

# CONSUMER BEHAVIOR AND MARKETING STRATEGY

SECOND EDITION

A large, stylized, dark blue 'CB' monogram is centered within a square gold-colored field. The letters are bold and serifed, with the 'C' and 'B' joined together. The gold field has a slightly textured appearance.

J. PAUL PETER  
JERRY C. OLSON

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# Consumer Behavior and Marketing Strategy

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Second Edition

**IRWIN**

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# PREFACE

*Consumer Behavior and Marketing Strategy*, second edition, is designed for both undergraduate and graduate courses that focus on consumer behavior theory and research and their use in developing marketing strategies.

These courses are typically taught to junior- or senior-level undergraduates at four-year schools, sophomores at two-year schools, and second-year MBA students. Most of these students will have taken a general introductory course in marketing principles, and many will have some background in the social sciences.

The major purpose of the text is to give students the knowledge and skills necessary to perform detailed consumer analyses that could be used for understanding markets and developing effective marketing strategies.

## WHY WE WROTE THIS BOOK

Having researched and taught in the area for many years, we saw a need for a text with a more integrative, strategic marketing approach to consumer behavior. Although writing a textbook is never easy, we undertook the task to resolve several specific problems we saw in the existing consumer behavior texts.

- **A consumer behavior text should be more than just a review of the consumer behavior literature.** The history of consumer behavior certainly can be a fascinating topic; but we believe that a focus on *marketing strategies* is more appropriate, particularly when the consumer behavior course is taught within a marketing curriculum. Experience has taught us that the strategic approach is more valuable for undergraduates and master's students training for jobs in marketing management.
- **A consumer behavior course should be well integrated into the marketing curriculum.** Although the consumer behavior course is typically housed in marketing departments, it often stands alone as a course in applied or cognitive psychology. Many consumer behavior texts do not make it clear how the psychological and behavioral concepts can be used to develop and evaluate marketing strategies. The application and implications of the material are often unclear. We find, however, that today's marketing and business students want courses

more relevant for the types of marketing decisions managers must make.

- **A consumer behavior text should show how the topics fit together and can be used by a manager to develop marketing strategies.** Too often students leave a consumer behavior course with little knowledge of the way topics fit together and how the information can be used. We wanted to present an *integrated view of consumer analysis*, rather than the fragmented knowledge of separate theories and concepts often found in other texts.

## WHY THIS TEXT DIFFERS FROM TRADITIONAL CONSUMER BEHAVIOR BOOKS

To prepare a text that would meet our objectives and overcome the problems described above, we had to make several changes from traditional texts.

- First, we deemphasized or omitted dated consumer behavior topics and research that have little to do with developing marketing strategies.
- Second, we included topics and research from other areas that are not covered in traditional consumer behavior texts but have useful implications for developing marketing strategy.
- Third, we created some new ideas and frameworks that we felt would be useful for educating future marketing managers.
- Fourth, we developed a simple model that encompasses the major elements of consumer analysis and can be used to integrate the field. This model, shown below, includes four major interacting elements that must be considered in any consumer analysis: **affect and cognition**,



**behavior, the environment, and marketing strategy.** We believe the Wheel of Consumer Analysis is a powerful tool for analyzing consumer behavior. It can be used as a conceptual tool for understanding consumers and for guiding the development of marketing strategies.

## TEXT ORGANIZATION

The text is organized around the Wheel of Consumer Analysis.

**Section One** provides an overview of the Wheel of Consumer Analysis and explains how each of the four elements influences the other elements in a dynamic, reciprocal manner.

**Section Two**, devoted to *affect and cognition*, provides a current view of consumers' internal psychological processes and their relevance for marketing strategy development.

**Section Three** discusses *behavior* and provides a detailed treatment of the overt actions of consumers and how these actions influence and are influenced by marketing strategies.

**Section Four** is devoted to the *environment* and analyzes stimuli external to consumers that influence how they think, feel, and act.

**Section Five** discusses *marketing strategies* by which marketing stimuli (such as products, advertisements, stores, and price information) are created and placed in consumer environments in order to influence consumer affect, cognitions, and behaviors.

## SPECIAL FEATURES OF THE TEXT

This book contains a variety of pedagogical aids to enhance student learning and facilitate the application of consumer behavior concepts to marketing practice:

- **Introductory scenarios.** Each chapter begins with an interesting example that discusses a real-world situation involving some aspect of consumer behavior. Then, each chapter ends with a “**Back to . . .**” section that summarizes how the chapter material relates to the opening example. This clearly shows students how the chapter concepts are relevant for marketing strategy decisions. This feature has been very successful in generating student interest and increasing understanding of the chapter material.
- **Examples.** Reviewers have applauded the inclusion of many examples of marketing strategies used by actual companies. These examples demonstrate how consumer behavior concepts are used by marketers. Also, they increase student interest in the material.



