

GILBERT HARRELL

CONSUMER BEHAVIOR



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Preface

Students preparing to enter business and related fields should get ready for what might appear to be a paradox. Our knowledge of narrowly defined business functions is deep, complex, and technical. Yet the ability to integrate—to get the big picture—is also important. Business success demands both perspectives at a time when technologies and practices are changing quickly.

The way to deal with and benefit from this paradox is to have an understanding of the basics—those critical areas of knowledge that form the support structure for rapidly emerging areas of thought and action. This book provides a solid understanding of one of those foundation areas, consumer behavior. Business contacts have provided an opportunity for me to see how business is practiced. Now, more than ever, I believe that good practice in business begins with good theory. Every effort has been made to present the relevant theory of consumer behavior and show how it can be applied.

A great deal of conventional wisdom about consumer behavior needs to be preserved, but an emerging view must also be presented. Consequently, part of this book covers the traditional building blocks of consumer behavior, including perception, motivation, learning, attitudes, social class, and reference groups. The emerging view, based on concepts from cognitive psychology (information processing and brain functioning), also occupies a significant part of the book. Chapter 8 on information processing highlights the recent evidence about how information is discovered, perceived, and used to capture our view of the world. A careful attempt has been made to combine both perspectives into a systematic examination of consumer behavior.

Often consumer behavior elicits a picture of individuals and families; but industrial firms, professionals, and governments are also important consumers. Examples from all of these areas are used extensively throughout the book to show how consumer-behavior concepts can be applied in a practical sense. Numerous advertisements are reproduced, which quickly get across points that would otherwise take pages of expla-

nation. An entire chapter is devoted to organizational buying behavior that applies to industrial, professional, and government buying.

Consumer behavior is immensely interesting and fun to study, but it is not simplistic or trivial. The cursory overview of the subject covered in most marketing principles texts is only amusing when contrasted with a more in-depth study. To preserve the revealing nature of the subject, the student must understand numerous concepts both independently and as they relate to each other. One aid in this task are figures and diagrams, which augment the explanations in the text and represent graphically many of the book's main thoughts and ideas. For example, Chapter 1 includes a diagram that helps visualize the major building blocks and knowledge that make up consumer behavior. It is not a model of consumer behavior (several models are presented in the last chapter); rather, it is an educational tool to help the student understand which concepts are related and to present an overview of how the chapters are sequenced in the book.

The field of consumer behavior benefits from the attention it has received from researchers in diverse scientific and business areas. All too frequently, however, each area has tried to understand the big picture with a single clue based on its own investigations. As a result, concepts have not always been well integrated, and there have been some amusing interpretations of reality. Nevertheless, each area has made contributions. In the field of consumer behavior we have been able to borrow from other fields; but in many cases tools and techniques have been created specifically for our use. Both are integrated throughout the book.

Because consumer behavior is still an emerging field, this book should serve as a springboard for more advanced study. For the most part, however, it was written to prepare students to be knowledgeably consumer oriented in their future business life, to apply concepts of consumer behavior when appropriate, and to be able to ask specialists the right questions and understand their answers.

Business practitioners cannot be trained in consumer behavior—but they can become educated in the subject. Training requires the presence of well-known problems and their clearly defined solutions. The part of business that involves the understanding of consumer behavior does not work that way. Many of the problems in business are unique, and each solution must have its own character. The theories and principles presented here provide the basis for creating innovative strategies to solve these unique problems.

I would like to thank several of those who contributed to this book. Peter D. Bennett kindled my interest in this subject some time ago, provided support and advice on several occasions, and graciously supplied an outline for Chapter 11 on social class. Special thanks go to Matthew Fors, who, tirelessly and enthusiastically, did library research, checked

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My gratitude extends to the team at Harcourt Brace Jovanovich. Craig Avery immersed himself in the manuscript during final editorial stages, keeping student needs in mind and making sure that the whole fit together with clarity. Don Fujimoto developed original art and graphics, which are a major strength of the book. Ken Rethmeier, whose advice I sought many times, provided important guidance and coordinated the entire project.

