

Student name: _____

TRUE/FALSE - Write 'T' if the statement is true and 'F' if the statement is false.

Consumer behavior is a complex, multidimensional process.

true

false

Marketing decisions and regulations are based on exact knowledge of consumer behavior.

true

false

Economically developed societies are often referred to as marketing societies.

true

false

It is critical that a firm consider value from the customer's perspective.

true

false

Marketing strategy begins with objective setting.

true

false

Product features, price, communications, distribution, and services together are often referred to as customer value.

true

false

Holiday shoppers who primarily care about time savings are known as Black Friday shoppers.

true

false

Marketing skills include a firm's financial expertise, general managerial skills, production capabilities, research and development capabilities, technological sophistication, and reputation.

true

false

Tracking consumers' online activity and sending them specific banner ads based on that activity is known as behavioral targeting.

true

false

The term used to reflect the fact that most products in developed economies satisfy more than one need is customer value.

true

false

A target market is that segment(s) of the larger market on which a company will focus its marketing effort.

true

false

The outcomes of a firm's marketing strategy are determined by its interaction with the consumer decision process.

true

false

Two key processes involved in need satisfaction are the actual need fulfillment and the perceived need fulfillment.

true

false

A consumer's needs and desires are shaped by the consumer's self-concept and lifestyle.

true

false

Lifestyle is the totality of an individual's thoughts and feelings about oneself.

true

false

MULTIPLE CHOICE - Choose the one alternative that best completes the statement or answers the question.

The rise of social media has

shifted power from marketers to consumers.

helped to strengthen the shift of power from consumers to marketers.

helped give rise to the development of online crowd seeking.

helped marketers like CVS listen and adapt to consumers in real time.

both shifted power from marketers to consumers and helped marketers like CVS listen and adapt to consumers in real time.

_____ is the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society.

Marketing

Consumer behavior

Psychographics

Demographics

Psychology

One primary function of Mitsuko's job is to study individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of her company's products and services to satisfy needs and the impacts that these processes have on the consumer and society. Mitsuko works in the field of

social psychology.

cognitive psychology.

management.

consumer behavior.

organizational behavior.

Which of the following is NOT true regarding consumer behavior?

Organizations are applying theories and information about consumer behavior on a daily basis.

It is often necessary to conduct research.

Consumer behavior is a complex, multidimensional process.

The overall model of consumer behavior presented in the text is accurate in predicting consumer behavior.

Marketing practices designed to influence consumer behavior involve ethical issues that affect the firm, the individual, and society.

Which of the following is a key aspect regarding consumer behavior?

Organizations are applying theories and information about consumer behavior on a daily basis.

It is often necessary to conduct research.

Consumer behavior is a complex, multidimensional process.

Marketing practices designed to influence consumer behavior involve ethical issues that affect the firm, the individual, and society.

All of the choices are correct.

Which of the following is NOT an application of consumer behavior?

marketing strategy

human resource management

regulatory policy

informed consumers

social marketing

Rajeev wants to gain a usable understanding of consumer behavior in order to help him become a more effective marketing manager. Which application of consumer behavior does this represent?

marketing strategy

regulatory policy

social marketing

informed consumers

resource management

_____ is the application of marketing strategies and tactics to alter or create behaviors that have a positive effect on the targeted individuals or society as a whole.

Social marketing

Consumer behavior

Regulation

Proactive marketing

Ethical marketing

Mia is concerned how her marketing activities will affect individual consumers as well as society at large. Mia is implementing

conscientious marketing.

regulated marketing.

ethical marketing.

proactive marketing.

social marketing.

Most economically developed societies are legitimately referred to as _____ societies.

marketing

proactive

consumption

competitive

enhanced

Which of the following is used by firms to influence consumers?

ads

packages

store environments

sales pitches

All of the choices are corrects are correct.

To survive in a competitive environment, an organization must provide its target customers more _____ than is provided to them by its competition.

product

service

value

feedback

attention

The difference between all the benefits derived from a total product and all the costs of acquiring those benefits is known as

price.

position.

consumer behavior.

customer value.

equity.

Laurie saved for six months to have enough money to buy a new designer outfit to wear to a special party. She had to travel to a larger city to purchase this outfit, but it was worth it to her because it made her feel beautiful and confident. The difference between the benefits Laurie perceived from this purchase and the cost to her to acquire these benefits describes her

consumer behavior.

customer value.

motivation.

equity difference.

perceptual field.

