

Introduction



Consumer behavior is way more than just a guessing game; it's crucial to a successful marketing plan. A clear understanding of the consumer usually makes the difference between companies that succeed and those that fail. By understanding the behaviors of consumers, you can make more informed business decisions; these decisions alone can raise bottom-line revenues, lower customer acquisition costs, and increase customer retention and profitability.

The study of consumer behavior tells you why consumers act the way they do, why they buy what they buy, and why they buy from who they buy from. It's the study of the external and internal influences that affect consumers in purchasing decisions. Consumer behavior also shows the marketing influence that businesses have on consumers.

Consumer behavior is a subjective topic, so there are no absolutes. The only absolute is the fact that consumers are influenced by psychological and sociocultural factors. However, not all consumers are affected in the same capacity. Luckily, by understanding a few processes, you can gain the type of insight about consumers that helps your business market succeed and stand out from the competition.

If you want to succeed in your marketing, you have to understand why a particular consumer thinks, acts, and responds in the way that he does. Then you create an effective marketing strategy that accommodates those feelings, actions, and responses.

When you hear of consumer behavior, you probably begin thinking of big words, hard-to-understand formulas, and dry explanations of research methods. My approach is different. I show you how to take a look at a consumer as an individual and evaluate the influences he may be experiencing. I then teach you how to direct your marketing strategy so it's effectively based on the influence the consumer may be experiencing. Plenty of books on consumer behavior are available, but they're written in textbook style. My goal with *Consumer Behavior For Dummies* is to bring consumer behavior to you on a level that's easy to understand and applicable to your business. I don't talk theories. I talk actionable items that you can put into place today.

This book can be used as a tool to not only gain the knowledge of consumer behavior, but also to better understand and “speak” to your customer.

About This Book

Consumer Behavior For Dummies is an easy-to-understand guide to consumer behavior. I've written it for anyone who wants to understand what consumer behavior is, how it affects the purchase process, and how it can be used to better market a product or service. My goal with this book is to explain consumer behavior in simple terms so anyone can pick it up and read it without getting a headache. And everyone will benefit from its contents. Consider the many uses:

- ✔ **If you're a marketing student**, this book can help you better understand consumer behavior and why it's so important to marketing.
- ✔ **If you're a business owner**, you can use this book to evaluate your marketing techniques, target market, and marketing message. Evaluating and tweaking these items helps you increase sales and revenue.
- ✔ **If you're an aspiring entrepreneur**, this book gives you a road map to consult when creating and marketing your business. You'll have a clear idea of who your target market is and how best to cater your message to that market.
- ✔ **If you're in sales**, you can use this book to transform your sales message. I show you how to identify customer need and create a message that satisfies that need, helping you close more sales. I provide a road map of the buying process so you can identify the phases that your prospect is in. This knowledge helps you restructure your sales message to meet your customers' needs and move them to decisions.
- ✔ **If you're a sales manager**, you can use this book to train your sales team to better understand consumer behavior. They'll be able to read their prospects like a well-written book.
- ✔ **If you're in customer service**, this book can serve as a guide to help you understand your customers. In return you'll offer them top-notch service that creates loyalty and returning customers.

Conventions Used in This Book

To help you navigate the complex waters of the fluid nature of this book's topic, I use the following conventions consistently throughout the book:

- ✔ When I talk about *marketing*, I'm referring to any of the following aspects of business: advertising, publicity, customer service, direct mail, direct response, online advertising, or telemarketing.
- ✔ I use *italic* for new, important terms that are followed with a definition.
- ✔ I use **bold** text to highlight key concepts within bulleted lists as well as the action-oriented parts of numbered steps.

What You're Not to Read

The gray-shaded text boxes throughout this book are what the *For Dummies* folks affectionately refer to as *sidebars*, and they contain helpful or interesting information that you don't *need* to know in order to understand the important concepts at hand. I wrote them, of course, so I recommend that you do read them. But if you're pressed for time or just not in the mood for extras, feel free to skip on over them.

Foolish Assumptions

When I was writing this book, I kept a few assumptions in mind about you, the reader. These assumptions kept me on track so that I provided the most useful and pertinent information. Here's what I assume about you:

- ✔ You have an interest in why consumers behave the way they do, and you have a desire to understand the influences that affect consumers when it comes to their purchase patterns.
- ✔ You want to use that knowledge to influence consumers in an ethical way to purchase from you or the business you work for.
- ✔ You have an interest in marketing because you have your own business, you're studying marketing in school, you work in a marketing department at a company, or you desire a career change where you will have the ability to influence consumers.
- ✔ You have an interest in psychology either to understand your own purchasing behavior or to people watch and understand why consumers act the way they do.

