

# Chapter 3

## Buyer Behaviors

### CHAPTER OBJECTIVES

Students should be able to answer the following questions:

- 3.1 What elements are involved in internal and external information searches by consumers, as part of the purchasing process?
- 3.2 What three models explain how individuals evaluate purchasing alternatives?
- 3.3 What trends are affecting the consumer buying environment?
- 3.4 How do the roles played by various members of the buying center and the factors that influence them impact business purchases?
- 3.5 What types of business-to-business sales are made?
- 3.6 What are the steps of the business-to-business buying process?
- 3.7 How does dual channel marketing expand a company's customer base and its sales?
- 3.8 How can a company overcome international differences when adapting to buying processes?

### OVERVIEW

This chapter reviews consumer buyer behaviors and business-to-business buyer behaviors.

Consumer purchasing processes include five steps; however, two of those steps are most important from an IMC perspective: the information search stage and the evaluation of alternatives stage, which are described in detail in the first part of this chapter.

Next, the consumer buying environment is described.

Business buying behaviors are described starting with a description of the five major roles played in a business buying center.

The three main types of business-to-business purchases are noted.

Finally, dual channel marketing is explained.

## Nescafe

In a country dominated by tea consumption (China), creating a new mindset in which coffee would be selected more often by younger consumers, especially in rural areas, was one key goal. Nescafé's marketing team decided that new technologies presented the greatest opportunities to influence the entire buying process.

### Questions for Students:

1. Do you think selling coffee in a country dominated by tea consumption is a good idea?
2. Do you think the company will succeed using social media? Why or why not?

**Objective 3.1:** Which elements are involved in internal and external information searches by consumers, as part of the purchasing process?

### Information Searches and the Consumer Purchasing Processes

Marketing managers constantly endeavor to influence consumer decisions. Figure 3.1 displays the steps of the buying decision-making process. The two steps that are the most important to IMC programs are

- Information search
- Evaluation of alternatives

After a need emerges, the consumer begins an internal search, mentally recalling products that might satisfy it.

Often, the individual remembers how the need was met in the past. If a particular brand was chosen and the experience was positive, the consumer repeats the purchase decision, and the information search ends.

When a previous purchase did not work out, or the consumer wishes to try something else, a more complete internal search may result.

### Internal Search

An internal search takes place when the consumer mentally recalls images of products that might fulfill or meet the need.

A major objective is to build equity so that the company's brand will be recalled during an internal search.

## External Search

Following an internal search, the consumer makes a mental decision regarding an external search.

External information comes from many sources, including the following:

- Friends and relatives
- Other consumers
- Books, magazines, newspapers, and searches of the internet
- Advertisements
- In-store displays
- Salespeople

The amount of time a consumer spends on an external search depends on the factors shown in Figure 3.2:

1. The *ability to search*, which depends on the person's educational level combined with specific knowledge of the product category and the brands being offered.
2. *Motivation*, such that the greater the motivation, the greater the extent of external search. Motivation is determined by
  - a. The consumer's level of involvement (enduring versus situational)
  - b. The customer's need for cognition (low versus high)
  - c. The customer's level of shopping enthusiasm (low versus high)
3. *Costs*, the cost of the search consists of several items:
  - a. The actual cost of the good or service
  - b. The subjective costs associated with the search, including the time spent and the anxiety experienced while making a decision
  - c. The opportunity cost of forgoing other activities to search for information
4. *Perceived benefits* of the search: higher perceived benefits increase the tendency to search.

The four factors that make up an external search (ability, motivation, costs, and benefits) are normally all considered at the same time.

**Question for Students:** Which of these four factors influences you the most when shopping?

From a marketing communication perspective, the search process is an important time to reach the consumer with information about a particular brand.

The goal of marketers during this stage should be to provide information that allows consumers to make the correct decision.

Some additional concepts should be considered by marketing experts as they study the information search process.

1. Consumer attitudes
2. Consumer values
3. Cognitive mapping

### **Consumer Attitudes**

An *attitude* is a mental position taken toward a topic, person, or event that influences the holder's feelings, perceptions, learning processes, and subsequent behaviors.

An attitude consists of three components:

1. The *affective* component contains the feelings or emotions a person has about the object, topic, or idea.
2. The *cognitive* component refers to a person's mental images, understanding, and interpretations of the person, object, or issue.
3. The *conative* component is an individual's intentions, actions, or behavior.

The most common sequence of events that takes place as an attitude forms is

cognitive -> affective -> conative

There are other ways in which attitudes may develop. An alternative process may be

affective -> conative -> cognitive

Some attitudes result from a third combination of the components, as follows:

conative -> cognitive -> affective

Attitudes are shaped, in part, by an individual's personal values.

### **Consumer Values**

*Values* are strongly held beliefs about various topics or concepts and lead to the judgments that guide personal behaviors.

By appealing to the basic values shown in Figure 3.3, marketers hope to convince prospective customers that their products can help them achieve a desirable outcome.

In terms of consumer decision-making processes, both attitudes and values are helpful to marketing experts.

Figure 3.4 identifies some of the brands consumers consider to be patriotic.

### **Cognitive Mapping**

Cognitive maps are simulations of the knowledge structures embedded in an individual's brain.

People use knowledge structures to help them interpret new information and to determine an appropriate response to fresh information or a novel situation.

Figure 3.5 is an example of a cognitive map of a person thinking about Ruby Tuesday.

#### *Cognitive Linkages*

Besides initial linkages, other features of cognitive maps are present. These include levels and layers, meaning that cognitive processing occur on many levels using highly complex mechanisms.

