



Chapter 5

Consumer Behavior

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Definition of Consumer Behavior

Consumer behavior refers to the actions of consumers or their responses in searching for, selecting, and deciding to purchase goods and services that are expected to satisfy their needs and personal satisfaction. These behaviors arise from attitudes, perceptions, learning, and individual reasoning, which determine behavior within the decision-making process prior to purchase.

Consumers refer to one or more individuals who express their rights to demand and consume products offered in the market. Consumers may purchase products to satisfy their own needs, their families, or to create satisfaction for the social groups in which they live.

Types of consumption can be classified according to the characteristics of goods into two types:

1. **Nondurable Goods Consumption** refers to the consumption of goods that are used up or depleted after use, such as water, food, medicine, gasoline, fuel, etc.
2. **Durable Goods Consumption** refers to the consumption of goods that can be used repeatedly over time, such as housing, automobiles, electrical appliances, and clothing.

Importance of Studying Consumer Behavior

1. Helps marketers understand consumers' needs in society at present and trends that are likely to occur in the future.
2. Helps marketers understand the factors that influence consumers' purchasing decisions.
3. Helps improve product development effectiveness.
4. Helps marketers identify new markets and respond appropriately to those markets.
5. Helps apply information obtained from the study of consumer behavior to improve products in line with consumer needs.
6. Helps in market segmentation in order to respond to consumer needs in accordance with the types of products desired.
7. Helps improve marketing strategies of various businesses to achieve competitive advantage.

Models of Consumer Behavior

There are several models, presented as follows:

1. Consumer Behavior Model of Kotler and Armstrong

This concept begins with the occurrence of a stimulus that creates a need. The stimulus enters the consumer's sensory perception, which is likened to a "buyer's black box" that producers or sellers cannot directly observe. The consumer's perceptions are influenced by various internal characteristics of the buyer, leading to a consumer response, or the consumer's purchase decision, whether to buy or not to buy. In summary, the starting point of this model is the stimulus that generates a need, which then leads to a response. This is known as the S-R Theory.

2. Behavioral Perspective of Consumer Behavior by Gilberd

Consumer purchase decisions go through a process related to the product being purchased.

1. Low Involvement Purchasing (Low Involvement)

Refers to the purchase of everyday products that are low-priced, have little impact on health, and do not involve advanced technology. Such purchases are easy to decide on and do not require extensive information search.

2. High Involvement Purchasing (High Involvement)

Refers to the purchase of products that have a high impact on health, are expensive, are important, are major purchases, or involve advanced technology. Consumers must consider these purchases carefully and seek a large amount of information.

Consumer Behavior Analysis

- ▶ Consumer behavior analysis is the study or research of consumers' purchasing and usage behavior in order to understand specific characteristics of consumer buying and usage patterns. The results obtained are used to formulate marketing strategies to appropriately satisfy consumer needs. The key questions used to identify consumer behavior characteristics are the 6Ws and 1H, namely: Who?, What?, When?, Where?, Whom?, Why?, and How? In order to find answers to seven aspects, or the 7Os, which are: Occupants, Objects, Objectives, Organizations, Occasions, Outlets, and Operations.

Questions (6Ws and 1H)	Required Answers (7Os)	Related Marketing Strategies
1. Who is in the target market?	Characteristics of the target group (Occupants) Segmented into: <ol style="list-style-type: none"> 1. Demographic 2. Geographic 3. Psychographic 4. Behavioral 	Marketing strategies (4Ps) Consist of product, price, place (distribution), and promotion strategies that are appropriate and able to satisfy the target group.
2. What does the consumer buy?	What consumers want to buy (Objects) What consumers want from products are product attributes or components (product components) and differentiation that is superior to competitors (competitive differentiation).	Product strategies (product strategies) consist of: <ol style="list-style-type: none"> 1. Core product 2. Product attributes, including packaging, brand, service format, quality, and innovation 3. Augmented product 4. Expected product
3. Why does the consumer buy?	Objectives of purchase (Objectives) Consumers buy products to satisfy their physical and psychological needs. Therefore, it is necessary to study the factors influencing buying behavior, which can be divided into: <ol style="list-style-type: none"> 1. Internal or psychological factors 2. Social and cultural factors 3. Personal factors 	Commonly used strategies include: <ol style="list-style-type: none"> 1. Product strategies 2. Promotion strategies, consisting of advertising strategies, sales promotion using sales personnel, and public relations 3. Price strategies 4. Distribution strategies
4. Who participates in the buying?	(Who participates in the buying?) The roles of different groups (organizations) that influence the buying decision consist of: <ol style="list-style-type: none"> 1. Initiator 2. Influencer 3. Decision maker 4. Buyer 5. User 	The strategies most commonly used are advertising and promotion strategies, focusing on influencer groups.
5. When does the consumer buy?	(When does the consumer buy?) Buying occasions are time periods, such as a particular month of the year or a specific season; certain days of the month; particular times; special occasions; or important festivals.	The strategies most commonly used are sales promotion strategies, such as conducting marketing activities at times that align with buying occasions.
6. Where does the consumer buy?	(Where does the consumer buy?) Channels or outlets where consumers make purchases, such as department stores, specialized computer retailers, websites, Siam Square, etc.	Relevant strategies are distribution channel strategies, whereby the company delivers products to the target market by considering how to reach intermediaries.
7. How does the consumer buy?	(How does the consumer buy?) The buying decision process (operations) consists of: <ol style="list-style-type: none"> 1. Problem recognition 2. Information search 3. Evaluation of alternatives 4. Purchase decision 5. Post-purchase behavior 	The strategies most commonly used are marketing promotion strategies, including personal selling, sales promotion, publicity, public relations, direct marketing, and setting objectives for the purchase decision.

