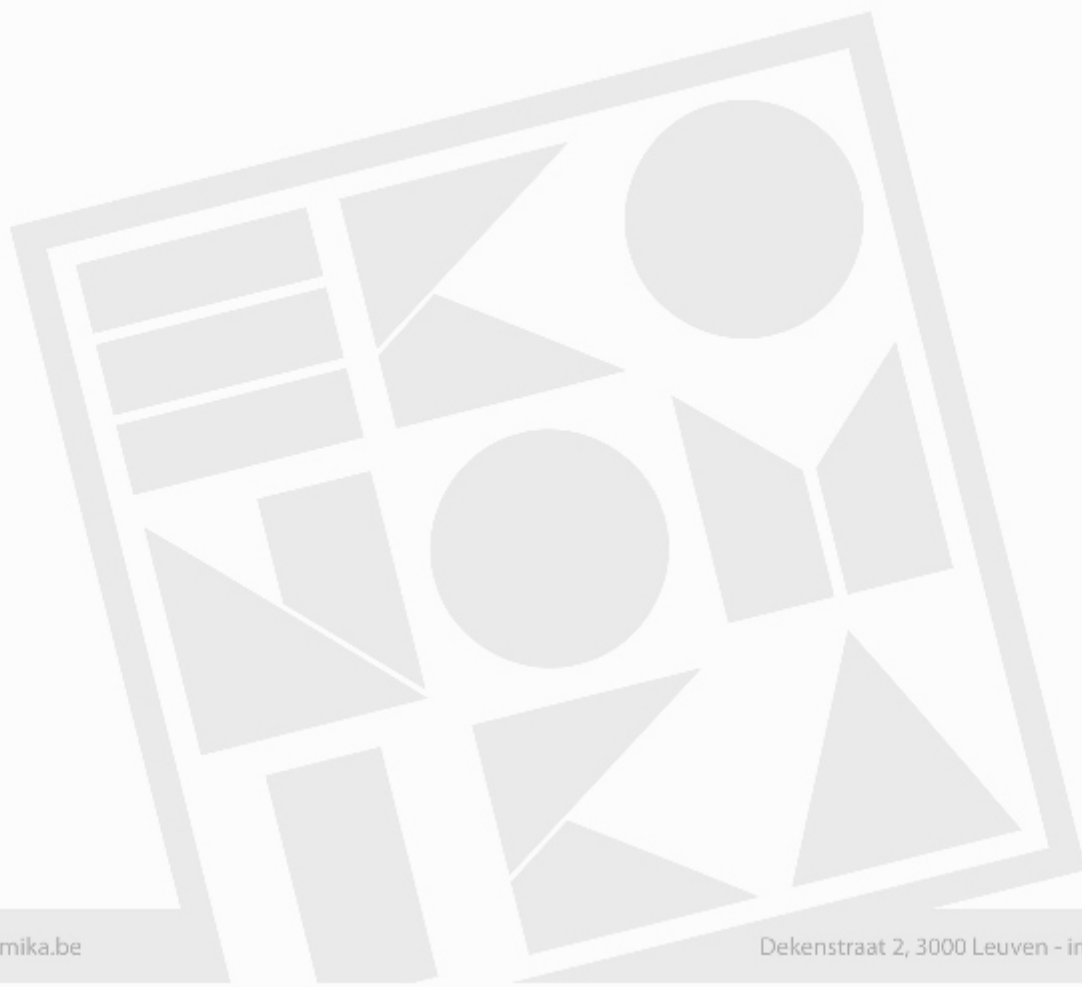


Consumer behavior, 2013-2014

Pieter Koolen



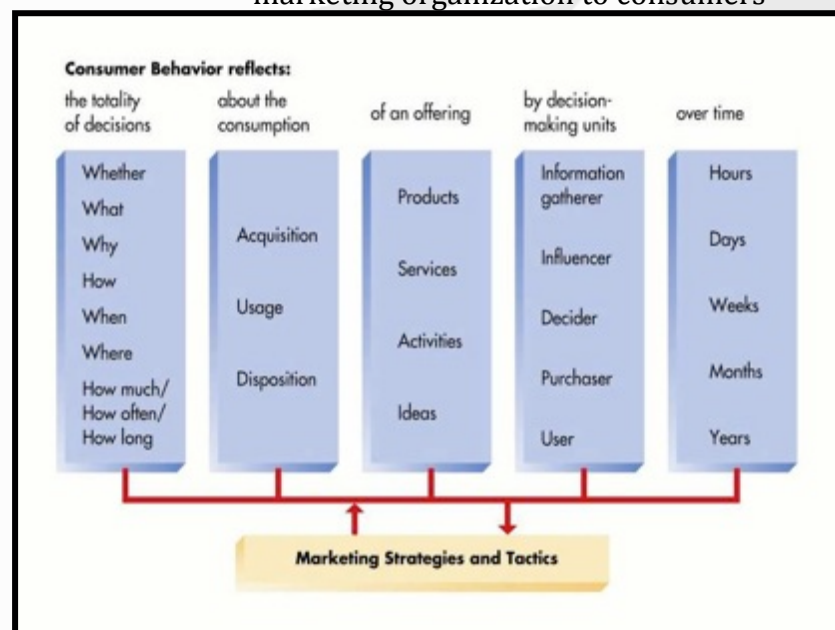
Consumer behavior

CHAPTER 1: Understanding consumer behavior

1. Define consumer behavior and explain the components that make up the definition.
2. Identify the four domains of consumer behavior shown in Exhibit 1.6 that affect acquisition, usage, and disposition decisions.
3. Discuss the benefits of studying consumer behavior.
4. Explain how companies apply consumer behavior concepts when making marketing decisions.

Defining consumer behavior

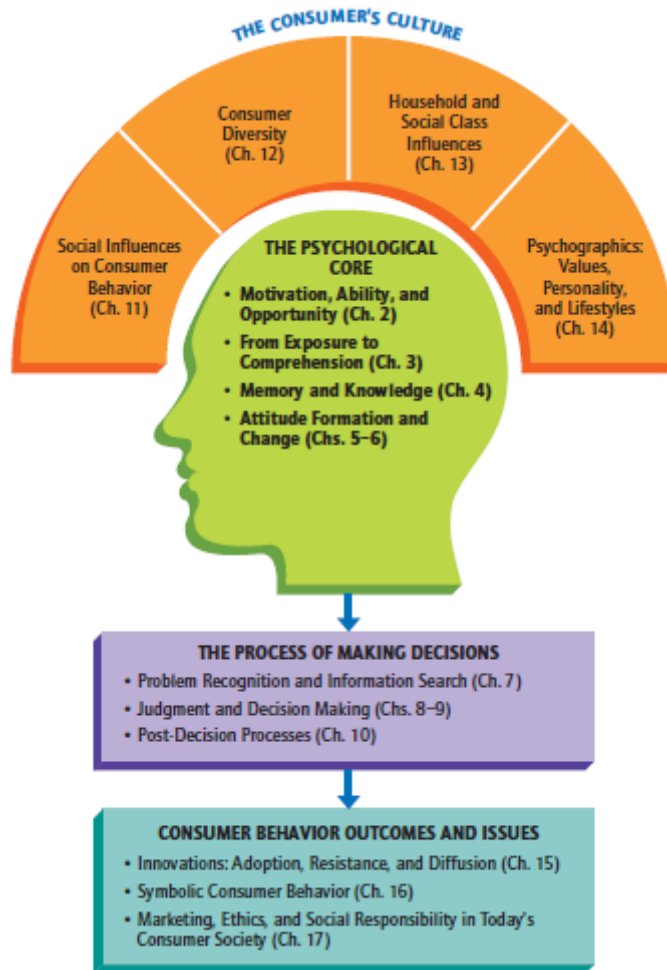
- The acquisition, consumption, and disposition of goods, services, activities, experiences, people and ideas by (human) decision making units over time.
- You do this multiple times a day
- Consciously & unconsciously
- Rationally & emotionally
- Influenced by advertising, social media, friends/family, celebrity, sport & marketing communications
- It is very broad, not only the purchase of a good/service/activity is consumer behavior, also the 'experiencing/going to an activity' is part of it
- Involves:
 - Products & Services
 - Activities
 - ex. Going to a concert is as much consumer behavior as purchasing the tickets in advance
 - People
 - Ideas
- ➔ Offerings
 - A product, service, activity, experience or idea offered by a marketing organization to consumers



- Acquisition
 - The process by which a consumer comes to own an offering
 - Buying represents one type of acquisition behavior (others are for example: renting, leasing, trading and sharing; see exhibit 1.4 p. 7))
 - It involves decisions about time as well as money
- Usage
 - The process by which a consumer uses an offering
 - Consumers use an offering after they acquire it
 - Whether & why we use certain products can symbolize something about who we are, what we value and what we believe
- Disposition
 - The process by which a consumer discards an offering
 - This involves how consumers get rid of an offering
 - Ex. Giving them away, selling them, recycle them,..
 - Find a new use for it, get rid of it temporarily or get rid of it permanently
- Dynamic process
 - It can take hours, days, weeks, months, years,.. (ex. A new car)
 - One consumer's disposition decision may be linked to other consumers' acquisition decisions (ex. Second-hand car)
- Can involve many people
 - Individuals engaging in consumer behavior can take on one or more roles
 - It may reflect the action of a group of people instead of a single individual
- Involves many decisions, big & small
 - Involves understanding whether, what, why, when, where, how, how much, how often and for how long consumers will buy, user or dispose of an offering
- Involves consumer feelings & coping
 - Positive & negative emotions can affect consumers in how they think, make choices, feel after making a decision, what they remember,..
 - Consumers often use products to regulate their feelings

What affects consumer behavior?

- The many factors that affect acquisition, usage and disposition decisions can be classified into four broad domains:
 - Psychological Core
 - Decision-Making Process
 - Consumer Culture
 - Consumer Behavior Outcomes



- The Psychological Core: Internal Consumer Processes
 - Before consumers can make decisions, they must have some source of knowledge or information on which to base their decisions → this source is the psychological core, it covers:
 - Motivation, ability, & opportunity
 - Exposure, attention, & perception
 - Categorizing & comprehending information
 - Forming & retrieving memories
 - Forming & changing attitudes

Exhibit 1.7

Forming and Retrieving Memories

Ads that make consumers form and retrieve memories can be effective if the memories are of a positive experience.



- The Process of Making Decisions
 - This domain involves four stages:
 - Problem recognition
 - Occurs when we realize that we have an unfulfilled need
 - The search for information
 - Results from problem recognition
 - Making judgments and decisions
 - There are high-effort & low-effort decisions (citytrip ⇔ toothpaste)
 - Making post-decision/post-purchase evaluations
 - This step allows the consumer to judge, after the fact, whether the decision made was the correct one and whether to purchase that offering again
- The Consumer's Culture: External Processes
 - Culture
 - The typical or expected behaviors, norms and ideas that characterize a group of people.
 - It can be a powerful influence on all aspects of human behavior
 - Reference groups & other social influences
 - Reference group
 - A group of people consumers compare themselves with for information regarding behavior, attitudes or values
 - People might emulate the behavior of people whom they admire and listen to the advice they offer through word of mouth
 - Diversity influences
 - Regional, ethnic and religious groups may affect decisions directly or indirectly
 - Other background factors such as age, gender and education may also have an influence
 - Household and social class influences
 - Upper/middle/lower-classes may influence behavior
 - The nurture and household may influence behavior
 - Values, personality and lifestyles
 - Choices people make are based, in part, on beliefs, personality, activities, interests and opinions
- Consumer behavior Outcomes and Issues
 - Consumer behaviors can symbolize who we are
 - The groups we belong to and our sense of self can affect the symbols or external signs we use, consciously or unconsciously, to express our actual or desired identity
 - Symbols
 - External signs used to express identity
 - Consumer behaviors can diffuse through a market
 - Influence others' decision making
 - The diffusion of information can have both negative and positive effects for marketers (ex. Positive or negative reviews)
 - Consumer behavior, ethics and (corporate) social responsibility

Who benefits from the study of consumer behavior?

- Marketing managers
- Advertisers
- Ethicists/advocacy groups
- Public policy makers/regulators
- Academics/scholars
- Media/popular press
- Consumers & society

Marketing implications of consumer behavior

- Developing and implementing Customer-Oriented Strategy
 - Marketing is designed to provide value to customers
 - Market Segmentation
 - Segment profitability
 - Segment Characteristics
 - Customer satisfaction in each segment
- Selecting the Target Market
- Developing Products and Services
 - Consumers' ideas for new products?
 - Additional or different attributes?
 - Brand naming?
 - Packaging and logo design?
- Positioning
 - Positioning of competition?
 - How should our offerings be positioned?
 - Should we reposition offerings?
- Making Marketing Communications Decisions
 - Advertising objectives?
 - Words and visuals of ads?
 - Where should ads be placed?
 - When should ads be placed?
 - Have ads been effective?
- Making Promotion Decisions
 - Sales promotion objectives?
 - When should sales promotions occur?
 - Have sales promotions been effective?
 - How large should the sales force be?
 - How can salespeople best serve customers?
- Making Pricing Decisions
 - What should the price be?
 - How sensitive are consumers to price and price changes?
 - When should price tactics be used?
- Making Distribution Decisions
 - Where does target market shop?
 - How should stores be designed?