How This Book Is Organized

This book is chock-full of information, research techniques, marketing tips, and easy-to-understand advice that helps you understand the power of consumer behavior and how you can use it to not only better understand your market but to better market your own business. The six parts in this book are organized so you can find the information you need quickly. Determine what you need to know and head to that part. Here's a rundown of the different parts.

Part I: Introduction to Consumer Behavior

Part I fills you in on the basics of consumer behavior. I outline the consumer decision-making process and show you why consumer behavior is important

to your marketing strategy. You find out how to use the knowledge of consumer behavior to determine your ideal segments and target market. I also explore the different research methods with you.

Part II: Delving Into the Psychology of the Individual Consumer

In this part, you take a deeper look into the individual customer. You get the scoop on the internal influences that affect the way consumers behave, and you discover how to work with those influences. I show you the power of perception and motivation and explain how attitude and intentions affect the purchasing decision. You can even read about how self-concepts, situation influences, and lifestyle change the behavior of your customer.

Part III: Consumers in Their Social and Cultural Settings

Social and cultural settings have an effect on your customer. So in this part, I discuss the external influences that affect consumers and their purchasing patterns. These influences include those from cultures, subcultures, groups, family life cycles, and household structures. I also delve into the misbehaviors of consumers and show you what you can do to protect yourself against those misbehaviors.

Part IV: Crafting Your Marketing Strategy

In Part IV, you get to make your consumer knowledge applicable to your business. This is the part where you put the knowledge you've gained regarding the influences of consumers to work. I show you how to focus on the core pieces of your marketing strategy by taking a peek at market research, identifying your key segments, and successfully finding and launching into untapped markets.

Part V: Implementing Your Strategy with a Marketing Plan

In this part, I help you put all the pieces together. You create your marketing plan by using the consumer behavior knowledge that you've discovered. This isn't just any ordinary marketing plan, however. This is a plan that's created

by understanding your customer more than you ever have before. You find out how to influence the perception of your consumers, educate your consumers, and create positioning strategies that are effective and successful. I also show you the process of new product adoption and help you encourage your customers be loyal and to come back often. Finally, I round out this part with some information on marketing ethics.

Part VI: The Part of Tens

The chapters in this part are short, but full of great info. For example, because customer communication is key when it comes to consumer loyalty and repeat buying, I give you ten easy ways to communicate with your customers and ensure their satisfaction. These tips won't require much time to implement, but they will definitely bring an increase in business if you follow through. In another chapter, I explain the ten considerations you should keep in mind for business-to-business marketing.

Don't forget to take a look at the glossary at the back of the book, just before the index. It helps you find definitions for key marketing and consumer-behavior-related terms.

Icons Used in This Book

Throughout this book, I highlight specific types of information with pictures called icons; the icons flag information so you can more easily access it if you want to flip back to it. They also help you to know what's crucial to remember and what isn't. Here's what each one means:



I use this icon when I want to remind you of essential and critical information regarding consumer behavior and its effect on your business.



This icon flags advice that can make a task easier or more successful.



This icon warns you of things that can cause you trouble.

Where to Go from Here

The great thing about *Consumer Behavior For Dummies* is that you can thumb through it and read the chapters that interest you. You can go through it at your own pace in whatever order you desire. It's easy to use as a reference as you're beginning to explore consumer behavior in your own daily situations. I suggest that you start with the basics of Part I to gain a general understanding of consumer behavior. These chapters give you a foundation that you can use when thumbing through the other chapters.

If you want to focus on how consumers are influenced internally and externally, check out Parts II and III. With the chapters in these parts, you'll gain a greater understanding of why consumers behave the way they do when faced with particular influences.

Parts IV and V provide you with information regarding your marketing strategy, but without reading Parts II and III you won't gain the knowledge you need to create an effective marketing strategy and implementation process.

This book equips you with the knowledge and information that you need to create a consumer-generated marketing plan. It's like getting an MBA in a book. Okay, maybe not, but you *will* feel confident when it comes to understanding your customer and putting together a marketing plan that focuses on that customer.