Chipotle Mexican Grill

- Chipotle – ripened, dried jalapeno
- New business, Steve Ells, 1993
- Simple menu
- Ordering quick and easy
- McDonald’s purchased minority interest
- Now 800+ units
- Uses organic foods when possible
- McDonald’s acquired Chipotle
Chapter Objectives

1. What elements are involved in internal and external information searches by consumers, as part of the purchase process?
2. What three models explain how individuals evaluate purchasing alternatives?
3. What trends are affecting the consumer buyer environment?
4. How do the roles played by various members of the buying center and the factors that influence them impact business purchases?
Chapter Objectives

5. What types of business-to-business sales are made?
6. What are the steps of the business-to-business buying process?
7. How does dual channel marketing expand a company’s customer base and its sales?
8. How can a company overcome international differences when adapting a buying process?
Buyer Behaviors

Chapter Overview

- Consumer purchase process
- Consumer buying environment
- Recent trends in consumer behavior
- Business buying center
- B-to-B purchasing process
- Dual channel marketing
FIGURE 3.1
Consumer Decision-Making Process

- Problem Recognition
- Information Search
- Evaluation of Alternatives
- Purchase Decision
- Postpurchase Evaluation
Consumer Purchasing Process

- Consumers recognize need or want
  - Physical
  - Social
  - Psychological
- Can be triggered by advertising
Information Search

- Internal search
- External search
Internal Search

- Think about brands
- Quickly reduce options
- Choice based on past experience

Brand awareness and brand equity important
External Search

• Ability to search
• Level of motivation
• Perceived cost versus benefit
Ability to Search

• Determines extent of search
• Education level
  • Increases search
• Knowledge of product and brands
  • Moderate level – most likely to search
Level of Motivation

• Level of involvement
• Need for cognition
• Level of shopping enthusiasm
Cost versus Benefits

- Actual cost
- Subjective cost
  - Time
  - Anxiety
- Opportunity cost
Consumer Attitude

• Affective
• Cognitive
• Conative
Attitude Sequence

Cognitive $\rightarrow$ Affective $\rightarrow$ Conative

Affective $\rightarrow$ Conative $\rightarrow$ Cognitive

Conative $\rightarrow$ Cognitive $\rightarrow$ Affective
What emotion does this Pamper Wipes advertisement solicit?

Which attitude sequence would be the most likely for this product?

“Some things can be rough.”
“Her wipe shouldn’t be one of them.”
**Figure 3.3**

**Personal Values**

- Comfortable life
- Equality
- Excitement
- Freedom
- Fun, exciting life
- Happiness
- Inner peace
- Mature love
- Personal accomplishment

- Pleasure
- Salvation
- Security
- Self-fulfillment
- Self-respect
- Sense of belonging
- Social acceptance
- Wisdom
Which personal values does this Skeeter ad target?
FIGURE 3.4
Cognitive map for Ruby Tuesday

- Hamburger
- Restaurants
- Great Food
- Dine-in
- Fast Foods
- Ruby Tuesday
- Applebee’s
- Little Caesar’s
- Pizza
- Excellent Service
- Pizza Hut
- Slow
- Mel’s Diner
Cognitive Mapping

- Cognitive linkages
- Processing new information
- Retaining information
- New concepts
FIGURE 3.5
Role of Marketing Messages in Cognitive Mapping

Marketing Message

- Strengthen current linkage
- Modify current linkage
- Create new linkage
Principles Concerning Processing of Information and Cognitive Mapping

- Cognitive mapping enhances movement of messages from short-term memory to long-term memory
- Most persuasive messages reinforce current linkages
- Repetition is necessary to establish new linkages
- Difficult to modify or create new linkages
FIGURE 3.6
Methods of Evaluating Alternatives

Problem Recognition → Information Search → Evaluation of Alternatives

- Evoked set
- Multiattribute
- Affect referral
The Evoked Set Method

- Inept set
- Inert set
- Evoked set
How important is it for each of the following brands to be a part of a consumer’s evoked set?

- Guess (jeans)
- Advil (pain medicine)
- Head & Shoulders (shampoo)
- Black & Decker (power tools)
- C & H (sugar)
- Smith & Kline (attorneys)
- Hall’s (cough drops)
- Blockbuster (video rentals)
- Dr. Nelson (neurosurgeon)
- Pearle Vision (optical)
The Multiattribute Approach

High-Involvement Products

- Brand’s performance for each attribute
- Importance of each attribute
Affect Referral

- Saves mental energy
- Multiattribute approach may have been used previously
- Consumers often develop emotional bonds with brands
Figure 3.8
Trends Affecting Consumer Buyer Behavior

- Age complexity
- Gender complexity
- Active, busy lifestyles
- Diverse lifestyles
- Communication revolution
- Experience pursuits
- Health emphasis
FIGURE 3.9

Responding to New Consumer Buying Trends

- Monitor consumer environment for changes
- Create goods and services that are compatible with changes
- Design messages that reflect changes
Business-to-Business
Buyer Behavior
Figure 3.10: The Buying Center

- Buyers
- Influencers
- Users
- Deciders
- Gatekeeper

Purchase Decision
Individual Factors Affecting the Behaviors of Buying Center Members

- Personality Features
- Roles and Perceived Roles
- Personal Objectives
- Motivational Levels
- Levels of Cognitive Involvement
- Levels of Power
- Attitudes Toward Risk
Individual Factors Affecting Business Buying Centers

• **Personality**
  - Decisive person
  - Extrovert
  - Introvert

• **Roles**
  - Individual’s age, heredity, ethnicity, gender
  - Socially constructed

• **Motivation**
  - Match individual goal’s to organizational goal
Individual Factors Affecting Business Buying Centers

- **Level of power**
  - Role in buying center
  - Official position
  - Impact of decision on personal performance

- **Risk**
  - Risk avoiders

- **Level of involvement**
  - Cognitive capacity

- **Personal objectives**
Types of Business-to-Business Sales

- Straight rebuy
- Modified rebuy
- New task
F I G U R E  3 . 1 2

Reasons for Modified Rebuy

• Dissatisfaction with current vendor
• A different vendor makes an attractive offer
• End of contract with current vendor
• Individuals have no or little experience
B-to-B Buying Process

1. Identification of needs
2. Establishment of objectives
3. Identification of vendors
4. Vendor evaluation
5. Vendor selection
6. Negotiation of terms
7. Postpurchase evaluation
Consumer Buying Process

- Problem Recognition
- Information Search
- Evaluation Of Alternatives
- Purchase Decision
- Postpurchase Evaluation

B-to-B Buying Process

- Identification Of Needs
- Establish Specifications
- Identify Vendors
- Evaluate Vendors
- Select Vendor
- Purchase Negotiations

FIGURE 3.13
Dual Channel Marketing

- Consumer and B-to-B markets
- Spin-off sales
- Image concerns
Figure 3.14

Dual Channel Marketing Strategies

• Use different communication messages
• Create different brands
• Use multiple or different channels
International Implications

• Cultural assimilator
• Understand purchasing process
• Strong brand
• Visible global brand for B-to-B
Ouachita Independent Bank

(Part 3)

Criteria in Choosing a Bank

- Location (near home or work)
- Recommendation from someone
- Range of products
- Image and reputation of bank
- Incentives offered to open account
- Competitive interest rates
- Low fees/charges
- Operating hours
Theme of campaign - Local people, local trust

Discussion Question

Watch this television advertisement. Review the criteria consumers use in selecting a bank. How does this television ad reflect an understanding of those criteria as well as understanding the buyer decision process?
Integrated Campaigns in Action

Argent Financial

Campaign Objective: Define and promote a single brand