#### *Processing New Information*

New information affects linkages that already exist.

In situations in which a message has no current linkages, a new map will evolve in the person's mind.

#### *Retaining Information*

Hearing something once usually is not enough to cause it to be retained in a person's memory because of the difference between short-term recall and long-term memory.

#### *New Concepts*

Another way a consumer can process information is to link the message to a new concept. The individual can add a link, ignore or forget the message, or recall the message later.

#### *Marketing Messages*

When a company attempts to introduce consumers to a new brand, the advertisements and other marketing messages should repeat the name of the product several times during the presentation to improve the chances it will be recalled.

Figure 3.6 displays the roles of marketing messages in cognitive mapping.

**Question for Students:** Can you imagine a cognitive map for one of your recent purchases?

**Objective 3.2:** What three models explain how individuals evaluate purchasing alternatives?

### **Evaluation of Alternatives**

Three models portray the nature of the evaluation process.

1. The evoked set approach.
2. The multiattribute approach.
3. Affect referral.

Figure 3.7 displays these three methods.

#### **The Evoked Set Approach**

A person's evoked set consists of *the brands that are considered in a purchasing situation*. Two additional components of evoked sets are part of the evaluation of purchase alternatives:

1. The *inept set* consists of the brands that are part of a person's memory, which are not considered because they elicit negative feelings.
2. The *inert set* holds the brands that the consumer is aware of but the individual has neither negative nor positive feelings about the products.

#### **The Multiattribute Approach**

The key to understanding this model is noting that consumers often examine sets of attributes across sets of products or brands. The multiattribute model assumes that a consumer's attitude toward a brand is determined by the following:

- The consumer's beliefs about a brand's performance on each attribute
- The importance of each attribute to the consumer

The higher a brand is rated on attributes that are important to the consumer, the more likely it becomes that the brand will be purchased.

Figure 3.8 displays an example of a multiattribute model.

#### **Affect Referral**

With this method, a consumer chooses the brand that he or she likes the best. The individual does not evaluate the other brands and often does not even think about which attributes are important.

Two things explain why consumers rely on affect referral:

1. It saves mental energy.
2. The multiattribute model may have been utilized previously. Thus, the person has already spent a great deal of time considering various product attributes, deciding which attributes were most critical, and reaching a decision.

**Question for Students:** Can you remember your last purchase using an affect referral type of approach?

**Objective 3.3:** What trends are affecting the consumer buying environment?

### **Trends in the Consumer Buying Environment**

It is important to note some of the more recent trends that have affected purchasing patterns.

Figure 3.9 lists the trends.

#### **Age Complexity**

Some of the attitudes and values that are shifting at a cultural level include those associated with the following:

- Young people “growing up” more quickly
- Older people refusing to “grow old”

#### **Gender Complexity**

Roles of males and females continue to evolve.

#### **Active, Busy Lifestyles**

Many people would prefer more time to more money and possessions. Convenience items are in higher demand.

#### **Diverse Lifestyles**

A wide diversity exists in the adult paths individuals take and the living arrangements.

Divorce and remarriage alter many family units. Divorcees, or *second chancers*, tend to develop a new outlook on life. They have higher incomes and are more content with life

The number of openly lesbian, gay, bisexual, and transgender (LGBT) has grown to approximately 5 percent to 10 percent of the population.

### **Communication Revolution**

Advances in telecommunications, primarily social media and smartphones, have impacted consumers all over the world and have created significant changes in the way individuals communicate with each other, with brands, and with companies.

These technologies have changed the way brands and firms are influenced by word-of-mouth communication and can be used to engage consumers and stimulate positive endorsements.

### **Experience Pursuits**

Indulgences, such as expensive dinners or get-away weekends, bring feelings of comfort and reassurance.

Self-rewarding activities make the consumer feel that all the work and effort is “worth it.”

### **Health Emphasis**

Two outcomes of this trend are

1. A blossoming interest in health products
2. The desire to maintain a youthful appearance

Marketers can create messages about the healthy aspects of products.

Figure 3.10 displays some of the potential responses to all of these new trends in the consumer buying environment.

**Objective 3.4:** How do the roles played by various members of the buying center and the factors that influence them impact business purchases?

### **Business-to-Business Buyer Behavior**

Business-to-business purchases are completed by people. Many of the processes involved in making a purchasing decision apply to both consumers and business buyers.

The group of individuals involved in the buying decision is called the buying center. The buying center consists of five different subsets of individuals playing various roles in the process.



The five roles involved in the buying center are shown in Figure 3.11:

1. *Users* are the members of the organization who actually use the product or service.
2. *Buyers* are the individuals who are given the formal responsibility of making the purchase. In larger organizations, buyers are either purchasing agents or members of the purchasing department.
3. *Influencers* are the people who shape purchasing decisions by providing the information or criteria utilized in evaluating alternatives.
4. *Deciders* are the individuals who authorize decisions.
5. *Gatekeepers* are the people who control the flow of information to members of the buying center. The gate-keeping function can be performed by several people rather than one individual.

Many times these five roles overlap.

- The behaviors of each member in the buying center are influenced by Organizational factors
- Individual factors

### **Organizational Influences**

Organizational influences include the following:

- Company's goals
- Operating environment (recession, growth period, lawsuits pending, etc.)
- Finances and capital assets
- Market position
- Quality of the company's human resources
- Country in which the firm operates

Some organizations have highly centralized purchasing programs although others are highly decentralized.

