Contents

Preface 21

PART I Consumers, Marketers, and Technology 30

1 Technology-Driven Consumer Behavior 30

The Marketing Concept 32

Consumer Research 33

Market Segmentation, Targeting, and Positioning 33

The Marketing Mix 34

Socially Responsible Marketing 34

Technology Enriches the Exchange Between Consumers and Marketers 36

Consumers Have Embraced Technology 36

Behavioral Information and Targeting 37

Interactive and Novel Communication Channels 38

Customizing Products and Promotional Messages 39

Better Prices and Distribution 40

Customer Value, Satisfaction, and Retention 40

Customer Retention 41

Technology and Customer Relationships 41

Emotional Bonds versus Transaction-Based Relationships 42

Customer Loyalty and Satisfaction 44

Customer Loyalty and Profitability 44

Measures of Customer Retention 46

Internal Marketing 46

Consumer Behavior Is Interdisciplinary 47

Consumer Decision-Making 47

The Structure of This Book 48

Summary 49 • Review and Discussion Questions 50 • Hands-on Assignments 51 • Key Terms 51

2 Segmentation, Targeting, and Positioning 52

Market Segmentation and Effective Targeting 54

Identifiable 54

Sizeable 54

Stable and Growing 54

Reachable 54

Congruent with the Marketer’s Objectives and Resources 55

Applying the Criteria 55

Bases for Segmentation 56

Demographics 57

Age 57

Gender 58

Families and Households 59

Social Class 59

Ethnicity 60

Geodemographics 60
PART II  The Consumer as an Individual  82

3  Consumer Motivation and Personality  82
The Dynamics of Motivation  83
Needs  84
Goals  84
Need Arousal  85
Selecting Goals  86
Needs and Goals Are Interdependent  87
Needs Are Never Fully Satisfied  87
New Needs Emerge as Old Ones Are Satisfied  87
Success and Failure Influence Goals  87
Frustration and Defense Mechanisms  87
Systems of Needs  89
Murray's List of Psychogenic Needs  89
Maslow's Hierarchy of Needs  90
  Physiological Needs  90
  Safety Needs  91
  Social Needs  91
  Egoistic Needs  91
  Need for Self-Actualization  91
  Evaluation of Maslow's Theory  91
  Marketing Applications of Maslow's Theory  92
A Trio of Needs  92
  Power  92
  Affiliation  92
  Achievement  92
The Measurement of Motives  93
  Self-Reporting  93
  Qualitative Research  93
  Motivational Research  93
The Nature and Theories of Personality 95
The Facets of Personality 96
Personality Reflects Individual Differences 96
Personality is Consistent and Enduring 96
Personality May Change 96
Theories of Personality 96
Freudian Theory 96
Neo-Freudian Personality Theory 97
Trait Theory 98
Personality Traits and Consumer Behavior 99
Consumer Innovators and Innovativeness 99
Dogmatism 100
Social Character: Inner- versus Other-Directedness 100
Need for Uniqueness 100
Optimum Stimulation Level 100
Sensation Seeking 101
Variety and Novelty Seeking 102
Need for Cognition 103
Visualizers versus Verbalizers 103
Consumer Materialism 103
Fixated Consumption 104
Compulsive Consumption 105
Consumer Ethnocentrism 106
Personality and Color 107
Product and Brand Personification 108
Product Personality and Gender 109
Product Personality and Geography 109
Website Personality 109
The Self and Self-Image 109
The Extended Self 110
Altering the Self 110
Summary 111 • Review and Discussion Questions 112 • Hands-on Assignments 113 • Key Terms 113

4 Consumer Perception 114
The Elements of Perception 116
Sensory Input 116
The Absolute Threshold 118
Ambush Marketing 119
Experiential Marketing 119
The Differential Threshold 119
The JND’s Implications for Product Pricing and Improvement 119
The JND’S Implications for Logos and Packaging 120
Subliminal Perception 121
Perceptual Selection 122
The Stimulus 122
Expectations 123
Motives 123
Selective Perception 124
Perceptual Organization 125
Figure and Ground 125
Obscuring the Distinction Between Figure and Ground 126
Grouping 127
Closure 128
Perceptual Interpretation: Stereotyping 129
  Physical Appearance 130
  Descriptive Terms 130
  First Impressions 132
  Halo Effect 132

