

2ND

ASIA-PACIFIC
EDITION

CONSUMER BEHAVIOUR



HOYER
MACINNIS
PIETERS
CHAN
NORTHEY

This is an electronic version of the print textbook. Due to electronic rights restrictions, some third party content may be suppressed. Editorial review has deemed that any suppressed content does not materially affect the overall learning experience. The publisher reserves the right to remove content from this title at any time if subsequent rights restrictions require it. For valuable information on pricing, previous editions, changes to current editions, and alternate formats, please visit www.cengage.com/highered to search by ISBN, author, title, or keyword for materials in your areas of interest.

Important notice: Media content referenced within the product description or the product text may not be available in the eBook version.



SECOND ASIA-PACIFIC EDITION

CONSUMER BEHAVIOUR

HOYER | MACINNIS | PIETERS | CHAN | NORTHEY

To my parents for their love; to my students and colleagues for always teaching me new things; and to my friends from every part of the globe for their diverse perspectives.

Eugene Chan

To my mother and father for their lifelong guidance and support. To Emily, Lachlan and Emmett for challenging me to be a better human every day!

Gavin Northey

2ND

ASIA-PACIFIC
EDITION

CONSUMER BEHAVIOUR



HOYER
MACINNIS
PIETERS
CHAN
NORTHEY

Consumer Behaviour
2nd Asia-Pacific Edition
Wayne D. Hoyer
Deborah J. MacInnis
Rik Pieters
Eugene Chan
Gavin Northey

Head of content management: Dorothy Chiu
Senior content manager: Michelle Aarons
Content developer: James Cole / Eleanor Yeoll
Senior project editor: Nathan Katz
Cover designer: Nikita Bansal
Text designer: Leigh Ashforth (Watershed Art & Design)
Permissions/Photo researcher: Catherine Kerstjens
Editor: Paul Smitz
Proofreader: James Anderson
Indexer: Max McMaster
Art direction: Nikita Bansal
Cover: Credit: Stocksy.com/Colin Anderson
Typeset By Cenveo Publisher Services

Any URLs contained in this publication were checked for currency during the production process. Note, however, that the publisher cannot vouch for the ongoing currency of URLs.

Adaptation of *Consumer Behavior 7e* by Hoyer/MacInnis/Pieters, Cengage, 2018. ISBN: 9781305507272

This second edition published in 2021



© 2021 Cengage Learning Australia Pty Limited

Copyright Notice

This Work is copyright. No part of this Work may be reproduced, stored in a retrieval system, or transmitted in any form or by any means without prior written permission of the Publisher. Except as permitted under the *Copyright Act 1968*, for example any fair dealing for the purposes of private study, research, criticism or review, subject to certain limitations. These limitations include: Restricting the copying to a maximum of one chapter or 10% of this book, whichever is greater; providing an appropriate notice and warning with the copies of the Work disseminated; taking all reasonable steps to limit access to these copies to people authorised to receive these copies; ensuring you hold the appropriate Licences issued by the Copyright Agency Limited ("CAL"), supply a remuneration notice to CAL and pay any required fees. For details of CAL licences and remuneration notices please contact CAL at Level 11, 66 Goulburn Street, Sydney NSW 2000, Tel: (02) 9394 7600, Fax: (02) 9394 7601
Email: info@copyright.com.au
Website: www.copyright.com.au

For product information and technology assistance,
in Australia call **1300 790 853**;
in New Zealand call **0800 449 725**

For permission to use material from this text or product, please email
aust.permissions@cengage.com

National Library of Australia Cataloguing-in-Publication Data

ISBN: 9780170439978

A catalogue record for this book is available from the National Library of Australia.

Cengage Learning Australia

Level 7, 80 Dorcas Street
South Melbourne, Victoria Australia 3205

Cengage Learning New Zealand

Unit 4B Rosedale Office Park
331 Rosedale Road, Albany, North Shore 0632, NZ

For learning solutions, visit cengage.com.au

Printed in Singapore by 1010 Printing International Limited.

1 2 3 4 5 6 7 24 23 22 21 20

GUIDE TO THE TEXT	xii
GUIDE TO THE ONLINE RESOURCES	xiv
PREFACE	xvi
ABOUT THE AUTHORS	xix
ACKNOWLEDGEMENTS	xxi

PART ONE | AN INTRODUCTION TO CONSUMER BEHAVIOUR

Chapter 1	Understanding consumer behaviour	3
APPENDIX: CONDUCTING RESEARCH IN CONSUMER BEHAVIOUR		29

PART TWO | THE PSYCHOLOGICAL CORE

Chapter 2	Motivation, ability and opportunity	45
Chapter 3	From exposure to comprehension	73
Chapter 4	Memory and knowledge	103
Chapter 5	Attitudes and persuasion	131

PART THREE | THE PROCESS OF MAKING DECISIONS

Chapter 6	Problem recognition and information search	161
Chapter 7	Judgement and decision making	187
Chapter 8	Post-decision processes	217

PART FOUR | THE CONSUMER'S CULTURE

Chapter 9	Social influences on consumer behaviour	241
Chapter 10	Consumer diversity	275
Chapter 11	External and internal influences on consumer behaviour	305

PART FIVE | CONSUMER BEHAVIOUR OUTCOMES AND ISSUES

Chapter 12	Innovations: adoption, resistance and diffusion	337
Chapter 13	Symbolic consumer behaviour	367
Chapter 14	Marketing, ethics and social responsibility in today's consumer society	401

GLOSSARY	426
INDEX	434

CONTENTS

GUIDE TO THE TEXT	xii
GUIDE TO THE ONLINE RESOURCES	xiv
PREFACE	xvi
ABOUT THE AUTHORS	xix
ACKNOWLEDGMENTS	xxi

PART ONE | AN INTRODUCTION TO CONSUMER BEHAVIOUR

CHAPTER 1	Understanding consumer behaviour	3
Opening vignette	Toby's Estate: more than coffee	3
Defining consumer behaviour	4	
	Consumer behaviour involves goods, services, activities, experiences, people and ideas	4
	Consumer behaviour can involve many people	6
	Consumer behaviour involves many decisions	6
	Consumer behaviour involves emotions and coping	11
What affects consumer behaviour?	11	
	The psychological core: internal consumer processes	12
	The process of making decisions	12
	The consumer's culture: external processes	13
	Consumer behaviour outcomes and issues	14
Who benefits from studying consumer behaviour?	15	
	Marketing managers	15
	Public policymakers and regulators	16
	Consumers and society	16
Marketing implications of consumer behaviour	16	
	Developing and implementing customer-oriented strategy	16
	Selecting the target market	17
	Developing products	17
	Positioning	18
	Making promotion and marketing communications decisions	19
	Making pricing decisions	20
	Making distribution decisions	21
Summary	23	
Reflection: Toby's Estate	24	
Questions for review and discussion	24	
Consumer behaviour case	How Unilever's brands connect with consumers	24
Endnotes	25	
APPENDIX: CONDUCTING RESEARCH IN CONSUMER BEHAVIOUR		29
Consumer behaviour research methods	29	
	Surveys	30
	Focus groups	31
	Interviews	31
	Storytelling	32
	Photography and pictures	32
	Diaries	32
	Experiments	33
	Field experiments	34
	Conjoint analysis	34
	Observations and ethnographic research	34
	Purchase panels	34
	Database marketing	35
	Netnography	35
	Psychophysiological reactions and neuroscience	36
Types of consumer researchers	36	
	In-house marketing research departments	36
	External marketing research firms	37
	Advertising agencies and media planning firms	37
	Syndicated data services	38
	Retailers	38
	Research foundations and trade groups	39
	Government	39
	Academics and academic research centres	39
Ethical issues in consumer research	39	
	The positive aspects of consumer research	39
	The negative aspects of consumer research	40
Summary	42	
Endnotes	42	

PART TWO | THE PSYCHOLOGICAL CORE

CHAPTER 2	Motivation, ability and opportunity	45
Opening vignette	Dinner and a movie at the cineplex	45
Consumer motivation and its effects	46	
	What affects motivation?	46
	Personal relevance	46
	Values	48
	Needs	48
	Involvement	53
	Goals	55
	Self-discrepancy	58
Consumer ability: resources to act	60	
	Financial resources	61
	Cognitive resources	61
	Emotional resources	61
	Physical resources	61
	Social and cultural resources	62
	Resources are interchangeable	62
Consumer opportunity	63	
	Time	63
	Distraction	64
	Complexity, amount, repetition and control of information	65
Summary	66	
Reflection: Dinner and a movie at the cineplex	67	
Questions for review and discussion	67	
Consumer behaviour case	Fitbit: the perfect fit for consumer motivation	67
Endnotes	68	