It is critical that a firm consider value from which perspective?

the competition's

the firm's

the customer's

the government's

the industry's

How can an organization provide superior customer value to customers?

by conducting market research

by offering their products at the lowest price

by offering extended warranty coverage on products

by doing a better job of anticipating and reacting to customer needs than the competition does

by offering more variations of a product

Marketing strategy begins with

market segmentation.

targeting.

conducting an outcomes assessment.

objective setting.

conducting a market analysis.

Harold is tasked with developing the marketing strategy for his family's business. What should he do first?

segment the market

conduct a market analysis

decide on which segments to target

develop the marketing mix

set objectives

Marketing strategy is formulated in terms of the marketing mix; that is, it involves determining the product, features, price, communications, distribution, and services that will provide customers with superior value. This entire set of characteristics is often referred to as the

total product.

customer value.

offering.

value proposition.

total value.

Disney World in Orlando, Florida, has several theme parks, resorts, restaurants, and stores. Each is intentionally created to offer a memorable event for visitors. For example, the Wilderness Lodge is a large resort hotel on the grounds, and everything within it is made to look like log cabins and pioneer days. Even the casual restaurant has the wait staff dressed in pioneer costumes, and they put on skits when they are waiting on customers. Which of the following best describes what Disney is selling?

- a product
- a service
- a bundled product
- a bundled service
- an experience

A holiday shopper who cares about efficiency and stress reduction is known as a(n) _____ shopper.

- black Friday
- early bird
- last-minute
- reluctant
- steady

Which of the following is a component of a market analysis?

- market segmentation
- objectives
- conditions
- price

All of the choices are correct.

Amy is conducting a market analysis for her business, and has asked your advice on what to analyze. Which of the following should she consider at this step of marketing strategy development?

- the company's own ability to meet customer needs
- competitors' capabilities and strategies
- consumers' needs
- conditions in the market

All of the choices are corrects are correct.

Jamie is developing a thorough understanding of his company's own capabilities, the capabilities of current and future competitors, the consumption process of potential customers, and the economic, physical, and technological environment in which these elements interact. Which step in the marketing strategy process is Jamie performing?

setting objectives

segmenting the market

conducting a market analysis

assessing the outcomes

targeting the market

Which of the following aspects is evaluated when determining a firm's ability to meet customer needs?

financial condition

general managerial skills

production capabilities

technological sophistication

All of the choices are corrects are correct.

Which of the following is NOT evaluated when analyzing a company's own ability to meet customer needs?

competitors

financial strengths

general managerial skills

production capabilities

reputation

As part of developing your company's marketing strategy, you are tasked with analyzing the new-product capabilities, channel strength, advertising abilities, service capabilities, marketing research abilities, and market and consumer knowledge. Which aspect of your company's capabilities are you assessing?

financial strength

marketing skills

general managerial skills

production capabilities

reputation

A portion of a larger market whose needs differ somewhat from the larger market is referred to as a(n)

market segment.

niche.

subgroup.

ancillary market.

secondary market.

Smaller women like to purchase fashionable clothes just as much as any women. However, most clothes are not proportioned for their smaller size and do not fit well. As a result, several manufacturers offer "petite" sizes of clothing for this group of consumers. Women who comprise this group have needs that differ somewhat from the total market and represent a

demographic segment.

lifestyle segment.

market potential.

submarket.

market segment.

Tracking consumers' online activity and delivering specific banner or display ads based on that activity is known as

clickstream.

blogging.

spam.

behavioral targeting.

electronic targeting.

Tacoda Systems tracks consumers' online activity and delivers specific banner ads based on that activity. This tracking and ad delivery system has been installed on almost 3,000 websites, and advertisers pay on a pay-for-performance basis, which means that advertisers pay Tacoda Systems only when a consumer clicks on their ad. The tracking of online activity and delivery of ads based on that activity is called

click-throughs.

behavioral targeting.

spamming.

blogging.

cookie targeting.