- **Highlights.** Each chapter contains longer examples called Highlights that show the relevance of consumer behavior concepts and give students real-life examples of marketing strategies. All Highlights are referenced in the text but are self-contained for individual study.
- **Key terms and concepts.** We include a list of key terms and concepts at the end of each chapter to facilitate study of the material. These terms and concepts are also boldfaced within the chapter text.
- **Marketing Strategy in Action.** Each chapter concludes with a minicase that focuses on consumer analysis issues facing real companies. These short cases are included to help integrate consumer behavior information into the marketing strategy development process. The discussion questions accompanying the minicases can be used for written assignments or to stimulate in-class discussion.
- **Review and discussion questions.** Each chapter contains a series of review and discussion questions that emphasize the understanding and application of chapter material to strategic marketing issues. These can be used for written assignments, in-class discussions, essay exam questions, or for student self-study.
- **Annotated additional reading.** For students who wish to study specific topics covered in a chapter more deeply, we selected readings, articles, books, and other materials appropriate for them. The readings are briefly annotated to help direct students to appropriate sources. Chapters also contain selected **footnotes** for the most current and useful references and additional sources of information.
- **Glossary.** The text contains a glossary of key consumer behavior terms. Many of these definitions were previously prepared by the authors for the American Marketing Association's *Dictionary of Marketing Terms*.

## CHANGES IN THE SECOND EDITION

We made a number of changes and improvements in the second edition without changing the key features that give *Consumer Behavior and Marketing Strategy* its unique character. For instance, we retained the Wheel of Consumer Analysis, the up-to-date conceptual coverage, the clear writing style, and the many current, real-world examples.

Changes in this edition are the result of research interviews with faculty and students as well as suggestions from knowledgeable reviewers. These changes include:

- **Simplified presentations.** We rewrote Section Two, which deals with cognition. Our goal was a clearer, shorter, and more understandable presentation of consumer cognition. By removing some of the technical details, we reduced Section Two by one chapter without losing important conceptual material. In fact, nearly all of the longer chapters

in the first edition have been shortened to make them easier for students to read and comprehend in one sitting.

- **New material.** Currently a great deal of research is focusing on consumer **affect**. We have thus integrated the discussion of affect and cognition and the relationships between them in Section Two. We have also placed greater emphasis on consumer research in the marketing strategy section and less emphasis on topics commonly covered in principles of marketing courses.
- **Social and ethical considerations.** We moved our chapter on social and ethical concerns into Section Five rather than treating it as a separate section. We believe these are important issues that should not be separated from marketing strategy development.
- **Updating.** We continue to believe that only recent research of high quality should be integrated into our text and taught to students. We have thus carefully updated many examples and references to maintain our emphasis on currency.

## INSTRUCTIONAL AIDS

The text package contains two major instructional aids. These include:

- **Instructor's Manual.** We have carefully revised the Instructor's Manual to reflect the changes in this edition. The Manual contains a variety of useful information and suggestions for teaching each of the chapters in the text, plus transparency masters, notes for the Marketing Strategy in Action cases, and information for designing several types of term projects.
- **Manual of Tests and CompuTest.** A new Manual of Tests consisting of 2,000 multiple-choice and short-answer questions has been written by Cathie Tinney of the University of Texas of the Permian Basin for the second edition. "Rationales" for the answers to some of the more difficult application questions have been included. The Manual of Tests has been thoroughly reviewed to ensure a reliable, high-quality teaching tool for the instructor. In addition, CompuTest offers the instructor the option of constructing a computer-generated test from the questions in the Manual of Tests.

## ACKNOWLEDGMENTS

We are indebted to many people who contributed to the development of the first and second editions of this book. First, we thank our students for *their* contribution to *our* education. Second, we thank Gilbert A. Churchill, Jr., Irwin Consulting Editor, and Eleanore Snow, Irwin Senior Developmental Editor, for

their encouragement, constructive criticism, and patience throughout the preparation of these editions. Third, a special thanks to Cathie Tinney of the University of Texas of the Permian Basin for preparing the end-of-chapter Review and Discussion Questions and answers. Finally, we thank the reviewers of this text for the time, effort, and insights they offered. They include:

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In addition to the reviewers named above, we also found feedback from individual users of the first edition—both professors and students—to be invaluable in helping us shape this second edition to meet your needs and interests. We would appreciate your comments and suggestions on the second edition.

**J. Paul Peter**  
**Jerry C. Olson**

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# Consumer Behavior and Marketing Strategy

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