CHAPTER 3	From exposure to comprehension	73
Opening vignette	Is it real? Greenpeace's 'Dead Whale' campaign	73
	Exposure and consumer behaviour	74
	Factors influencing exposure	74
	Selective exposure	75
	Attention and consumer behaviour	77
	Characteristics of attention	77
	Focal and non-focal attention	77
	Customer segments defined by attention	80
	Habituation	81
	Perception and consumer behaviour	81
	Perceiving through vision	81
	Perceiving through hearing	82
	Perceiving through taste	82
	Perceiving through smell	82
	Perceiving through touch	83
	Cross-modal perception: a joining of the senses	83
	When do we perceive stimuli?	85
	How do consumers perceive a stimulus?	87
	Comprehension and consumer behaviour	88
	Source identification	89
	Message comprehension	89
	Consumer inferences	91
	Summary	94
	Reflection: Is it real?	95
	Questions for review and discussion	95
	Consumer behaviour case How Under Armour gets noticed	95
	Endnotes	96
CHAPTER 4	Memory and knowledge	103
Opening vignette	A biography of Chesty Bond	103
	Different types of memory	104
	Sensory memory	104
	Working memory	104
	Long-term memory	105
	Explicit and implicit memory	107
	Knowledge content, structure and flexibility	107
	Associative networks, schemata and scripts	108
	Knowledge categories	114
	Knowledge flexibility	118
	Why consumers differ in knowledge content and structure	118
	Memory and retrieval	119
	Retrieval failures	119
	Enhancing retrieval	120
	Summary	124
	Reflection: A biography of Chesty Bond	125
	Questions for review and discussion	125
	Consumer behaviour case The rebranding of Virgin Australia	125
	Endnotes	126
CHAPTER 5	Attitudes and persuasion	131
Opening vignette	Prestige watches have timeless appeal	131
	What are attitudes?	132
	The structure of attitudes	132
	The functions of attitudes	134
	The characteristics of attitudes	134
	The affective (emotional) foundations of attitudes	135
	How affectively based attitudes are influenced	136
	The cognitive foundations of attitudes	141
	Direct or imagined experience	142
	Reasoning by analogy or category	142
	Values-driven attitudes	142
	Social identity-based attitude generation	142
	Expectancy-value models	142
	Theory of reasoned action	142
	How cognitively based attitudes are influenced	145
	Changing attitudes: the role of motivation, ability and opportunity	149
	When do attitudes predict behaviour?	150
	Summary	152
	Reflection: Prestige watches have timeless appeal	153
	Questions for review and discussion	153
	Consumer behaviour case Non-smoking becomes top priority in Australia and worldwide	153
	Endnotes	154

PART THREE | THE PROCESS OF MAKING DECISIONS

CHAPTER 6	Problem recognition and information search	161
Opening vignette	Quick response codes for quick information	161
Problem recognition	162	
Different types of problems	164	
From problem recognition to information search	164	
Internal search: searching for information from memory	164	
What kind of information is retrieved from an internal search?	164	
External search: searching for information from the environment	169	
Where can we search for information?	170	
What kind of information is acquired in an external search?	173	
CHAPTER 7	Judgement and decision making	187
Opening vignette	A simple shop at the supermarket	187
Distinguishing judgement from decisions	188	
Judgements about likelihood	188	
Judgements about goodness/badness	189	
Factors that influence judgement and decision processes	190	
Biases and heuristics in the judgement processes	190	
Biases in decision processes	193	
Making decisions	195	
Making thought-based decisions	195	
Making feeling-based decisions	198	
Consumer learning	201	
Classical conditioning	201	
Operant conditioning	202	
Low-effort judgement and decision-making processes	202	
Consumer habit	202	
	Brand loyalty	203
	Brand familiarity	203
	Price-related tactics	203
	Variety seeking	203
	Buying on impulse	204
	Individual differences in judgements and decision making	205
	Consumer characteristics	205
	Characteristics of the decision	206
	Summary	208
	Reflection: A simple shop at the supermarket	210
	Questions for review and discussion	210
	Consumer behaviour case Harley-Davidson wheels into India	210
	Endnotes	211
CHAPTER 8	Post-decision processes	217
Opening vignette	Companies go social for improved customer service	217
Understanding satisfaction and dissatisfaction judgements	218	
The importance of customer satisfaction	219	
The role of expectations: the disconfirmation paradigm	219	
Theories of consumer satisfaction	221	
Attribution theory	221	
Equity theory	222	
Responses to dissatisfaction	223	
Complaints	223	
Responding by negative word of mouth	224	
Is customer satisfaction enough?	225	
	Post-decision dissonance and regret	226
	Dissonance	226
	Regret	226
	Closure	227
	Disposition	228
	Disposing of meaningful objects	229
	Recycling	231
	Summary	233
	Reflection: Companies go social for improved customer service	234
	Questions for review and discussion	234
	Consumer behaviour case Uber: turning satisfaction into a two-way street	235
	Endnotes	236

PART FOUR | THE CONSUMER'S CULTURE

CHAPTER 9	Social influences on consumer behaviour	241
Opening vignette	The worldwide phenomenon of Pokémon Go	241
Sources of influence	242	
General sources of influence	243	
A special source of influence: opinion leaders	246	
Reference group sources of influence	247	
Types of influence	255	
Normative influence	255	
Informational influence	261	
	Summary	266
	Reflection: The worldwide phenomenon of Pokémon Go	266
	Questions for review and discussion	267
	Consumer behaviour case Celebrity endorsements go social	267
	Endnotes	268
CHAPTER 10	Consumer diversity	275
Opening vignette	Serving shrimp burgers in Beijing and potato tacos in Bangalore	275
How age affects consumer behaviour	276	
Age trends in Australia	276	
Teens	277	
Generation Z	279	
Millennials	279	
Generation X	280	
Baby boomers	281	
Seniors	282	
How gender and sexuality affect consumer behaviour	284	
Sex roles	284	
Differences in acquisition and consumption behaviours	285	
Sex, gender and sexual orientation	287	
	How regional influences affect consumer behaviour	287
	Regions within Australia	287
	Regions across the world	289
	How ethnic influences affect consumer behaviour	290
	Ethnic groups within Australia	290
	Ethnic groups around the world	292
	The influence of religion	294
	Summary	296
	Reflection: Serving shrimp burgers in Beijing and potato tacos in Bangalore	297
	Questions for review and discussion	297
	Consumer behaviour case Marketing to teens worldwide via music	298
	Endnotes	299
CHAPTER 11	External and internal influences on consumer behaviour	305
Opening vignette	Reaching rural customers in emerging markets	305
External influences on consumer behaviour	306	
Social class	306	
How social class is determined	307	
How social class changes over time	308	
How does social class affect consumption?	310	
The consumption patterns of specific social classes	310	
Household influences on consumer behaviour	313	
Changing trends in household structure	314	
Roles that household members play	316	
Internal influences on consumer behaviour	318	
Values	318	
Influences on values	320	
	Personality	322
	Research approaches to personality	322
	Determining how personality characteristics affect consumer behaviour	324
	Lifestyles	326
	Summary	329
	Reflection: Reaching rural customers in emerging markets	330
	Questions for review and discussion	330
	Consumer behaviour case IKEA'S household appeal	330
	Endnotes	332