What is the first step in market segmentation?

describe each group

group customers with similar needs sets

identify product-related need sets

select an attractive segment to serve

set objectives for segmenting

What is the LAST step in market segmentation?

describing each group

selecting an attractive segment(s) to serve

identifying product-related need sets

grouping customers with similar need sets

deciding the segmenting scheme

Which of the following is NOT a step in market segmentation?

set budget

identify product-related need sets

group customers with similar need sets

describe each group

select an attractive segment(s) to serve

Mahlik is attempting to segment the market for his company's products. Where should he begin?

set objectives

identify product-related need sets

group customers with similar need sets

describe each group

select an attractive segment(s) to serve

Which term reflects the fact that most products in developed economies satisfy more than one need?

multiplicity

duplicity

need array

need set

value proposition

Barry is looking for a car that is dependable yet stylish enough to let others know that he has achieved a respectable status in his life and career. He also wants it to be a high-performance automobile. Dependability, status, and performance represent Barry's

self-image.

need set.

alter ego.

unarticulated needs.

lifestyle.

Which of the following is used to describe a group of consumers with similar needs sets?

demographics

lifestyles

media usage

demographics and lifestyles

All of the choices are corrects are correct.

Talbot's is a women's clothing store that offers classic fashions at a slightly premium price (i.e., a wool skirt typically costs over \$100). During the process of market segmentation, Talbot's identified a group of consumers who are larger than average women yet still want stylish clothing. Further research into this segment revealed that these women tend to be between the ages of 35 and 50, are career-oriented, have a household income over \$50,000, and are married with children under the age of 18 living at home. This group reads magazines and newspapers as well as watches prime-time television more than the typical consumer. Which step of market segmentation does this describe?

identifying product-related need sets

grouping customer with similar need sets

describing each group

selecting an attractive segment(s) to serve

profiling current customers

The segment(s) within the larger market on which an organization will focus its marketing effort is referred to as the

need set.

target market.

customer set.

strategic market.

primary market.

J&J Produce is a distributor of fresh produce. They conducted a thorough analysis of its market and identified groups of consumers that had similar product-related needs. One particular market identified wanted fresh and unique produce, such as Swiss chard, radicchio, and exotic fruits, and they were willing to pay higher prices for these choices. J&J Produce decided to focus its marketing effort on this segment of the total market. This segment is J&J's

need set.

primary market.

customer set.

target market.

market focus.

Which of the following is used to evaluate the attractiveness of various market segments?

segment size

distribution available

fit with company image

cost to serve

All of the choices are correct.

Juan has segmented the market for boats and is currently analyzing each with respect to several factors, such as size, growth rate, competitor strength, fit with company image, distribution

available, cost to serve, and risk before deciding which segment to target. Which step of market segmentation is Juan conducting?

identifying product-related need sets

grouping customer with similar need sets

describing each group

selecting an attractive segment(s) to serve

profiling current customers

The product, price, communications, distribution, and services provided to the target market is referred to as the

need set.

marketing mix.

marketing set.

decision set.

value proposition.

Which of the following is part of the marketing mix?

product

price

communications

distribution

All of the choices are corrects are correct.

A(n) _____ is anything a consumer acquires or might acquire to meet a perceived need.

satisfier

end state

product

value proposition

outcome

To be successful, a product must

meet the needs of the target market better than the competition does.

be lower priced than competitors' products.

be of higher quality than competitors' products.

be advertised more than competitors' products.

have greater distribution than the competition does.

_____ include(s) advertising, the sales force, public relations, packaging, and any other signal that the firm provides about itself and its products.

Value promotions

Brand equity

Distribution

Market segmentation

Marketing communications

Which of the following is included in marketing communications?

advertising

sales force

public relations

packaging

All of the choices are correct.

Which of the following is NOT a critical question for developing marketing communications?

Who do we want to communicate with?

What effect do we want to have?

What message will achieve the desired result?

What media should we use?

All of the choices are correct.

_____ is the amount of money one must pay to obtain the right to use the product.

Consumer cost

Total cost

Price

Value

Customer value

Darren purchased a new 32" LCD high-definition television and paid \$400 for it. This amount of money Darren had to pay to obtain this product is known as the

total cost.

value.

value proposition.

price.

consumer cost.

_____ is everything the consumer must surrender in order to receive the benefits of owning/using the product.

Value

Consumer cost

Price

Opportunity cost

Value proposition

Timothy and his spouse are considering the purchase of a new car. In addition to the price, they are also considering the cost of insurance, gasoline, maintenance, finance charges, and license fees. All of these factors combined represent the

value.

price.

opportunity cost.

consumer cost.

value proposition.

