Customer Buying Behavior

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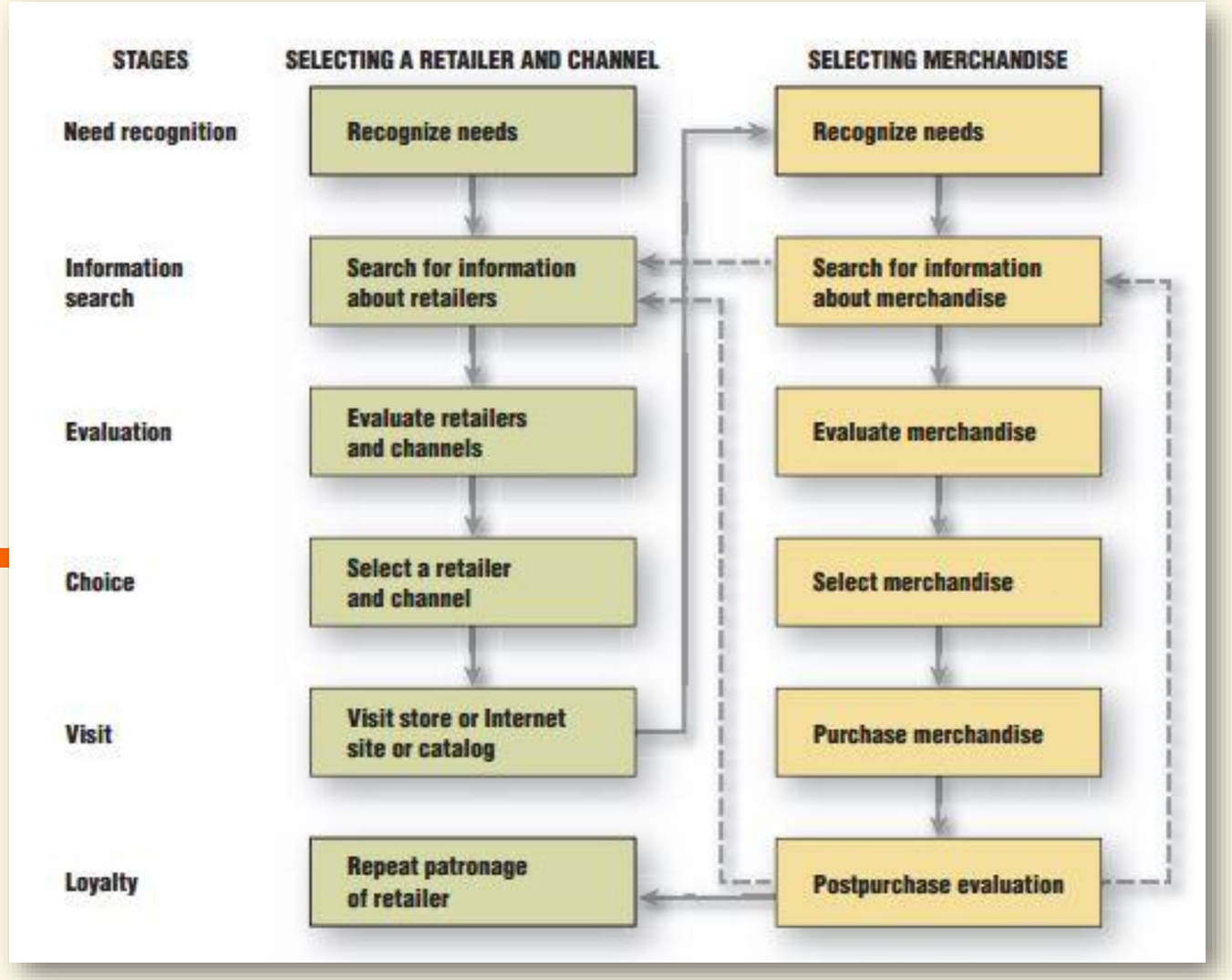
THE BUYING PROCESS



The buying process—the steps consumers go through when buying a product or service—begins when customers recognize an unsatisfied need

Types of Needs The needs that motivate customers to go shopping can be classified as utilitarian or hedonic.

When consumers go shopping for pleasure, they are seeking to satisfy **their hedonic needs—**their needs for entertaining, emotional, and recreational experiences.

Thus, from the consumer’s perspective, **utilitarian needs** are associated with work, whereas hedonic needs are associated with pleasure

Information Search

Sources of Information Customers have two sources of information: internal and external. Internal sources are information in a customer's memory, such as names, images, and past experiences with different stores.

External sources consist of information provided by a host of sources. People
search for products and information using search engines such as Google, visit the
websites maintained by manufacturers and retailers, acquire information from traditional media (e.g., advertising), read blogs, watch product demonstrations on
YouTube, and ask friends, in person and through social media.