Importance of Consumer Behavior to Marketing Managers

- *Importance of being customer-focused*

- Market segmentation
 - Can group consumers by similar needs, wants, & attitudes
 - Identify the most *valued* customers for marketing activities
- Customer relationship management (CRM)
 - Providing value & service to customers over time to build loyalty
- Positioning
 - Niche in consumers' minds – critical to success

Appendix

- CB research methods (HB p. 29-..)
 - Surveys
 - Focus groups
 - Interviews
 - Storytelling
 - Photography & pictures
 - Diaries
 - Experiments
 - Field Experiments
 - Conjoint analysis
 - Observations & ethnographic research
 - Purchase panels
 - Database marketing
 - Netnography
 - Psychophysiology & neuroscience
- Types of CB researchers
 - In-house marketing researchers
 - Benefits: information collected can be kept within the company and opportunities for information to leak to competitors are minimized
 - Remarks: internal departments are sometimes viewed as less objective than outside research firms
 - External marketing research firms
 - Advertising agencies and media planning firms
 - Conduct research to better understand what advertising messages and media will appeal to their clients' target market
 - Agencies may also conduct advertising pretesting, to make sure that an ad is fulfilling its objectives before it is placed in the media
 - May also conduct tracking studies to monitor advertising effectiveness over time
 - Syndicated data services
 - Companies that collect and then sell the information they collect, usually to firms that market products and services to consumers
 - Retailers
 - Large retail chains often conduct consumer research
 - Research foundation
 - A nonprofit organization that sponsors research on topics relevant to the foundation's goals

- Trade groups
 - Professional organizations made up of marketers in the same industry, they may collect consumer research to better understand the needs of consumers in their own industries
- Governments
 - Do not use research to help market an offering, but businesses frequently use government research for marketing purposes
- Consumer organizations
 - Independent consumer organizations conduct research, generally for the purpose of protecting or informing consumers
- Academics
 - Academic research can be used for marketing and may have implications for public policy, but studies are often designed simply to enhance our general understanding of consumer behavior
- Ethical issues in CB research
 - Positive aspects of consumer research
 - Better consumer experiences
 - Better designed products, better customer service, clearer usage instruction,..
 - Potential for building customer relationships
 - Research can help marketers identify ways of establishing and enhancing relationships with customers through a better understanding of their needs, attitudes and behavior
 - Negative aspects of consumer research
 - Difficult to study consumer behavior in different countries
 - Potentially higher marketing costs
 - Invasion of consumer privacy
 - Deceptive research practices

CHAPTER 2: Motivation, ability and opportunity

1. Discuss the four types of influences that affect the consumer's motivation to process information, make a decision, or take an action.
2. Explain how financial, cognitive, emotional, physical, social, and cultural resources, plus age and education, can affect the individual's ability to engage in consumer behaviors.
3. Identify the three main types of influences on the consumer's opportunity to process information and acquire, consume, or dispose of products.

Consumer motivation and its effects

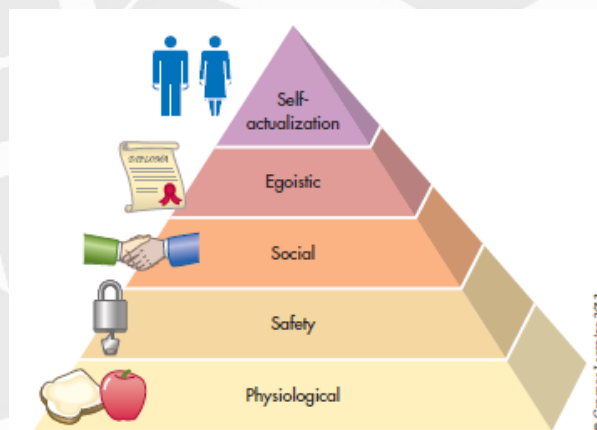
- Consumer motivation
 - The needs, wants, drives, & desires (=goals) of an individual that lead him or her toward the purchase of products or ideas. The motivations may be physiologically, psychologically, or environmentally driven
- High-effort behavior
 - Motivation not only drives behaviors consistent with a goal, but also creates willingness to expend time and energy engaging in these behaviors
 - Consumers try to match anticipated and actual effort
 - Ex. If they think they will have to wait in a line they might decide to order a product online
- High-effort information processing and decision making
 - Accurate information processing
 - Motivated reasoning
 - Processing information in a (biased) way that allows consumers to reach the conclusion that they want to reach
 - Can be made in line with an unconscious made choice about a product
 - Consumers may be particularly prone to motivated reasoning when their self-esteem is at stake or when they desperately hope to achieve a particular goal
- Felt involvement
 - Self-reported arousal or interest in an offering, activity or decision (= the psychological experience of the motivated consumer)
 - Types of involvement
 - Enduring
 - Long-term interest in an offering, activity or decision
 - Situational (temporary)
 - Temporary interest in an offering, activity or decision, often caused by situational circumstances
 - Cognitive
 - Interest in thinking about and learning information pertinent to an offering, activity or decisions (= related to his/her goal)
 - Affective
 - Interest in expanding emotional energy and evoking deep feelings about an offering, activity or decision

- Responsive
 - Interest in certain decisions and behaviors
- Objects of involvement
 - Product categories
 - Experiences
 - Brands
 - Ads
 - Medium
 - Particular show/article
 - People are motivated to behave, process information or engage in effortful decision making about things that they feel are personally relevant, and they will experience considerable involvement when buying, using or disposing of them
 - People are motivated to think deeply about issues pertinent to a given decision when they believe they will have to justify or explain their decisions

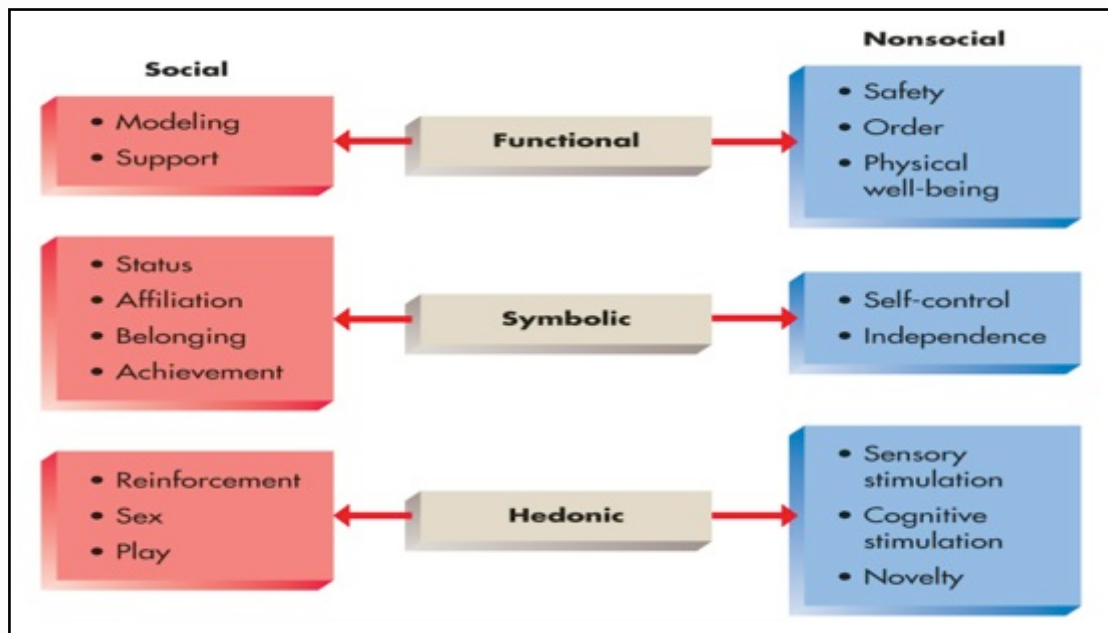
What affects motivation?

Motivation is affected when consumers regard something as:

- Personally relevant
 - Something that has a direct bearing on the self and has potentially significant consequences or implications for our lives
 - Consistency with *self-concept*
 - Our mental view of who we are, it helps us define who we are and it frequently motivates our behavior
- Consistent with their values, needs, goals, emotions and self-control processes
 - Values
 - Abstract, enduring beliefs about what is right/wrong, important or good/bad
 - Needs
 - An internal state of tension caused by disequilibrium from an ideal/desired physical or psychological state
 - Ex. "hunger", the need to consume food
 - Types of needs:
 - Maslow's Hierarchy of Needs:



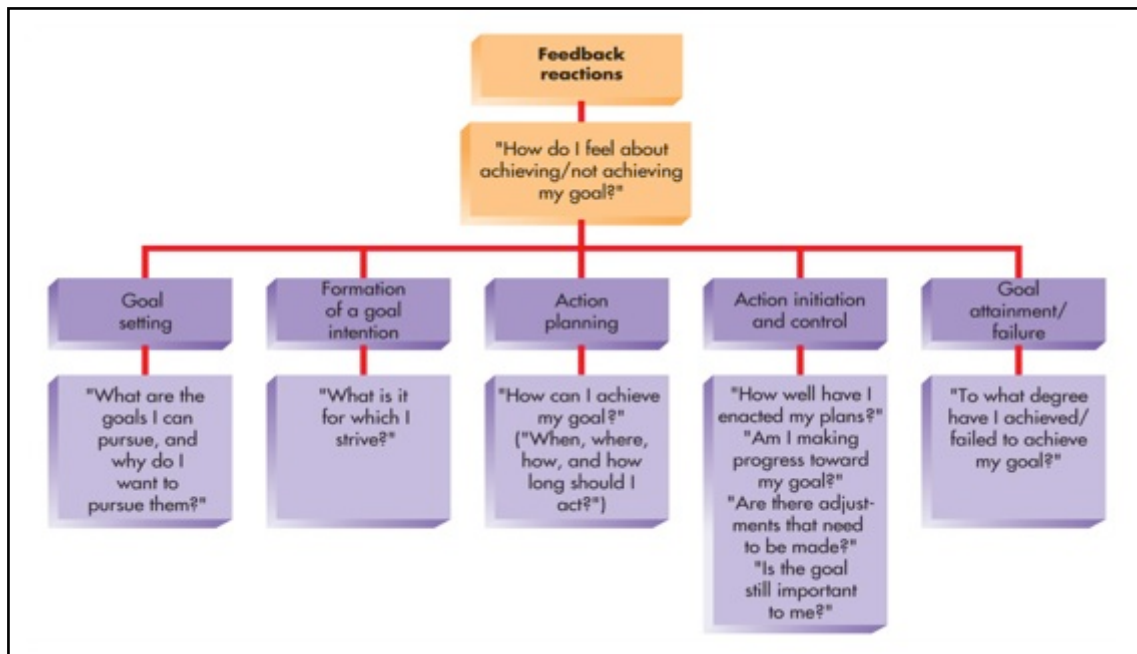
- Lower-level needs must be satisfied before higher-level needs become activated
- It brings useful organization to the complex issue of needs, but it is too simplistic
 - Needs are not always ordered exactly as in this hierarchy
 - The hierarchy ignores the intensity of needs and the resulting effect on motivation
 - The ordering of needs may not be consistent across cultures
- Another way to categorize needs:



- Social needs
 - Externally directed and relate to other individuals
 - Fulfilling these needs thus requires the presence or actions of other people
- Nonsocial needs
 - Those for which achievement is not based on other people
- Functional needs
 - May be social or nonsocial
 - Motivate the search for products that solve consumption-related problems
- Symbolic needs
 - May be social or nonsocial
 - Affect how we perceive ourselves and how others perceive us (=connected with our sense of self)
- Hedonic needs
 - May be social or nonsocial

- Reflect our inherent desires for sensory pleasure
 - Needs for cognition and stimulation
 - Consumers want to understand the world themselves and see some structure in it
 - Cognition: need for understanding and mental stimulation
- Characteristics of needs
 - Are dynamic
 - Never fully satisfied, satisfaction is only temporary
 - Exist in hierarchy
 - Some assume more importance than others
 - Internally or externally aroused
 - Although many needs are internally activated, some needs can be externally cued
 - Can conflict
 - Approach-avoidance
 - An inner struggle about acquiring or consuming an offering that fulfills one need but fails to fulfill another
 - Occurs when the consumer wants both to engage in the behavior and to avoid it
 - Approach-approach
 - An inner struggle about which offering to acquire when each can satisfy an important but different need
 - Occurs when the consumer must choose between two or more equally desirable options that fulfill different needs
 - Avoidance-avoidance
 - An inner struggle about which offering to acquire when neither can satisfy an important but different need
 - Occurs when the consumer must choose between two equally undesirable options
- Identifying needs
 - Consumers are often unaware of their needs and have trouble communicating them to researchers
 - Given difficulties, marketers sometimes use indirect research techniques to uncover consumers' needs
- Goals
 - A particular end state or outcome that a person would like to achieve
 - Goals are more specific and concrete than needs, they are more stable and more about positive things that you need (instead of solving a problem you have)
 - Goal setting and pursuit
 - Consumer set goals that they try to pursue over time