Consumer Imagery 133
  Brand Image 133
  Package Image 133
  Service Image 135
  Perceived Price 136

Perceived Quality 137
  Product Quality 138
  Service Quality 139
  Price/Quality Relationship 140
  Store Image and Perceived Quality 141
  Manufacturer’s Image and Perceived Quality 142

Perceived Risk 143
  Perceived Risk Varies 143

Summary 145 • Review and Discussion Questions 146 • Hands-on Assignments 146 • Key Terms 147

5 Consumer Learning 148
  The Elements of Consumer Learning 150
    Motives 150
    Cues 150
    Responses 150
    Reinforcement 151

Classical Conditioning 152
  Associative Learning 153
  The Role of Repetition 153
  Stimulus Generalization 154
    Product Line Extensions 154
    Product Form Extensions 155
    Family Branding 155
    Licensing 156
  Stimulus Discrimination and Product Differentiation 156

Instrumental Conditioning 157
  Reinforcing Behavior 158
  Extinction and Forgetting 158
  Customer Satisfaction and Retention 159
  Reinforcement Schedules 159
  Shaping 159
  Massed versus Distributed Learning 160

Observational Learning 160

Information Processing 161
  Storing Information 161
    Sensory Store 161
    Short-Term Store 162
    Long-Term Store 162
  Information Rehearsal and Encoding 162
  Information Retention and Retrieval 163

Cognitive Learning 164

Consumer Involvement and Hemispheric Lateralization 165
  Measurements of Consumer Involvement 165
  Strategic Applications of Consumer Involvement 166
CONTENTS

6 Consumer Attitude Formation and Change  172

Attitudes and Their Formation  173
Consumers Learn Attitudes  173
Sources of Attitude Formation  174
The Role of Personality Factors  174
Attitudes Are Consistent with Behaviors  174
Attitudes Occur within Situations  175

The Tri-Component Attitude Model  175
The Cognitive Component  176
The Affective Component  176
The Conative Component  176

Altering Consumers’ Attitudes  176
Changing Beliefs about Products  178
Changing Brand Image  179
Changing Beliefs about Competing Brands  179

Multi-Attribute Attitude Models  180
Attitude-Toward-Object Model  180
Adding an Attribute  182
Changing the Perceived Importance of Attributes  182
Developing New Products  182

Attitude-Toward-Behavior Model  183
Theory of Reasoned Action  184
Theory of Trying-to-Consume  184

Attitude-Toward-the-Ad Model  185

Changing the Motivational Functions of Attitudes  185
The Utilitarian Function  186
The Ego-Defensive Function  186
The Value-Expressive Function  187
The Knowledge Function  187
Associating Brands with Worthy Objects or Causes  187

The Elaboration Likelihood Model  188

Cognitive Dissonance and Resolving Conflicting Attitudes  189
Resolving Conflicting Attitudes  190

Assigning Causality and Attribution Theory  190
Self-Perception Attritions  190
Foot-in-the-Door Technique  191
Attributions Toward Others  192
Attributions Toward Objects  192
Analyzing Self-Attritions  192

Summary  193 • Review and Discussion Questions  193 • Hands-on Assignments  194 • Key Terms  194

CASE TWO: Procter & Gamble  194
CASE THREE: Lifebuoy/Unilever Asia Private Limited  196
PART III Communication and Consumer Behavior 198

7 Persuading Consumers 198
   - The Communication Process 200
     - Selective Exposure 201
     - Psychological Noise 202
   - Broadcasting versus Narrowcasting 202
     - Addressable Advertising 203
   - Designing Persuasive Messages 203
     - Images and Text 204
     - Message Framing 205
       - One-Sided versus Two-Sided Messages 205
       - Order Effects 205
   - Persuasive Advertising Appeals 206
     - Comparative Advertising 206
     - Fear Appeals 207
     - Humorous Appeals 209
       - Wordplay 209
     - Sexual Appeals 210
     - Timeliness Appeal 211
   - Measures of Message Effectiveness 212
   - Summary 213 • Review and Discussion Questions 214 • Hands-on Assignments 214 • Key Terms 214