PART FIVE | CONSUMER BEHAVIOUR OUTCOMES AND ISSUES

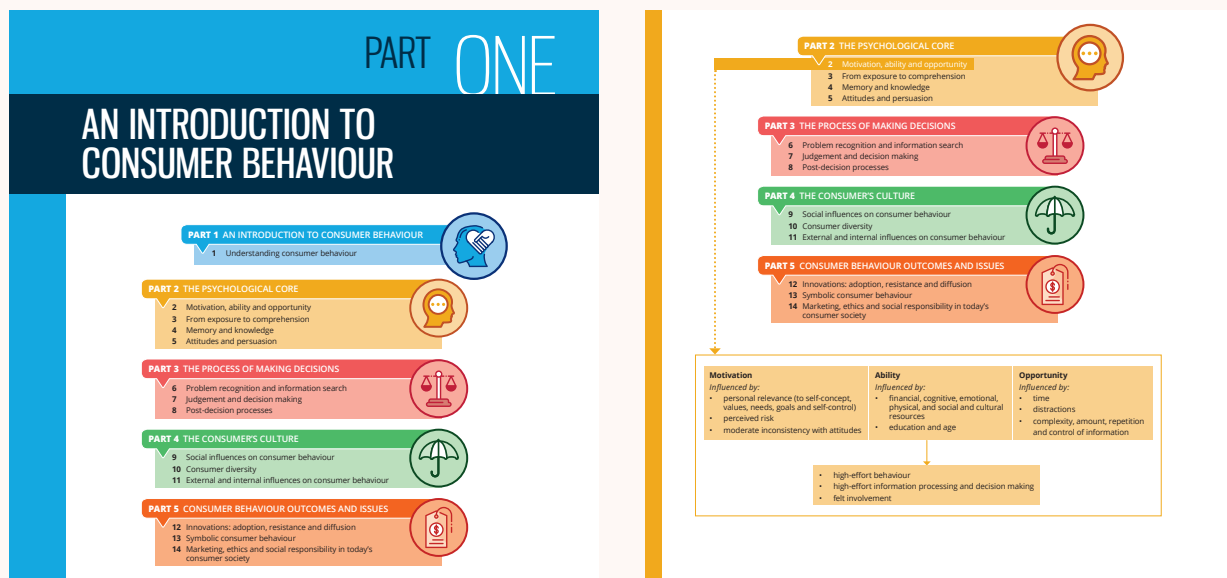
CHAPTER 12	Innovations: adoption, resistance and diffusion	337
Opening vignette	Will consumers pay with their phones?	337
Innovations	338	
	Defining an innovation	338
	Innovations and co-creation	340
Resistance vs adoption	342	
	Whether consumers adopt an innovation	342
	How consumers adopt an innovation	342
	When consumers adopt innovations	344
Diffusion	348	
	How offerings diffuse through a market	348
	Factors affecting the shape of the diffusion curve	350
	How diffusion relates to the product life cycle	350
	Influences on adoption, resistance and diffusion	351
	Characteristics of the innovation	351
	Uncertainty	353
	Consumer learning requirements	353
	Legitimacy and adaptability	358
	Characteristics of the social system	359
	Summary	360
	Reflection: Will consumers pay with their phones?	361
	Questions for review and discussion	361
	Consumer behaviour case RedBalloon: revolutionising digital marketing with artificial intelligence	362
	Endnotes	363
CHAPTER 13	Symbolic consumer behaviour	367
Opening vignette	Spin it again: the vinyl LP is back	367
Sources and functions of symbolic meaning	368	
	Meaning derived from culture	368
	Meaning derived from the consumer	370
	The emblematic function	370
	The role acquisition function	373
	The connectedness function	376
	The expressiveness function	377
	Multiple functions	377
Special possessions and brands	379	
	The meaning of money	379
	Special brands	380
	Brand anthropomorphism	380
	Brand relationships	381
	Types of special possessions	381
	The characteristics that describe special possessions	382
	Why some products are special	383
	Consumer characteristics affect what is special	384
	Rituals used with special possessions	385
	Disposing of special possessions	385
	Sacred meaning	386
	The transfer of symbolic meaning through gift giving	387
	Three stages of gift giving	388
	Summary	393
	Reflection: Spin it again	394
	Questions for review and discussion	394
	Consumer behaviour case Bicycles: more than pedal power	394
	Endnotes	395
CHAPTER 14	Marketing, ethics and social responsibility in today's consumer society	401
Opening vignette	Dove Self-Esteem Project: taking body confidence to new heights	401
In search of balance	402	
	Self-interest vs the interests of others	402
	Immediate vs long-term interests	403
	'Dark side' vs 'bright side' outcomes	403
Marketing ethics, consumer ethics and deviant consumer behaviour	404	
	Acquisition controversies	404
	Consumption controversies	410
	Disposition controversies	415
	Social responsibility issues in marketing	416
	Environmentally conscious behaviour	416
	Charitable behaviour	417
	Community involvement	418
	How can consumers resist marketing practices?	419
	Summary	420
	Reflection: Dove Self-Esteem Project	420
	Questions for review and discussion	421
	Consumer behaviour case The Odd Bunch: joining the fight against food waste	421
	Endnotes	422
GLOSSARY	426
INDEX	434

Guide to the text

As you read this text you will find a number of features in every chapter to enhance your study of consumer behaviour and help you understand how the theory is applied in the real world.

PART- AND CHAPTER-OPENING FEATURES

Understand how key concepts are connected across all parts and chapters by viewing the **concept maps**.



CHAPTER-OPENING FEATURES

Identify the key concepts that the chapter will cover with the **learning objectives** at the start of each chapter.

Gain an insight into how consumer behaviour theories relate to the real world through the **chapter-opening vignette** at the beginning of each chapter.

Test your understanding by answering the **reflective question** after you read the vignette.

2 Motivation, ability and opportunity

LEARNING OBJECTIVES

AFTER STUDYING THIS CHAPTER, YOU WILL BE ABLE TO:

- LO1** discuss the six types of influences that affect the consumer's motivation to process information, make a decision or take an action
- LO2** explain how financial, cognitive, emotional, physical, social and cultural resources, plus age and education, can affect the individual's ability to engage in consumer behaviours
- LO3** consider how the availability of time, distraction, complexity and control of information can affect consumers' opportunity to engage in consumer behaviours.

Dinner and a movie at the cineplex

Dinner and a movie? Yes – together! Going to the movies isn't like what it used to be. Previously, it was just a cinema: you went into the auditorium, grabbed your seat, enjoyed a flick, maybe with a tub of popcorn, and then headed home afterwards. But today, cinemas aren't just cinemas – they are complete entertainment centres that focus on 'experience', and in particular, the 'experience of luxury'. Event Cinemas have their Gold Class, while Hoyts Cinemas customers in auditorium seats and away from home watching TV or streaming movies online. All of these chains understand that consumers' motivation, ability and opportunity exert a powerful influence on consumers' acquisition, usage and disposition decisions. The luxury packages at Events, Hoyts and other chains globally allow consumers to attain two goals at the same time (eat and watch). But

REFLECTIVE QUESTION

→ How do consumers differ in what they are looking for when it comes to a night out at the movies?

FEATURES WITHIN CHAPTERS

Definitions of important **key terms** are located in the margin for quick reference. A full list of key terms is also available in the **Glossary**, which can be found at the back of the book.

Examine how theoretical concepts have been used in practice through the **Marketing Implications** boxes.

Considerations boxes present examples and current key information in digital media, research and international consumer behaviour.

Social class

Social class hierarchy
The grouping of members of society according to status, high to low.

Lifestyles
People's patterns of behaviour.

Most societies have a **social class hierarchy** that confers higher status to some classes of people than to others. These social classes consist of identifiable groups of individuals whose behaviours and **lifestyles** differ from those of members of the other classes. Members of a particular social class tend to share similar values and behaviour patterns. Note that social classes are loose collections of individuals with similar life experiences, not formal groups with a strong identity.⁹

Many societies view these distinctions as important because they recognise that everyone has a role to play in order for society to function smoothly. However, some roles, such as medical doctor or executive, are more

MARKETING IMPLICATIONS → GETTING CONSUMERS TO CONSIDER YOUR BRAND

Researchers have looked at the following factors that increase the possibility of consumers' recalling a particular brand during an internal search and including that brand in their consideration set.

- 1 **Prototypicality.** When consumers engage in an internal search, they more easily recall brands that are closest to the prototype or that most resemble other category members, making these more likely to be included in the consideration set than brands



DIGITAL MEDIA CONSIDERATIONS IN CONSUMER BEHAVIOUR → DOES MOBILE ADVERTISING INFLUENCE ATTITUDES?

Consumer behaviour in mobile settings is increasingly relevant to marketers and advertisers. Consumers carry

no effect, but they do improve attitudes and intentions for high-involvement, utilitarian products (e.g., financial

RESEARCH CONSIDERATIONS IN CONSUMER BEHAVIOUR → RESEARCHING CONSUMERS' NEEDS

There are several types of projective techniques that allow marketers to understand consumers' motivations

logo. For instance, researchers may present the word 'Woolworths' and consumers' instantaneous reactions

INTERNATIONAL CONSIDERATIONS IN CONSUMER BEHAVIOUR → CULTURAL DIFFERENCES IN RISK TAKING: CHINESE, AMERICANS AND AUSTRALIANS

It is intuitive that Americans, or individuals from Western cultures more broadly, would take greater risks than

As such, this greater risk taking among Chinese students is only in financial contexts. A more thorough discussion of

END-OF-CHAPTER FEATURES

At the end of each chapter you will find several tools to help you to review, practise and extend your knowledge of the key learning objectives.