- It comprises what to pursue and at what level
- As can be seen in this picture, activities during goal pursuit follow a certain sequence:



- This process is circular
 - How a person feels about achieving or not achieving a goal affects what new goals that person sets and why
- Goals and effort
 - Consumers vary in how much effort they exert to achieve a goal
 - The more easily consumers can visualize their goals, the more motivated and committed they are to putting in efforts toward those goals
 - Other factors are:
 - How well consumers are doing in achieving other, potentially unrelated, goals
 - Whether consumers have feedback demonstrating their progress toward the goal
 - Whether consumers are close to attaining one of their goals → then they tend to reduce effort on pursuing that goal and redirect it to other goals
- Types of goals
 - Concrete
 - Narrow goal, something that you can imagine very well
 - Specific to a given behavior or action and determined by the situation at hand
 - More relevant than abstract goals
 - Ex. Going on a camping holiday in Southern-France
 - Abstract

- More vague goal
 - May endure over a long period
 - Ex. Going on a holiday
- Promotion-focused
 - Consumers are motivated to act in ways to achieve positive outcomes; that is, they focus on hopes, wants and accomplishments
- Prevention-focused
 - Consumers are motivated to act in ways that avoid negative outcomes; they focus on responsibilities, safety and guarding against risks
- BUT, only consumers who believe that the world is changeable, that their actions make a difference, will be influenced by messages that are framed by a promotion or prevention focus
- Sometimes consumers make a decision simply because they want to experience the choice itself
- Goals and emotions
 - The extent to which we are successful or unsuccessful in attaining our goals determines how we feel
 - Appraisal Theory
 - Whether a consumer feels good or bad about something depends on whether it is consistent or inconsistent with his/her goals
 - Also other appraisal dimensions affect how we feel
 - Normative/moral compatibility
 - Certainty
 - Agency
 - In some instances, actions and outcomes will result in specific emotions rather than generally feeling good or bad
- Self-control and goal conflict
 - Self-control
 - Process consumers use to regulate feelings, thoughts and behavior in line with long-term goals
 - Conflicts arise when we face decisions about actions related to goals that are in conflict
 - Consumers seeking to exert self-control are caught in a psychological conflict between desire and willpower
 - Research shows a mind-body connection in self-control
 - Ex. “firming your muscles” when withstanding immediate desires
 - Embodiment of the mind
 - Connection between the mind and body that influences consumer’ self-control and behavior
 - Ego depletion
 - Outcome of decision-making effort that results in mental resources being exhausted

- The consumer's ability to control his or her behavior is impaired → reduces decision quality
- Marketing implications of needs & goals
 - Segmenting the market
 - Creating new needs & goals
 - Developing satisfying offerings
 - Managing conflicts
 - Enhance communication effectiveness
- Risky
 - Perceived risk
 - The extent to which the consumer is uncertain about the personal consequences of buying, using or disposing of an offering
 - If negative outcomes are likely or positive outcomes are unlikely, perceived risk is high
 - As perceived risk increases, consumers tend to collect more information and evaluate it carefully
 - Tends to be higher with:
 - Lack of information
 - New offering
 - High price
 - Complex technology
 - Brand differentiation
 - Little experience in evaluating offerings
 - Types of perceived risk
 - Performance
 - The possibility that the offering will perform less than expected
 - Financial
 - The extend to which buying, using or disposing of an offering is perceived to have the potential to create financial harm
 - Physical (Safety)
 - The extend to which buying, using or disposing of an offering is perceived to have the potential to create physical harm or harm one's safety
 - Social
 - The extend to which buying, using or disposing of an offering is perceived to have the potential to do harm to one's social standing
 - Psychological
 - The extend to which buying, using or disposing of an offering is perceived to have the potential to harm one's sense of self and thus create negative emotions
 - Time

- The extent to which buying, using or disposing of an offering is perceived to have the potential to lead to loss of time
- Marketing implications of risk perception
 - Compromise effect
 - Ex. 3 bottles of the same wine with 3 different prices, the middle one is usually chosen
 - Financial & performance risk can be reduced by offering a lifetime guarantee
- Moderately inconsistent with their prior attitudes
 - People tend to be motivated to process messages that are moderately inconsistent with their knowledge or attitudes because such messages are perceived as moderately threatening or uncomfortable
 - People try to eliminate or at least understand the inconsistency
 - BUT, people are less motivated to process information that is highly inconsistent with their prior attitudes

Consumer ability: resources to act

Ability: the extent to which consumers have the resources needed to make an outcome happen

- Financial resources
 - Consumers can use money instead of other resources to enhance their ability to make decisions and take actions
- Cognitive resources
 - Consumers vary greatly in their knowledge about an experience of an offering
 - Knowledgeable consumers are better able to think deeply about information than are equally motivated but less knowledgeable consumers (experts ⇔ novices)
 - Experts can process information stated in terms of attributes, whereas novices process information better when it's stated in terms of benefits
 - Consumers may use heuristics to judge offerings
- Emotional resources
 - Consumers' ability to experience empathy and sympathy can affect their processing of information and their decision-making process
- Physical resources
 - Physical capabilities can affect how, when, where and whether consumers make decisions and take actions
- Social and cultural resources
 - Social relationships, cultural knowledge and experiences can affect consumer behavior
- Importance of education & age
 - Education & age are related to the ability to process information and make decisions
- Marketing implications
 - Marketers should be sure that targeted consumers have sufficient prior knowledge

- Marketers need to be sensitive to the potentially different processing styles, education levels and ages of each segment
- Monetary aid can facilitate first-time and repeat buying behavior

Consumer opportunity

Even when motivation and ability are high, someone may not take action or make decisions because of:

- Time
 - Time-pressured consumers will engage in limited information processing, they put more weight on negative information and are quicker to reject brands because of negative features
- Distraction
 - Distraction seems to influence the effect of consumers' thoughts on their choices, not the effect of their emotions on choices
- Amount of information
- Complexity of information
 - Consumers find technical or quantitative information more difficult to handle than nontechnical and qualitative data, a situation that inhibits processing
 - Information may be complex when it comes in a huge volume
- Repetition of information
 - Enhances ability to process information!
 - BUT, only for known, familiar brands; consumers may react negatively to repeated advertising of unfamiliar brands
- Control of information
 - Consumers remember and learn more when they can control the flow of information
- Marketing implications
 - Repeat communications (up to a point)
 - Increases the likelihood that consumers will notice and eventually process them
 - Simplify
 - Reduce time pressure
 - Can lessen distractions for consumers
 - Reduce purchasing/using/learning time
 - Allows consumers more opportunities to process information and act on their decisions
 - Provide information
 - Will open more opportunities for processing and acting on information

CHAPTER 3: From exposure to comprehension

1. Discuss why marketers are concerned about consumers' exposure to marketing stimuli and what tactics they use to enhance exposure.
2. Explain the characteristics of attention and how marketers can try to attract and sustain consumers' attention to products and marketing messages.
3. Describe the major senses that are part of perception and outline why marketers are concerned about consumers' sensory perceptions.
4. Discuss the process of comprehension, and outline how marketing-mix elements can affect consumer inferences about products and brands.

Exposure and consumer behavior

Exposure = the process by which the consumer comes in physical contact with a stimulus

Marketing stimuli = Information about offerings communicated by the marketer or by nonmarketing sources (should be favorable & gain interest)

- Factors influencing exposure
 - Position of an ad within a medium
 - Ex. On back cover of a magazine, next to an article,..
 - Ex. Commercial at the end of a break, product placement,..
 - Product distribution
 - The more stores carrying the product, the greater the likelihood that consumers will encounter it
 - Shelf placement
 - Important to get more exposure than other products
- Selective exposure
 - Consumers can actively seek out certain stimuli and avoid or resist others (not just in advertising, also in other brand-related stimuli)
 - Zipping
 - Fast-forwarding through commercials on a program recorded earlier
 - Zapping
 - Use of a remote control to switch channels during commercial breaks
- Marketing implications
 - Marketers need to get their messages or products noticed without alienating consumers

Attention and consumer behavior

Attention = how much mental activity a consumer devotes to a stimulus

Necessary for information to be processed!

- 3 key characteristics of attention
 - Attention is Limited
 - Consumers may miss some stimuli, especially when in unfamiliar surroundings
 - Attention is Selective
 - Consumers decide what to focus on at any one time, choosing not to focus on or mentally process other stimuli
 - Attention can be Divided

- Consumers can allocate some attention to one task and some to a different task
- Focal and nonfocal attention
 - The three characteristics raise questions about what happens when we focus on a stimulus (focal attention) while simultaneously being exposed to other stimuli (nonfocal attention)
 - Preattentive processing
 - The nonconscious processing of stimuli in peripheral vision
 - Hemispheric lateralization
 - Our ability to process preattentively depends on:
 - Whether the stimulus in peripheral vision is a picture or a word
 - Whether it is placed to the right side or the left side of the focal item
 - **Left hemisphere**
 - Processing units that can be combined, e.g.;
 - Counting
 - Processing unfamiliar words
 - Forming sentences
 - **Right hemisphere**
 - Processing music
 - Grasping visual/spatial information
 - Forming inferences
 - Drawing conclusions
 - Preattentive processing, brand name liking and choice
 - Preattentive processing makes a brand name familiar, and we like familiar things
 - Emotions can also play a role to build strong brands
- Marketing implications
 - Marketers take steps to attract consumers' attention by making the stimulus:
 - Personally relevant
 - Stimuli are personally relevant when they appeal to our needs, values, emotions or goals
 - Pleasant
 - Use attractive models
 - Higher probability of being noticed
 - Use music
 - Familiar songs and popular entertainers attract consumers in pleasant ways
 - Use humor
 - Effective attention-getting device
 - Surprising
 - Use novelty
 - A new or unique stimulus stands out relative to other stimuli
 - BUT, not always appropriate!
 - Ex. Food with an unknown flavor

- Use unexpectedness
 - Arouses curiosity and triggers consumers to analyze the stimuli
- Use puzzles
 - Helps capture and hold attention because they require resolution
 - BUT, important to be resolvable to prevent boomerang effects
- Easy to process
 - Prominent stimuli
 - The size, length and movement of the stimulus can affect its prominence
 - Prominence
 - The intensity of stimuli that causes them to stand out relative to the environment
 - Concrete stimuli
 - Stimuli are easier to process if they are concrete rather than abstract
 - Concreteness
 - The extent to which a stimulus is capable of being imagined (ex. Garden ⇔ glory)
 - Limit amount of competing stimuli
 - Stimuli are easier to process when few things surround it to compete for attention
 - Contrast with competing stimuli
 - Contrast captures attention
 - Keep it simple
 - Attention to a stimulus is high when its signal-to-noise ratio is high!
- Habituation
 - The process by which a stimulus loses its attention-getting abilities by virtue of its familiarity

Perception and consumer behavior

Perception = the process of determining the properties of stimuli by using vision, hearing, taste, smell and touch

- Perceiving through Vision
 - Size and shape
 - When product/package size is changed, consumers are less sensitive when the change involves only one dimension (height, length or width) than when the change involves all three dimensions
 - Lettering
 - The size and style of the lettering on a product or in an ad can attract attention and support brand recognition and image
 - Image location on package
 - Ex. Images located near the package top, on the left side or at top-left add to the perception of a product as “lighter”
 - Color dimensions
 - A color can be described according to:

- Hue
 - The pigment contained in the color (warm & cool colors)
 - Saturation/Chroma
 - The richness of the color (pale/deep/rich)
 - Lightness
 - The depth of tone in the color (fluorescent/mauve)
 - Effects of color on physiological responses and moods
 - Warm colors generally encourage activity and excitement, whereas cool colors are more soothing and relaxing
 - Color and liking
 - Colors can have a great effect on consumers' liking of a product
- Perceiving through Hearing
 - Perception of sounds depends on its intensity
 - Consumers are more likely to notice loud music & stark noises
 - Sonic identity
 - Using certain music or sounds to identify a brand
 - Sound symbolism
 - Forming evaluations and inferring product attributes using information gleaned from hearing a brand's sounds, syllables and words
- Perceiving through Taste
 - Varying perceptions of what "tastes good"
 - Culture backgrounds
 - In-store marketing
 - Tasting or sampling a product
 - Stand-alone, in-store displays
- Perceiving through Smell
 - Effect of smells on physiological responses and moods
 - Smell produces both physiological and emotional responses
 - People can feel tense or relaxed depending on scents that are present
 - Basic emotions are also linked to smell
 - Product trial
 - Scents in the air can be effective stimuli when related to the product being sold, yet the fit between scent and product is crucial
 - Smell and liking
 - Smells can attract consumers (ex. aroma of fresh bread)
 - Buying
 - Providing a pleasant-smelling environment can have a positive effect on shopping behavior
- Perceiving through Touch
 - Both what consumers touch with their fingers and the way things feel as they come in contact with their skin are an important aspect of many offerings
 - Consumers like some products because of their feel