Which element of the marketing mix is concerned with having the product available where target customers can buy it?

product

price

distribution

communications

placement

Tony's job entails making sure his company's products get to retailers so that target customers can buy them. Which element of the marketing mix is Tony involved with?

product

price

distribution

communications

placement

Auxiliary or peripheral activities that are performed to enhance the primary product or primary service is referred to as

service.

supplemental product.

intangible benefits.

secondary product.

ancillary attributes.

Which of the following is NOT considered one of the firm's outcomes of the marketing strategy and consumer behavior process?

product position

customer satisfaction

service

sales and profits

All of the choices are corrects are correct.

An image of the product or brand in the consumer's mind relative to competing products and brands is referred to as the product's

equity.

extension.

message.

placement.

position.

A product's position refers to

its shelf location in retail stores.

an image of the product in the consumer's mind relative to competing products.

its price relative to other products in the firm's product line.

its price relative to competitors' products.

its stage in the product development process.

Rod is surveying consumers to gain a better understanding of his restaurant's image relative to competing restaurants. Rod is concerned with his restaurant's

position.

equity.

placement.

driver.

satisfaction index.

Which outcome of marketing strategy produces the revenue necessary for the firm to continue in business?

customer satisfaction

product position

consumption

social welfare

sales and profits

John purchases and is satisfied with his SUV because he believes that it provides greater crash safety than a sedan even though this is not technically true. John's satisfaction is based on the distinction between

primary need fulfillment and secondary need fulfillment.

actual need fulfillment and perceived need fulfillment.

initial need fulfillment and repeat need fulfillment.

articulated need fulfillment and unarticulated need fulfillment.

attribute fulfillment and benefit fulfillment.

_____ occurs when individuals or groups make consumption decisions that have negative consequence for their long-run well-being.

Disintermediation

Conspicuous consumption

Disenfranchisement

Injurious consumption

Demarketing

Bob and his friends go out every weekend and drink until they get drunk. Then they drive home in that condition. Which type of consumption does this represent?

injurious consumption

severe consumption

conspicuous consumption

unethical consumption

antisocial consumption

Which of the following is a societal outcome of marketing strategy and consumer behavior?

sales

need satisfaction

social welfare

customer satisfaction

product position

Which of the following is NOT a societal outcome of marketing strategy and consumer behavior?

economic outcomes

customer satisfaction

physical environment outcomes

social welfare

All of the choices are corrects are correct.

Which is NOT a step in the consumer's decision process?

information search

postpurchase processes

problem recognition

alternative evaluation and selection

self-concept analysis

Which of the following is an internal influence on consumer behavior?

culture

family

attitudes

marketing activities

reference groups

Which is NOT an external influence on consumer behavior?

culture

family

social status

perception

marketing activities

Teresa is trying to understand her customers better. She is examining the external influences that shape her customers' self-concepts and lifestyles. Which of the following is a possible external influence Teresa could examine?

motives

personality

perception

attitudes

culture

Kate Spade is a brand of clothing, accessories, and home products. Brand managers at this company are trying to learn which internal influences impact their customers' needs and desires most. Which of the following is a possible internal influence these managers should examine?

culture

personality

demographics

family

social status

What is the first step in the consumer decision process?

problem recognition

budget setting

information search

outlet selection

alternative evaluation and selection

Which of the following statements is true regarding the overall model of consumer behavior?

It is sufficiently detailed so as to predict particular behaviors.

Family and culture are internal influences on consumer behavior.

Personality, emotions, and attitudes represent external influences on consumer behavior.

A consumer's self-concept and lifestyle influence his or her needs and desires.

Experiences and acquisitions have little effect on the process.

The totality of one's thoughts and feelings about oneself is known as lifestyle.

self-concept.

internal influences.

external influences.

consumption outcomes.

_____ represents how one lives, including the products one buys, how one uses them, what one thinks about them, and how one feels about them.

Lifestyle

Self-concept

Position

Status

Social class

Which type of decisions involve very little effort or thought on the part of the consumer?

primary decisions

top-of-mind decisions

low-involvement decisions

automatic decisions

self-related decisions

Karen was at the checkout at the grocery store and remembered that she was out of chewing gum that she normally likes to keep in her purse. Without much thought, she grabbed two packages of the gum she likes. What type of consumer decision does this illustration?

primary decision

top-of-mind decision

low-involvement decision

automatic decision

self-related decision

According to the “Consumer Insight” in your text, buying auto insurance represents which form of consumption meaning?

mundane

avoidance

innovative brands

function

None of the choices are correct.