Studies of organizational decision making indicate that employees tend to adopt heuristics, which are decision rules designed to quickly eliminate as many options as possible.

One decision rule often employed is called *satisficing*, which means that when an acceptable alternative has been identified, it is taken and the search is completed.

### **Individual Factors**

At least seven major factors affect each member of the business buying center, as displayed in Figure 3.12.

### *Personality*

Personality features include introversion, decisiveness, forcefulness, ego.

### *Roles*

Roles and perceived roles, influenced by age, heredity, ethnicity, and also by the role within the buying center.

### *Motivation*

Motivational levels, which depend on the match between the individual's goals and the organization's goals.

### *Level of Power*

The level of power depends on the person's role in the buying center, official position in the organization, and the impact of the purchase decision on a specific job.

### *Risk*

Attitudes toward risk, which means many vendors are chosen because buyers believe the choice has the lowest risk and risk avoidance is common.

### *Level of Cognitive Involvement*

Levels of cognitive involvement means individuals with higher levels of cognitive capacity want more information prior to making decisions and ask more questions when interacting with a sales rep.

### *Personal Objectives*

Personal objectives are tied to motives, personality, perceptions of risk, and the other individual factors and can lead buyers to make purchases that help them politically in the organization.

**Objective 3.5:** What types of business-to-business sales are made?

### **Types of Business-to-Business Sales**

These decisions fall into one of three categories:

1. *Straight rebuy*, which occurs when the firm has previously chosen a vendor and wishes to make a reorder. It tends to be a routine process.

2. *Modified rebuy*, where the company needs to consider and evaluate alternatives. A modified rebuy situation can occur for four different reasons, as shown in Figure 3.14.
  - Buyers are dissatisfied with a current vendor.
  - A new company offers what is perceived by a member of the buying center to be a better buy.
  - The end of a contractual agreement is reached
  - When a company purchases a product or service with which they have only limited or infrequent experience.
3. *New task*, where the company is buying a product or service for the first time and the product involved is one with which they have no experience.

**Objective 3.6:** What are the steps of the business-to-business buying process?

### **The Business-to-Business Buying Process**

In new task purchasing situations, companies go through seven steps in the business-to-business buying decision process.

1. Identification of a need
2. Establishment of specifications
3. Identification of alternatives
4. Identification of vendors
5. Evaluation of vendors
6. Selection of vendor(s)
7. Negotiation of purchase terms

Figure 3.15 compares individual purchase decisions with the business buying process.

In a new buy situation, companies will go through all seven steps. In modified rebuy or straight rebuy situations, one or more of the steps are eliminated.

#### **Identification of Needs**

Individual buyers and members of individual firms recognize company needs on a daily basis.

Needs in the business world are often created by *derived demand*, which is based on, linked to, (or derived from) the production and sale of some other consumer good or service.

#### **Establishment of Specifications**

Specifications are formulated by experts.

Specifications are usually written down and distributed internally to those in the buying center and are communicated to vendors.

### **Identification of Vendors**

In most business situations, written, formal bids are required.

A member of the buying center is normally chosen to compile files of vendors that submit proposals.

The offers are circulated to all of the members of the buying center that have input into the final decision.

### **Vendor Evaluation**

Evaluations of vendors normally occur at three levels:

1. An initial screening of proposals
2. Undertaking a vendor audit. Members of the audit team normally include an engineer, someone from operations, a quality control specialist, and members of the purchasing department.
3. Sharing vendor audit information with various members of the buying center

Many of the concepts described in the previous chapter regarding consumer buyer behavior apply to this stage of the business purchasing process.

### **Vendor Selection**

Once the choice is made, there are still items to be completed before shipment begins, including notifying the companies that did not win the bid.

### **Negotiation of Terms**

In most purchasing situations, negotiating terms is merely a formality because most of the conditions have already been worked out.

When the final agreement is set, goods are shipped and/or services are provided.

### **Postpurchase Evaluation**

In the business-to-business arena, the postpurchase phase represents a marketing opportunity. Vendors that provide high-quality products, follow-up, and service often move into a straight rebuy situation.

**Objective 3.7:** How does dual channel marketing expand a company's customer base and its sales?

### **Dual Channel Marketing**

Dual channel marketing occurs when firms sell virtually the same goods and/or services to both consumers and businesses.

Dual marketing channels arise for several reasons.

- A product is first sold in the business market and then is adapted to the consumer market.
- As sales grow, economies-of-scale can be created by selling to a new market.

#### *Spin-Off Sales*

One type of dual channel marketing results from spin-off sales, in which individuals who buy a particular product at work and have positive experiences with the product purchase another one for personal use.

#### *Marketing Decisions*

When there are substantial differences between the two channels, the typical tactics are

- Use different communication messages.
- Create different brands.
- Use multiple channels or different channels.

In most cases, business customers and consumers seek the same basic benefits from products. In these situations, a single strategy for both markets is best. Tactics that should be used include the following:

- Integrating communications messages
- Selling the same brand in both markets
- Scanning both markets for dual marketing opportunities

There are two advantages to integrating consumer markets with business markets:

1. Synergies
2. Economies-of-scale


**Objective 3.8:** How can a company overcome international differences when adapting to buying processes?

### **International Implications**

The importance of a powerful brand rises when a company commences with international operations.

A visible global brand is one key to success in international business-to-business marketing.

## **MyMarketingLab**

Go to **mymktlab.com** to complete the problems marked with this icon .