- Consumers prefer offerings they can touch in brick-and-mortar stores over online offerings
- Touching a product (or imagining the action of touching it) can increase a consumer's perceived ownership of the item
- Consumers who are briefly touched by a salesperson are more likely to have positive feelings and will evaluate both the store and salesperson more positively
- BUT, reaction to touch in sales situation differs from culture to culture!
- Marketing implications
 - Sensory marketing
 - The process of systematically managing consumers' perception and experiences of marketing stimuli
 - Many companies seek to enhance consumer perception of marketing stimuli by appealing to the five senses
- When do we perceive stimuli
 - To perceive something, it must be sufficiently intense
 - Ex. The concentration of a smell in the air, decibels, lightness, pounds, pressure,..
 - Absolute thresholds
 - The minimum level of stimulus intensity needed to detect a stimulus
 - The amount of intensity needed to detect the difference between something and nothing
 - Differential thresholds / just noticeable difference
 - The intensity difference needed between two stimuli before they are perceived to be different
 - Weber's law
 - The stronger the initial stimulus, the greater the additional intensity needed for the second stimulus to be perceived as different
 - $\Delta s/S = K$
 - S = initial stimulus value
 - Δs = the smallest change in a stimulus capable of being detected
 - K = a constant of proportionality
 - Marketing implications
 - Absolute threshold
 - Consumers will only consciously perceive a marketing stimulus when it is sufficiently high in intensity
 - Images and words should be large enough, sound levels high enough,..
 - Differential threshold
 - Sometimes marketers do not want consumers to notice a difference between two stimuli! (ex. Decreasing a product's size)
 - In other instances, marketers do want consumers to perceive a difference between two stimuli (ex. Increase a product size)

- Subliminal perception
 - The activation of sensory receptors by stimuli presented below the perceptual threshold (= below the threshold level of conscious awareness)
 - Strong effects
 - When subliminal advertising could influence people against their will (very little evidence of this effect!)
 - Weak effects
 - When subliminal advertising could influence people in ways that are consistent with their current goals or motivations (there is much evidence for this effect!)
 - Research suggests that the effects are limited and difficult to obtain outside of controlled laboratory situations
 - Subliminal advertising is, among other countries, banned in the US, the UK, Australia and the Netherlands
- How do consumers perceive a stimulus
 - Perceptual organization
 - The process by which stimuli are organized into meaningful units
 - Figure and ground
 - The principle that people interpret stimuli in the context of a background
 - The figure (=the focal point of attention) is well defined and in the forefront, whereas the ground is indefinite and in the background
 - Closure
 - The principle that individuals have a need to organize perceptions so that they form a meaningful whole
 - Even if a stimulus is incomplete, our need for closure will lead us to see it as complete and we will complete the stimulus in our mind
 - Grouping
 - The tendency to group stimuli to form a unified picture or impression, making it easier to process them
 - Ex. We view similar or nearby objects as belonging together
 - Bias for the whole
 - The tendency to perceive more value in a whole than in the combined parts that make up a whole
 - Ex. Consumers are more likely to make a 20€ purchase if they have two 5€ bills and a 10€ bill. In contrast, if they have a single 20€ bill, they will be less willing to spend it

Comprehension and consumer behavior

Comprehension = the process of extracting higher-order meaning from what we have perceived in the context of what we already know

- Source identification
 - The process of determining what the perceived stimulus actually is
 - Product placement
 - Arranging for a product to be shown in a movie, TV show,..

- Advertorial
 - Advertising that takes the form of editorial content
- Infomercial
 - A long-form commercial sponsored by a marketer
- These techniques can make it hard to know whether something is really a marketing message
- Commercial stimuli try to look noncommercial because that may increase their credibility, although that compromises source identification by consumers
- Message comprehension
 - Is it clear what message a brand wants to convey in a stimulus?
 - Marketers are concerned with:
 - Objective comprehension
 - The extent to which consumers accurately understand the message a sender intended to communicate
 - Subjective comprehension
 - What the consumer understands from the message, regardless of whether this understanding is accurate
 - Miscomprehension
 - Occurs when consumers inaccurately construe the meaning contained in a message
 - Effect of MAO (= motivation, ability & opportunity)
 - Consumers might not comprehend a marketing message when they have low motivation and limited opportunity to process it, when the message is complex or shown for only a few seconds or when the message is viewed only once or twice
 - Effect of Culture
 - Consumers in low-context cultures place more emphasis on what is said than on the surrounding visuals
 - In high-context cultures, much of a message's meaning is implied indirectly and communicated nonverbally rather than stated explicitly through words
 - Language differences can also raise a possibility of miscomprehension
 - Marketing implications
 - Marketers can improve objective comprehension in several ways (ex. Keeping the message simple, repeating the message, presenting the message in different forms)
 - Perceptual fluency
 - The ease with which information is processed
 - Improves with more exposure to a message
 - Subjective comprehension involves some interaction between what is in a message and what consumers already know
 - Marketers should design a message to be consistent with consumers prior knowledge
- Consumer inferences

- Inferences
 - The conclusions that consumers draw or interpretations that they form based on the message (congruent & incongruent)
- Brand names and symbols
 - Alphanumeric brand names tend to be associated with technological sophistication (ex. BMW's X6)
 - Descriptive brand names can also create inferences (ex. Speedo)
- Product features and packaging
 - Product attributes
 - A long warranty may be because of a low repair record
 - Nutritional information affects buying behavior
 - Country of origin
 - Consumers stereotype products based on where they were made (mostly on quality)
 - If consumers dislike a country's political or social policies, they may respond negatively to its products
 - Package design
 - Many retailers are redesigning their packaging to point up the differences between store and national brands
- Price
 - Consumers tend to link a high-priced product with high quality
 - This may lead to an overestimation of the relationship between price and quality
- Retail atmospherics, displays and distribution
 - Atmospherics are a major tool used to develop, elaborate and change store images
 - The context of a product display may lead consumers to rely more on external cues
 - Consumers may draw inferences from the way an offering is distributed
 - Examples of atmospheric elements
 - Lighting, Signs, Promotional events, fixtures, flooring, music, wall designs, audio announcements,..

CHAPTER 4: Memory and knowledge

1. Distinguish among sensory, working, long-term, implicit, and explicit memory, and explain why marketers must be aware of these different types of memory.
2. Describe how schemas and scripts affect consumers' knowledge content.
3. Explain how and why the content and structure of knowledge, including associative networks, categories, and prototypicality, are relevant to marketers.
4. Discuss what memory retrieval is, how it works, and how marketers try to affect it.

What is memory?

Consumer memory = the persistence of learning over time, via the storage and retrieval of information, which can occur consciously or unconsciously

Retrieval = the process of remembering or accessing what was previously stored in memory

- Sensory memory
 - The ability to automatically store input from all our five senses temporarily; generally from a quarter of a second to several seconds
 - Echoic memory
 - Sensory memory of things we hear
 - Iconic memory
 - Sensory memory of things we see
 - Olfactory memory
 - Sensory memory of things we smell
- Working memory
 - The portion of memory where incoming information is encoded or interpreted in the context of existing knowledge and kept available for more processing
 - Both limited in capacity and short-lived in time
 - It requires attention to retain information
 - It can take one of several forms:
 - Discursive processing
 - Representing an object with a word
 - Imagery processing
 - Representing the visual, auditory, tactile, gustatory and/or olfactory properties of an object
 - It bears a close resemblance to the object being represented, unlike discursive processing
 - Information represented either as words or images can be elaborated or thought about more deeply, ex. When MAO is high
 - Marketing implications
 - Imagery can improve the amount of information processed
 - Imagery can stimulate future choice
 - Consumers often imagine what consuming a product or service will be like
 - Realistic imagery can improve consumer satisfaction

- Imagery will help consumers avoid being dissatisfied by providing a realistic view on the consumption experience
- Long-Term memory
 - The part of memory where information is permanently stored for later use
 - Episodic/autobiographical memory
 - Knowledge we have about ourselves and our personal, past experiences, including emotions and sensations
 - Primarily sensory, involving images, sounds, smells, tastes and tactile sensations
 - Operant condition
 - One vivid event produces a strong lasting memory
 - Ex. A hair in the food at a restaurant
 - Affects evaluation/decision making
 - Semantic memory
 - General knowledge about an entity, unrelated to specific episodes in our life's history
 - Ex. Cola: liquid, comes in cans and bottles, fizzy and brown in color and is sweet
 - Marketing implications
 - Promote empathy
 - Cue and preserve episodic memories
 - Reinterpret past consumption experiences
- Explicit memory, implicit memory and processing fluency
 - Explicit memory
 - When consumers are consciously aware that they remember something
 - Ex. when they remember visiting a particular website and ordering something from it
 - Implicit memory
 - Memory without any conscious attempt at remembering something
 - Processing fluency
 - Makes it easier to process information that we have encountered before
 - Leads to feelings of familiarity
- How memory is enhanced
 - Explicit memory expresses itself in two forms:
 - Recognition
 - The process of identifying whether we have previously encountered a stimulus when re-exposed to it
 - Recall
 - The ability to retrieve information from memory without being re-exposed to it
 - Several techniques help improve working memory:
 - Chunking
 - Chunk
 - A group of items that are processed as a unit

- Ex. phone numbers, 3 chunks: the area code, the exchange and four numbers; ex. “KFC”
- Reduces the likelihood that information will be lost from working memory
- Rehearsal
 - Actively and consciously interacting with the material that we are trying to remember
 - Improves the transfer of information to long-term memory
- Recirculation
 - Occurs when information is repeatedly encountered
 - Unlike rehearsal, there is no active attempt to remember the information
 - Brand recall is greater when information is repeated at different times rather than when it is presented over and over at one time
- Elaboration
 - Transferring information into long-term memory by processing it at deeper levels of meaning
 - The ability to elaborate may vary across individuals
 - Ex. relating information to prior knowledge and past experiences

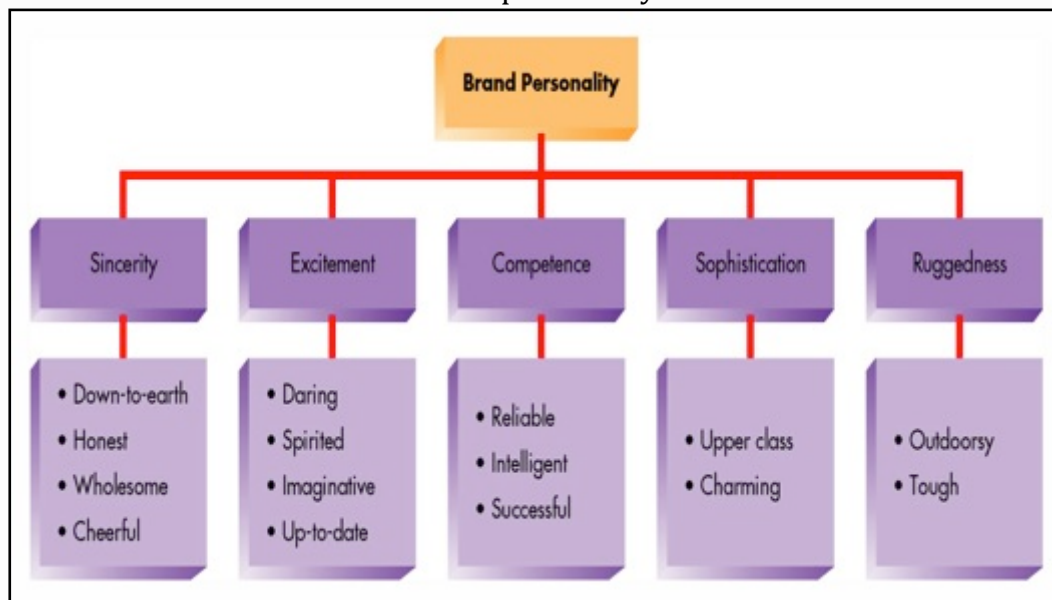
Knowledge content, structure and flexibility

Knowledge content = reflects the information we have already learned and stored in memory about brands, companies, stores, people,...