What does the consumption of a product like Nike mean to Andre Hank, the formerly homeless consumer discussed in the text?

that he can afford a brand that is superior in meeting his physical needs

his peers will now accept him

they serve as a visible symbol that he is back as a successful member of society

his peers will try to be more like him

they serve as a reminder of what he used to have

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

Describe the field of consumer behavior, and discuss the four key aspects of consumer behavior that make it an important area of study.

List and briefly describe applications of consumer behavior.

List and briefly describe the four steps involved in market segmentation.

Briefly describe the outcomes of marketing strategy for the firm, consumers, and society.

Alex is developing the marketing strategy for a brand of men's clothing. Before he develops his strategy, Alex will conduct research to better understand his customers. Briefly describe a conceptual model that includes the factors he should consider in his research.

Answer Key

Test name: ch1 Consumer Behavior e15

TRUE

Consumer decisions often involve numerous steps, and are influenced by a host of factors including demographics, lifestyle, and cultural values.

FALSE

Marketing decisions based on explicit consumer behavior theory, assumptions, and research are more likely to be successful than those based on hunches or intuition.

FALSE

Most economically developed societies are often referred to as consumption societies.

TRUE

To survive in a competitive environment, an organization must provide its target customers with more value than is provided to them by its competitors.

FALSE

Marketing strategy begins with an analysis of the market the organization is considering.

FALSE

This set of features is often referred to as the total product.

FALSE

Holiday shoppers who primarily care about time savings are known as Last-Minute shoppers.

FALSE

Marketing skills include new-product capabilities, channel strength, advertising abilities, service capabilities, marketing research abilities, and market and consumer knowledge.

TRUE

Behavioral targeting is an example of how technology is making individualized communication increasingly cost-effective.

FALSE

The term is need set.

TRUE

The selection of a target market is based on the ability to provide the selected segment(s) with superior customer service at a profit.

TRUE

The consumer decision process intervenes between the marketing strategy and the outcomes.

TRUE

These two processes are closely related and are often identical; however, at times they differ.

TRUE

These self-concepts and lifestyles produce needs and desires, many of which require consumption decisions to satisfy.

FALSE

The totality of an individual's thoughts and feelings about oneself is known as self-concept.

E

Social media is a tool that gives consumers power but also allows firms to listen and react in real time via online monitoring of social media trends.

B

This view of consumer behavior is broader than the traditional one, which focused more narrowly on the buyer and the purchasing process.

D

Consumer behavior is the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society.

D

Sufficient knowledge of consumer behavior exists to provide usable guidelines, but accurate monitoring and practice are required.

E

Sufficient knowledge of consumer behavior exists to provide usable guidelines, but accurate monitoring and practice are required.

B

Human resource management is not an application of consumer behavior.

A

Marketing decisions based on explicit consumer behavior theory, assumptions, and research are more likely to be successful than those based on hunches or intuition, and thus create a competitive advantage. An accurate understanding of consumer behavior can greatly reduce the odds of failures.

A

Social marketing has been used in attempts to reduce smoking, to encourage environmentally sound behaviors such as recycling, and to support many other important causes.

E

Social marketing is the application of marketing strategies and tactics to alter or create behaviors that have a positive effect on the targeted individuals or society as a whole.

C

Most individuals in these societies spend more time engaged in consumption than in any other activity.

E

Marketers spend billions to influence consumer decisions.

C

Customer value is the difference between all the benefits derived from a total product and all the costs of acquiring those benefits.

D

To survive in a competitive environment, an organization must provide its target customers more value than is provided to them by its competition.

B

Customer value is the difference between all the benefits derived from a total product and all the costs of acquiring those benefits.

C

Marketing strategy seeks to provide the customer with more value than the competition while still producing profit for the firm.

D

It is critical that a firm consider value from the customer's perspective.

E

The organization identifies groups of individuals, households, or firms with similar needs.

B

The organization identifies groups of individuals, households, or firms with similar needs.

A

The total product is presented to the target market, which is consistently engaged in processing information and making decisions.