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GILBERT D. HARRELL

Contents

Preface	v	Research and Analytical Tools of Consumer Behavior	11
1		<i>Measurement Techniques</i>	12
		<i>Survey Methods</i>	12
		<i>Experimentation</i>	13
		<i>Statistical Analysis</i>	13
		<i>Simulation</i>	14
Understanding Consumer Behavior	1	Research Application: Market Segmentation and Strategy	14
Consumer Behavior and Marketing	2	<i>Market Segmentation</i>	14
Three Scenarios	4	<i>Strategy Development</i>	15
<i>Morning Ritual</i>	4	An Overview of Topics in Consumer Behavior Studies	16
<i>New Venture</i>	5	<i>Cognitive Variables</i>	18
<i>The Campus Consumer</i>	6	<i>Individual Differences</i>	18
Consumer Behavior: More Than Simply Buying	7	<i>Problem Solving and Marketing Decisions</i>	19
Types of Consumers	8	Summary	20
Origins of the Consumer Behavior Field	9	Key Terms	21
<i>Psychology</i>	9	Questions	21
<i>Sociology</i>	10	Notes	22
<i>Anthropology</i>	10		
<i>Economics</i>	11		

PART I THE CONSUMER'S DECISION-MAKING PROCESS

Motives	25	Attitudes	30
Perception	26	Information Processing	31
Memory	27	<i>Highlights of Research in Information Processing</i>	32
Learning	27	Notes	33
Involvement	28		
<i>Degree of Problem Solving</i>	29		

2

Motivation	35
Motivation Research, Then and Now	36
Maslow's Hierarchy of Needs	38
<i>Physiological Needs</i>	38
<i>Needs for Safety</i>	39
<i>Needs for Love and Belonging</i>	39
<i>Needs for Esteem</i>	40
<i>Needs for Self-actualization</i>	41
<i>Advertising Aimed at Needs</i>	41
<i>Consumer Needs and Wants</i>	42
<i>Consumers' Need Hierarchies</i>	45
Murray's List of Social Motives	47
McGuire's List of Motives	50
Three Important Motives	51
<i>Curiosity</i>	52
<i>Competence</i>	55
<i>Consistency</i>	56
Motivational Conflict	58
<i>Approach-Approach Conflict</i>	58
<i>Avoidance-Avoidance Conflict</i>	58
<i>Approach-Avoidance Conflict</i>	59
Conflict Resolution	60
Summary	61
Key Terms	62
Questions	62
Notes	63
Further Reading	64

3

Perception	65
Internal Factors of Perception	66
<i>Physiology</i>	66
<i>Attention</i>	68

<i>Interest</i>	69
<i>Current Needs</i>	69
<i>Experience and Memory</i>	69
<i>Mood States</i>	70
External Factors of Perception	71
<i>Size and Placement</i>	71
<i>Color</i>	72
<i>Novelty and Contrast</i>	72
<i>Intensity</i>	74
<i>Motion</i>	74
Selective Perception	74
<i>Selective Exposure</i>	75
<i>Selective Attention</i>	75
<i>Selective Comprehension</i>	76
<i>Selective Retention</i>	85
Perceived Risk	86
<i>Types of Perceived Risk</i>	86
<i>Elements of Perceived Risk</i>	87
<i>Reducing Perceived Risk</i>	87
Product Positioning	88
<i>Methods of Creating Perceptual</i>	
<i>Maps</i>	90
<i>Integrating Preference Data</i>	91
Subliminal Perception	92
Summary	94
Key Terms	96
Questions	96
Notes	97
Further Reading	98

4

Learning	101
The Requirements of Learning	102
<i>Change</i>	102
<i>Behavioral Tendencies</i>	103
<i>Previous Encounters</i>	103
Learning Techniques: Repetition, Rehearsal, and Mnemonics	104

<i>The Learning Curve</i>	106
<i>Stochastic Learning Models</i>	106
<i>Evoked Sets</i>	110
Learning Theory	111
<i>Cognitive Learning</i>	111
<i>Contiguity Learning/Classical Conditioning</i>	116
<i>Reinforcement Learning</i>	118
<i>Learning Theory Applied</i>	123
<i>Connectivist Approaches</i>	123
<i>Integrated Learning Framework</i>	125
<i>Marketing Principles</i>	127
Summary	130
Key Terms	130
Questions	131
Notes	131
Further Reading	132

5

Involvement and Attitudes	135
Low Involvement and High Involvement	136
<i>The Development of Involvement Theory</i>	137
<i>An Example of Involvement</i>	138
<i>Other Studies of Involvement</i>	141
<i>Implications of Involvement for Marketing Strategy</i>	143
Attitudes	143
<i>What Attitudes Are</i>	143
<i>Attitudes and Values</i>	144
<i>Attitudes and Beliefs</i>	145
Theoretical Approaches to the Study of Attitudes	146
Structural Components of Attitudes	147
<i>The Cognitive Component</i>	148
<i>The Affective Component</i>	148
<i>The Behavioral Component</i>	150