Knowledge structure = describes how we organize knowledge in memory

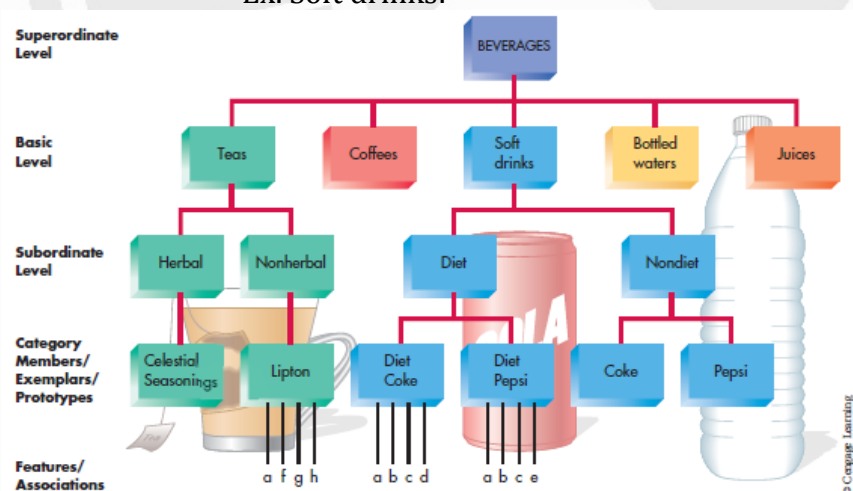
- Knowledge content: Schemas and scripts
 - Schemas and associative networks
 - Schema
 - The set of associations or associative network linked to an object or person (= a ‘concept’)
 - Knowledge about ‘what’ objects and people are
 - Strong links in the associative network are firmly established in memory, others can be weakly established
 - Activating one part of the associative network leads to a spreading of activation to other parts of the network
 - The process by which retrieving a concept or association spreads to the retrieval of a related concept or association
 - If the consumer’s motivation and opportunity to process information are high, the number of activated links can also be quite high
 - Priming
 - The increased sensitivity to certain concepts and associations due to prior experience based on implicit memory, taking place outside of conscious awareness

- The associations in schemas vary in three dimensions that are crucial to building and maintaining strong brands:
 - Favorability
 - Uniqueness
 - Salience (= how easily they come to mind)
- Specific schemas: brand image and personality schemas
 - Brand image
 - Specific type of schema that captures what a brand stands for and how favorably it is viewed
 - It represents only the most salient associations that differentiate a brand from others in the category
 - Brand personality
 - The set of associations included in a schema that reflect a brand's personification
 - The way that a consumer would describe the brand if it were a person
 - Ex. a brand personality framework:



- A global brand may be perceived slightly differently in different cultures
- Can also be updated based on consumers' exposure to new information
- There is a trend toward co-creation (= consumers collaborating with companies to shape brand personality)
- Scripts
 - A special type of schema that represents knowledge of a sequence of actions involved in performing an activity ("how")
 - Ex. how to arrange roses bought from a store
 - Helps marketers understand how consumers buy and use an offering
 - May want consumers to consider brand as part of scripted activity

- Marketing implications
 - Brands with favorable, unique and salient associations that have high brand equity have got more loyal customers
 - Creating new schemas, images, & personalities
 - Brand extensions
 - Using the brand name of a product with a well-developed image on a product in a different category
 - Two general effects:
 - A transfer of associations takes place from the original brand schema to the new branded product
 - A transfer of meaning from the new branded product to the original brand schema may take place
 - This might dilute the brand's image if the extensions make the brand schema less coherent
 - Brand extension effects can differ across cultures
 - Brand alliances
 - Developing existing schemas, images, & personalities
 - Changing schemas, images, & personalities
 - If a brand or product image becomes negative, marketers need to add new and positive associations
 - Protecting brand images and personalities
- Knowledge structure: categories
 - Taxonomic category
 - How consumers classify a group of objects in memory in an orderly, often hierarchical way, based on their similarity to one another
 - Once consumers have categorized an object, they know what it is, what it is like and what it is similar to
 - BUT, consumers do not always categorize offerings correctly!
 - Also, marketers may sometimes want consumers to mentally re-categorize a product
 - Ex. Soft drinks:



- Graded structure and prototypicality
 - Principle of graded structure
 - The fact that category members vary in how well they are perceived to represent a category
 - Prototypicality
 - The extent to which category members are considered to be representative of the category
 - Prototype
 - The best example of a cognitive category
 - A prototype shares many associations with other members of its own category and shares few with members from different categories
 - It is encountered frequently
 - Can be the pioneer in the product category
- Hierarchical structure
 - Taxonomic categories can be hierarchically organized into basic, subordinate and superordinate levels
 - Superordinate level
 - The broadest level of categorization
 - Objects share a few associations but also have many different ones
 - Basic level
 - Finer discriminations among objects are made
 - Subordinate level
 - The finest level of differentiation
 - This structure is also influenced by environmental cues
- Correlated associations
 - Attributes that are linked in the consumer's mind and contained in an associative network
 - Although the attributes may be correlated in consumers' minds, they may or may not actually be correlated!
- Marketing implications
 - Brands can be positioned as being either similar to or different from the prototype
 - Because the prototype best defines the category and is well liked, a new brand could be positioned as being similar
 - BUT, positioning away from the prototype could be an effective way to differentiate a brand
- Knowledge flexibility
 - Goal-derived categories
 - Things are viewed as belonging in the same category because they serve the same consumer goal, even though they may belong to different taxonomic categories
 - Construal level
 - Construal level theory
 - Theory describing the different levels of abstractness in the associations that a consumer has about concepts (people, products, brands and activities) and how the

- consumer's psychological distance from these concepts influences his or her behavior
 - Attributes of products and brands may have concrete or abstract associations, depending on the time to act
 - Ex. wedding in the far future or near future
 - Low-level construal – concrete
 - High-level construal – abstract
- Marketing implications
 - Positioning an offering as relevant to a goal can be an important marketing objective
 - Ex. Kit Kat candy bars “If I try, I will win” → “lucky things to eat before school exams”
 - Supermarkets apply goal-derived category structures by displaying certain products in the same aisles
 - Consumers in a positive mood tend to think more abstractly, while those in a negative mood tend to think more concretely
- Why consumers differ in knowledge content and structure
 - Cultural system
 - Associations linked to a concept
 - May vary considerably across cultures
 - Correlated associations
 - Ex. price and store size may be correlated negatively in one country and positively in another
 - Category members / prototypes
 - Goal-derived categories
 - Ex. ‘breakfast’ products may include other items in the US than in China
 - Level of product/service expertise
 - Experts have a larger associative network,
 - Experts have a more graded and refined taxonomic structure of categories
 - Experts exhibit more flexibility in activating suitable associations and categories
 - Experts can make finer distinctions among brands

Memory and retrieval

- Retrieval for marketers
 - Communication objective
 - Affects consumer choices
 - Relates to advertising effectiveness
 - Consumer segmentation
- Three elements in particular contribute to retrieval failures:
 - Decay
 - The weakening of memory strength over time
 - Can be reduced by repetition of the information and by recirculation
 - Interference
 - When the strength of a memory deteriorates over time because of competing memories

- Similarity between products, brands and ads increase the likelihood of memory interference
 - Affects marketing across cultures
 - Visual and textual cues that reinforce each other can reduce interference
- Serial-position effects: primacy and recency
 - The tendency to show greater memory for information that comes first or last in a sequence
- Retrieval errors
 - Memory may be subject to selection, confusion and distortion
 - Selective
 - Ex. Only the good things of a vacation are being remembered
 - Confused
 - Ex. Remembering a story, but being confused about who the source was (=source confusion)
 - Distorted
 - Ex. remembering experiences or events that actually did not happen
- Enhancing retrieval
 - Retrieval is affected by:
 - The characteristics of the stimulus itself
 - What the stimulus is linked to
 - The way the stimulus is processed in working memory
 - The consumer's characteristics
 - Characteristics of the stimulus
 - Key characteristics that affect retrieval are:
 - Salience
 - Salient objects tend to attract attention and induce greater elaboration, thereby creating stronger memories
 - Prototypicality
 - Prototypical or pioneer brands are better recognized and recalled because they have been frequently rehearsed and recirculated and are linked to many other concepts in memory
 - Redundant cues
 - Memory is enhanced when the information items to be learned seem to go together naturally
 - An explanation of why complementary products go together will enhance memory
 - The medium in which the stimulus is processed
 - Some media may be more effective than others
 - What the stimulus is linked to
 - Retrieval cue
 - A stimulus that facilitates the activation of memory
 - Can be generated internally or externally

- Effective retrieval cues may differ from culture to culture
 - Ex. brand name, logo, package, typeface
- How a stimulus is processed in working memory
 - Messages processed through imagery tend to be better remembered than those processed discursively
 - Dual coding
 - Mental images are processed as pictures and words, which provides extra associative links in memory
- Consumer's characteristics
 - Consumer's mood and expertise can affect retrieval
 - Being in a positive mood can enhance recall of stimuli in general
 - Consumers are more likely to recall information consistent with their mood
 - Consumers tend to process information in more detail when their mood is intense
 - Experts have more complex category structures in memory with a greater number of higher- and lower-level categories and more detail within each category
 - Therefore, their associative networks are more interconnected

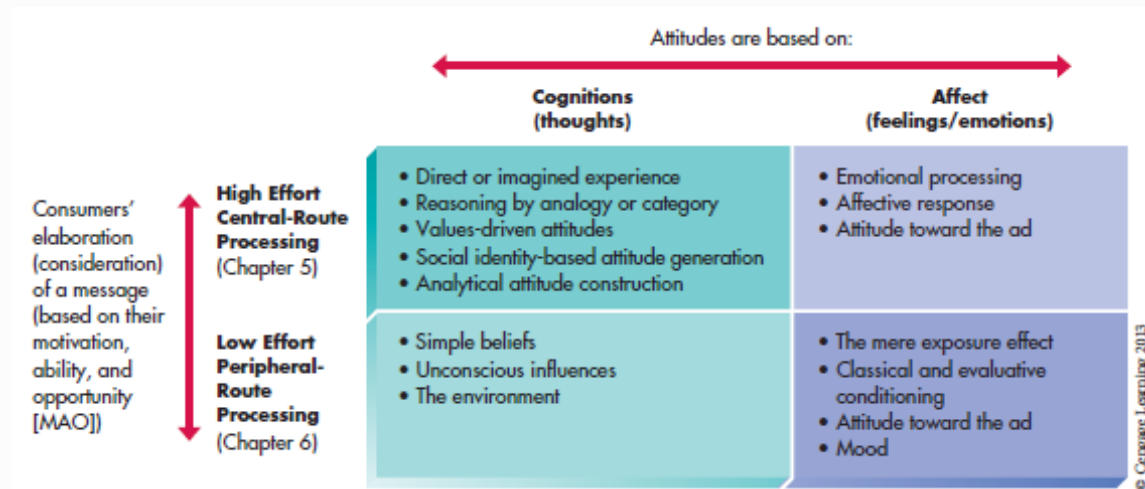
- CHAPTER 5: Attitudes based on high effort
- 1. Discuss how marketers can apply various cognitive models to understand and influence consumers' attitudes based on high-effort thought processes.
- 2. Describe some of the methods for using the communication source and the message to favorably influence consumers' attitudes.
- 3. Explain how and why a company might try to change consumers' attitudes by influencing their feelings.

What are attitudes?

Attitude = an overall evaluation that expresses how much we like or dislike an object, issue, person or action.

