cherish high quality of life.

It is worthy of note, that though consumerism started in America and Europe, it was also experienced in Nigeria as a British colony.

Therefore, Nigerian consumers suffered from similar discontent brought about by producers who were based in Europe. Under the colonial master, Nigeria enjoyed some legislation, which protected the consumers from producers' oppression. Since the colonial days, educated people who lived in Nigeria and those that studied abroad aroused the interest of Nigerian consumers in this crusade.

In addition, interaction of Nigerian consumers, producers and sellers with their foreign counterparts gives impetus to consumerism in Nigeria. At this juncture, active responses used in this topic are largely Nigerian-based techniques.

## Consumer and Consumer Organizations

Enlightened and serious consumers have individually and collectively been fighting for their rights in different ways. Court cases are used to seek redress from unethical marketing and production practices, vandalization, burning and looting of business houses that are discovered to be exploiting consumers.

For example, many aggrieved consumers used the opportunity of a political crisis of 1993 to destroy and loot financial houses that exploited them.

Publishing their complaints through letters to editors, consumers exposed unethical marketing practices, which resulted in public condemnation of the erring producers. Concerned citizens showed their protest in organized manner. Consumers have formed non-profit and voluntary associations like co-operative societies, which protect their members. A consumer association with national coverage was formed in 1980 to collectively fight for consumers' rights.

Consumers tend to support and vote for political parties whose manifesto includes:

- Control of inflation,
- Availability of high quality product, etc.

In addition, consumers can secure favorable legislation against erring producers of sub-standard and harmful products. To avoid the wrath of people and government, which can lead to service problems for them, companies are now adapting their production and marketing practices to meet consumers' tastes and preferences.

Better communication presently exists between producers and consumers. Many firms have a separate department or senior staff in charge of public relations, corporate affairs, consumer affairs etc. These entities are

concerned with answering complaints, suggestions, enquiries, and pass useful information to consumers and other interested public. Written communication, such as instruction booklets and staff handbooks contain information that pleases consumers.

The officer in charge of consumer affairs sits with other department heads to include consumer interest in the company's plan and policies.

Consumer forums are also used to listen to the opinions of consumers and reflect their contribution in the marketing mix of the companies.

Product information is contained in instruction booklets, packages or pamphlets, which show manufacturing and expiry date, usage and care of products and ingredients used to make the products.

Sometimes, the preferred method of disposing the used product or package is disclosed to make consumers avoid contracting harmful effect of such products. Edible products are made to contain nutritional elements to make consumers have good health and vitality.

**Product quality improvement and pollution-reduction measures are made by producers. Use of after sales services such as parts availability, maintenance and repairs, installations, guarantee and warranty etc. gives consumers full satisfaction. Advertising is carefully planned and executed to avoid stating wrong prices and information, which causes ill feeling to unsatisfied consumers. Some firms are trying to reduce and control their channel of distribution in order to have reasonable prices for their products.**

The present economic situation forces producers of fast-moving products to use direct channel of distribution. This makes them bypass many middlemen and sell goods directly to consumers, often at reduced prices.

## Consumer Behavior Online

It is imperative to know what consumers are looking for online. This is so that marketers can create value or services to meet their needs.

If you do not know the mind of your prospects or consumers, then you need to carry out research and surveys to accomplish this task. This could be achieved with the aid of software or through the use of questionnaires also.

### What Consumers Are Looking For

**Information-rich products:** Every marketer should know the quality of 'Good Information'. Good information is not uncertain or doubtful; it must be simple to understand. It may not be 100% accurate, but it should be as accurate as possible, it should be brief and straightforward, especially if immediate actions are needed. Good information is timely and up-to-date.

Consumers online are looking for relatively cheap products: Every marketer should not be in a haste to make a super-profit within a short time-span. Information products and other e-commerce products should be relatively cheaper than the offline/physical products to produce and distribute.

Consumers Online are looking for authoritative companies; companies they could trust, since business is about trust. You should endeavor to be an authority of your professed products or service. Another factor to consider is that every consumer evaluates a site before purchasing a product or service.

It is important for marketers to know how consumers online evaluate a site.

**Exposure:** The level of exposure a marketer gives his or her site plays an important role in the purchasing decisions of consumers. Every marketer should invest quality time and money on publicity as this will familiarize the consumers with the website and the product.

**Attention:** Every marketer should reply to all letters and inquiries promptly and politely, whether the inquiry is positive or negative. First time impressions always last.

**Comprehension:** How visitors comprehend the contents of the site will determine whether they visit the website again or not. The language used in the site must be explicit enough. Try to avoid slang that is not business-like.

**Yielding and Acceptance:** The terms and conditions and privacy policy should be standardized and friendly, because consumers often go carefully through "terms of service" and your "privacy policy" before making a buying decision. "Money back Guarantee" should be conspicuously emphasized if the product or service is unsatisfactory to the consumer.

**Conspicuousness of purchase:** It is always good to place the testimonials of your past and present consumers on your site. This will give your prospects or visitors a sense of belonging and confidence, especially if you have famous clients or consumers. This is a great sales tool for your website.

**Safety:** It is a must to use a secure server when transacting business online. This will protect the credit card of your clients. Throughout my online research, it is a common practice that merchants or marketers do not take time to know their clients or customers/prospects. This is often the case in opt-in-email marketing. With the advent of automation, many merchants/marketers do not take time to know their customers/prospects or request vital information about them, which will enhance and accelerate their marketing effort and bring consistent sales.