Attitude Formation	151
<i>The Attitude-Behavior Cycle</i>	151
<i>Attitudes and Involvement</i>	152
Attribution Theory	153
How Attitudes Function	154
Summary	156
Key Terms	156
Questions	157
Notes	157
Further Reading	159

6

Attitude Measurement and Models	163
Multiattribute Models of Attitude	164
<i>Rosenberg's Attitude toward an Object Model</i>	164
<i>Fishbein's Attitude toward an Object Model</i>	165
<i>Fishbein's Attitude toward an Action Model</i>	166
<i>The Adequacy-Importance Attitude Model</i>	168
The Role of Purchase Criteria	169
Attitude Assessment	173
<i>Qualitative Techniques</i>	173
<i>Quantitative Techniques</i>	175
A Hypothetical Attitude Assessment	180
Noncompensatory Attitude Models	182
Summary	185
Key Terms	186
Questions	186
Notes	187
Further Reading	188

7

Attitude Change	191
Routes to Attitude Change	193
Modifications of Cognitive Structure	194
<i>Changing Cognitions or Beliefs</i>	195
<i>Changing the Goodness or Badness of Attributes</i>	197
<i>Altering the Importance or Determinance of Characteristics</i>	197
<i>Adding Attributes</i>	198
<i>Using Direct Action</i>	198
Communication Sources	199
<i>Credibility</i>	199
Message Characteristics	206
<i>One-Sided and Two-Sided Messages</i>	207
<i>Recommendations or Conclusions</i>	208
<i>Order of Presentation</i>	208
<i>Humor</i>	209
<i>Fear Appeals</i>	210
<i>Comparative Advertising</i>	212
Characteristics of Message Receivers	215
<i>Refuting Arguments</i>	215
<i>Attacking the Source</i>	216
<i>Distorting the Message</i>	216
<i>Rationalization</i>	217
<i>Blanket Rejection</i>	217
Other Factors Affecting Resistance to Persuasion	218
<i>Level of Involvement</i>	218
<i>Intelligence and Susceptibility to Persuasion</i>	219
Summary	219
Key Terms	220
Questions	221

Notes	221
Further Reading	222

8

Information Processing	225
What Is Information Processing?	226
The Information Processing System	228
Attention	228
Encoding	231
<i>Mental Imagery</i>	232
<i>Verbal Encoding</i>	233
<i>Combined Verbal and Pictorial Representations</i>	234
Memory	235
<i>Multiple Memory</i>	236
<i>Levels of Processing Theory</i>	241
<i>Activation Theory</i>	241
Problem Solving	242
<i>Defining the Pool of Alternative Brands</i>	243
<i>Reviewing Information about the Alternatives</i>	243
<i>Selecting the Decision Rule</i>	243
<i>Constructing the Decision Rule</i>	246
<i>Applying a Decision Rule</i>	247
Information Acquisition	249
The Marketing Application: Rules for Structuring Messages	251
Summary	252
Key Terms	253
Questions	253
Notes	254
Further Reading	255

PART II SOCIAL ENVIRONMENT

Personality	260	Opinion Leadership	265
Life-style	261	Families and Households	265
Demographics	262	Culture and Subculture	266
Social Class	263	Organizational Buying Behavior	267
Reference Groups	264	Notes	268

9

Personality and Life-style	269	<i>Gender</i>	303
History of Personality Research	270	<i>Income</i>	305
<i>The Freudian Foundation</i>	271	<i>Occupation</i>	305
<i>Neo-Freudian Theories</i>	273	<i>Education</i>	306
<i>Quantitative Trait and Factor</i>		“ZIP Code Demographics”	307
<i>Theories</i>	275	Summary	308
<i>Marketing Studies Using</i>		Key Terms	309
<i>Personality</i>	276	Questions	309
Life-style and Psychographics	280	Notes	310
Summary	290	Further Reading	310
Key Terms	291		
Questions	291		
Notes	291		
Further Reading	292		

10

Demographics	295
Demographic Characteristics	296
<i>The Size of the Population</i>	297
<i>Geographic Location</i>	298
<i>Age</i>	299

11

Social Class			313
Social Class Defined			314
Social Stratification in the United States			316
<i>The Upper-Upper Class</i>			316
<i>The Lower-Upper Class</i>			317
<i>The Upper-Middle Class</i>			319
<i>The Lower-Middle Class</i>			320
<i>The Upper-Lower Class</i>			322
<i>The Lower-Lower Class</i>			322

