

2.7: Understanding Consumer Markets and Buying Behavior

Learning Objectives

By the end of this section, you will be able to

- Define consumer buying behavior.
- Explain the nature of the buyer's black box.
- Describe how consumer behavior is characterized into types.

Consumer Markets and Consumer Buying Behavior Defined

How many buying decisions did you make today? Perhaps you stopped on the way to work or class to buy a soft drink or coffee, went to the grocery store on the way home to get bread or milk, or ordered something online. You likely make buying decisions nearly every day and probably don't give most of those decisions much thought. However, how you make those decisions is significant for marketers because if they can understand *why* you buy what you buy and *when* you buy it, they can use that information to boost revenue.

Consumer buying behavior refers to the decisions and actions people undertake to buy products or services for personal use. In other words, it's the actions you take before buying a product or service; as you will see, many factors influence that behavior. You and all other consumers combine to make up the consumer market.

The Buyer's Black Box

It stands to reason that the hundreds of millions of people who make up the global consumer market don't all buy the same products and services. Why do certain people prefer different items than others? The answer lies in the factors that influence consumer buying behavior. One model of consumer buying behavior is what's known as the buyer's black box, called such because little is known about what goes on in the human mind. It's also known as the stimulus-response model.

As the model shown in Figure 2.7.1 illustrates, consumer buying behavior is based on stimuli from a variety of sources—marketers in terms of the 4Ps (product, price, promotion, and place) and environmental stimuli, such as economic factors, legal/political factors, and technological and cultural factors.

These stimuli go into your "black box," which consists of two parts: buyer characteristics such as beliefs and attitudes, motives, perceptions, and values, and the buyer decision-making process, later covered in this chapter. Your response is the outcome of the thinking that takes place in that black box. What will you buy, where, when, how often, and how much?

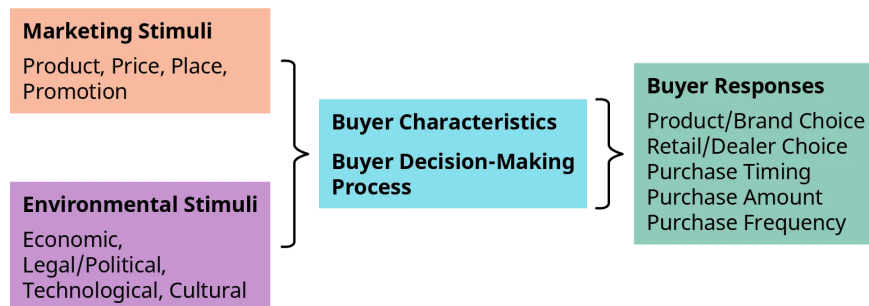


Figure 2.7.1: Stimulus-Response Model/Buyer's Black Box (CC BY 4.0; Rice University & OpenStax)

Types of Consumer Buying Behavior

Buying behavior is not influenced solely by the external environment but is also determined by your level of involvement in a purchase and the amount of risk involved. There are four types of consumer buying behavior, as shown in Figure 2.7.2.