There was a time that I bought software from a reputable firm. From the second day, an auto-responder was set to be submitting information to my email address. I wrote the organization for certain information about the software which was not included in their "frequently asked questions" but my question was not answered on time until after repeated emails. I had to eventually make a direct phone call before the problem was solved.

There was also a time when my country (Nigeria) did not have the privilege of using a credit card. During this time, merchants and marketers kept sending messages about their products/services into my email box and I was interested in some.

I had the money with me but there was no way to transact the payment online. If the merchants or marketers had taken my country/locality data, they would have paused or stopped sending me follow-up mails because they would know it was an effort in futility. There are still many localities/countries that do not have access to credit cards. Also, if you know the age group of your client/prospect, you will be able to know if he or she is suited for your product or service at a particular point in time.

At times, I received emails about nursing mothers. If these merchants had known my sex, they would have concentrated on their niche market, which are regarded as "qualified leads". My contribution to internet marketing is that every marketer/merchants should first send a data form or questionnaire to those that sign-in for their newsletter or subscription or for free things or test/trial versions of their products/services before sending follow up sales letters or closing sales.

The truth of the matter is that consumers more often buy products or services when they are really in need of it rather than when they just want it.

I found, based on my own personal experience, that the most viable, effective and quickest sales-generation medium or market place is the "forum".

'Forum', as defined by Merriam-Webster's collegiate Dictionary 10<sup>th</sup> Edition: "the market place or public place of an ancient Roman city forming the center of judicial and public business."

OR

...a program involving discussion of a problem - usually by several authorities.

Since 'marketing' itself is identifying the need of the consumers, a good professional salesman should be able to identify the needs of his potential customers or prospects by visiting the forum and reading through the posted information in the thread.

The following steps are my "sales secret" which solves all problems that I mentioned on my website as a sales problem.

By participating in the forum:

- ✓ It affords me the opportunity to know the rational and non-rational factors that consumers consider in purchasing decisions.
- ✓ I can adjust my marketing activities to the changing taste and preference of the consumers and prospects.
- ✓ It enables me have a competitive advantage over my competitors since most of them focus mostly on other marketing techniques.
- ✓ It greatly reduces the uncertainty about the consumers because I am able to predict the buyers or consumers' response to various marketing programs.
- ✓ It also enables me to keep my customers, because I always develop a good relationship through the forum.

Since buying online is about trust and credibility, any consumer will find it easier to trust someone who has built credibility over time through familiarity rather than any strange website or person.



## **Steps I Follow as a Routine to Improve Sales**

On the Google search engine, I'll type in my 'market category +forum'. For example, to sell my e-Book "Consumers Buying Secrets Revealed!", I always choose "shopping forum" as my search phrase because that is the best category for my product.

In choosing a category, one needs to be careful.

I once made the same mistake when I was still testing the waters. I chose "marketing" and, at times, I chose "small business" but the sales performance was just too poor. The reason was that I tried to sell to a poorly selected 'niche market'.

In a nutshell, the nature of your product or service will determine the category that you will choose for your product or service.

Alternatively, you could choose to use your (main keywords + forum). But, in my own case, "shopping" is not in my main keywords though it is delivering optimal results.

One has to use his or her discretion when choosing the 'search phrase'. The golden rule is that it must align with your product or service.

After typing in "shopping forum" on the Google search engine, the search result always generates thousands of websites with forums in this category. I usually open as many websites as I could each day and sign-in on each website to participate in the forum.

After sign-in, I will first read through all the posted threads or information (both recent and hot information). I don't normally read any posted thread of the "authorities in any field". I usually use a scan and skim method for selecting the headlines or titles to read. I select and concentrate on those that are asking for help or seeking solutions to a problem that falls within my business category.

After identifying his or her need, which fulfils the golden rule of marketing (identifying the needs of consumers), I will write the person involved through his or her personal contact address or private message box.

I always include my website's url/address at the end of the letter to direct him or her to my sales letter's web page.

After this, I always post a short article-with related information that relates to my business and I'll also include my website's url in the 'General View Thread Post' in each forum.

Conclusively, I stand to tell you authoritatively without any doubt that there is no medium or marketing technique ever established and that will later come up as a result of innovation that can meet and satisfy all these essential needs of marketers which I listed above other than participating in the forums in your market category.

It is pertinent to mention that I also use other marketing techniques like: traffic exchanges, link exchanges and search engine optimization techniques etc. But I focus mostly on forums as my ultimate marketing medium and it has, and will continue to yield tremendous super sales, hence super profit.

**Thanks for purchasing this e-Book.**

## ***Recommended Marketing Sources***

"Today's top life coaches understand that if they want more clients, it's not down to being a great coach. You need to be a fantastic marketer with a specific and focused marketing plan" ... *Sean Mcpheat*

[Click here](#) to find out more about Sean Mcpheat

Mark Hendricks introduces Market-Soft.com -- The Ultimate Collection of Money-Making Marketing Software: "his is your chance to finally have access to the same leading edge technologies that marketing and software experts have developed for their personal use and have quietly been using to make money like no one has ever seen before. Amazingly simple to use, these push-button software programs create 24/7 cash flow that turns your internet business into the automatic profit-producer that it can and should be."

[Click here](#) to learn more about Mark Hendricks and Market-Soft.com

The author of "Sales Techniques And Marketing Skills Revealed" says, "If you want to TRIPLE your sales in just ONE month, you are at the right place. Correct mistakes made in selling and convert time and money wasted into hard cash. Learn practical and useful Sales Knowledge, Techniques, Mindset and Selling Skills and training from this E-book, allowing you to **boost your sales 3 times higher!**"

[Click here](#) to learn about "Sales Techniques And Marketing Skills Revealed".

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