### ***Note to Professors:***

*The MyLab feature at Pearson will grant you access to the Integrated Campaigns in Action within the Instructor's Resource section.*

*The authors' blog for professors and students may be found at <http://blogclowbaack.net/>.*

*Both methods contain actual print materials produced for the campaign. Broadcasts material such as video ads, TV ads, and radio ads are embedded using YouTube and Pearson servers.*

*These features bring to life the exciting process of building integrated advertising and marketing campaigns. Most important, you will have access to insights and background information from the agencies and the companies involved in how the campaigns were created.*

## **IMPLICATIONS FOR THE MARKETING TEAM**

**(Note to professors— these materials are not in the text. They provide a method for you to summarize the chapter in a different way)**

Recognize the opportunities that the consumer buying decision-making process identifies. Structure the IMC program to take advantage of those opportunities.

- Know when consumers are likely to experience buying needs.
- Know how to cause customers to feel those needs, and to recall the specific company's products when those needs are experienced.
- Design ads and other messages that make it more likely that a given good or service will become part of a consumer's internal and external search for information.

- Make the perceived benefits of finding the company greater than the perceived costs (in the consumer's mind).
- Tie ads to widely held consumer attitudes and values.
- Make sure ad information is consistent across potential central and peripheral route processing of the message.
- Make sure, to whatever extent is possible, that the consumer links the firm's goods and services to other positive thoughts as part of his or her cognitive mapping process.
- Market products emphasizing key features that will show up as being important in consumer multiattribute assessments of goods and services.
- 
- Provide all of the necessary postpurchase reassurance needed to keep customers happy and loyal to the company.
- Make it easy to complete the purchase once the consumer decides on the company. Don't lose sales because of credit snafus, products that can only be back-ordered, or stores that are hard to find and/or access.

Remember that, in an era of increased accountability for outcomes, the consumer buying decision-making process is a key ingredient in success. This is because

- Purchases are about to be made, so the company needs to be ready when the customer is on the "hot spot."
- A consumer can go through the whole process and then actually ignore his or her own choice when there are extenuating circumstances. Therefore, the company would need to reduce the odds of this happening to them, and try to increase the odds that a consumer might buy their products/services on such a last-minute impulse.

Review all of the key factors that affect consumer purchases. Make sure ads meet those needs effectively.

Carefully study all of the newer trends affecting consumer purchases. Features that are increasingly important to many major target markets include the following:

- The relationship between price and value
- Distinctiveness
- Convenient access to information (websites, noticeable ads)
- Easy access when problems arise
- Effective servicing
- Ease of purchase, especially time-saving features

### **Business-to-Business**

Know the business first. Account executives should be aware of the product type that is being sold along with the types of customers who may purchase the product.

Carefully examine all potential customers to see if there are new potential markets that the firm has not as yet explored

Study the nature of services that businesses provide to other business. Seek to expand the firm's domain by taking advantage of these services. Ask these questions:

- Are there new services the company could provide?
- Are there services the company could add to make various products more attractive purchasing options?
- Could the company link its products with the services provided by another firm to make both firm's offerings more enticing?
- If the firm expands its service offerings, how can the company continue to speak with a clear voice and integrate marketing communications messages?

Before any communications effort is designed, the account executive should work with the company's production department to identify all of the members of the buying center. Then, communications should be addressed and fine-tuned according to the members of the team.

Account executives and creatives should review the steps of the business buying process. Then, messages should be designed to have an impact on key points in the process, depending on the product and the buyer.

- Modified rebuys require messages that will entice businesses to take a long, hard look at their previous purchasing choices.
- New task purchases offer the greatest opportunity to make an impression, including attracting attention to the vendor, the product, the terms of the sale, and any other advantage the company offers

Account executives should help their clients understand all of the potential opportunities for dual channel marketing, as well as also making them aware of the following:

- Time to sell products differently versus time when the need being filled is essentially the same across the two channels.
- Situations in which marketing in one channel might damage marketing efforts in the other.
- Methods which can be used to design messages which take advantage of the firm's strengths and brand equity and which keep the overall voice clear and focused on the total company

Note the value of global brands.

Make sure internal marketing messages match with those sent to external groups. Be certain employees and departments clearly recognize how the IMC program works, and how they can help to achieve the greatest levels of success.



## REVIEW QUESTIONS

- 3-1. What are the five steps of the consumer buying decision-making process? Which two steps are the most important with regard to developing quality integrated marketing communications?**

The five steps in the consumer buying decision-making process are

1. Problem recognition
2. Information search
3. Evaluation of alternatives
4. Purchase decision
5. Postpurchase evaluation process

The two IMC steps are information search and evaluation of alternatives.

- 3-2. Describe the natures of an internal search and an external search in a purchasing decision.**

An internal search involves brands the consumer is willing to consider from past experiences. An external search expands the list to include new alternatives.

- 3-3. Define attitude. What are the three main components of attitude, and how are they related to purchasing decisions?**

An attitude is a mental position taken toward a topic, person, or event that influences a person's feeling perceptions, learning processes, and subsequent behaviors.

Attitudes consist of three components: (1) affective, (2) cognitive, and (3) conative. The affective component contains the feelings or emotions a person has about the object, topic, or idea. The cognitive component refers to a person's mental images, understanding, and interpretations of the person, object, or issue. The conative component is an individual's intentions, actions, or behavior.

- 3-4. How do values differ from attitudes? Name some personal values related to purchasing decisions.**

Values are strongly held beliefs about various topics or concepts. Attitudes are shaped, in part, by values.