Measures of Social Class	323
<i>Intensive Study Methods</i>	323
<i>Complex Large-Population Studies</i>	325
<i>Large-Sample Surveys</i>	327
How Social Class Affects Consumer Behavior	328
<i>Retail Shopping Behavior</i>	329
<i>Products and Services Used</i>	330
<i>Perceptions of Price and Quality</i>	331
<i>Media Habits and Responses to Promotions</i>	331
Determinants of Social Class	333
<i>Income</i>	333
<i>Occupation</i>	334
<i>Education</i>	334
<i>Income, Occupation, and Education as a Combined Indicator of Class</i>	336
<i>Possessions and Ownership</i>	338
<i>Affiliations</i>	338
Differentiating the Working Classes	340
Appealing to a Specific Social Class: A Marketing Problem	342
Summary	343
Key Terms	344
Questions	344
Notes	344
Further Reading	346

12

Reference Groups	349
Definition of a Group	350
<i>Associative and Disassociative Groups</i>	351
<i>Formal and Informal Groups</i>	353
<i>Primary and Secondary Groups</i>	354
The Functions of Groups	357
<i>Developmental Functions</i>	357
<i>Enduring Functions</i>	358

How Groups Influence Consumer Behavior	364
<i>Groups Provide Information to Members</i>	364
<i>Groups Facilitate Value Expressiveness and Comparisons</i>	365
<i>Groups Encourage Conformity with Purchasing Norms</i>	365
<i>Roles Within Reference Groups</i>	369
Marketing Implications of Group Influence	370
Summary	370
Key Terms	371
Questions	371
Notes	372
Further Reading	372

13

Opinion Leadership and Diffusion of Innovations	375
Opinion Leadership	376
<i>Who Are Opinion Leaders?</i>	378
<i>Measuring Opinion Leadership</i>	379
The Diffusion Process	381
<i>Types of Innovations</i>	384
<i>Developing Marketing Strategies Based on Diffusion</i>	390
<i>The Accelerating Rate of Innovation Adoption</i>	392
Summary	393
Key Terms	394
Questions	394
Notes	394
Further Reading	395

14

Families and Households	397
Major Characteristics of Family	
Households	398
<i>The Family Life Cycle</i>	399
<i>Changes in the Family Life Cycle</i>	408
Household Characteristics	416
<i>Single Adult Households</i>	418
Family Decision Making	418
<i>The Joint Decision-Making Process</i>	420
<i>Family Decision-Making Strategies</i>	422
<i>Children's Impact on Family Decisions</i>	425
<i>Family Expenditures</i>	429
Application to Marketing Strategy	430
Summary	432
Key Terms	434
Questions	434
Notes	435
Further Reading	436

15

Culture and Subculture	439
Multinational Business and the Cross-Cultural Perspective	440
<i>Primary and Secondary Consumer Demand</i>	443
<i>Culture and Consumer Behavior</i>	444
What Is Culture?	444
<i>Culture Is Learned: Socialization</i>	445
<i>The Nine Nations of North America</i>	446
<i>Current American Values: The Survey Research Center Study</i>	449
<i>Ten Current American Values</i>	451

<i>Three Categories of American Values</i>	455
<i>Acculturation</i>	459
<i>The Self-Reference Criterion</i>	463
Religion and Consumer Behavior	464
<i>Primitive Religion</i>	464
<i>Hinduism</i>	465
<i>Buddhism</i>	465
<i>Islam</i>	466
<i>Christianity</i>	467
Subculture	468
<i>Ethnicity</i>	469
<i>Black Subculture</i>	470
<i>Hispanic Subculture</i>	476
<i>Ethnicity and the Jewish Subculture</i>	477
Summary	478
Key Terms	479
Questions	480
Notes	480
Further Reading	481

16

Shopping Environments and Situations	485
Why People Shop: The Store Environment	486
<i>Shopping Center Image</i>	487
<i>Store Image</i>	488
<i>Store Atmosphere</i>	489
<i>Consumer Response to Store Designs</i>	500
Situational Variables	503
<i>Shopping Purpose</i>	504
<i>Time Availability and Product Use</i>	505
Summary	506
Key Terms	507

