

CONSUMER BEHAVIOR & MARKETING STRATEGY



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Chapter 11 Introduction to Environment

The Environment

- ❖ Refers to all the physical and social characteristics of a consumers' external world; includes:
 - ❖ Physical objects
 - ❖ Spatial relationships
 - ❖ Social behavior of other people
- ❖ The interpreted environment, called the functional or perceived environment influences consumers' actions.

The Environment (cont.)

- ❖ Can be analyzed at two levels.
 - ❖ At the macro level, environment includes large-scale, broad factors such as:
 - ❖ Climate
 - ❖ Economic conditions
 - ❖ Political system
 - ❖ General landscape
 - ❖ At the micro level, environment refers to the tangible physical and social aspects of the immediate surroundings.

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The Social Environment

- ❖ Includes all social interactions between and among people.
- ❖ The **macro social environment** refers to the indirect and vicarious social interactions among very large groups of people; it includes culture, subculture, and social class.

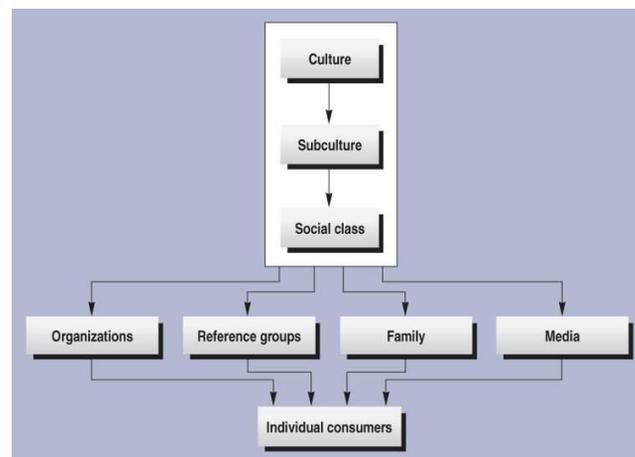
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The Social Environment (cont.)

- ❖ The **micro social environment** refers to the face-to-face social interactions among smaller groups of people such as families and reference groups.
- ❖ Families and reference groups are influenced by the macro social environments.

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Exhibit 11.1 - Flows of Influence in the Social Environment



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The Physical Environment

- ❖ Includes all the nonhuman, physical aspects of the field in which consumer behavior occurs.
- ❖ Includes:
 - ❖ Spatial elements
 - ❖ Physical objects of all types (tangible factors)
 - ❖ Nonspatial elements (intangible factors)
 - ❖ Time
 - ❖ Weather
 - ❖ Lighting

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Environment - Marketing implications

- ❖ Every marketing strategy created involves changing some aspect of the social and physical environments; examples include:
 - ❖ A billboard along the highway.
 - ❖ A new squeeze bottle for Crest toothpaste.
 - ❖ The location of a Burger King.
 - ❖ A health club encourages members to invite a friend for a free workout.

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Situations

- ❖ Involves a sequence of goal-directed behaviors, along with affective and cognitive responses and the various environments in which they occur.
- ❖ Are defined by a person who is acting in an environment for some purpose.
- ❖ Vary in complexity; while many situations are common and recurring, some may not be characterized by clear goals in case of unfamiliar or new situations.

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Analyzing Situations

- ❖ Determine the major goals that define the situation for the target market.
- ❖ Identify the key aspects of the social and physical environments in the situation.
- ❖ Understand consumers' affective, cognitive, and behavioral responses to the environmental characteristics.

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Exhibit 11.2 - Five Generic Consumer Situations

Situations	Generic Behaviors	Specific Behaviors and Environments
Information acquisition	Information contact Communication at a weekend race	Reading a billboard while driving Discussing running shoes with a friend
Shopping	Store contact Product contact	Watching a TV commercial at home Window-shopping in a mall Browsing through an L. L. Bean catalog in a restaurant Comparing brands of shirts in a store
Purchase	Funds access Transaction	Obtaining a Visa card at a bank Paying at the counter at Starbucks Calling in an order to Lands' End from home
Consumption	Use	Eating a taco at Taco Bell Using a refrigerator for 15 years
Disposition	Disposal	Recycling aluminum cans Throwing away a hot dog wrapper at a hockey game

11-11

Situations - Marketing Implications

- ❖ Marketers need to identify key social and physical environmental features of the situations for their products.
- ❖ They need to understand consumers' affective, cognitive, and behavioral responses to environmental factors.
- ❖ Marketing strategies that modify the environment to stimulate, facilitate, and reinforce desired behavior should be developed.

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Summary

- ❖ The three basic types of environment are social, physical, and marketing environment.
- ❖ Situations are the ongoing stream of reciprocal interactions among goal-directed behaviors, affective and cognitive responses, and environmental factors that occur over a defined period of time.

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Summary (cont.)

- ❖ The generic situations most relevant for consumer research are information acquisition, shopping, purchasing, consumption, and disposition.
- ❖ Marketing strategies must not only be adapted to changing environmental conditions, but must also play an important role in creating the environment.

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