A. INFORMATION ABOUT STORES SELLING GROCERIES

Store Characteristics	Supercenter	Supermarket	Internet Grocer
Grocery prices	20% below average	Average	10% above average
Delivery cost ($)	0	0	10
Total travel time (minutes)	30	15	0
Typical checkout time (minutes)	10	5	2
Number of products, brands, and sizes	40,000	30,000	40,000
Fresh produce	Yes	Yes	Yes
Fresh fish	Yes	Yes	No
Ease of finding products	Difficult	Easy	Easy
Ease of collecting nutritional information about products	Difficult	Difficult	Easy

B. BELIEFS ABOUT STORES' PERFORMANCE BENEFITS*

Performance Benefits	Supercenter	Supermarket	Internet Grocer
Economy	10	8	6
Convenience	3	5	10
Assortment	9	7	5
Availability of product Information	4	4	8

*10 = excellent, 1 = poor.

TYPES OF BUYING DECISIONS

Extended problem solving is a purchase decision process in which customers devote considerable time and effort to analyze their alternatives.

Limited Problem Solving

Limited problem solving is a purchase decision process involving a moderate amount of effort and time. Customers engage in this type of buying process when they have had some prior experience with the product or service and their risk is moderate.

Habitual Decision Making

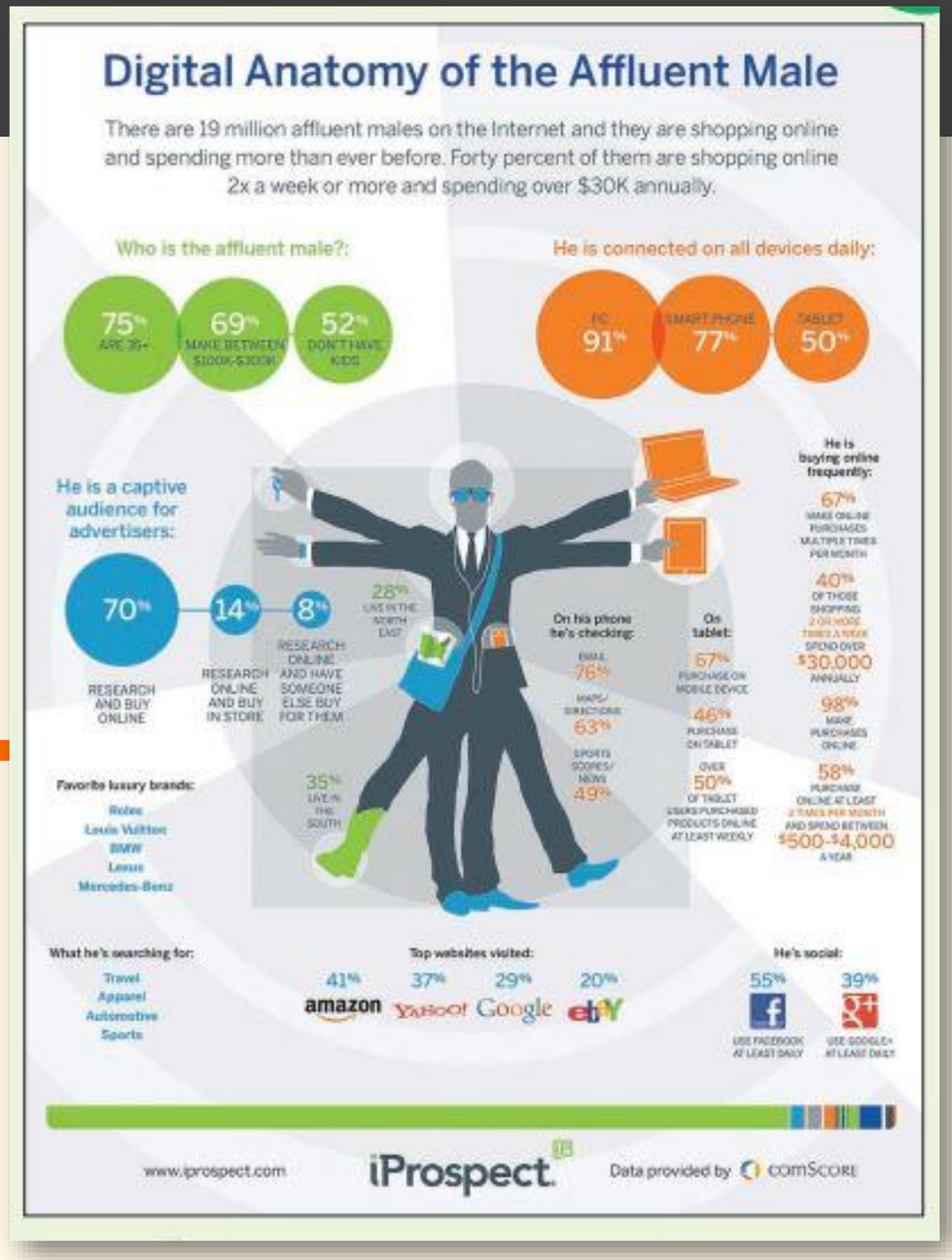
Habitual decision making is a purchase decision process involving little or no conscious effort. Today's customers have many demands on their time. One way they cope with these time pressures is by simplifying their decision-making process.