E

An experience occurs when a company intentionally creates a memorable event for customers.

B

An early bird shopper cares about efficiency and stress reduction.

C

The state of the economy, the physical environment, government regulations, and technological developments affect consumer needs and expectations as well as company and competitor capabilities.

E

Market analysis requires a thorough understanding of the company's own ability to meet customer needs, competitors' capabilities and strategies, consumers' needs, and conditions in the market.

C

Market analysis requires a thorough understanding of the company's own ability to meet customer needs, competitors' capabilities and strategies, consumers' needs, and conditions in the market.

E

A firm must fully understand its own ability to meet customer needs. This involves evaluating all aspects of the firm, including its financial condition, general managerial skills, production capabilities, research and development capabilities, technological sophistication, reputation, and marketing skills. Failure to fully understand strengths and weaknesses can cause serious problems.

A

When analyzing a company's own ability to meet customer needs, competitors are not considered.

B

Marketing skills include new-product capabilities, channel strength, advertising abilities, service capabilities, marketing research abilities, and market and consumer knowledge.

A

To be viable, a segment must be large enough to be served profitably.

E

A market segment is a portion of a larger market whose needs differ somewhat from the larger market.

D

Behavioral targeting is an example of how technology is making individualized communication increasingly cost-effective.

B

Tracking consumers' online activity and delivering specific banner ads based on that activity is known as behavioral targeting.

C

Most products in developed economies satisfy more than one need.

B

The last step in market segmentation is selecting an attractive segment(s) to serve.

A

Setting a budget is not a step in market segmentation.

B

The first step in market segmentation is identifying product-related need sets.

D

Products can meet different needs beyond their basic function.

B

Products can meet different needs beyond their basic function.

E

Designing an effective marketing program requires having a complete understanding of the potential customers.

C

Designing an effective marketing program requires having a complete understanding of the potential customers.

B

The selection of a target market is based on the ability to provide the selected segment(s) with superior customer service at a profit.

D

The segment(s) within the larger market on which an organization will focus its marketing effort is referred to as the target market.

E

Many criteria are used to evaluate and compare the attractiveness of various market segments.

D

Many criteria are used to evaluate and compare the attractiveness of various market segments.

B

The combination of these elements meets customer needs and provides customer value.

E

Product, price, communications and distribution are all part of the marketing mix.

C

The term product is used to refer to physical products and primary or core services.

A

To be successful, a product must meet the needs of the target market better than the competition does.

E

Marketing communications includes advertising, the sales force, public relations, packaging, and any other signal that the firm provides about itself and its products.

E

Advertising, sales force, public relations, and packaging are all included in marketing communications.

E

An effective communications strategy requires answers to these critical questions.

C

One can buy ownership of a product or, for many products, limited usage rights.

D

Price is the amount of money one must pay to obtain the right to use the product.

B

Firms seek to provide customer value by reducing the non-price costs of owning or operating a product.

D

Price is everything the consumer must surrender in order to receive the benefits of owning/using the product.

C

Good distribution decisions require a sound knowledge of where target customers shop for the product in question.

C

Distribution is concerned with having the product available where target customers can buy it

A

A firm must explicitly manage its auxiliary services to have a competitive advantage.

C

Service is not considered one of the firm's outcomes of the marketing strategy and consumer behavior process.

E

This image consists of a set of beliefs, pictorial representations, and feelings about the product or brand.

B

This image consists of a set of beliefs, pictorial representations, and feelings about the product or brand.

A

A product's position refers to an image of the product in the consumer's mind relative to competing products.

E

Firms evaluate the success of their marketing programs in terms of sales revenues and profits.

B

These two processes are closely related and are often identical; however, at times they differ.

D

Examples are overspending, consumption of unhealthy products such as alcohol and cigarettes, and gambling.

A

Injurious consumption occurs when individuals or groups make consumption decisions that have negative consequence for their long-run well-being.

C

Consumer decisions affect the general social welfare of a society.

B

Customer satisfaction is not a societal outcome of marketing strategy and consumer behavior.

E

Self-concept analysis is not a step in the consumer's decision process.

C

Attitudes is an internal influence on consumer behavior.

D

Perception is an internal influence on consumer behavior.

E

Culture is perhaps the most pervasive influence on consumer behavior.

B

Personality is an individual's characteristic response tendencies across similar situations.