STUDY TOOLS

8

SUMMARY

LO1

Describe consumer satisfaction and dissatisfaction, and explain the importance of managing consumers' expectations

Satisfaction is both a subjective feeling and an objective evaluation that a decision has fulfilled a need or goal. Consumers are satisfied when they make a positive evaluation or feel happy with their decision. Dissatisfaction occurs when consumers have negative feelings and believe that their goals or needs have not been fulfilled, and responses include complaints and negative word of mouth. At the core of customer satisfaction is the disconfirmation paradigm where consumers evaluate the performance of the product to their expectations, which refer to: (1) equitable performance expectations, (2) ideal performance expectations, and (3) expected performance.

REFLECTION: COMPANIES GO SOCIAL FOR IMPROVED CUSTOMER SERVICE

Do you think complaining on social media to a company is useful? Why or why not?

Complaining on social media might lead to an immediate response, but it might also not offer the personalised

service that talking to a person can provide. Thus, there are advantages and disadvantages for companies in handling complaints via digital channels.

QUESTIONS FOR REVIEW AND DISCUSSION

- 1 What are the three types of expectations regarding the performance of a consumer product or service?
- 2 How can the expectation disconfirmation paradigm produce either satisfaction or dissatisfaction?
- 3 Define attribution theory and equity theory and
- 6 How does post-decision dissonance differ from post-decision regret and what effect do these have on consumers?
- 7 In what eight ways can consumers dispose of something?

Review your understanding of the key chapter topics with the **Summary**.

Return to the chapter-opening vignette to apply your learning through **Reflection** questions.

Test your knowledge and consolidate your learning through the **Questions for review and discussion**.

CONSUMER BEHAVIOUR CASE

UBER: TURNING SATISFACTION INTO A TWO-WAY STREET

In recent years, a new economy has emerged. It has been termed the 'sharing economy' and looks to unlock the value of sharing resources through collaborative consumption. Why not share your home

the need for cash or card processing facilities. Another differentiating characteristic is the increased transparency of the Uber service. Upon requesting and booking an Uber ride, customers are provided

Analyse in-depth **cases** that present issues in context, encouraging you to integrate and apply the concepts discussed in the chapter to the workplace.

Guide to the online resources

FOR THE INSTRUCTOR

Cengage is pleased to provide you with a selection of resources that will help you prepare your lectures and assessments. These teaching tools are accessible via cengage.com.au/instructors for Australia or cengage.co.nz/instructors for New Zealand.

MINDTAP

Premium online teaching and learning tools are available on the *MindTap* platform – the personalised eLearning solution.

MindTap is a flexible and easy-to-use platform that helps build student confidence and gives you a clear picture of their progress. We partner with you to ease the transition to digital – we're with you every step of the way.

The *Cengage Mobile App* puts your course directly into students' hands with course materials available on their smartphone or tablet. Students can read on the go, complete practice quizzes or participate in interactive real-time activities.

MindTap for *Consumer Behaviour* is full of innovative resources to support critical thinking, and help your students move from memorisation to mastery! Includes:

- *Consumer Behaviour* eBook
- Self-assessment questions
- Concept check quizzes
- Case studies
- Revision quizzes
- Video quizzes.

MindTap is a premium purchasable eLearning tool. Contact your Cengage learning consultant to find out how *MindTap* can transform your course.



INSTRUCTOR'S MANUAL

The **Instructor's Manual** includes:

- Learning objectives
- Chapter summaries
- Teaching notes
- Solutions
- Case question solutions
- Suggested class discussions and activities
- Chapter-specific project worksheets.

COGNERO TEST BANK

A bank of questions has been developed in conjunction with the text for creating quizzes, tests and exams for your students. Create multiple test versions in an instant and deliver tests from your LMS, your classroom, or wherever you want using Cognero. Cognero test generator is a flexible online system that allows you to import, edit, and manipulate content from the text's test bank or elsewhere, including your own favourite test questions.

POWERPOINT™ PRESENTATIONS

Use the chapter-by-chapter **PowerPoint slides** to enhance your lecture presentations and handouts by reinforcing the key principles of your subject.

ARTWORK FROM THE TEXT

Add the digital files of graphs, pictures and flow charts into your course management system, use them in student handouts, or copy them into your lecture presentations.

FOR THE STUDENT

MINDTAP

MindTap is the next-level online learning tool that helps you get better grades!

MindTap gives you the resources you need to study – all in one place and available when you need them. In the *MindTap Reader*, you can make notes, highlight text and even find a definition directly from the page.

If your instructor has chosen *MindTap* for your subject this semester, log in to MindTap to:

- Get better grades
- Save time and get organised
- Connect with your instructor and peers
- Study when and where you want, online and mobile
- Complete assessment tasks as set by your instructor.

When your instructor creates a course using *MindTap*, they will let you know your course link so you can access the content. Please purchase *MindTap* only when directed by your instructor. Course length is set by your instructor.



PREFACE

At just about every moment of our lives, we engage in some form of consumption activity. When we watch an ad on TV, send a text message to friends about a movie we just saw, brush our teeth, go to a sporting event or beach party, visit a website on the Internet, download a new song, or even throw away an old pair of shoes, we are behaving as a consumer. Being a consumer reaches into every part of our lives. This book is dedicated to our role as consumers and how our many different roles and perspectives influence our behaviours as consumers. Given its omnipresence, the study of consumer behaviour has critical implications for areas such as marketing, health, charity, public policy and ethics. It also helps us learn about ourselves – why we buy

certain things, why we use them in a certain way and how we get rid of them.

In this book we explore the fascinating world of consumer behaviour, looking at a number of interesting and exciting topics that examine why and how we consume. Some of these are quickly identified with our typical image of consumer behaviour, such as a shopper with a trolley at the supermarket. Other examples in which we are consumers may surprise you. We hope you will see why we became stimulated and drawn to this topic from the very moment we had our first consumer behaviour course as students. We hope you will also appreciate why we choose to make this field our life's work, and why we are dedicated to this textbook.

WHY THE NEW EDITION OF THIS BOOK?

There are a number of consumer behaviour books on the market. An important question concerns what this book has to offer and what distinguishes it from other texts. There has been an explosion of research on a variety of consumer behaviour topics over the last 20 years. As active researchers in the field of consumer behaviour, we have the overriding goal to continue providing a treatment of the field that is up to date and cutting edge, but at the same time relevant to the local Asia-Pacific context. Our primary aim was to provide a useful summary of this material for students of marketing. However, in drawing on cutting-edge research, we wanted to be careful not to become too 'academic'. Instead, our objective is to present cutting-edge topics in a manner that is easy for students to understand.

Specific changes and improvements to the second Australian and New Zealand edition of this text include:

- shorter length and more streamlined prose, making the content easier for students to process

- better connection between the topics and between chapters to provide a holistic understanding of consumer behaviour
- coverage of the latest research from the academic field of consumer behaviour
- new in-chapter boxes concerning cultural and technological considerations regarding consumer behaviour
- new end-of-chapter cases, giving students the opportunity to discuss real-world consumer issues and to apply and use the concepts discussed in each chapter
- new examples of consumer behaviour using case studies, advertisements and brands from Australia and the Asia-Pacific region
- new applications of consumer behaviour to a broader international context
- improved synergistic teaching and other supplemental materials.

TEXTBOOK FEATURES

As award-winning teachers, we have tried to translate our instructional abilities and experience into the writing of this text. The following features have been a natural outgrowth of these experiences.

Conceptual model

First, we believe that students can learn best when they see the big picture – when they understand what concepts mean, how these concepts are used in business practice and how these relate to one another. In our opinion, consumer

behaviour is too often presented as a set of discrete and narrow topics with little or no relationship to one another. We have therefore developed an overall conceptual model that helps students grasp the big picture and see how the chapters and topics are themselves interrelated. Each chapter is linked to other chapters by a specific model that fits within the larger model. Further, the overall model guides the organisation of the book. This organising scheme makes the chapters far more *integrative* than most other books.