- The importance of attitudes
 - Cognitive function
 - How attitudes guide our thoughts
 - Affective function
 - How attitudes influence our feelings
 - Conative function
 - How attitudes affect our behavior
- The characteristics of attitudes
 - Five main characteristics:
 - Favorability
 - The degree to which we like or dislike something
 - Attitude accessibility
 - How easily an attitude can be remembered
 - Attitude confidence
 - How strongly we hold an attitude
 - Attitude persistence
 - How long our attitude lasts
 - Attitude resistance
 - How difficult it is to change an attitude
 - Ambivalence
 - When evaluations regarding a brand are mixed (both positive and negative)
 - People tend to be more influenced by someone else's opinion when their attitudes are ambivalent
- Forming and changing attitudes
 - The foundation of attitudes
 - Two approaches
 - Attitudes are based on cognitions (thoughts) or beliefs
 - Attitudes are based on emotions
 - The role of effort in attitude formation and change
 - Central-route processing
 - The attitude formation and change process when effort is high
 - Processing is central because consumers' attitudes are based on a careful and effortful analysis of the true merits or central issues contained within the message
 - Peripheral-route processing

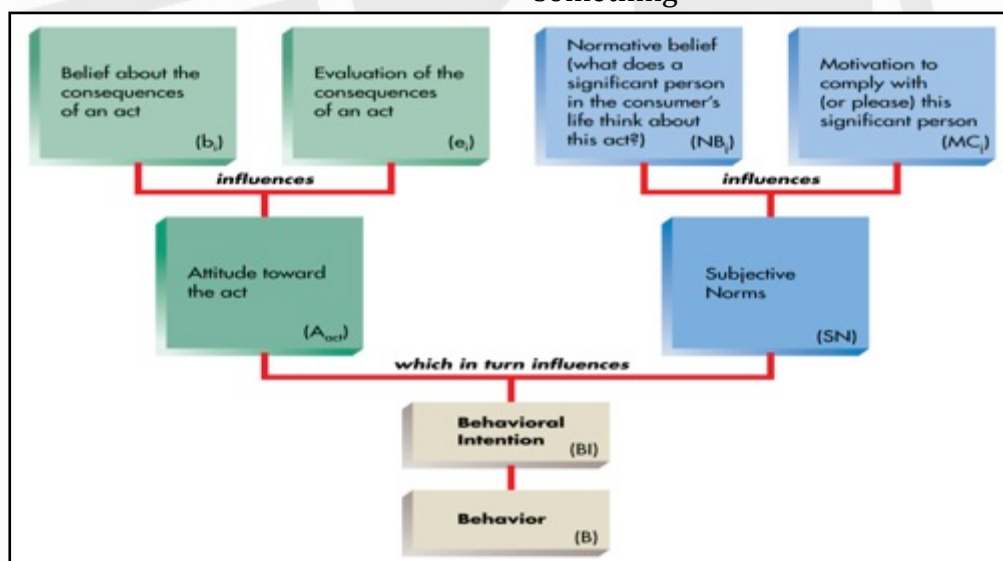
- The attitude formation and change process when effort is low



The cognitive foundations of attitudes

- Direct or imagined experience
 - Elaborating on actual experience with a product or service can help consumers form positive or negative attitudes
 - People will have a more favorable attitude toward a product if they use imagery to elaborate on the positive aspects of buying and using it
- Reasoning by analogy or category
 - Consumers form attitudes by comparing a product to other products or to a particular product category
- Values-driven attitudes
 - Consumers generate or shape attitudes based on individual values
 - Ex. environmental protection-value
- Social identity-based attitude generation
 - The way that consumers view their own social identities can play a role in forming their attitudes
 - Positive attitudes tend to be formed towards brands/products that enables consumers to express their social identity
- Analytical processes of attitude formation
 - Cognitive response
 - Thoughts a person has when he or she is exposed to a communication
 - Positive thoughts can have a favorable impact on attitude whereas negative thoughts can have a negative effect
 - Cognitive responses to communications
 - Support arguments
 - Thoughts that express agreement with the message
 - Results in positive attitudes toward the offering
 - Counterarguments
 - Thoughts that express disagreement with the message
 - Are likely to lead to a negative attitude
 - Source derogations

- Thoughts that discount or attack the message source
- Are likely to lead to a negative attitude
- Marketing implications
 - Marketers should test consumers' cognitive responses to communications before running an ad
 - Belief discrepancy
 - When a message is different from what consumers believe
 - Creates more counterarguments
 - Consumers generate more counterarguments and fewer support arguments when the message is weak
- Expectancy-value models
 - Analytical processes that explain how consumers form and change attitudes based on:
 - The beliefs or knowledge they have about an object or action
 - Their evaluation of these particular beliefs
 - Theory of reasoned action (TORA)
 - A model that provides an explanation of how, when and why attitudes predict consumer behavior
 - The model proposes that behavior (B) is a function of a person's behavioral intention (BI), which in turn is determined by (1) the person's attitude toward the act (A_{act}) and (2) the subjective norms (SN) that operate in the situation.
 - Behavior
 - What we do
 - Behavioral intention
 - What we intend to do
 - Attitude toward the act
 - How we feel about doing something
 - Subjective norm
 - How others feel about our doing something



- Normative influence
 - How other people influence our behavior through social pressure
- Theory of planned behavior
 - An extension of the TORA model that predicts behaviors over which consumers perceive they have control
- Marketing implications
 - Major strategies to change attitudes, intentions and behavior
 - Change beliefs
 - Strengthen beliefs that the offering has positive, important consequences
 - Lessen the belief that the offering has negative consequences
 - Change evaluations
 - Promoting a product category can change the relative importance of the attributes that consumers use to evaluate brands in that category
 - Add a new belief
 - Particularly effective when a brand has existing features that are considered inferior, quality perceived to be lower or a higher price
 - Adding novel attributes to a low-complexity product is likely to encourage positive beliefs and a more positive attitude toward that product
 - Encourage consumers to imagine the experience
 - Target normative beliefs
 - In countries that stress group values over those of the individual (ex. Asian nations), appeals to normative beliefs take on greater significance

How cognitively based attitudes are influenced

- Communication source
 - Source credibility
 - Extent to which the source is trustworthy, expert or has status
 - Three characteristics
 - Trustworthiness
 - Consumers tend to see other consumers' opinions as less biased than official sources
 - Expertise
 - Consumers are more likely to accept a message from someone perceived as knowledgeable
 - Status
 - Someone with a high position or social status will more easily be perceived as credible
 - Company reputation
 - People are more likely to believe messages from companies with a reputation for producing quality products, dealing fairly with consumers or being trustworthy

- Sleeper effect (e.g., in political advertising)
 - Consumers forget the source of a message more quickly than they forget the message
- Message
 - Argument quality
 - Strong argument
 - A presentation that features the best or central merits of an offering in a convincing manner
 - Likely to be more persuasive if:
 - Consumers are exposed after thinking about what they could have done differently to avoid a purchasing experience that led to an undesirable outcome
 - Consumers focus on the process of using the product rather than on the outcome of using it
 - Consumers devote sufficient cognitive resources to processing the information
 - A message that is too simple or too complicated is unlikely to be persuasive
 - One- versus two-sided messages
 - One-sided message
 - A marketing message that presents only positive information
 - Two-sided message
 - A marketing message that presents both positive and negative information
 - It may make a message more credible and it reduces counterarguments
 - Comparative messages
 - Messages that make direct comparisons with competitors
 - The effectiveness differs from culture to culture
 - Ex. in Korea, comparative advertising seems overly confrontational and is rarely used
 - All information must be factual and verifiable; otherwise, competitors may consider taking legal action
 - Indirect
 - The offering is compared with those of unnamed competitors
 - Direct
 - Advertisers explicitly name and attack a competitor or set of competitors on the basis of an attribute or belief
 - Effective in generating attention and brand awareness and in positively increasing message processing, attitudes, intentions and behavior
 - BUT, they do not have high credibility

The affective (emotional) foundations of attitudes

- Affective involvement
 - When this is high, consumers can experience fairly strong emotional reactions to or engagement with a stimulus
 - Engagement
 - The extent to which consumers are emotionally connected to a product or ad
 - The consumer's feelings act as a source of information and consumers will rely on these feelings to evaluate the stimulus
 - Emotional receptivity
 - Predisposition for a certain level of emotion
 - Consumers tend to like a brand when there is a close match between their emotional receptivity and the emotional intensity expressed in an ad or by a salesperson
 - Regulatory fit
 - An emotional route to persuasion
 - A consumer's attitude toward a product depends on the fit between his regulatory goals and the strategies available to help achieve them
- Affective responses
 - When consumers generate feelings and images in response to a message
 - They are generally more influential than cognitive responses in shaping consumers' attitudes
 - Important when an ad builds toward a "peak emotional experience"
- Emotional appeals
 - Messages designed to elicit an emotional response
 - Influenced by cross-cultural differences
 - Apparent reversal!
 - Ego-focused messages lead to more favorable attitudes in group-oriented cultures, whereas empathic messages lead to more positive attitudes in individualistic cultures
 - The appeal's novelty or uniqueness increases the motivation to process and consider the message

How affectively based attitudes are influenced

- The source
 - Attractiveness
 - A source characteristic that evokes favorable attitudes if a source is physically attractive, likable, familiar or similar to ourselves
 - Match-up hypothesis
 - Idea that the source must be appropriate for the offering
 - A source that is attractive but not relevant can distract the consumer from the message's ideas
 - More powerful for expert sources than for attractive sources
- Message
 - Emotional appeals and emotional contagion

- In general, positive emotions are intended to attract consumers to the offering, whereas the negatives are intended to create anxiety about what might happen if consumers do not use the offering
- BUT, emotional appeals may limit the amount of product-related information consumers can process
 - Emotional appeals influence consumer behavior more effectively when the type of product has been on the market for some time
 - Ads featuring expert sources and strong arguments are more effective for products in younger markets
- Emotional contagion
 - A message designed to induce consumers to vicariously experience a depicted emotion
 - Ex. laughing in commercials to bring a happy feeling
 - Consumers who are immersed in a message's emotionally charged story focus less on the costs and more on the positive outcomes of consumption
- Marketing implications
 - Marketers attempt to arouse emotions by using techniques such as music, emotional scenes or facial expressions, visuals, sex and attractive sources
- Fear appeals
 - Messages that stress the negative consequences of either engaging or not engaging in a particular behavior
 - Terror Management Theory
 - A theory which deals with how we cope with the threat of death by defending our world view of values and beliefs
 - Marketing implications
 - When can fear appeals be effective?
 - The appeal must suggest an immediate action that will reduce the consumer's fear
 - The level of fear must be generally moderate for the appeal to be effective
 - At higher levels of involvement, lower levels of fear can be generated because the consumer has a higher motivation to process the information
 - The source providing the information must be credible

Attitude toward the ad (A_{ad})

- Whether consumer likes or dislikes the ad
- Three factors/dimensions have been found to lead to a positive A_{ad} in the context of high effort
 - Utilitarian (functional)
 - More informative ads tend to be better liked and to generate positive responses
 - These reactions will have a positive influence on brand attitude

- Hedonic
 - Consumers can like an ad if it creates positive feelings or emotions
 - This positive attitude can transfer to the brand
- Interest
 - Consumers can like an ad that arouses curiosity and attracts attention

When do attitudes predict behavior?

- More likely when:
 - High level of cognitive involvement
 - Consumers elaborate or think extensively about the information
 - Knowledgeable & experienced
 - Analysis of reasons for brand preference
 - High accessibility of attitudes, on 'top of mind'
 - High attitude confidence
 - High specificity of attitudes
 - Attitude-behavior relationship over time, message repetition
 - High emotional attachment
 - Low intervening situational factors
 - Positive normative beliefs
 - Low self-monitors
 - People who are guided by their own internal dispositions

CHAPTER 6: Attitudes based on low effort

1. Outline some issues marketers face in trying to change consumers' attitudes when processing effort is low.
2. Explain the role of unconscious influences on attitudes and behavior in low-effort situations.
3. Discuss how consumers form beliefs based on low-processing effort and explain how marketers can influence those beliefs.
4. Describe how consumers form attitudes through affective reactions when cognitive effort is low.
5. Highlight how marketers can use the communication source, message, and context to influence consumers' feelings and attitudes when processing effort is low.

High-effort versus low-effort routes to persuasion

- Low-effort situation
 - When consumers are either unwilling or unable to exert a lot of effort or devote emotional resources to processing the central idea behind a marketing communication
 - Consumers are passive recipients of the message
 - Attitudes may not even be stored in memory
- Peripheral route to persuasion
 - Aspects other than key message arguments are used to influence attitudes
 - Ex. peripheral cues
 - Easily processed aspects of a message such as music, an attractive source, a picture or humor
 - Customer attitudes can persist over time if peripheral cues such as visuals are related to the offering
- Marketing implications
 - Marketers need to understand how consumers form attitudes with low effort

Unconscious influences on attitudes when consumer effort is low

Much processing in low-effort situations occurs below conscious awareness.

