

Chapter 5

The Consumer Audience

❖ WEB REVIEW QUESTIONS

1. What is a cultural value? Give an example of one that is important to you.

Culture is made up of tangible items and intangible concepts that together define a group of people or a way of life. Values, particularly our cultural values, represent our underlying belief system.

2. What are consumer core values and how are they used in advertising?

Core values govern people's attitude and advertisers refer to them when selecting an ad's primary appeals—meaning the core values of the brand should match the core consumer values. A simplified list includes:

- A sense of belonging
- Excitement
- Fun and enjoyment
- Warm relationships
- Self-fulfillment
- Respect from others
- A sense of accomplishment
- Security
- Self-respect

3. What are reference groups? List the reference groups to which you belong or with which you associate yourself.

A reference group is a group of people we use as a guide for behavior in specific situations.

As the students create their lists, they will be surprised to find how many groups they each belong to.

4. What is the difference between a family and a household?

A family consists of two or more people—related by blood, marriage, or adoption—who live in the same household. A household differs from a family in that it consists of all those who occupy a dwelling whether they are related or not. The family is

responsible for raising and training children and establishing a lifestyle for family members.

5. Distinguish between psychographic and demographic influences on a consumer decision.

Demographics are the statistical, personal, social, and economic characteristics used to describe a population, including age, gender, education, income, occupation, race, and family size.

Psychographics refers to lifestyle and psychological characteristics, such as attitudes, interests, and opinions. The term combines the psychological factors with other consumer characteristics that may have bearing on how people make decisions. Consumers who have different values, attitudes and beliefs, opinions, interests, motivations, and lifestyles make their product decisions in different ways.

6. What are the key demographic variables? Give an example of how each one might be used in analyzing an advertising problem.

The key factors include: age, gender, education, income, occupation, race, and family size. Students will develop various scenarios showing how the factors can be used in analyzing an advertising problem. They should recognize that advertisers need to understand each factor and analyze trends and changes and adjust strategies accordingly. They should also recognize that these factors relate to the target market. Advertisers use these factors in advertisements to model the target market. In other words, the target market should be able to self-identify with the advertisements using the specific demographic variables.

7. Explain psychographics. How does this category influence consumer decision making? Give an example from your own life.

Psychographics refers to lifestyle and psychological characteristics, such as attitudes, interests, and opinions. The term combines the psychological factors with other consumer characteristics that may have bearing on how people make decisions. Consumers who have different values, attitudes and beliefs, opinions, interests, motivations, and lifestyles make their product decisions in different ways. The term AIO (activities, interests, opinions) is used to construct psychographic profiles of consumers.

- Activities: work, hobbies, social events, vacation, entertainment, club membership, community, shopping, sports
- Interests: family, home job, community, recreation, fashion, food, media, achievements.

- Opinions: self, social issues, politics, business, economics, education, products, future, culture

Advertisers use psychographics because of their ability to understand fairly complex consumer pattern groupings.

8. What is the difference between innate needs and acquired needs?

Each person has his or her own set of unique needs; some are innate (biological) and others are acquired. **Innate needs** include the need for water, food, air, shelter, and sex. Because satisfying these needs is necessary to maintaining life, they are also called primary needs.

Acquired needs are those we learn in response to our culture and environment. These may include needs for esteem, prestige, affection, power, and learning. They are considered secondary needs.

9. How does selection work in a consumer's response to an advertisement? Explain the difference between selective exposure, selective distortion, and selective retention.

We select some stimuli and ignore others because we cannot be conscious of all incoming information at one time. Because consumers are exposed to so many advertisements, this response is particularly obvious. It is called selective perception. Following are the steps in the selection process:

- **Selective exposure** is the way our minds filter incoming information. We naturally tend to notice messages that are pleasant or sympathetic with our views and avoid those that are painful or threatening. Advertising is particularly vulnerable to this filtering process. Making messages relevant is the key to getting past this selection and filtering problem.
- **Selective distortion** happens when we are exposed to a message that conflicts with what we believe. We naturally modify incoming information to fit into our own personal pattern of interests.
- **Selective retention** is the process we go through to save information for future use. A large part of what the brain processes is lost after only an instant. Advertising can aid this process by using repetition, vivid images, easily remembered brand or product names, jingles, high-profile spokespeople, music, and so forth.

10. Define cognitive dissonance and explain how it impacts on consumer satisfaction.

According to the theory of cognitive dissonance, we tend to compensate or justify the discrepancies between what we actually received and what we thought we would receive. People engage in a variety of activities to reduce cognitive dissonance, such as seeking out information that supports our decisions and ignoring and distorting information that does not. Advertising can play a significant role in reducing dissonance.

11. What role do motivations play in understanding how people respond to an advertisement?

A motive is an internal force that stimulates you to behave in a particular manner. This driving force is produced by the tension caused by an unfulfilled need.

Research into motivation uncovers the “why” questions. Understanding buying motives is crucial to advertisers because the advertising message and the timing of the ad should coincide with the consumer’s motivation priorities.

12. What are the key steps in the adoption process and how do they relate to product purchases?

This adoption process is identified in terms of the personal behavior of people and how their behavior reflects the speed with which they are willing to try something new, such as innovators, early adopters, early majority, late majority, and laggards.

For a high-involvement decision, the steps include: need recognition, information search, evaluation of alternatives, purchase decision, and postpurchase evaluation. In a low-involvement decision, the information search may be skipped.

13. What is a market segment and why do marketers think segmentation is important?

A market segment is a group of people who have similar characteristics in certain key product-related areas. To make advertising interesting, relevant, and attention-getting marketers align messages with the audience’s interests. Marketers also adjust marketing strategies to meet the needs of segments or homogenous groups of people.

14. Explain the VALS™ system. How is it used in targeting?

VALS™ is a conceptual model that categorizes people according to their values and then identifies various consumer behaviors that go with these values. It then groups

consumers according to shared values. Advertisers correlate these VALS™ groups with their clients' products and use this information to design ads and select media.

15. What is a niche market? Can you give an example of one?

Many advertisers have moved toward tighter and tighter niche markets. Niche markets are subsegments of a more general market. They must be of sufficient size to be profitable although not large enough to be of interest to large marketers.

16. What is a target audience profile?

The target audience is profiled using descriptive information based on factors such as age, income, education, and so forth. Profiles are descriptions of the target audience that read like a description of someone you know. These are used in developing media and message decisions.

17. Explain the difference between segmenting and targeting.

Segmentation involves dividing a market into groups of people who can be identified as being in the market for a product. Targeting is identifying the group that would be the most responsive to an advertising message about the product. Both segmenting and targeting use social/cultural, psychological, and behavioral characteristics to identify these critical groups of people.