Personal values related to purchasing decisions would be present in the purchasing of books, cigarettes, alcohol, clothes, and are expressed in religion, patriotism, love of family, and other personally held principles.

**3-5. Explain what a cognitive map models.**

Cognitive maps are simulations of the knowledge structures and memories embedded in an individual's brain. These structures contain a person's assumptions, beliefs, interpretation of facts, feelings, and attitudes about the larger world. These thoughts processes interpret new information and determine a response to fresh information or a novel situation.

**3-6. What is an evoked set? Why are evoked sets, inept sets, and inert sets important to the marketing department?**

An evoked set consists of the brands he or she considers in a purchasing situation. An evoked set may be reviewed during both the information search and evaluation stages of the buying decision-making process.

Two additional brand sets will become part of the evaluation of purchase alternatives: (1) the inept set and (2) the inert set. The inept set consists of the brands that are part of a person's memory that are not considered because they elicit negative feelings. These negative sentiments are normally caused by a bad experience with a vendor or particular brand. They may also originate from negative comments made by a friend or by seeing an advertisement that the potential customer did not like.

The inert set holds the brand the consumer is aware of but the individual has neither negative nor positive feelings about the products. Inept sets and inert sets are important because the only brands typically considered are those in the evoked set. Inept and inert sets are not in the evoked set.

**3-7. What are the key features of the multiattribute approach to evaluating purchasing alternatives?**

The key features of the multiattribute approach are the consumer's beliefs about a brand's performance on various attributes (price, quality, etc.) and the importance of each attribute to the individual consumer.

**3-8. What is meant by affect referral? When is a person likely to rely on such a cognitive approach to evaluating purchasing alternatives?**

Affect referral is a purchasing decision model in which the consumer chooses the brand for which he or she has the strongest liking or feelings. A person is likely to rely on such an approach when the purchase is a low involvement item, which is made frequently.

**3-9. What trends in the consumer buying environment affect consumer purchasing decisions?**

The new trends include age complexity, gender complexity, active lifestyles, time pressures, diverse lifestyles, communication revolution, cocooning, experience pursuits, and an emphasis on health.

**3-10. Name and describe the five roles played in a buying center.**

Users are the members of the organization who actually use the product or service.

Buyers are the individuals who are given the formal responsibility of making the purchase. In larger organizations, buyers are either purchasing agents or members of the purchasing department.

Influencers are the people who shape purchasing decisions by providing the information or criteria utilized in evaluating alternatives.

Deciders are the individuals who authorize decisions.

Gatekeepers are the people who control the flow of information to members of the buying center. A gatekeeping function can be performed by several people rather than one individual.

**3-11. What organizational and individual factors affect members of the business buying center?**

Organizational influences include

- Company's goals
- Operating environment (recession, growth period, lawsuits pending, etc.)
- Finances and capital assets
- Market position
- Quality of the company's human resources
- Country in which the firm operates

At least seven factors affect each member of the business buying center: (1) personality features, (2) roles and perceived roles, (3) motivational levels, (4) levels of power, (5) attitudes toward risk, (6) levels of cognitive involvement, and (7) personal objectives. Each impacts how the individual interacts with other members of the center.

**3-12. Describe the three main forms of business-to-business sales.**

*Straight rebuy*, which occurs when the firm has previously chosen a vendor and wishes to make a reorder. It tends to be a routine process.

*Modified rebuy*, where the company needs to consider and evaluate alternatives. A modified rebuy situation can occur for four different reasons:

*New task*, where the company is buying a product or service for the first time and the product involved is one with which they have no experience.

**3-13. Name the steps in the business-to-business buying process.**

1. Identification of a need
2. Establishment of specifications
3. Identification of alternatives
4. Identification of vendors
5. Evaluation of vendors
6. Selection of vendor(s)
7. Negotiation of purchase terms

**3-14. Describe dual channel marketing and why it is important to a company's well-being.**

Dual channel marketing is when firms sell virtually the same goods or services to both consumers and businesses. It leads to selling products to every potential user of the company's offerings.

## **CRITICAL THINKING EXERCISES**

**3-15. Compulsive buying and/or shopping takes place when a person becomes obsessed with making purchases, many of which are unnecessary or impractical. For college students and other individuals with compulsive buying behaviors, a primary influence is the family. Often one or both parents are compulsive shoppers. Families that displayed other forms of dysfunctional behaviors—such as alcoholism, bulimia, extreme nervousness, or depression—tend to produce children who are more inclined to exhibit compulsive shopping behaviors. Why do dysfunctional behaviors among parents produce compulsive shopping behavior among children? Another component of compulsive buying behaviors is self-esteem. Again, self-esteem is partly inherited, but it also develops in the home environment. How would self-esteem be related to compulsive shopping behaviors? What influences other than family might contribute to compulsive shopping behaviors? If an individual has a tendency to be a compulsive shopper, what can (or should) be done?**

In student discussions, the answers should describe views on how dysfunctional behaviors by parents affect children. First, what the children have seen may shape how the kids process information (rationally versus emotionally) and consequently make purchasing decisions. Second, attitudes and values shape the behaviors that

follow. Parents who have compulsive buying problems will role model the behavior and probably not punish kids for the same activity. The same might apply to self-esteem issues. Children who see parents exhibiting low self-esteem may assume the same attitudes and behaviors as the parents.

- ★3-16. **Examine the consumer decision-making process illustrated in Figure 3.1. Think of a recent high-involvement purchase you made that involved every step in the process. Discuss each of the steps, especially the information search and evaluation of alternatives.**

Student responses will vary. This is a good in-class discussion question that can be structured to different types of purchase.