Practical orientation, with an emphasis on international and technological considerations

Second, we believe that insights into consumer behaviour are interesting in and of themselves, but also that they should be relevant to managerial practice. The ultimate goal of consumer behaviour theory and research is to improve the decision-making ability of managers in profit and non-profit organisations who aim to cater to consumers' needs. It should help you better understand yourselves as consumers and also give you a set of tools to succeed after you graduate, and far beyond that. Rather than merely translating general psychological or sociological principles and theories to a consumer context, this book is dedicated to putting consumer behaviour into practice and application in order to improve managerial practice. Given our notion that students enjoy seeing how the concepts in consumer behaviour can apply to business practice, a second objective of the book was to provide a very practical orientation. We include a wealth of contemporary real-world, local examples to illustrate key topics specifically for Australian and New Zealand students. We also try to broaden students' horizons by providing a number of international examples. Given the importance of online consumer behaviour, the new edition also fully treats the advent and implications of the new technological applications. It provides numerous examples of how recent advances in such areas as social media and smartphones are changing the way marketers understand consumers.

Current and cutting-edge coverage

Third, we provide coverage of the field of consumer behaviour that is as current and up to date as possible (including many of the recent research advances). Every month there is new research that advances our understanding of why and how we consume. As a result, this text includes several chapters that often do not appear in other textbooks, such as 'Symbolic consumer behaviour' and 'Marketing, ethics and social responsibility in today's consumer society'. As active and award-winning researchers, we explore topics in this textbook

that are at the cutting edge of consumer behaviour research and are likely to be of considerable interest to students.

Balanced treatment of micro and macro topics

Fourth, our book tries to provide a balanced perspective on the field of consumer behaviour. Specifically, we give treatment to both psychological (micro) consumer behaviour topics (e.g. attitudes, decision making) and sociological (macro) consumer behaviour topics (e.g. subculture, gender, social class influences). Also, although we typically teach consumer behaviour by starting with the more micro topics and then moving up to more macro topics, we realise that some instructors prefer the reverse sequence.

Broad conceptualisation of the subject

Fifth, we present a broad conceptualisation of the topic of consumer behaviour. While many books focus on what products or services consumers *buy*, consumer behaviour scholars have recognised that the topic of consumer behaviour is much broader. Specifically, rather than studying buying per se, we recognise that consumer behaviour includes a *set* of decisions (what, whether, when, where, why, how, how often, how much, how long) about *acquisition* (including, but not limited to, buying), *usage*, and *disposition* decisions. Focusing on more than what products or services consumers buy provides a rich set of theoretical and practical implications for both our understanding of consumer behaviour and the practice of marketing.

Finally, we consider the relevance of consumer behaviour to *many constituents*, not just marketers. Consumer behaviour is important to marketers, doctors, charitable organisations, public policy makers, ethicists and consumer advocacy groups, and consumers themselves (including students' own lives). Understanding why people buy can shed light on why people exercise and why they donate (or not). Some chapters focus exclusively on the implications of consumer behaviour for public policy makers, ethicists and consumer advocacy groups. Other chapters consider these issues as well, though in less detail.

CONTENT AND ORGANISATION OF THE BOOK

One can currently identify two main approaches to the study of consumer behaviour: a 'micro' orientation, which focuses on the individual psychological processes that consumers use to make acquisition, consumption and disposition decisions,

and a 'macro' orientation, which focuses on group behaviours and the symbolic nature of consumer behaviour. This latter orientation draws heavily from such fields as sociology, culture theory and anthropology. Both orientations are represented

in this book. The current book and overall model have been structured around a ‘micro to macro’ organisation based on the way we teach this course and the feedback that we have received from reviewers.

Chapter 1 in Part 1, ‘An introduction to consumer behaviour’, provides students with an understanding of the breadth of the field, and its importance to marketers, advocacy groups, public policy makers and consumers themselves. It also presents the overall model that guides the organisation of the text. An Appendix, which follows Chapter 1, introduces methods by which consumer research is conducted.

Part 2, ‘The psychological core’, focuses on the inner psychological processes that affect consumer behaviour. We see that consumers’ acquisition, usage and disposition behaviours and decisions are greatly affected by the amount of effort they put into engaging in behaviours and making decisions. Chapter 2 describes three critical factors that affect effort: the (1) *motivation* or desire, (2) *ability* (knowledge and information) and (3) *opportunity* to engage in behaviours and make decisions. In Chapter 3, we then examine how information in consumers’ environments (ads, prices, product features, word-of-mouth communications, etc.) is internally processed by consumers – how they come in contact with these stimuli (*exposure*), notice them (*attention*) and *perceive* them (perception – and how we attempt to understand or *comprehend* them on a deeper level). Chapter 4 continues by discussing how we compare new stimuli to our knowledge of existing stimuli, in a process called *categorisation*. Also, because consumers often must remember the information they have previously stored in order to make decisions, this chapter examines the important topic of consumer *memory*. In Chapter 5, we see how *attitudes* are formed and changed and whether they are cognitively or affectively based.

Whereas Part 2 examines some of the internal factors that influence consumers’ decisions, a critical domain of consumer behaviour involves understanding how consumers make acquisition, consumption and disposition decisions. Therefore, in Part 3, ‘The process of making decisions’, we examine the

sequential steps of the consumer decision-making process. In Chapter 6, we examine the initial steps of this process – *problem recognition* and *information search*. We next examine the consumer decision-making process and how consumers make judgements (Chapter 7), again from both a cognitive and an affective perspective. Finally, the process does not end after a decision has been made. In Chapter 8, we see how consumers determine whether they are *satisfied* or *dissatisfied* with their decisions and how they *learn* from choosing and consuming products and services.

Part 4, ‘The consumer’s culture’, reflects a ‘macro’ view of consumer behaviour that examines how various aspects of *culture* affect consumer behaviour. As Chapter 9 explains, our behaviour and decisions can be influenced by certain individuals, specific groups (such as friends and co-workers), and both traditional and social media. Then, we see how *consumer diversity* (in terms of age, gender, sexual orientation, region, ethnicity and religion) can affect consumer behaviour in Chapter 10. Chapter 11 looks at various types of households and families and explores how household members influence acquisition and consumption decisions. It also examines how social class affects consumer decisions and behaviours, and how the combination of diversity, social class and household influences can affect our values, personality and lifestyle.

Finally, Part 5, ‘Consumer behaviour outcomes and issues’, examines the effects of the numerous influences and decision processes discussed in the previous three parts. Chapter 12 builds on the topics of internal decision making and group behaviour by examining how consumers adopt new offerings, and how their *adoption* decisions affect the spread or *diffusion* of an offering through a market. Because products and services often reflect deep-felt and significant meanings (e.g. our favourite song or restaurant), Chapter 13 focuses on the exciting topic of *symbolic consumer behaviour*. Finally, Chapter 14 examines *marketing*, *ethics* and *social responsibility*, and focuses on marketing and consumer ethics, as well as marketing practices that have been the focus of social commentary in recent years.

Wayne D. Hoyer

Wayne D. Hoyer is the James L. Bayless/William S. Farish Fund Chair for Free Enterprise in the McCombs School of Business at the University of Texas at Austin. He received his PhD in Consumer Psychology from Purdue University in 1980. He also holds an honorary doctorate from the University of Bern in Switzerland. His major area of study is Consumer Psychology and his research interests include consumer information processing and decision making, customer relationship management and new product development, and advertising information processing (including miscomprehension, humour, and brand personality). Wayne has published over 100 articles in various publications including the *Journal of Consumer Research*, *Journal of Marketing*, *Journal of Marketing Research*, *Journal of Advertising Research*, and *Journal of Retailing*. A 1998 article in the *Journal of Marketing Research* (with Susan Broniarczyk and Leigh McAlister) won the O'Dell Award in 2003 for the article that had the most impact in the marketing field over that five-year period. In addition to *Consumer Behaviour*, he has co-authored two books on the topic of advertising miscomprehension. He is a current area editor for the *Journal of Marketing*, a former associate editor for the *Journal of Consumer Research* and serves on eight editorial review boards including the *Journal of Marketing Research*, *Journal of Consumer Research*, and *Journal of Consumer Psychology*. His major areas of teaching include consumer behaviour, customer strategy, and marketing communications. He has also taught internationally at the University of Mannheim, the University of Münster, and the Otto Beisheim School of Management (all in Germany), the University of Bern in Switzerland, the University of Cambridge (UK), and Thammasat University in Thailand. He has also been the Montezemolo Visiting Research Fellow in the Judge School of Business and is a Visiting Fellow of Sidney Sussex College at the University of Cambridge (UK).