A

The first step in the consumer decision process is problem recognition.

D

A consumer's self-concept and lifestyle influence his or her needs and desires.

B

Self-concept is reflected in a lifestyle.

A

Lifestyle is the sum of the person's past decisions and future plans.

C

Most consumer decisions involve very little effort or thought on the part of the consumer.

C

Low-involvement decisions involve very little effort or thought on the part of the consumer.

B

Consumption has many meanings. Insurance represents risk reduction and thus garners meaning in helping to avoid such risks.

C

Low-income consumers want the same products and services other consumers want.

Essay

The field of consumer behavior is the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. Four key aspects of consumer behavior that make it an important area of study are:

- a. Successful marketing decisions by commercial firms, non-profit organizations, and regulatory agencies require extensive information about consumer behavior. Organizations are applying theories and information about consumer behavior on a daily basis.
- b. There is a need to collect information about the specific consumers involved in the marketing decision at hand.
- c. Consumer behavior is a complex, multidimensional process.
- d. Marketing practices designed to influence consumer behavior involve ethical issues that affect the firm, the individual, and society.

Essay

Marketing Strategy—all marketing strategies and tactics are based on explicit or implicit beliefs about consumer behavior, and knowledge of consumer behavior can be an important competitive advantage.

Regulatory Policy—various regulatory bodies exist to develop, interpret, and/or implement policies designed to protect and aid consumers. Clearly, effective regulation of many marketing practices requires an extensive knowledge of consumer behavior.

Social Marketing—the application of marketing strategies and tactics to alter or create behaviors that have a positive effect on the targeted individuals or society as a whole.

Successful social marketing strategy requires a sound understanding of consumer behavior.

Informed Individuals—most economically developed societies are legitimately referred to as consumption societies. Knowledge of consumer behavior can enhance our understanding of our environment and ourselves. Such an understanding is essential for sound citizenship, effective purchasing behavior, and reasoned business ethics.

Essay

- a. Identifying product-related need sets. The first task is to identify need sets that the organization is capable, or could become capable, of meeting. Identifying the various need sets that the firm's current or potential product might satisfy typically involves consumer research.
- b. Grouping customers with similar need sets. This step generally involves consumer research.
- c. Describing each group. Once consumers with similar need sets are identified, they should be described in terms of their demographic, lifestyles, and media usage. It is necessary to have a complete understanding of potential customers for a marketing program to be effective.
- d. Selecting an attractive segment(s) to serve. Once we are sure we have a thorough understanding of each segment, we must select our target market, which is that segment(s) of the larger market on which we will focus our marketing efforts. Factors to consider include a segment's size and growth rate, competitor strength, customer satisfaction with existing products, fit with company image, objectives, and resources, distribution availability, and so on.

Essay

Firm Outcomes—include product position, sales, and customer satisfaction. A product's position is the image of the product or brand in the consumer's mind relative to competing products and brands. Sales are a critical outcome, as they produce the revenue necessary for the firm to continue in business, and virtually all firms evaluate the success of their marketing program in terms of sales. Customer satisfaction is a major concern of marketers because it is generally more profitable to maintain existing customers than to replace them with new ones.

Consumer (Individual) Outcomes—include need satisfaction and injurious consumption. The most obvious outcome of the consumption process for an individual is some level of satisfaction of the need that initiated the consumption process. Two key processes are involved: actual need fulfillment and the perceived need fulfillment. Injurious consumption occurs when individuals or groups make consumption decisions that have negative consequences for their long-run well-being.

Society Outcomes—include economic outcomes, physical environment outcomes, and social welfare. The cumulative impact of consumers' purchase decisions is a major determinant of the state of a given country's economy. Consumers make decisions that have a major impact on the physical environments of both their own and other societies. Consumer decisions affect the general social welfare of a society as well. Injurious consumption affects society as well as the individuals involved.

Essay

This question is attempting to get students to broadly discuss the elements of the overall model of consumer behavior illustrated in Figure 1-3 and discussed in the chapter. Factors Alex should consider include external influences (i.e., culture, subculture, demographics, social status, reference groups, family, and marketing influences) and internal influences (i.e., perception, learning, memory, motives, personality, emotions, and attitudes). These external and internal factors shape consumers' self-concepts and lifestyles. These self-concepts and lifestyles produce needs and desires, many of which require consumption decisions to satisfy.