



## Unit Seven: The Effects of Consumer Groups

# Course Layout and Overview

- ▶ Ten units
  - ▶ Unit One: Introduction to Consumer Behavior
  - ▶ Unit Two: The Consumer Learning Process
  - ▶ Unit Three: Understanding the Consumer
  - ▶ Unit Four: Influencing Consumer Attitudes
  - ▶ Unit Five: The Purchasing Process
  - ▶ Unit Six: Consumer Analysis and Marketing Strategy
  - ▶ **Unit Seven: The Effects of Consumer Groups**
  - ▶ Unit Eight: The Influences of Class, Ethnicity and Age
  - ▶ Unit Nine: Cultural Influences
  - ▶ Unit Ten: Informing Marketing Strategy



# Unit Seven Learning Outcomes

- ▶ Explain how we are motivated to buy or use products in order to be consistent with what other people do
- ▶ Explain how consumers' word-of-mouth (both positive and negative) is often more influential than advertising campaigns
- ▶ Assess how online technologies are accelerating the impact of word-of-mouth communication
- ▶ Identify how social networking is changing the way companies and consumers interact
- ▶ Identify the demographic factors that relate to family and household structure



# Why are Learning Outcomes Important?

- ▶ Every learning outcome ties back to course materials and content.
- ▶ Assessments are tied to each learning outcome.
- ▶ Test preparation



# Unit Seven Overview Topics

- ▶ Consumer buying motivations
- ▶ Consumer word-of-mouth vs. advertising campaigns
- ▶ Social networking and communication
- ▶ Demographic factors



# Effects of Consumer Groups Vocabulary

- Family demographics
- Online consumer interaction
- Social circles
- Social media influencers
- Social networking
- Word-of-mouth marketing



# Consumer Buying Motivations

- Consumer buying decision process influences
  - Family
  - Friends
  - Coworkers
  - Social media
  - Online reviews
  - Culture
  - Social class



# Consumer Buying Process

## 1. Need Recognition

You realize you need a better backpack to travel across the country after you graduate.

## 2. Search for Product Information

You begin looking at different backpacks on the Web, talking to friends about them, and visiting stores to look at them.

## 3. Product Evaluation

You decide on the price you want to pay and certain criteria that you “must have” in the backpack. You then examine each product based on those criteria.

## 4. Product Choice and Purchase

You decide what the best backpack for you is, based on your evaluative criteria, and decide when, where, and how to purchase it.

## 5. Postpurchase Use and Evaluation of Product

you decide if the backpack is everything you thought it would be and meets your needs – or not.

## 6. Disposal of the Product

You decide you like the backpack so much you buy another one or an upgraded version of it. Or you throw it away, give it to a friend, or sell it on eBay.





# Consumer Word-of-Mouth vs. Advertising Campaigns

- Word of mouth advertising
  - Efficient and inexpensive
  - Social media influencers
- Advertising campaigns
  - Expensive and time consuming

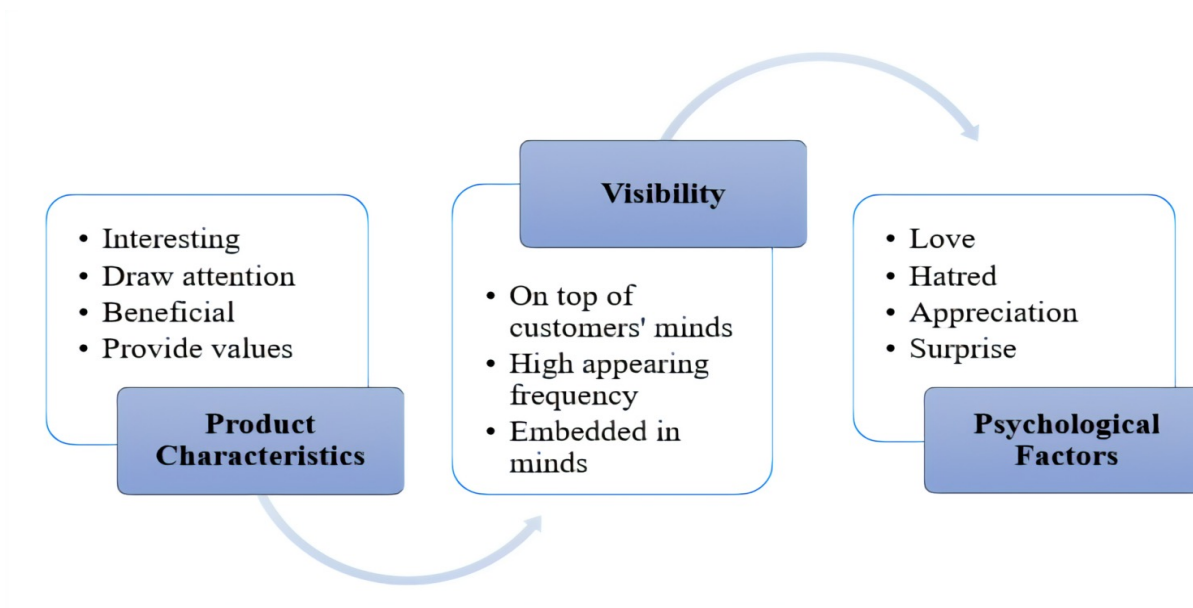


# Social Networking and Communication

- Social circles
- Social networking
- Online consumer interaction



# Consumer Buying



# Demographic Factors

- Basic and family demographics
  - Age
  - Sex
  - Race
  - Education level
  - Homeowners
  - Family size
  - Head of household



# Conclusion

## ➤ Unit Seven Learning Outcomes

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# What's Next?

Unit Eight: The Influences of Class, Ethnicity and Age