Debbie MacInnis

Debbie MacInnis (PhD, University of Pittsburgh 1986) is the Charles L. and Ramona I. Hilliard Professor of Business Administration and Professor of Marketing at the University of Southern California in Los Angeles, CA. She has previously held positions as Chairperson of the Marketing Department and Vice Dean for Research. Debbie has published papers in the *Journal of Consumer Research*, *Journal of Marketing Research*, *Journal of Marketing*, *Journal of Personality and Social Psychology*, *Psychology and Marketing*, and others in the areas of marketing communications, information processing, imagery, emotions, and branding. She is an Associate Editor for

the *Journal of Consumer Research* and the *Journal of Consumer Psychology*. She has also served as a member of the editorial review boards of the *Journal of Consumer Research*, *Journal of Marketing Research*, *Journal of Marketing*, and *Journal of the Academy of Marketing Sciences* and has won outstanding reviewer awards from these journals. She has also served on the editorial review boards of other journals in marketing and business. Debbie has served as Conference Co-Chair, Treasurer, and President of the Association for Consumer Research. She has also served as Vice President of Conferences and Research for the Academic Council of the American Marketing Association. She has received major awards for her research, including the Alpha Kappa Psi and Maynard awards, given to the best practice- and theory-based articles, respectively, published in the *Journal of Marketing*. Debbie's research has also been named as a finalist for the Practice Prize Competition for contributions to marketing, and the Converse Award for significant long-term contributions to marketing. She has been named recipient of the Marshall Teaching Innovation Award, the Dean's Award for Community, and the Dean's Award for Research from the Marshall School of Business. Her classes have won national awards through the SAA National Advertising Competition. Debbie's major areas of teaching include consumer behaviour and integrated marketing communications. Debbie lives in Los Angeles with her husband and two children.

Rik Pieters

Rik Pieters is Professor of Marketing at the Tilburg School of Economics and Management (TISEM) of Tilburg University, the Netherlands. He received his PhD in social psychology from the University of Leiden in 1989. Rik believes in interdisciplinary work, and that imagination, persistence and openness to surprise are a person's biggest assets. He has published over 90 articles in marketing, psychology, economics, and statistics. His work has appeared in *Journal of Consumer Psychology*, *Journal of Consumer Research*, *Journal of Marketing*, *Journal of Marketing Research*, *Marketing Science*, *Management Science*, and *International Journal of Research in Marketing*. He has published in the *Journal of Personality and Social Psychology*, *Organizational Behavior and Human Decision Processes*, *European Journal of Social Psychology*, *Emotion*, *Psychological Science*, and *Journal of Economic Literature*. Currently, Rik is an Associate Editor of the *Journal of Marketing Research*. His research concerns attention and memory processes in marketing communication, and the role of emotions in consumer decision making. He has served as Co-Chair of the Association for Consumer Research annual

conference, and has co-organised special conferences on visual marketing, social communication, and service marketing and management. He has taught internationally at Pennsylvania State University; University of Innsbruck, Austria; Koc University, Turkey; and the University of Auckland, New Zealand. He has won best teaching awards at the school and university levels. He has been Strategy Director for National and International clients at the Prad/FCB advertising agency, Amsterdam office. He bakes bread, rides bikes, and drinks hoppy, fermented barley beverages, all except the first in moderation. In his spare time, he works.

Eugene Chan

Eugene Chan is an Associate Professor in the Division of Consumer Science at Purdue University in Indiana, USA. He grew up in Toronto and received his PhD from the University of Toronto after receiving his undergraduate and master's degrees in psychology from the Universities of Michigan and Chicago, respectively. He has previously taught at Monash University in Melbourne, UTS in Sydney, in Slovenia and Canada. His research interests are in consumer, financial and political decision making. His work has been published in outlets such as *Journal of Consumer Psychology*, *European Journal of Marketing*, *European Journal of Social Psychology*, *Evolution and Human Behavior*, *International Journal of Research in Marketing*

and *Organizational Behavior and Human Decision Processes*. He teaches advertising and consumer behaviour, marketing research and services marketing at undergraduate, master's and doctoral levels. He enjoys both classical opera and country music, prefers baseball to cricket and is an avid global traveller.

Gavin Northey

Gavin Northey is a senior lecturer in marketing at Griffith University, Australia. Having worked in both industry and academia, he sees the continual transfer of evidence-based knowledge between the two as a defining career objective. As a researcher, Gavin focuses on both the causes and implications of consumer behaviour in different marketing scenarios, with particular focus on the role of advertising. His research has appeared in a range of leading journals including *International Journal of Research in Marketing*, *Journal of Advertising Research*, *Psychology & Marketing*, *Journal of Business Research* and *Journal of International Marketing*. He has received a number of awards including the 2018 Outstanding Reviewer award for *European Journal of Marketing* and the 2019 ANZMAC award for best overall research paper. Gavin is currently Associate Editor of the *Australasian Marketing Journal*. While academia is his calling, if he was more coordinated, more athletic and didn't fear injury, he is sure he would have been a superstar in snowboarding.

ACKNOWLEDGMENTS

Creating a textbook requires a large team of dedicated professionals who are able to pool their skills from a range of disciplines. In the first instance, special thanks must go to Michelle Aarons who was able to bring such a team together. Likewise, the effort and commitment of James Cole at Cengage has been instrumental in driving the project forward. His leadership, advice and empathy was invaluable throughout. Additionally, there are a large number of people that have provided feedback and guidance along this journey. They are too many to name, but they know who they are and without their input, this textbook wouldn't be such a success. The authors are eternally grateful to all.

The authors and Cengage Learning would like to thank the following reviewers for their incisive and helpful feedback:

- Jana Bowden – Macquarie University
- Dr Joan Carlini – Griffith University

- Ken Hyde – Auckland University
- Arnold Japutra – University of Western Australia
- Dr Janet Davey – Victoria University of Wellington
- Dr Sujana Adapa – University of New England
- Billy Sung – Curtin University
- Dr. Rumman Hassan – University of Southern Queensland.

Additionally, we would like to extend our thanks to those who reviewed the previous edition of this text.

Every effort has been made to trace and acknowledge copyright. However, if any infringement has occurred, the publishers tender their apologies and invite the copyright holders to contact them.

AN INTRODUCTION TO CONSUMER BEHAVIOUR

PART 1 AN INTRODUCTION TO CONSUMER BEHAVIOUR

- 1 Understanding consumer behaviour



PART 2 THE PSYCHOLOGICAL CORE

- 2 Motivation, ability and opportunity
- 3 From exposure to comprehension
- 4 Memory and knowledge
- 5 Attitudes and persuasion



PART 3 THE PROCESS OF MAKING DECISIONS

- 6 Problem recognition and information search
- 7 Judgement and decision making
- 8 Post-decision processes



PART 4 THE CONSUMER'S CULTURE

- 9 Social influences on consumer behaviour
- 10 Consumer diversity
- 11 External and internal influences on consumer behaviour



PART 5 CONSUMER BEHAVIOUR OUTCOMES AND ISSUES

- 12 Innovations: adoption, resistance and diffusion
- 13 Symbolic consumer behaviour
- 14 Marketing, ethics and social responsibility in today's consumer society



CHAPTER

1 Understanding consumer behaviour 3

Appendix: Conducting research in consumer behaviour 29

In Part 1, you will learn that consumer behaviour involves much more than purchasing products. In addition, you will find out that marketers continuously study consumer behaviour for clues as to who buys, uses and disposes of what goods and services, as well as clues as to when, where, why and how they make decisions.

Chapter 1 defines consumer behaviour and examines its importance to marketers, advocacy groups, public policymakers and consumers. The chapter also presents the overall model that guides the organisation of this book. As this model indicates, consumer behaviour covers four basic domains: (1) the psychological core, (2) the process of making decisions, (3) the consumer's culture, and (4) consumer behaviour outcomes and issues. In addition, you will read about the implications of consumer behaviour for marketing activities.

The Appendix focuses on consumer behaviour research and how marketers can learn more about their consumers' habits and preferences. You will learn about various research methods, types of data and ethical issues related to consumer research. With this background, you will be able to understand how consumer research helps marketers develop more effective strategies and tactics for reaching and satisfying customers.