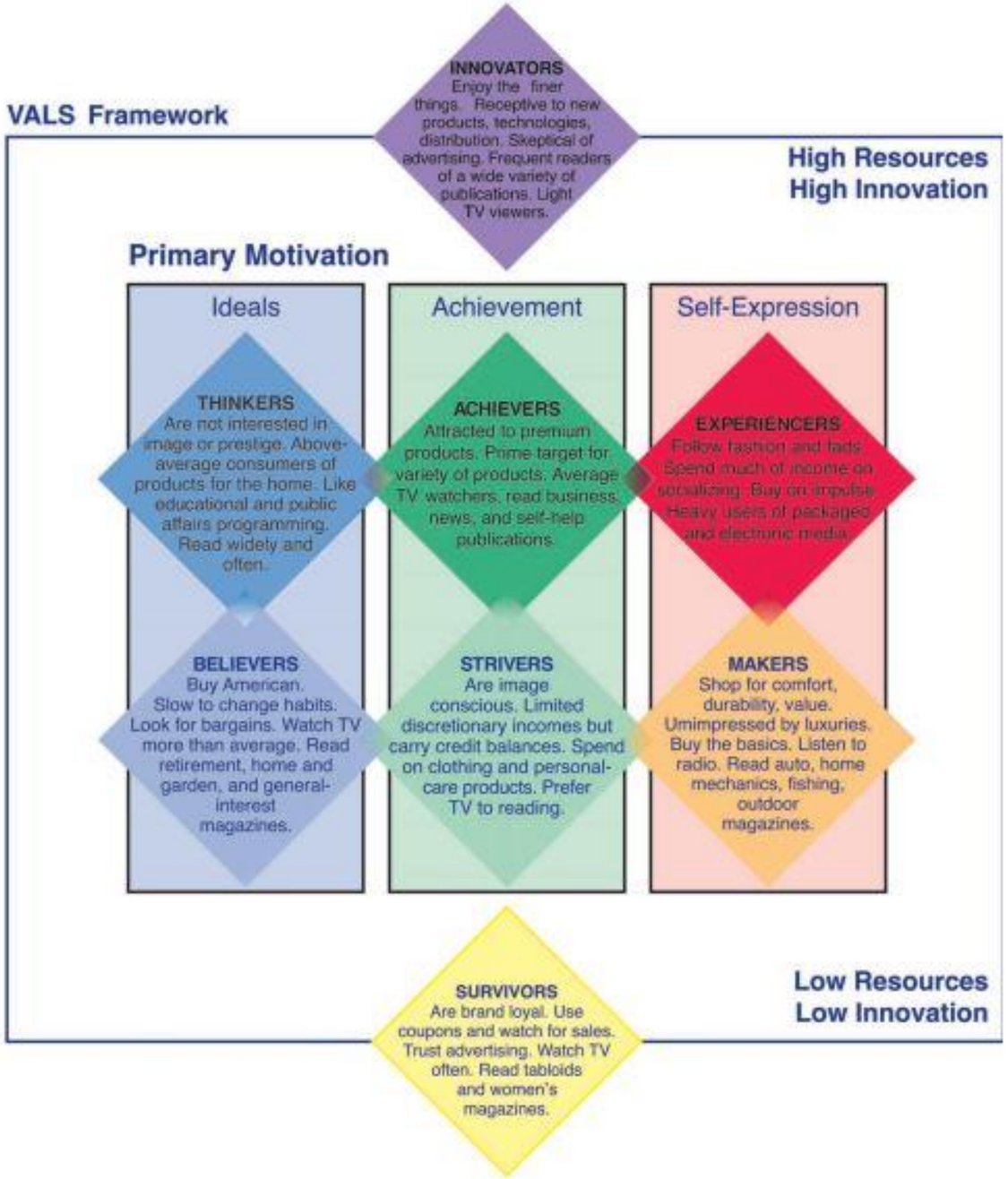
SOCIAL FACTORS INFLUENCING THE BUYING PROCESS