Student answers will vary based on their personal response. Refer to the MyLab for an opportunity to assign this question, and all starred MyLab questions, to a student discussion board.

- 3-17. **Think about the ways you purchase products and consider a recent purchase that involved an external search. Discuss your ability to search, the need for cognition, your personal level of shopping enthusiasm, and the perceived costs versus the perceived benefits of the search. How much time did you spend in the external search, and what was the outcome?**

Student responses will vary by the product they describe. This is a good class discussion question. Ask students to compare the shopping enthusiasm aspect.

- ★3-18. **Study the list of personal values presented in Figure 3.3. Identify the five that are the most important to you. Rank them from first to last. Beside each value, identify at least two products or services you have purchased to satisfy those values.**

Student answers will vary. In class, ask them to compare personal values.

Student answers will vary based on their personal response. Refer to the MyLab for an opportunity to assign this question, and all starred MyLab questions, to a student discussion board.

- ★3-19. **Review the three methods of evaluating alternatives. Briefly explain each method. For each of the following product categories, which method of evaluation would you use for your next purchase? Explain why.**
- a. *Meal with your significant other at a dine-in restaurant*
  - b. *Auto service repair for your vehicle*
  - c. *Pair of jeans*
  - d. *Resort location for spring or winter break*

Student responses will vary based on the type of purchase made.

Student answers will vary based on their personal response. Refer to the MyLab for an opportunity to assign this question, and all starred MyLab questions, to a student discussion board.

- ★3-20. **Pick two of the product categories below. Identify brands in your evoked set, inept set, and inert set for that product category. Explain the rationale for the placement of each of the brands.**

- a. *Quick service restaurants*
- b. *Retail clothing stores*
- c. *Grocery stores*
- d. *Computers*

Student answers will depend on the category chosen and brands identified.

Student answers will vary based on their personal response. Refer to the MyLab for an opportunity to assign this question, and all starred MyLab questions, to a student discussion board.

- 3-21. **Review the trends in the consumer buying environment presented in this chapter. For each trend, discuss the level of impact it has on your purchase behavior. Cite examples of goods or services that you have purchased as a result of that trend.**

Student responses will be based on the choices of goods and services.

- 3-22. **A member of the buying center for a large shoe manufacturer tries to purchase soles for shoes from an outside vendor vendors. Study the individual and organizational factors that affect buying center members. Discuss the effect of each factor on the roles of members in the shoe company's buying center. How does the factory foreman's role differ from that of the purchasing agent? How would these roles differ from the company president's role?**

The factors that affect buying center members are personality features, roles and perceived roles, motivational levels, levels of power, attitudes toward risk, levels of cognitive involvement, and personal objectives.

The personalities of the members in the buying center affect buying decisions. Conflicts between members will make the process more difficult.

The roles and perceived roles in the buying center also affect the purchase. Those who figure they are the major "players" will be more motivated and involved.

The motivational levels depend on which member is being contacted. Some will be highly motivated; others will not.

The level of power should be understood by the seller, so the vendor knows which person has influence with other members of the buying center group.

Buying center member attitudes toward risk mean individual members will probably try to make sure the purchase is not too risky.

Levels of cognitive involvement reflect how much time and thought each member of the buying center will give to a purchase decision. The vendor should be most interested in members with greater cognitive involvement.

Personal objectives mean politics can affect buying decisions, so the vendor should be aware of how the game is played, to whatever extent possible. The roles of the factory foreman, purchasing agent, and company president are all very different. The information available to each party is different, and the personal objectives of each person vary. A company president probably knows more about the decision and is looking out for the best interests of the overall organization. A factory foreman will have greater first-hand involvement but may not be exposed to the marketing messages sent by the vendor. A purchasing agent would look for value, delivery time, and consensus among members of the buying group.

- 3-23. A purchasing agent for a clothing manufacturer is in the process of selecting vendors to supply the materials to produce about 30 percent of its clothes. The clothing manufacturer employs about 300 people. As the audit nears completion, what factors are most important to the purchasing agent?**

The factors that would be important to the purchasing agent would include production capability, quality control mechanisms and processes; type and age of equipment used; telecommunication and EDI capabilities; capacity to handle fluctuations in orders; financial stability of the firm; and the number of competitors that purchase from the firm. These factors would create an overall picture of the stability of the firm, which the purchasing agent would use as the audit was completed.

- 3-24. Identify four brands that you have used in a work environment that you also have purchased in your personal life. Discuss the dual channel marketing approach each of the brands use. Discuss the process that occurred in purchasing the product for personal use and the influence using the brand in the work environment had on the purchase, or the reverse if you used it personally first.**

Student responses will vary. Some will not have made purchases for work.

## INTEGRATED LEARNING EXERCISES

- 3-25** Consumers and businesses conduct external searches when they lack sufficient internal knowledge to make a wise decision. Assume you have \$150,000 to \$200,000 to spend on a sailboat. Locate four websites that sell sailboats. Select one in your price range. Discuss the external search process you used to arrive at a decision. Relate this process to the concepts of external search, consumer attitudes, and consumer values presented in this chapter. Which method of evaluation did you use? Explain why.

Student answers will vary.

- 3-26.** Almost everyone has an opinion about tattoos. Some attitudes are positive whereas others are negative. Few are neutral. Go to [www.tattoos.com](http://www.tattoos.com) and examine the material there. Did this information modify your attitude toward tattoos? What factors on the website influenced your attitude? Find at least one additional website of a company that offers tattoos. Provide the URL for the site and discuss the components of the website in terms of which components of attitude it is trying to influence: cognitive, affective, or conative.