Two unconscious influences:

- Thin-slice judgments
 - Evaluations consumers make after very brief observations, despite receiving minimal information input
 - Consumers can form surprisingly accurate impressions
- Body feedback
 - Physical reactions of consumers can influence attitudes and behavior in some instances
 - Ex. nodding, shaking head, frowning muscles,..
 - HOWEVER, consumers must know the meaning of the body feedback they experience in order to explain their behavior
- Marketing implications
 - Marketers can try to enhance thin-sliced judgments and induce positive body feedback

- Product packaging should be made intriguing or attractive
- Marketers should aim to have consumers read ads from top to bottom and vice-versa, to simulate nodding “yes”

Cognitive bases of attitudes when consumer effort is low

- Attitudes of low-effort consumers may be less resistant to marketing
- Simple inferences
 - Simple beliefs consumers acquire based on peripheral cues
- Heuristics
 - Simple rules of thumb that are used to make judgments
 - Ex. “Well-known brands must be good”
- Frequency heuristic
 - Belief based simply on the number of supporting arguments or amount of repetition
- Truth effect
 - When consumers believe a statement simply because it has been repeated a number of times, familiarity is used to judge accuracy

How cognitive attitudes are influenced

Three major characteristics of a communication:

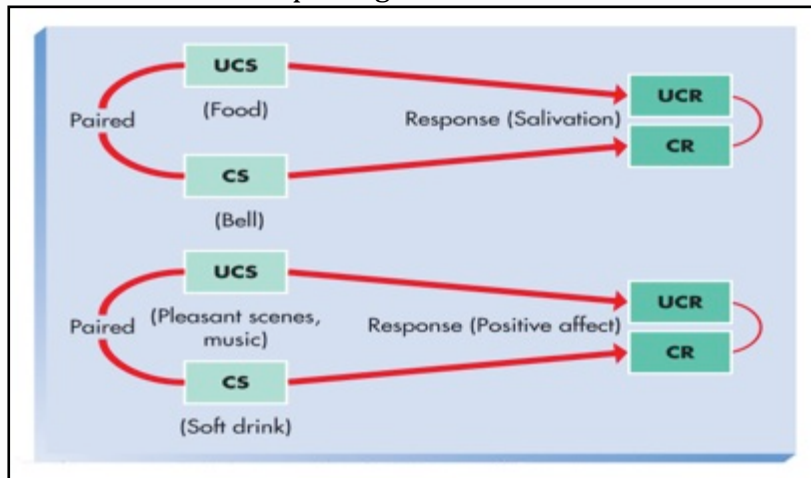
- Communication source
 - Credible sources can serve as peripheral cues for making a simplified judgment
 - Ex. “Statements from experts can be trusted”
- The message
 - Category- and schema-consistent information
 - Associations are likely to be consistent with the information stored in the consumer’s memory
 - Ex. “Healthy Choice soups must be good for me”
 - Ex. Quality associated with price, coolness with the color blue,..
 - Many message arguments
 - As a simplifying rule, consumers form a belief based on the number of supporting arguments
 - Simple messages
 - Rather than overloading low-processing consumers with details, marketers should use a simple message with one or two key points
 - Involving messages
 - Sometimes, marketers want to increase consumers’ situational involvement with the message to ensure that the information is received
 - Increase self-referencing
 - Relating a message to one’s own experience or self-image
 - Ex. use of nostalgia
 - Ex. using a consumers name in personal selling
 - Consumers develop more favorable attitudes towards brands that are highly descriptive on a personality dimension that they consider important or self-descriptive

- Marketing implications
 - Marketers can increase self-referencing by:
 - Directly instructing consumers to self-reference
 - Using the word 'you' in the ad
 - Asking rhetorical questions
 - Showing situations to which consumers can easily relate
 - Mystery ad
 - An ad in which the brand is not identified until the end of the message
 - 'Wait and bait'-ad
 - A way to arouse consumers' curiosity and involvement
 - Effective in generating category-based processing and storing brand associations in memory
 - Other techniques such as avatars, scratch & sniff print ads, simulated product usage, etc. can increase situational involvement and processing effort
- Message context and repetition
 - Context can affect the strength of consumers' beliefs and the prominence of those beliefs
 - Message repetition
 - Can enhance the strength and salience of consumers' beliefs
 - Incidental/effortless learning
 - Learning that occurs from repetition rather than from conscious processing
 - Brand awareness increases and truth effects may occur

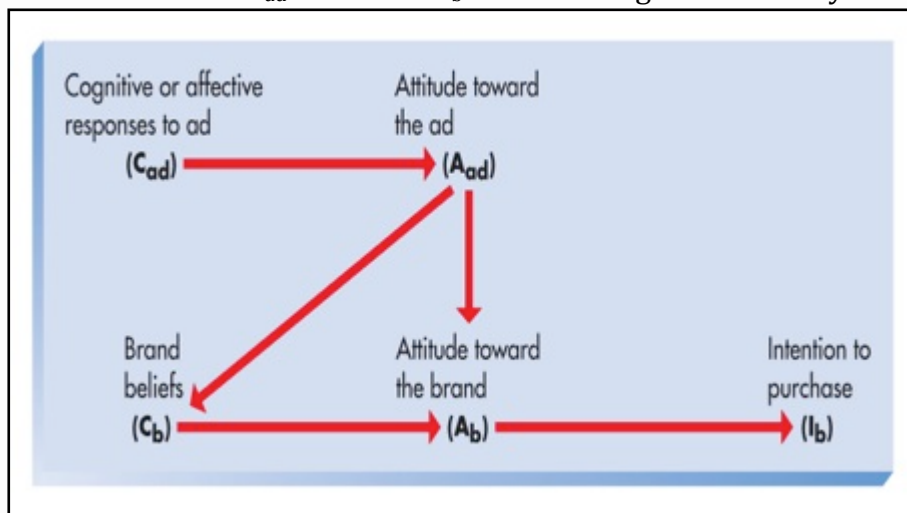
Affective bases of attitudes when consumer effort is low

- The mere exposure effect
 - When familiarity leads to the liking of an object
 - Marketing implications
 - Marketers should repeatedly expose consumers to an offering
 - Tactics include using the right medium, the right placement within the medium, optimal shelf placement and sampling
 - HOWEVER, repeated exposures will build familiarity and liking only up to a point
 - After this, consumers typically experience wearout
 - They become bored with the stimulus and brand attitudes can become negative
 - It causes a loss of persuasiveness
 - When consumers are familiar with a brand, wearout may occur later
 - Can be overcome by creating different executions for the same message
- Classical and evaluative conditioning
 - Classical conditioning
 - Producing a response to a stimulus by repeatedly pairing it with another stimulus that automatically produces this response
 - Evaluative conditioning

- A special case of classical conditioning, producing an affective response by repeatedly pairing a neutral conditioned stimulus with an emotionally-charged unconditioned stimulus
- Ex. pairing a brand with a well-liked celebrity



- Attitude toward the ad
 - If an ad is liked, positive feelings can be transferred to the brand
 - Dual-mediation hypothesis
 - Explains how attitudes toward the ad influence brand attitudes
 - A_{ad} can affect A_b either through believability or liking



- Marketing implications
 - Marketers should provide ads that please consumers to encourage positive attitudes toward the ad
 - As memory of an ad fades, liking of the ad and the brand becomes weaker
- Mood
 - Mood can bias attitudes in a mood-congruent direction
 - Consumers are more likely to say that they like something if they are in a good mood and say that they dislike something if they are in a bad mood
 - Mood is different from classical conditioning because mood:
 - Does not require a repeated association between two stimuli

- Can affect consumers' evaluations of any object, not just the stimulus
- Marketing implications
 - Retailers can use physical surroundings and the behavior of store employees to put consumers in a good mood
 - Warm colors tend to be more stimulating and exciting, they draw customers to an outlet but can create tension
 - Cool colors tend to be soothing and more relaxing but they do not attract customers

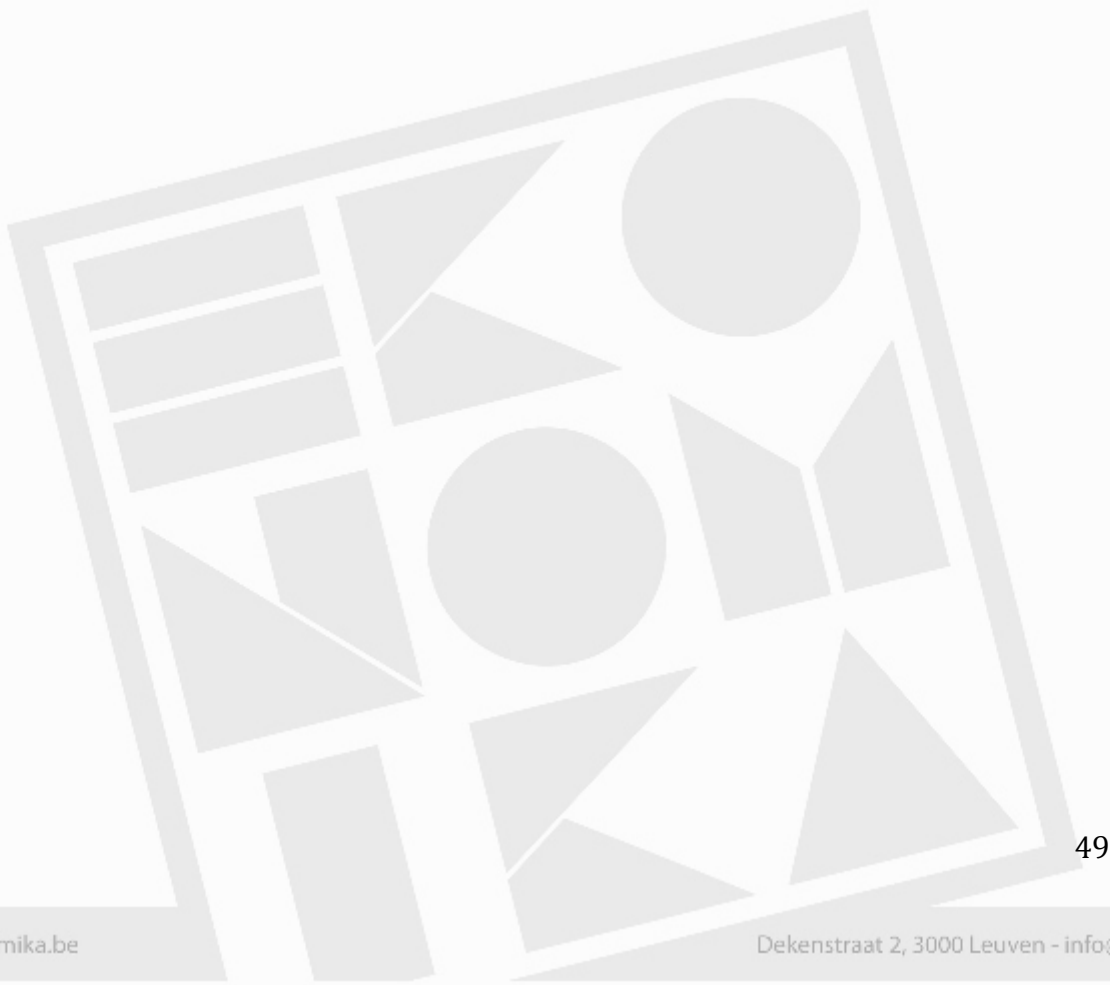
How affective attitudes are influenced

- Communication source
 - Attractive sources
 - Consumers rate ads with attractive models as more appealing, eye-catching and interesting
 - Can have beneficial effects on advertiser believability and actual purchase
 - Attractive sources serve as a peripheral cue used to increase situational involvement and to generate a positive A_{ad}
 - Likable sources
 - Serve as unconditioned stimuli, creating a positive mood and making consumers feel more positive about the endorsed product
 - People of average looks tend to be liked because they are more similar to consumers and they can relate to them
 - Celebrity sources
 - They are physically attractive and likable and increase the likelihood that consumers will like an ad
 - Sport stars are especially influential for teenage consumers
- The message
 - Pleasant pictures
 - Visual stimuli can serve as a CS, affect consumers' mood or make an ad likable by making it interesting
 - Music
 - Can be an effective CS for a classical conditioning strategy
 - Puts consumers in a positive mood
 - Can be effective in generating positive feelings
 - Can stimulate emotional memories of experiences or situations
 - Humor
 - Increases consumers' liking of an ad and brand
 - More appropriate when generating positive feelings about an ad is critical
 - BUT, has to be tied or related to the offering
 - Humorous ads generate buzz, have high pass-along rates and sometimes go viral
 - Marketing implications
 - Humor tends to work best on TV and radio

- More effective with certain audiences (ex. younger, high educated males)
- The effects vary from culture to culture
- Sex
 - Appears in two major forms:
 - Sexual suggestiveness
 - Involves situations that either portray or imply sexual themes or romance
 - Nudity
 - Full or partial nudity,
 - Often used for brands in the fragrance industry
 - Consumers prefer mildly provocative ads
 - Men tend to have a generally positive attitude toward an ad with sexual cues, whereas women tend to dislike such ads but soften their attitudes when relationship commitment is involved
 - Men exposed to sexual cues exhibit more impulsive behavior
 - Marketing implications
 - Sexual messages attract the consumer's attention and evoke emotional responses which in turn can affect consumers' moods and their attitudes
 - BUT, for some consumers, sexual messages can create negative feelings which negatively affect attitudes
 - Ex. embarrassment, disgust, uneasiness,..
 - Sexual themes should be used carefully and not be demeaning, sexist or offensive
 - Sexual content should be appropriate for the offering
 - Consumer reaction varies from culture to culture
- Emotional content
 - Transformational advertising
 - Ads that try to increase emotional involvement with the product or service
 - The goal is to associate the experience of using the product with a unique set of psychological characteristics like warmth, excitement, pleasantness,..
 - Dramas
 - Ads with characters, a plot and a story about the use of the offering
 - Involves consumers emotionally and influences positive attitudes through both sympathy and empathy
- Message context
 - Ads embedded in a happy TV program may be evaluated more positively than those in sad programs, especially if the ads are emotional
 - How well consumers like a program affects their feelings about the ads and brands

CHAPTER 7: Problem recognition and information search

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CHAPTER 8: Judgment and Decision Making Based on High Consumer Effort

1. Distinguish between judgment and decision making, and indicate why both processes are important to marketers.
2. Explain how cognitive decision-making models differ from affective decision-making models and why marketers are interested in both types of models.
3. Identify the types of decisions faced by consumers in high-effort situations and discuss how marketers can try to influence these decisions.