Questions	507
Notes	508
Further Reading	509

Notes	542
Further Reading	543

17

Organizational Buying Behavior	511
Types of Buying Situations	512
<i>Classes of Trade</i>	512
<i>The Buyer-Seller Relationship</i>	516
Types of Buying Decisions	518
Key Positions in the Buying Organization	522
<i>The Purchasing Agent</i>	523
<i>The Functional Managers</i>	523
Roles in the Buying Organization	524
<i>Gatekeepers</i>	524
<i>Information Seekers</i>	526
<i>Advocates</i>	526
<i>Linking Pins</i>	527
<i>Decision Makers</i>	528
<i>Users</i>	529
Stages in the Organizational Buying Process	529
An Overview of Influencing Factors:	
The Sheth Model of Industrial Buyer Behavior	531
<i>Information Sources</i>	533
<i>Industrial Buying Process</i>	534
<i>Joint Decisions and Conflict Resolution</i>	536
The Effect of Diffusion on Organizational Buying	538
<i>The Flow of Communication</i>	539
Summary	541
Key Terms	542
Questions	542

18

Consumer Behavior Models	545
Components of Models	546
Why We Need Models	547
<i>Prediction and Understanding</i>	547
<i>Simplification</i>	548
How Consumers Solve Problems:	
Three Brand-Choice Scenarios	549
<i>The Basic Problem-Solving Sequence</i>	550
The Howard-Sheth Model of Buyer Behavior	551
<i>Learning Constructs</i>	551
<i>Perceptual Constructs</i>	554
The Engel, Kollat, Blackwell (EKB) Decision Process Model	555
<i>Problem Recognition</i>	555
<i>Information Processing</i>	557
<i>Search and Alternative Evaluation</i>	558
The Bettman Information-Processing Theory of Consumer Choice	560
<i>Overview of the Bettman Model</i>	560
<i>Processing Capacity</i>	562
<i>Motivation and Goal Hierarchy</i>	562
<i>Attention</i>	563
<i>Information Acquisition and Evaluation</i>	563
<i>Decision Processes</i>	564
<i>Consumption and Learning Processes</i>	564
How Marketers Use Models	566
<i>Research Project Designs</i>	567
<i>Marketing Planning</i>	567
<i>Account Analysis</i>	568
<i>Employee Training</i>	569

Consumer Behavior Research: An Ongoing Process	569	Notes	572
Summary	569	Further Reading	572
Key Terms	571		
Questions	571	Index	579

1

Understanding Consumer Behavior

Objectives of This Chapter

After you have studied this chapter, you should be able to:

1. Describe the major activities that constitute consumer behavior and identify the types of consumers who are the subjects of study.
2. Trace the origins of the study of consumer behavior.
3. Discuss the types of research and analytical tools used in consumer behavior studies.
4. Distinguish between types of buying situations and their impact on consumers' decision-making processes.

Finding, evaluating, purchasing, using, and discarding goods or services occupies a large part of our daily lives. The study of consumer behavior helps us understand the forces that guide these activities. Consumer behavior also has a direct effect on businesses and our economic system. This textbook is designed to provide overall knowledge about the fundamentals of consumer behavior and the role consumers play in shaping successful business operations. We will stress the main theories and principles of consumer behavior as we know it today. In addition, the questions and the suggestions for further reading at the end of each chapter should provide the foundation for more in-depth exploration by those who are interested.

CONSUMER BEHAVIOR AND MARKETING

consumer behavior

Consumer behavior can be defined as the actions and decision processes of individuals and organizations involved in discovering, evaluating, acquiring, consuming, and disposing of products and services. The study of consumer behavior has been developed by scholars from a broad range of disciplines, including psychology, sociology, anthropology, and marketing. Although the field of consumer behavior is relatively young compared to many other academic disciplines, the study of how buyers think and act is finding considerable application among successful companies. In truly market-oriented organizations, an understanding of consumer behavior is the basis for management decision making. These managers recognize that their success depends on how much they know about potential customers—not just *who* they are, but *how*, *when*, *where*, and *why* they consume. Marketers use information about consumer behavior to design new products and services, determine appropriate prices, select methods of distribution, and build effective promotion and advertising. When several companies are competing for the same market, the firm that best anticipates and responds to the customer is likely to reap the greatest reward. All other things being equal, a company's ability to acquire and apply knowledge about consumers often spells the difference between success and failure.

When businesses understand how and why consumers make purchase choices, they are better able to address the needs and wants of consumers and to generate greater customer satisfaction. Administrators of public policy, such as state and federal legislators and local council members, also are interested in consumer behavior so that they can assure adequate protection to both individuals and businesses. Consumers themselves often benefit from a better understanding of how they make purchases. This is particularly true for industrial purchasers, where huge sums may be at stake; but it applies just as well to families and to individuals.