Student answers will vary.

- 3-27.** Go to the authors' website at [clowbaack.net/video/ads.html](http://clowbaack.net/video/ads.html). Choose one of the television ads. Which component of an attitude is the primary focus of the ad? Justify your answer. Which consumer value is being emphasized? Justify your answer. For the evaluation of alternatives, which method of evaluation would be used by most consumers? Explain why. Which one of the trends in the consumer buying environment identified in the text does the ad target? Explain why. (Be sure to identify which ad you watched in your response.)

Student answers will vary.

- 3-28.** Go to the authors' website at [clowbaack.net/video/ads.html](http://clowbaack.net/video/ads.html). Watch the two advertisements for NOLA, The Times-Picayune. For each ad identify the component of attitude that you think is the primary focus and the personal value being emphasized. Justify your choice. Who do you think is the target audience for these two ads? Explain why. Which of the two ads did you like the best? Why? Were the ads effective? Why or why not?

Student answers will vary.



3-29. Review the trends in the consumer buying environment. Examine each of the following websites. Which trend or trends does each website seem to utilize on its website? Use screen shots to justify your thoughts.

- a. *Chipotle Mexican Grill* (<http://chipotle.com>)
- b. *Visit South Walton* ([www.visitsouthwalton.com](http://www.visitsouthwalton.com))
- c. *Ralph Lauren* ([www.ralphlauren.com](http://www.ralphlauren.com))
- d. *Scott + Cooner* (<http://scottcooner.com>)

Student answers will depend on the current website.

3-30. Examine the following websites. What type of information is provided? Which component of attitude is the site designed to influence: cognitive, affective, or conative? Explain why.

- a. *Kenneth Cole* (<http://www.kennethcole.com>)
- b. *Starbucks* (<http://www.starbucks.com>)
- c. *Cadillac* (<http://www.cadillac.com>)
- d. *IKEA* (<http://www.ikea.com>)

Answers will vary depending on what material is on the website when it is accessed by students.

3-31. A member of the buying center has been asked to gather information about possible shipping companies for international shipments. Visit the following websites. What companies have the most appealing websites? Beyond online materials, what additional information do they need to supply to the buying center in order to win the contract?

- a. *ABC India Limited* ([www.abcindia.com](http://www.abcindia.com))
- b. *SR International Logistics, Inc.* ([www.srinternational.com](http://www.srinternational.com))
- c. *Allison Shipping International* ([www.allisonshipping.com](http://www.allisonshipping.com))
- d. *Shipping International* ([www.shippinginternational.com](http://www.shippinginternational.com))

Student answers will vary.

## BLOG EXERCISES

Access the authors' blog for this textbook at the URLs provided to complete these exercises. Answer the questions that are posed on the blog.

3-32. Jeep: <http://blogclowbaack.net/2014/05/07/jeep-chapter-3/>

3-33. Olive Garden: <http://blogclowbaack.net/2014/05/07/olive-garden-chapter-3/>

**3-34. Consumer behavior, buying process:**  
**<http://blogclowbaack.net/2014/05/07/consumer-behavior-chapter-3/>**

These exercises provide you with an additional tool to engage your students.

## **Student Project: Creative Corner**

This is an analysis for advertising spring break trip packages to college students.

Students should design an emotional ad, a rational ad, and an action-oriented ad for a trip to Ft. Lauderdale, Florida, for a five-day trip.

## **CASES**

### **Case 1            Choosing a Life Insurance Policy**

**3-35. Identify the need (or needs) that would begin the consumer buying decision making process in this case.**

The need to protect one's family would likely begin the search.

**3-36. How would the elements involved in an external search affect John and Sandy as they explore their purchase options? Think in terms of:**

- a. ability to search**
- b. level of motivation**
- c. costs versus benefits**

The ability to search would be high, the level of motivation would be high, and the cost is time versus the benefit of feeling like they have provided protection for the new baby would lead to a fairly extensive search.

**3-37. Explain how John and Sandy could evaluate their options using the following concepts and models:**

- a. attitudes and values**
- b. cognitive mapping**
- c. multiattribute**

In terms of attitudes and values, protecting a child would rank high. They would choose the company that offered the best protection.

In the cognitive mapping area, they would explore current linkages in terms of companies they know about and how well those companies served the needs of

their families and/or friends. New linkages would come from marketing messages.

A multiattribute approach would likely look at costs of policies, benefits of those policies, and the reputations of companies offering policies.

**3-38. What types of marketing messages should each of the three life insurance companies design to reach consumers such as John and Sandy, for either the information search, evaluation of alternatives, or both stages of the buying decision-making process?**

Messages should probably emphasize the company's name, so they become part of the potential choices. Then, they should focus on explaining why a specific company is better. When it comes to something like life insurance, often messages note strength, security, and peace of mind.

**Case 2            The Choice**

**3-39. Discuss the reasoning behind each person's choice based on the information provided and the individual factors outlined in this chapter.**

Martin Garza made his choice for political reasons. He believed it would help him achieve promotion.

Suzette Simon was the product user. She wanted better quality.

Paul Johnson had motives related to saving the company money combined with the political motive of disliking Martin Garza.

Rose Knotts saw her position as having low power and voted to please her supervisor.

**3-40. Identify the factors that favor each vendor and the factors that are the vendor's weaknesses.**

Company 1 – average to low quality but was the previous choice (last purchase), making it easier to rebuy.