Consumer Buying Decision Process

A purchase decision refers to the selection of one course of action from several available alternatives in order to achieve desired objectives. Therefore, it is part of the problem-solving process.

The study of the consumer buying decision process generally follows a five-stage process (Five-Stage Model of the Customer Buying Process) (Kotler & Armstrong, 2017, p. 155), which consists of problem recognition, information search, evaluation of alternatives, purchase decision, and post-purchase evaluation.

1. **Need Recognition or Problem Recognition:** This occurs when an individual becomes aware of a need or problem caused by internal stimuli within the person, such as hunger or thirst.
2. **Information Search:** When the need is sufficiently stimulated, leading to a desire for a product, this stage involves searching for information from various sources.
3. **Evaluation of Alternatives:** After obtaining information, consumers develop understanding and evaluate different alternatives.
4. **Purchase Decision:** After evaluating the alternatives, consumers proceed to the purchase decision stage.
5. **Post Purchase Behavior:** This is the process after purchasing and using the product, during which consumers evaluate whether they are satisfied or dissatisfied with the product.

Marketing Mix Factors

The marketing mix refers to products that meet the needs of the target customers, are sold at prices acceptable to consumers and that consumers are willing to pay because they perceive value, and are distributed through channels that are consistent with buying behavior to provide convenience to customers, with efforts to motivate product preference and appropriate purchasing behavior.

The marketing mix consists of controllable variables in purchasing decisions that must be used together to respond to the needs of the target market, and it mainly comprises the following elements:

1. **Product:** A product is something that can satisfy the needs and wants of customers. A product may have tangible and intangible attributes. Product components include product variety, product quality, brand name, warranty, and services.
2. **Price:** Price refers to the value determined for the exchange of goods or services in monetary terms. It involves pricing methods, policies, and strategies, including list price, discounts, payment methods such as cash or credit, and payment periods.

3. **Place or Distribution** refers to activities or operations involved in moving products from producers to locations and at times that meet the needs of consumers or industrial users. It consists of channels of distribution and physical distribution.

4. **Promotion** refers to communication between sellers and the target market regarding products, with the objectives of informing or persuading to influence attitudes and purchasing behavior. It can be carried out in four forms: advertising, personal selling, sales promotion, and publicity and public relations.

Types of Buying Behavior

Situations that lead to purchasing decisions differ according to types of buying behavior. Types of buying behavior can indicate the level of complexity in purchasing decisions and the degree of differences among brands.

1. **Complex Buying Behavior** refers to buying behavior involving a high level of complexity in decision making for products with significant differences among brands or high-priced products that are purchased infrequently and involve high risk, such as purchasing a computer.
2. **Dissonance-Reducing Buying Behavior** refers to buying behavior involving a high level of complexity in decision making for products with high involvement but few differences among brands. Although brand differences are small, the complexity of the purchasing decision is high due to high price, infrequent purchase, and high risk, such as purchasing furniture.
3. **Habitual Buying Behavior** refers to buying behavior with low complexity in decision making for products with little brand difference. This situation occurs when consumers perceive minimal differences among brands and low involvement in purchasing decisions, such as buying salt or soap.
4. **Variety-Seeking Buying Behavior** refers to buying behavior with low complexity in decision making for products with significant brand differences, such as purchasing snacks.

Factors Influencing Purchase Decision

Each consumer differs in various aspects due to differences in physical characteristics and individual environments, which lead to differences in purchasing decisions. Internal and external factors that influence consumer buying behavior consist of four factors:

1. **Cultural Factors** are characteristics and values that are passed down from one generation to another. They serve as determinants and regulators of individual behavior in society and define the characteristics of one society in comparison with others.
2. **Social Factors** are factors related to daily life that influence purchasing behavior. Social characteristics include reference groups, family, roles, and status of the buyer.
3. **Personal Factors** in individual purchasing decisions are influenced by four psychological processes: motivation, perception, learning, beliefs, and attitudes. Personal factors also include age (Age), family life cycle stage (Family Life Cycle Stage), occupation (Occupation), economic circumstances (Economic Circumstances), lifestyle (Life Style), personality (Personality), and self-concept (Self Concept).
4. **Psychological Factors** are internal factors of consumers that influence buying and consumption behavior. Psychological factors include motivation (Motivation), perception (Perception), learning (Learning), belief (Belief), and attitude (Attitude).

Creating Customer Satisfaction

Customer satisfaction can be divided into two main parts:

1. Preference refers to an emotional response resulting from using a product under certain conditions.

This means that customers will feel satisfied when the product meets the conditions they have specified, such as liking food because of its taste, or liking furniture because it is made of genuine leather and is beige in color.

2. Match refers to satisfaction as an evaluation of acceptance by comparing customers' expectations of products and services with what they actually receive from purchasing and using those products and services.

Effective ways to create customer satisfaction include creating added value for products, which should be considered based on the following principles:

1. **Competitive Differentiation** can be achieved in many forms, including product, service, personnel, image, and price differentiation. These differentiating characteristics help determine added value for customers.
2. **Total Customer Value** refers to the benefits that customers receive or the utility they obtain from a particular product.
3. **Total Customer Cost** refers to the costs incurred by customers in purchasing and consuming a product, including the product price, time, and energy spent in purchasing and using the product, as well as the psychological costs that customers must accept.
4. **Customer Perceived Value (CPV)** refers to the difference between total customer value and total customer cost.
5. **Customer Expectations** refer to what customers expect to receive from purchasing and using a product.