8 From Print and Broadcast Advertising to Social and Mobile Media 216
   - Targeting Segments versus Eyeballs 216
     - The Advantages of Impression-Based Targeting 217
   - Google’s Consumer Tracking and Targeting 218
   - Consumers and Social Media 219
     - Permissions to Collect Personal and Social Information 220
     - Social Advertising’s Best Practices 220
     - Social Media Communication Channels 223
   - Consumers and Mobile Advertising 224
     - Consumer Response to Mobile Advertising 224
     - The Advantages and Shortcomings of Mobile Advertising 224
     - What’s in Store for Consumers? 225
   - Measuring Media’s Advertising Effectiveness 226
     - Analyzing Website Visits 226
     - Gauging Influence within Social Network 227
     - Google Analytics 227
     - Media Exposure Measures 227
     - Nielsen’s Cross-Platform Measurement 227
   - Traditional Media’s Electronic Evolution 228
     - Newspapers and Magazines 228
     - Television and Radio 230
       - Interactive TV 230
     - Out-of-Home Media 230
     - Branded Entertainment 231
   - Summary 231 • Review and Discussion Questions 233 • Hands-on Assignments 233 • Key Terms 233
9 Reference Groups and Word-of-Mouth 234

Source Credibility and Reference Groups 235
Reference Group Influence 235
Types of Reference Groups 236
Consumption-Related Reference Group 236
Friendship Groups 237
Shopping Groups 237
Virtual Communities 237
Advocacy Groups 237

Factors Affecting Reference Group Influence 238
Conformity 238
Groups’ Power and Expertise 238
Relevant Information and Experience 239
Product Conspicuousness 239
Personality Characteristics 241

Credibility of Spokespersons, Endorsers, and Other Formal Sources 241
Endorsers and Spokespersons 242
Celebrities 242
Salesperson Credibility 244
Vendor Credibility 244
Medium Credibility 244
Effects of Time on Source Credibility 244

Word-of-Mouth and Opinion Leadership 245
Characteristics of Opinion Leaders 245
Measuring Opinion Leadership 246
Self-Designating Method 247
Sociometric Method 247
Key Informant Method 247
Klout Scores 247

Strategic Applications of Word-of-Mouth 248
Social Networks 248
Brand Communities 249
Weblogs 249
Stimulating Word-of-Mouth 249
Viral Marketing 250
Buzz Agents 251

Managing Negative Rumors 251

Diffusion of Innovations: Segmenting by Adopter Categories 252
Innovators 253
Early Adopters 253
Early Majority 253
Late Majority 254
Laggards 254
Non-Adopters 254

Summary 254 • Review and Discussion Questions 255 • Hands-on Assignments 255 • Key Terms 255

CASE FOUR: Keystone Light/MillerCoors 256
PART IV  Consumers in Their Social and Cultural Settings  258

10  The Family and Its Social Standing  258

The Family as a Socialization Agent  260
  Parental Styles and Consumer Socialization  262
  Consumer Socialization Is Learning  263
  Adult and Intergenerational Consumer Socialization  263
The Family’s Supportive Roles  264
  Economic Well-Being  264
  Emotional Support  265
  Suitable Family Lifestyles  265

Family Decision-Making and Consumption-Related Roles  265
  Husband-Wife Decision-Making  265
  Children’s Influence on Family Decision-Making  266
  Children Are Three Markets  267
  Measuring Family Decision-Making  267
  Family Members’ Roles  267

The Family Life Cycle  269
  Bachelorhood  269
  Honeymooners  269
  Parenthood  271
  Post-Parenthood  272
  Dissolution  272
  Summary of the Family Life Cycle  272

Nontraditional Families and Non-Family Households  273
  Consumer Behavior of Nontraditional Families and Households  273
  Advertising to Nontraditional Households  274
  Dual Spousal Work Involvement Household Classification System  275

Social Standing and Consumer Behavior  275
  Social Class and Social Status  276
  Social Class Is Hierarchical and Often Used to Segment Consumers  276

Measuring Social Class  276
  Subjective versus Objective Measures  276
  Occupation  277
  Education  278
  Income  279
  Multivariable Measures  281

Social Classes’ Characteristics and Consumer Behavior  281
  Upward Mobility  282
  Affluent Consumers  284
  Middle-Class Consumers  285
  Downscale Consumers  286
  Clothing, Fashion, and Shopping  286
  Saving, Spending, and Credit Card Usage  287
  Communications  287
  Downward Mobility  288

Geo-Demography and Social Class  289
  Summary  290  •  Review and Discussion Questions  292  •  Hands-on Assignments  292  •  Key Terms  293