- The Economy
- Family
- Reference Groups
- Culture

MARKET SEGMENTATION

Segmentation Descriptor	Example of Categories
GEOGRAPHIC	
Region	Pacific, Mountain, Central, South, Mid-Atlantic, Northeast
Population density	Rural, suburban, urban
Climate	Cold, warm
DEMOGRAPHIC	
Age	Under 6, 6–12, 13–19, 20–29, 30–49, 50–65, over 65
Gender	Male, female
Family life cycle	Single, married with no children, married with youngest child under 6, married with youngest child over 6, married with children no longer living at home, widowed
Family income	Under $19,999; $20,000–29,999; $30,000–49,999; $50,000–$74,999; over $75,000
Occupation	Professional, clerical, sales, craftsperson, retired, student, homemaker
Education	Some high school, high school graduate, some college, college graduate, graduate degree
Religion	Catholic, Protestant, Jewish, Muslim
Race	Caucasian, African-American, Hispanic, Asian
Nationality	American, Japanese, British, French, German, Italian, Chinese
PSYCHOSOCIAL	
Social class	Lower, middle, upper
Lifestyle	Striver, driver, devoted, intimate, altruist, fun seeker, creative
Personality	Aggressive, shy, emotional
FEELINGS AND BEHAVIORS	
Attitudes	Positive, neutral, negative
Benefit sought	Convenience, economy, prestige
Stage in decision process	Unaware, aware, informed, interested, intend to buy, bought previously
Perceived risk	High, medium, low
Innovativeness	Innovator, early adopter, early majority, late majority, laggard
Loyalty	None, some, completely
Usage rate	None, light, medium, heavy
Usage situation	Home, work, vacation, leisure
User status	Nonuser, ex-user, potential user, current user


Digital Anatomy of the Affluent Male
There are 19 million affluent males on the Internet and they are shopping online and spending more than ever before. Forty percent of them are shopping online 2x a week or more and spending over $30K annually.
Who is the affluent male?:
75% ARE 35+
69% MAKE BETWEEN $100K-$300K
52% DON'T HAVE KIDS
He is connected on all devices daily:
PC 91%
SMARTPHONE 77%
TABLET 50%
He is a captive audience for advertisers:
70% RESEARCH AND BUY ONLINE
14% RESEARCH ONLINE AND BUY IN STORE
8% RESEARCH ONLINE AND HAVE SOMEONE ELSE BUY FOR THEM
28% LIVE IN THE NORTH EAST
35% LIVE IN THE SOUTH
On his phone he's checking:
EMAIL 76%
MAPS/DIRECTIONS 63%
SPORTS SCORES/NEWS 49%
On tablet:
67% PURCHASE ON MOBILE DEVICE
46% PURCHASE ON TABLET
OVER 50% OF TABLET USERS PURCHASED PRODUCTS ONLINE AT LEAST WEEKLY
He is buying online frequently:
67% MAKE ONLINE PURCHASES MULTIPLE TIMES PER MONTH
40% OF THOSE SHOPPING 2 OR MORE TIMES A WEEK SPEND OVER $30,000 ANNUALLY
98% MAKE PURCHASES ONLINE
58% PURCHASE ONLINE AT LEAST 2 TIMES PER MONTH AND SPEND BETWEEN $500-$4,000 A YEAR
Favorite luxury brands:
Rolex
Louis Vuitton
BMW
Lexus
Mercedes-Benz
What he's searching for:
Travel
Apparel
Automotive
Sports
Top websites visited:
41% amazon
37% YAHOO!
29% Google
20% ebay
He's social:
55% USE FACEBOOK AT LEAST DAILY
39% USE GOOGLE+ AT LEAST DAILY
www.iprospect.com
iProspect
Data provided by comScore


VALS Framework
INNOVATORS
Enjoy the finer things. Receptive to new products, technologies, distribution. Skeptical of advertising. Frequent readers of a wide variety of publications. Light TV viewers.
High Resources
High Innovation
Primary Motivation
Ideals
Achievement
Self-Expression
THINKERS
Are not interested in image or prestige. Above-average consumers of products for the home. Like educational and public affairs programming. Read widely and often.
ACHIEVERS
Attracted to premium products. Prime target for variety of products. Average TV watchers, read business news, and self-help publications.
EXPERIENCERS
Follow fashion and fads. Spend much of income on socializing. Buy on impulse. Heavy users of packaged and electronic media.
BELIEVERS
Buy American. Slow to change habits. Look for bargains. Watch TV more than average. Read retirement, home and garden, and general-interest magazines.
STRIVERS
Are image conscious. Limited discretionary incomes but carry credit balances. Spend on clothing and personal-care products. Prefer TV to reading.
MAKERS
Shop for comfort, durability, value. Umimpressed by luxuries. Buy the basics. Listen to radio. Read auto, home mechanics, fishing, outdoor magazines.
SURVIVORS
Are brand loyal. Use coupons and watch for sales. Trust advertising. Watch TV often. Read tabloids and women's magazines.
Low Resources
Low Innovation

REFLEKSI

1. Informasi penting hari ini
2. Manfaat penting dari informasi penting hari ini
3. Tindak lanjut yang dapat saudara lakukan

Thank You!

Any Questions?