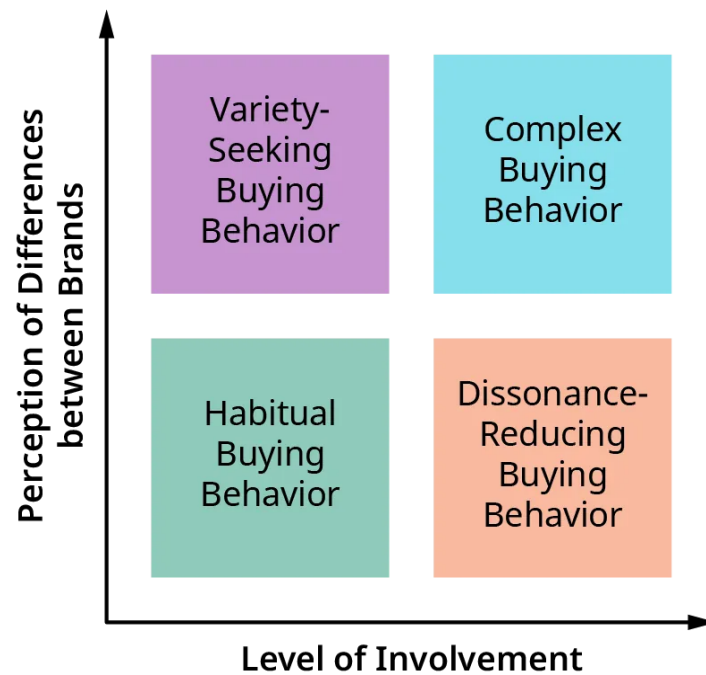


Figure 2.7.2: Types of Consumer Buying Behavior (CC BY 4.0; Rice University & OpenStax)

Complex buying behavior occurs when you make a significant or expensive purchase, such as buying a new car. Because you likely don't buy a new car frequently, you're highly involved in the buying decision, and you probably research different vehicles or talk with friends or family before reaching your decision. By then, you're likely convinced that there's a significant difference among cars, and you've developed your own unique set of criteria that helps you decide on your purchase.

Dissonance-reducing buying behavior occurs when you're highly involved in a purchase but see little difference among brands. Let's say you're replacing the flooring in your kitchen with ceramic tile—another expensive, infrequent purchase. You might think that all ceramic tile brands in a certain price range are “about the same,” so you might shop around to see what's available, but you'll probably buy rather quickly, perhaps because of a good price or availability. However, after your purchase, you may experience post-purchase dissonance (also known as buyer's remorse) when you notice some disadvantages of the tile you purchased or hear good things about a brand you didn't purchase.

Habitual buying behavior is low in the purchase decision because it's often a repeat buy, and you don't perceive much brand differentiation. Perhaps you usually buy a certain brand of organic milk, but you don't have strong brand loyalty. If your regular brand isn't available at the store or another brand is on sale, you'll probably buy a different brand.

Variety-seeking buying behavior has the lowest customer involvement because brand switching is your norm. You may not be unhappy with your last purchase of tortilla chips, but you simply want to try something new. It's a matter of brand switching for the sake of variety rather than because of dissatisfaction with your previous purchase.

Link to Learning: The 4Ps and Consumer Behavior

Watch this short, humorous 4Ps video to help you remember the concept. This video also includes several examples of target markets and how a marketer might respond.



Consumer behavior is an important marketing topic, and depending on the marketing program at your institution, you may have the opportunity to take a consumer behavior course and learn more about the topics covered above. Studying consumer behavior is important in marketing because it will teach you how to best know your customer, an integral aspect to marketing a product or service.



As mentioned, environmental factors have an impact on consumer behavior. Can you think of a recent environmental influence that has had a significant impact? The coronavirus pandemic has probably been the most influential in recent years and for many reasons! We still have a lot to learn about the impacts of the pandemic, and new information is being released daily about changing human behavior and the impact on marketing. For example, in this Google article, the author shares [a cultural anthropologist's insights](#) for understanding consumer behavior and how it relates to three core needs all people experience—self-care, social connection, and identity—and how these needs correlate to recent YouTube video trends. Learn about how marketers can respond to this trend.

Continually trying to understand environmental influences will keep you on the cutting edge and ahead of the competition. It's a great practice to always be looking for the latest information so that you can shift your strategies as needed. Bain & Company is an

example of one company that wanted to understand how the pandemic changed consumer behavior. The company ran a survey in 2021 to better understand the impact of the pandemic, and it found five trends from the data.



A [survey from Accenture](#), one of the top-ranked consulting firms in the world, found that the pandemic caused 50 percent of consumers to evaluate their purpose and what's important to them. Read more about the findings in this article.

Always be looking for information to be the best marketer you can be!

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