11  Culture’s Influence on Consumer Behavior  294

Culture’s Role and Dynamics  296
  Culture's Continuous Evolution  296
  Cultural Beliefs Reflect Consumers’ Needs  297
Learning Cultural Values 298
   Forms of Learning 298
   Enculturation and Acculturation 298
   Marketing Influences on Cultural Learning 298
   Language and Symbols 299
   Rituals 299
Measuring Cultural Values 300
   Content Analysis 300
   Field Observation 301
   Value Measurements 301
      Rokeach Values Survey 302
      Gordon’s Surveys of Personal and Interpersonal Values 302
American Core Cultural Values 303
   Achievement and Success 303
   Time and Activity 304
   Efficiency and Practicality 305
   Progress 305
   Materialism (Comfort and Pleasure) 306
   Individualism and Conformity 307
   Freedom of Choice 307
      Humanitarianism 308
      Youthfulness 309
      Fitness and Health 309
Green Marketing 312
   Ecologically Responsible Consumption 312
Summary 314 • Review and Discussion Questions 315 • Hands-on Assignments 315 • Key Terms 316

12 Subcultures and Consumer Behavior 318
Culture and Subcultures 319
   Nationality and Ethnicity Subcultures 320
      Latino (Hispanic) Consumers 320
      African American Consumers 322
      Asian American Consumers 324
   Religious Subcultures 325
   Regional Subcultures 326
   Generational (Age) Subcultures 327
      Generation Z: Persons Born from 1997 to the Present 328
         Teens and Tweens 328
      Generation Y: Born Between 1980 and 1996 329
      Generation X: Born Between 1965 and 1979 330
      Baby Boomers: Born Between 1946 and 1964 331
         Life after Retirement 332
      Older Consumers 333
         Cognitive versus Chronological Age 333
         Segmenting Older Consumers 334
         Older Consumers and Technology 334
         Promotional Appeals Targeting Older Consumers 335
   Gender Subcultures 336
      Consumer Products and Gender Roles 336
      Depictions of Women in Media and Advertising 336
      Working Women 336
Summary 338 • Review and Discussion Questions 339 • Hands-on Assignments 340 • Key Terms 340
### 13 Cross-Cultural Consumer Behavior: An International Perspective 342

- Cross-Cultural Analysis and Acculturation 344
  - Measures of Cross-Cultural Aspects 346
  - Acculturation 347
  - Consumer Research Difficulties 348
- Localization versus Standardization 348
  - Product and Service Customization for Local Cultures 348
  - Linguistic Barriers 349
  - Promotional Appeals 350
  - Legal Barriers 350
  - World Brands versus Local Brands 351
  - Brand Shares and Extensions 354
- Global Marketing Opportunities 356
  - Spending Power and Consumption Patterns 356
  - The Growing Global Middle Class 359
  - The Global Teen Market 360
- Cross-Cultural Segmentation 361

**Summary** 362 • Review and Discussion Questions 363 • Hands-on Assignments 363 • Key Terms 363

### PART V Consumer Decision-Making, Marketing Ethics, and Consumer Research 366

#### 14 Consumer Decision-Making and Diffusion of Innovations 366

- Consumer Decision-Making Model 368
  - Decision-Making: Input 368
  - Decision-Making: Process 369
    - Need Recognition 369
    - Pre-Purchase Search 369
    - Online versus Traditional Information Search 370
    - Brand-Sets and Attributes Considered During Evaluation 370
    - Consumer Decision Rules 372
      - Decision Rules and Marketing Strategy 373
      - Incomplete Information and Noncomparable Alternatives 373
  - Decision-Making: Output 374
- Consumer Gifting Behavior 374
- Diffusion and Adoption of Innovations 376
  - Types of Innovations 376
  - Product Features That Affect Adoption 376
  - The Adoption Process 377

**Summary** 378 • Review and Discussion Questions 378 • Hands-on Assignments 379 • Key Terms 379

#### 15 Marketing Ethics and Social Responsibility 380

- The Societal Marketing Concept: Utopia or Reality? 381
- Exploitive Marketing 383
  - Marketing to Children 383
  - Self-Regulation versus Laws 384
  - Inspiring Overeating and Irresponsible Spending 386
  - Manipulative or Uninformative Nutritional Labeling 388
  - Direct-to-Consumer Pharmaceutical Advertising 391
- Crafty Promotional Messages and Techniques 391
  - Covert Marketing 392