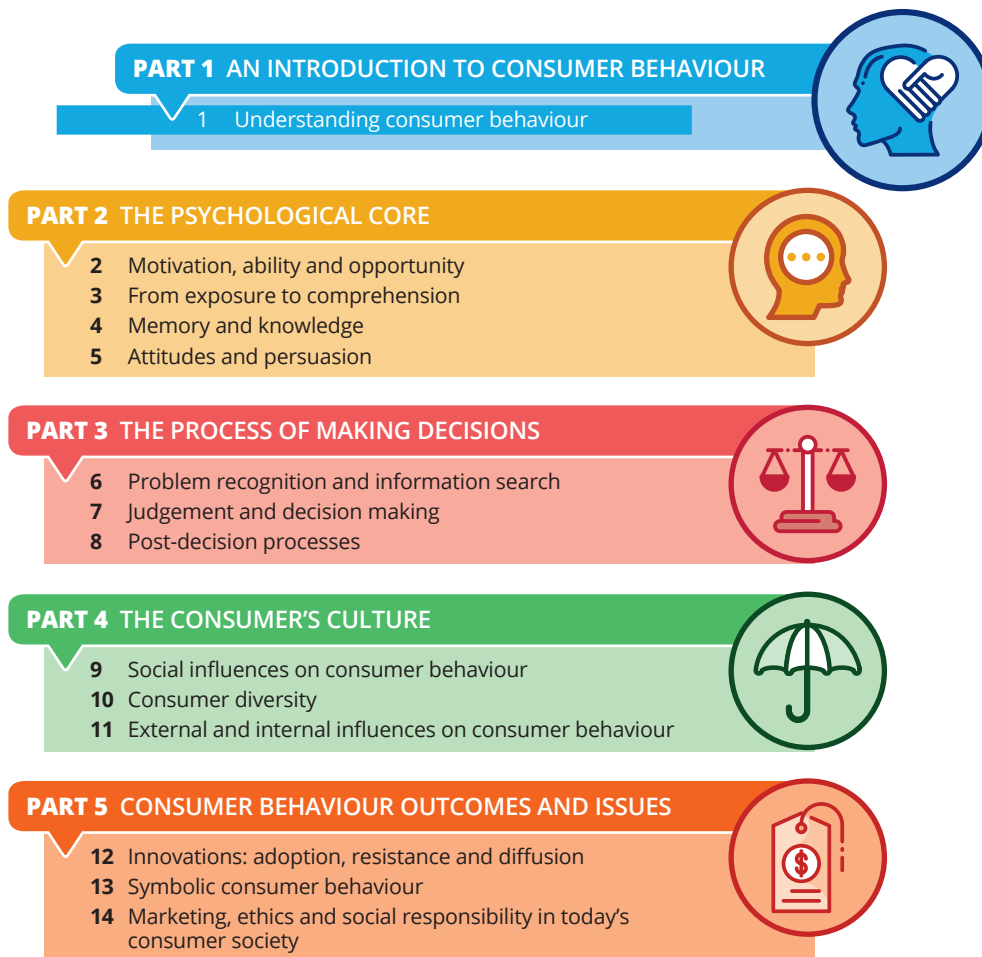


FIGURE 1.1 » A MODEL OF CONSUMER BEHAVIOUR

Consumer behaviour encompasses four domains: (1) the psychological core, (2) the process of making decisions, (3) the consumer's culture, and (4) consumer behaviour outcomes and issues. As the figure shows, chapters 2–14 of this textbook relate to the four parts of this overall model.

1

Understanding consumer behaviour



LEARNING OBJECTIVES

AFTER STUDYING THIS CHAPTER, YOU WILL BE ABLE TO:

- L01** define consumer behaviour and explain the components that make up the definition
- L02** identify the four domains of consumer behaviour that affect acquisition, usage and disposition decisions
- L03** discuss the benefits of studying consumer behaviour
- L04** explain how companies apply consumer behaviour concepts when making marketing decisions.

Toby's Estate: more than coffee

Historically, when people think of coffee, they typically don't think of Australia. Italy, France and Colombia may come to mind, but certainly not the country that produces kangaroos and koalas! However, in the past few decades, Australians have developed a coffee culture to such an extent that Australian coffee, especially that which can be found in Melbourne's local coffee shops, is now widely regarded as among the best in the world, having won prestigious coffee brewing competitions globally. Coffee shops with Melbourne-trained baristas are increasingly common in Los Angeles and New York.¹ Australian coffee culture is also truly a 'culture' with its own slang, idioms and other sayings. Instead of an 'espresso shot', Australians like to say 'short black'. The flat white is found abroad now, but it originated in Australia and New Zealand – even Starbucks recently started offering flat whites in its North American operations.

Within the Australian coffee community, Toby's Estate is one of the most loved coffee roasters in the country (see Figure 1.2). It provides the coffee beans to some of the country's finest coffee shops, with long queues during the morning and afternoon rush hours. Toby's has 11 Australian roasting sites with a total of about 120 staff and a wholesale arm that functions as the backbone of the business. Its renowned coffee roasting has also extended to other countries. For example, it has stores in Singapore and the Philippines,

and even a presence in the Big Apple – New York. Australian coffees are expanding abroad and some of the thanks for that can go to Toby's Estate.²

What makes Toby's Estate so successful, not just in Australia but also worldwide? Certainly its knowledge of its customers' tastes and preferences. But 'tastes' and 'preferences' goes beyond the aroma or nuttiness that Australians prefer in their daily cup of coffee. As part of its coffee roasting operations, Toby's Estate also adopts a 'Social, Ethical and Environmental' philosophy



FIGURE 1.2 » TOBY'S ESTATE IS SUCCESSFUL BECAUSE IT UNDERSTANDS COFFEE TASTES AND PREFERENCES AND IS DEVOTED TO PRACTISING SOCIAL, ETHICAL AND ENVIRONMENTAL RESPONSIBILITY

© Fairfax Syndication/Jennifer Soo

that means sustainable relationships are maintained with local coffee bean farmers that are built on trust and traceability in finding the best quality coffee, as well as tea and chocolate, at fair prices for all parties involved.³

As such, when Australians are drinking their morning cup of coffee, they aren't just drinking coffee the beverage, but are also playing a role in helping a business operation that protects the rights of farmers as well as the natural environment in which the coffee beans grow. The dedication to superior coffee beyond taste is one reason why Toby's Estate has been so successful in the Australian market.

This chapter provides a general overview of: (1) what consumer behaviour is, (2) what factors affect it,

(3) who benefits from studying it, and (4) how marketers apply consumer behaviour concepts. Because you are a consumer, you probably have some thoughts about these issues. However, you may be surprised at how broad the domain of consumer behaviour is, how many factors help explain it, and how important the field is to marketers, ethicists and consumer advocates, public policymakers and regulators, and consumers like yourself. You will also get a glimpse of the marketing implications of consumer behaviour, previewing how we will connect consumer behaviour concepts with practical applications throughout this textbook.

REFLECTIVE QUESTION

→ How important to the success of Toby's Estate is understanding consumer behaviour?

LO1 DEFINING CONSUMER BEHAVIOUR

Consumer behaviour

The totality of consumers' decisions with respect to the acquisition, consumption and disposition of goods, services, activities, experiences, people and ideas by human decision-making units (over time).

If you were asked to define **consumer behaviour**, you might say it refers to the study of how a person buys products. However, consumer behaviour really involves quite a bit more, as this more complete definition indicates:

Consumer behaviour reflects the totality of consumers' decisions with respect to the acquisition, consumption and disposition of goods, services, activities, experiences, people and ideas by (human) decision-making units [over time].⁴

This definition has some very important elements. The following sections present a closer look at each element.

Think of some marketing strategies and tactics that try to influence one or more of the dimensions of consumer behaviour shown in Figure 1.3.

Consumer behaviour involves goods, services, activities, experiences, people and ideas

Consumer behaviour means more than just the way in which a person buys tangible products such as bath soap or smartphones. It also includes consumers' use of services, activities, experiences and ideas, such as going to the dentist, attending a concert, taking a trip and donating to UNICEF.⁵ In addition, consumers make decisions about people, such as voting for politicians, who to go on a date with, reading books by certain authors, seeing movies or TV shows starring certain actors and attending concerts featuring favourite bands. All of these decisions are *consumption* decisions since consumers 'take in' these products and services, whether physiologically (e.g., food) or mentally (e.g., a movie at a cinema). Because consumer behaviour includes the consumption of so many things, we use the simple term **offering** to encompass these entities.