Company 2 – advantage service; disadvantage price.

Company 3 – advantage quick service; disadvantage being unknown and new to the market.

Company 4 – advantages of price and an insider helping out; disadvantage quality.

**3-41. How should Jason make the final choice, given there is such a great divergence in opinion?**

Jason should balance the interests and opinions of buying center members he trusts and also consider the advantages and disadvantages listed above.

**3-42. What should Jason say to the members of the buying center whose favorite companies are not chosen?**

He should thank them for their time and effort and tell them that their input was given careful consideration.

## MyMarketingLab

Go to [mymktlab.com](http://mymktlab.com) for the answers to the following Assisted-graded writing questions:

**3-43. Describe each of the trends in the consumer behavior environment. Discuss the impact that each trend has on clothing purchases, especially current fashions.**

**3-44. Identify and define the factors that affect the amount of time consumers spend in conducting an external search. Suppose you wanted to purchase a boat (sailboat, powerboat, or fishing boat). Discuss each of the factors that would affect your external search process in the purchase of the boat. Explain why.**

### Bonus Case

## CLEARING THE AIR

Most people want to live in a clean environment. Marketing cleaning products involves tactics ranging from rationality and logic to emotions and instincts. Some companies use the simplest possible terms, as basic as calling bacteria “germs.” Advertisers use cartoons and simple diagrams to show how the product kills bad germs and makes things “sparkle.” At the other extreme are the more complex and scientific explanations regarding a product’s ability to clean things up.

In this context, the market for air purifiers has grown and developed in the past decade. Smaller items, such as air freshener sprays and plug-ins made by brands such as Glade, have been available for many years. Now, newer technologies, such as HEPA hydro-allergenic filtration, are available.

The Sharper Image has been a leader in the marketing of new air cleaning technologies. The company's basic product and brand, the Ionic Breeze, has been sold through retail stores and websites and via infomercials and inbound telemarketing for many years.

One primary feature of all the Ionic Breeze products is silent operation. The Silent Electronic Propulsion technology made the original product the number-one air-cleaner brand in America. Through this silent air circulation technology, the company promises effective removal of airborne contaminants, reduction of common household odors, no filters to replace, low energy costs, an attractive design, ease of operation, and low maintenance.

Variations on the base model now include advancements such as the Germicidal version; the QUADRA; a smaller, plug-in bathroom version; and the new MIDI, which is smaller than earlier products. Other features associated with the Ionic Breeze are its OzoneGuard with PremAir catalyst, developed by BASF Catalysts LLC, which converts the by-product ozone to oxygen.

Not surprisingly, competition has emerged. One of the new major players is Oreck, a company that gained fame and brand strength through its line of vacuums, which are lightweight but powerful carpet cleaners. A logical brand extension would be into air filtration.

Oreck promotes products that kill viruses, bacteria, mold, and fungi. One major difference is that the Oreck model does move the air. In advertisements and promotional materials, the air clearers are demonstrated as being superior because of this feature. Product materials strongly emphasize the health benefits of cleaner air. Oreck air cleaners are also featured in infomercials, on websites, and through standard television advertising.

Both Oreck and Sharper Image note that the air inside a house often is much more polluted than the air outside. Consumers are warned that asthma, allergies, and respiratory illnesses are on the rise. Air cleaners are offered to help.

Now, many lower priced air cleaners are also available through retailers such as Walmart and Target. Consequently, consumers have a vast array of potential prices, product features, and promotional claims to consider when choosing an air cleaning product. The future of the air cleaning business appears to be either bright or cloudy, depending on one's perspective, and consumers will undoubtedly see the number of options for methods to clear the air continue to rise.

*Sources:* Case based on information available at [www.oreck.com](http://www.oreck.com) and [www.sharperimage.com](http://www.sharperimage.com).

**(1) How would a consumer's level of involvement, need for cognition, and level of shopping enthusiasm affect the purchase of an air filtration product?**

A consumer with a low level of involvement would not spend as much time searching for alternatives. One with a high level of involvement would seek out more options and want to know more about them.

A consumer with a low need for cognition would not care about the details regarding how each system works.

A person with a higher level of shopping enthusiasm would be more inclined to go to a store such as Sharper Image would want demonstrations and other information.

- (2) Explain how cognitive mapping could be used to demonstrate a consumer's reaction to either the Ionic Breeze or the Oreck Air Cleaner.**

Each cleaner might have its own set of linkages. For example, the Oreck model may conjure up memories of commercials for Oreck vacuum cleaners and the CEO, David Oreck. Both would have various levels of cognition. The name Ionic might create images of something more high-tech or modern. Oreck may seem more old-fashioned, but the advertisements noting how the air moves through the system may attach to other concepts, such as fans and other types of filters, including air filters on air conditioners and automobiles.

- (3) Which model best explains the evaluation of alternatives when it comes to air filtration products, the evoked set model, the multiattribute approach, or affect referral?**

Student responses will vary. It seems unlikely that affect referral would apply, except in the case of a buyer who already owns an Oreck product and therefore sticks with the same brand. In terms of an evoked set, there are limited choices in the first place. Those customers who take the time to really study the advantages and disadvantages of each model would be the ones using the multiattribute approach. They would also be the ones with great levels of involvement and a greater need for cognition.

- (4) Should air cleaner companies focus on fear, health, or other emotions to sell products? Explain.**

Student answers will vary. A case can be made for fear, health, protecting ones loved-ones and possibly other emotions.