How consumers make decisions and purchases is extremely important to marketers. However, marketers are also intensely interested in consumer behaviour related to using and disposing of an offering.

Acquiring

Buying is one type of **acquisition** behaviour. As shown later in this chapter, acquisition includes other ways of obtaining goods and services, such as renting, leasing, trading and sharing. It also involves decisions about time as well as money.⁶ For example, when consumers make a purchase that does not work out well, they will perceive the time period until the next purchase as being shorter because they want to remove negative feeling.⁷ Consumers sometimes find themselves interrupted during a consumption experience; studies show

Offering

A product, service, activity, experience or idea offered by an organisation to consumers.

Acquisition

The process by which a consumer comes to own an offering.

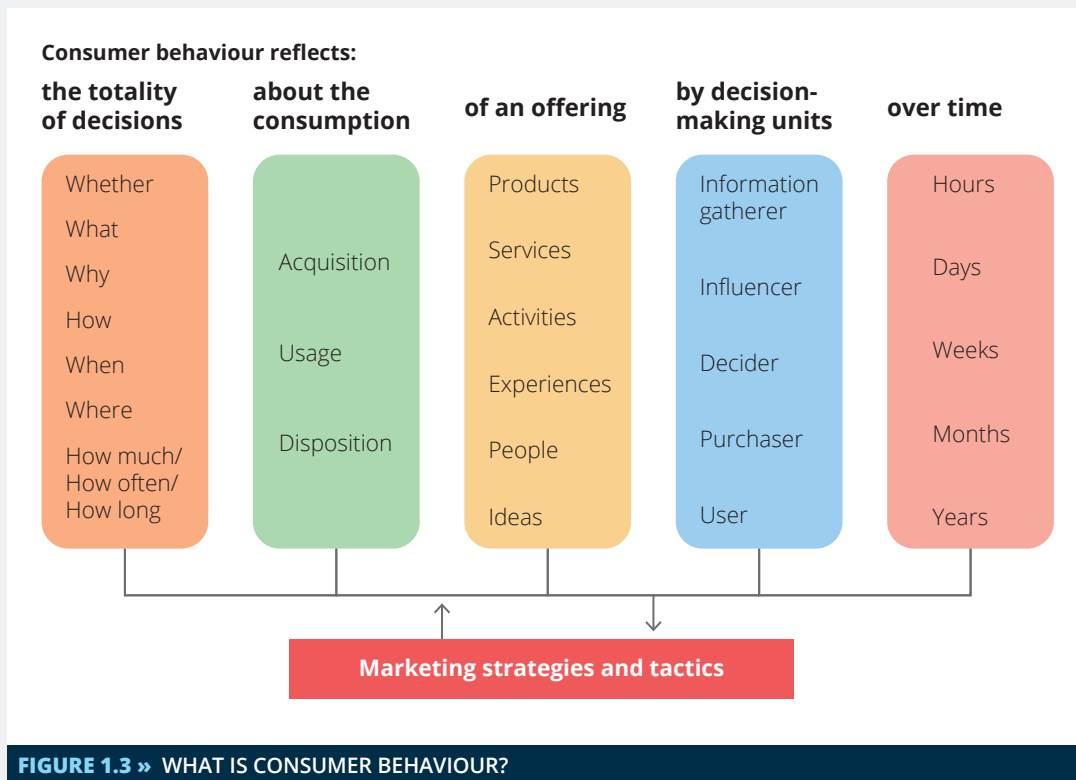


FIGURE 1.3 » WHAT IS CONSUMER BEHAVIOUR?

interruption actually makes a pleasant experience seem more enjoyable when resumed.⁸ Deadlines and time pressure can also affect acquisition behaviour: consumers tend to procrastinate in redeeming coupons and gift cards with far-future deadlines, but they move more quickly when deadlines are closer. Why? Because they do not want to regret having missed out and they expect to have more time to enjoy and indulge themselves with the acquisition in the future.⁹

Using

After consumers acquire an offering, they use it, which is why **usage** is at the very core of consumer behaviour.¹⁰ Whether and why we use certain products can symbolise something about who we are, what we value and what we believe. The products we use on ANZAC Day (e.g., ANZAC biscuits that we bake at home or buy from stores) may symbolise the event's significance and how we feel about our country. The Australian music we may enjoy (Tones and I, or Kylie Minogue) and the jewellery we wear (earrings or engagement rings) can also symbolise who we are and how we feel. Moreover, marketers must be sensitive to when consumers are likely to use a product,¹¹ whether they find it effective,¹² whether they control their consumption of it,¹³ and how they react after using it – do they spread positive or negative word-of-mouth reviews about a new film, for instance?¹⁴

Disposing

Disposition, how consumers get rid of an offering they have previously acquired, can have important implications for marketers.¹⁵ Consumers can give away their used possessions, sell them on Gumtree or lend them to others. Vintage clothing stores now sell older clothes (disposed of by the original owners) that buyers find stylish. Eco-minded consumers often seek out biodegradable products made from recycled materials or choose goods that do not pollute when disposed of. Governments and local councils are also interested in how to motivate an earth-friendly disposition (see [Figure 1.4](#)).¹⁶ Marketers see profit opportunities in addressing disposition concerns. Terra-Cycle, for example, markets tote bags, pencil cases and other products made from used packaging and recycled materials in Australia. In North and South America, Europe and the Baltic region, Terra-Cycle partners with firms such as PepsiCo to collect mountains of discarded packaging and turn them into usable products for sale.¹⁷

Usage

The process by which a consumer uses an offering.

Disposition

The process by which a consumer discards an offering.



FIGURE 1.4 » DISPOSITION

Consumers dispose of old products they acquired in a number of ways. This evocative ad from the Waste Authority encourages Australians to properly dispose of recyclables on Australia Day.

Consumer behaviour is a dynamic process

The sequence of acquisition, consumption and disposition can occur over time in a dynamic order – hours, days, weeks, months or years, as shown in [Figure 1.3](#). To illustrate, assume that a family has acquired and is using a new car. Usage provides the family with information – whether the car drives well and is reliable – that affects when, whether, how and why members will dispose of the car by selling, trading or sending it to the wreckers. Because the family always needs transportation, disposition is likely to affect when, whether, how and why its members acquire another car in the future.

Entire markets are designed around linking one consumer's disposition decision to other consumers' acquisition decisions. When consumers buy used cars, they are buying cars that others have sold. From Gumtree's online listings to secondhand clothing stores run by Salvos, from consignment shops to used books sold online, many businesses exist to link one consumer's disposition behaviour with another's acquisition behaviour.

Broader changes in consumer behaviour occur over time as well. Fifty years ago, consumers had far fewer brand choices and were exposed to fewer marketing messages. By contrast, today's consumers are more connected, easily able to research

offerings online, access communications and promotions in multiple media, and check what others think of brands with a quick search or social media post. Before the Internet, it was hard to acquire goods from abroad; today, it's easy to add to a cart and have products shipped to our doorstep from beyond Australia. Or simply consider how you can interact with your favourite store without having to physically step foot inside. You can visit its website, 'like' its Facebook page or even download its app on your smartphone. Social media and digital platforms are also now the first channel of choice for marketers wishing to communicate directly with consumers, informing them of new products and celebrity endorsements and maintaining relations. These tactics would never have been possible with more traditional communication channels such as via the post office.

Consumer behaviour can involve many people

Consumer behaviour does not necessarily reflect the action of a single individual. A group of friends, a few co-workers or an entire family may plan a birthday party or decide where to have lunch, exchanging ideas in person, while talking on the phone, via social media or by email or text message. Moreover, the individuals engaging in consumer behaviour can take on one or more roles. In the case of a car purchase, for example, one or more family members might take on the role of information gatherer by researching different models. Others might assume the role of influencer and try to affect the outcome of a decision. One or more members may take on the role of purchaser by actually paying for the car and some or all may be users. Finally, several family members may be involved in the disposal of the car.

Consumer behaviour involves many decisions

Consumer behaviour involves understanding whether, why, when, where, how, how much, how often and for how long consumers will buy, use or dispose of an offering (look back at [Figure 1.3](#)).

Whether to acquire/use/dispose of an offering

Consumers must decide whether to acquire, use or dispose of an offering. They may need to decide whether to spend or save their money when they earn extra cash.¹⁸ How much they decide to spend may be influenced by their perceptions of how much they recall spending in the past.¹⁹