High-effort judgment processes

Judgments = evaluations of an object or estimate of likelihood of an outcome or event

Decision-making = making a selection among options or courses of action

- Judgments of Likelihood
 - Judging how likely it is that something will occur
- Judgments of goodness/badness
 - Evaluating the desirability of something
 - Not only affected by the attributes of a product, also by how consumers feel
 - Anchoring and adjustment process
 - Starting with an initial evaluation and adjusting it with additional information
 - Imagery
 - Imagining an event in order to make a judgment
- Mental and emotional accounting
 - Mental accounting
 - Categorizing spending and saving decisions into “accounts” mentally designated for specific consumption transactions, goals or situations
 - The way consumers mentally account for their money influences judgments about what, when, where, why, how and how much they should spend or save, borrow, make payments and behave as a consumer over time
 - Emotional accounting
 - The intensity of positive or negative feelings associated with each mental “account” for saving or spending
 - Money received under negative circumstances is more likely to be spent on a utilitarian purchase than on a hedonic purchase
- Biases in Judgment Processes
 - Confirmation bias
 - Consumers focus more on judgments that confirm what they already believe and ignore other information
 - Self-positivity bias
 - Consumers tend to believe that bad things are more likely to happen to other people than to themselves
 - Negativity bias

- Consumers give negative information more weight than positive information when they are forming judgments
- Mood and bias
 - A mood can serve as the initial anchor for judgment
 - A mood can reduce consumers' search for and attention to information, because they want to preserve their good mood
 - A mood can make consumers overconfident about their judgments
- Prior brand evaluations
 - A favorable brand name can "block" learning about quality-revealing product attributes that could affect judgments
- Prior experience
 - Previous decisions that were easy/hard to make can bias later judgments
- Difficulty of mental calculations
 - The ease or difficulty of calculating price differences or discounts will affect consumers' judgment of the size of these differences
- Marketing implications
 - Marketers can focus consumers' attention on those attributes that place their brand as the best in its class
 - Marketers can try to affect the set of other products that consumers use in their judgments
 - Marketers can make consumers feel good to get more positive evaluations

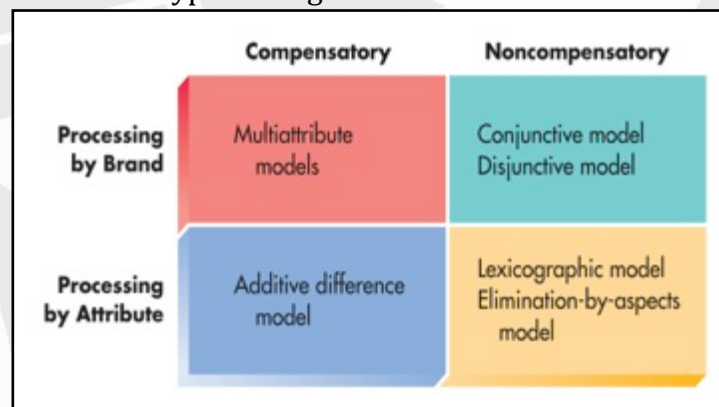
High-effort decisions and high-effort decision-making processes

- Deciding which brands to consider
 - Consumers first sort brands into different groupings
 - Inept set
 - Options that are unacceptable when making a decision
 - Inert set
 - Options toward which consumers are indifferent
 - Consideration set
 - Options among which consumers want to choose
 - The consumer's evaluation of brands depends on the other brands to which they are compared
 - Attraction effect
 - When the addition of an inferior brand to a consideration set increases the attractiveness of the dominant brand
 - Marketing implications
 - It is critical for a company to get its brand into the consideration set
- Deciding which criteria are important to the choice
 - Goals
 - Goals affect the criteria that will drive a consumer's choice
 - Ex.: consumers whose goal is to influence others will use different criteria than consumers who have another goal

- Possible goals include: making a decision, having flexibility in choice, simplifying the choice, prevention- or promotion-focused
- Goals may change during the decision process
- Time
 - Choices for immediate purchases tend to be based on low-level construals, whereas choices for decisions to be made later rely on high-level construals
- Framing
 - Decision framing
 - The initial reference point or anchor in the decision process
 - All subsequent information is considered in the light of that frame
 - People are more willing to take risks when a choice is framed as avoiding a loss rather than as acquiring a gain
 - Time period framing can affect decisions as well, ex. once a year ⇔ every day health hazards
 - Framing is very important to distinct an offering from its competitors

Deciding what brand to choose: thought-based decisions

- Types of models
 - Cognitive decision-making model
 - The process by which consumers combine information about attributes to reach a decision in a rational, systematic manner
 - Two types of cognitive models:
 - Compensatory model
 - A mental cost-benefit analysis model in which negative features can be compensated for by positive ones
 - Non-compensatory model
 - A simple decision model in which negative information leads to rejection of the option
 - Cutoff level
 - For each attribute, the point at which a brand is rejected
 - Types of cognitive choice models



- Affective decision-making model
 - The process by which consumers base their decision on feelings and emotions
- Decisions based on brands
 - Brand processing
 - Evaluating one brand at a time
 - Occurs frequently because environments are often organized by brands
 - Compensatory models
 - Multi-attribute expectancy-value model
 - A type of brand-based compensatory model
 - Ex. TORA
 - Consumers tend to give more weight to attributes that are compatible with their goals
 - Non-compensatory models
 - Conjunctive model
 - A non-compensatory model that sets minimum cutoffs for each attribute to reject “bad” options
 - Disjunctive model
 - A non-compensatory model that sets acceptable cutoffs to find options that are “good”
 - Consumers base their evaluations on several of the most important attributes rather than on all of them
 - Combination of models
 - Consumers may use several of the decision-making models
 - Ex. start with a conjunctive or disjunctive model to continue with the multi-attribute model
- Decisions based on product attributes
 - Attribute processing
 - Comparing brands, one attribute at a time
 - Additive difference model
 - Compensatory model in which brands are compared by attribute, two brands at a time
 - Lexicographic model
 - A non-compensatory model that compares brands by attributes, one at a time in order of importance
 - Elimination-by-aspects model
 - Similar to the lexicographic model, but adds the notion of acceptable cutoffs
 - Marketing implications
 - Identifying consumers’ cutoffs levels can be very useful for marketers, especially when their offering is rejected frequently
- Decisions based on gains and losses
 - Prospect theory
 - Losses have more influence than gains
 - Consumers have stronger reaction to price increases than price decreases
 - Endowment effect
 - Ownership increases value (& loss) associated with an item

- Ex. sellers typically ask for a much higher price than buyers are willing to pay
- This effect explains why a 24 hour test drive of vehicles is often a success

Deciding what brand to choose: high-effort feeling-based decisions

- Affective decision-making
 - Decision because a choice feels right rather than because of a detailed, systematic evaluation
 - Consumer feelings are particularly critical for offerings with hedonic, symbolic or aesthetic aspects
- Appraisals and feelings
 - Appraisal theory
 - How your emotions are determined by the way you appraise the situation; explains how & why certain emotions can affect future judgments & choices
 - Although consumers prefer that a positive experience be uninterrupted, they actually enjoy it more with an interruption, because the pleasure is intensified after the break
- Affective forecasts and choices
 - Affective forecasting
 - A prediction of how you will feel in the future
 - Consumers can forecast:
 - Valence
 - How they think they will feel as a result of a decision
 - Intensity
 - How intensely they will have the feeling
 - Duration
 - How long the feeling will last
 - However, affective forecasting is not always accurate!
- Imagery
 - Consumers can attempt to imagine themselves consuming a product or service
 - Adding information actually makes imagery processing easier because more information makes it easier for consumers to form an accurate image

Additional high-effort decisions

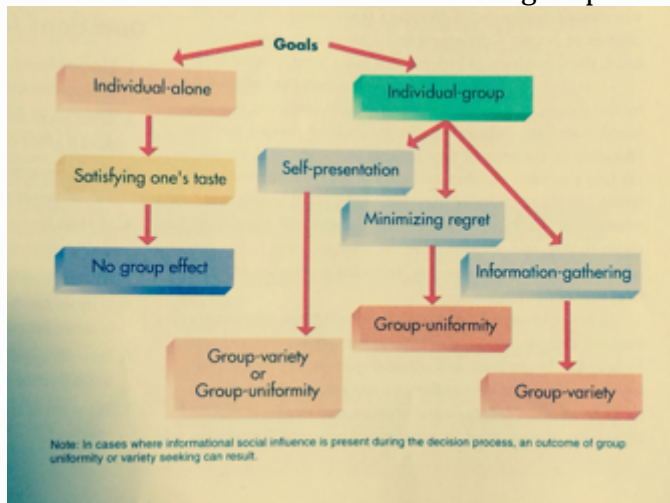
- Decision delay
 - Deciding whether to make a decision right now or to delay it
 - Ex. risky or unpleasant tasks, low product information,..
- Decision making when alternatives cannot be compared
 - Non-comparable decision
 - The process of making a decision about products or services from different categories
 - Alternative-based strategy (top-down processing)
 - Making a non-comparable choice based on an overall evaluation
 - Attribute-based strategy (bottom-up processing)

- Making a non-comparable choice by making abstract representations of comparable attributes
- Abstractions simplify the decision-making process
- When the alternatives are less comparable, consumers tend to this strategy

What affects high-effort decisions?

- Consumer characteristics
 - Expertise
 - Consumers are more likely to understand their preferences and decisions when they have a detailed *consumption vocabulary*
 - When they can articulate exactly why they like or dislike the brands that they do
 - Consumers with this consumption vocabulary can use more attributes and information when making a decision
 - Mood
 - Consumers in a good mood are more willing to process information and to take more time in making a decision; they are also more willing to try new products because they perceive lower probabilities of incurring losses
 - Consumers in a high-arousal mood (ex. excited or very sad) tend to process information less thoroughly
 - Consumers in a bad mood are more likely to recall a marketing message
 - Time pressure
 - Reduces shopping time and impulsive purchases
 - Present-oriented consumers want to improve their current well-being, while future-oriented consumers want to develop themselves
 - Extremeness aversion
 - Options that are extreme on some attributes are less attractive than those with a moderate level of those attributes
 - Compromise effect
 - When a brand gains share because it is an intermediate rather than an extreme option
 - Attribute balancing
 - Picking a brand because it scores well on certain attributes rather than faring unequally on these attributes
 - Metacognitive experiences
 - How the information is processed beyond the content of the decision
 - Affect decisions beyond formal knowledge by influencing retrieval ease, inferences and biases
- Characteristics of the decision
 - Information availability
 - The amount, the quality and the format of information affects the decision-making strategy

- Information format
 - The way that information is organized or presented in the external environment
 - Influences the decision-making strategy
 - Ex. Information organized by brand → brand-based decision-making strategy such as a compensatory, conjunctive or disjunctive model
 - Consumers sometimes restructure information into a more useful format
- Trivial attributes
 - Trivial attributes can be used to complete and justify decisions
- Group context
 - Consumers attempt to balance two sets of goals:
 - Goals that are attained by the individual's action alone (individual alone)
 - Goals that are achieved depending on the actions of both the individual and the group (individual group)
 - Self-presentation
 - Consumers seek to convey a certain image through the decisions they make in a group context
 - Minimizing regret
 - Risk-averse consumers tend to make choices that are similar to those made by the rest of the group
 - Information gathering
 - Consumers can learn more about the different choices each has made through interaction with other group members



- Marketing implications
 - Marketers can sell a new, improved model alongside the old model at the same price to make the new one look better
 - Marketers should present a few key points, not a flood of information

CHAPTER 9: Judgment and Decision Making Based on Low Consumer Effort

1. Identify the types of heuristics that consumers can use to make simple judgments.
2. Explain why marketers need to understand both unconscious and conscious decision-making processes in low-effort situations.
3. Show how the hierarchy of effects and operant conditioning explain consumers' low-effort decision making.
4. Discuss how consumers make thought-based low-effort decisions using performance-related tactics, habit, brand loyalty, price-related tactics, and normative influences.
5. Describe how consumers make affect-based low-effort decisions using feelings as a simplifying strategy, brand familiarity, variety seeking, and impulse purchasing.

Low-effort judgment processes

- The representativeness heuristic
 - Making a judgment by comparing a stimulus with the category prototype
 - Similarities will indicate high quality
 - Can lead to biased judgments
- The availability heuristic
 - Basing judgments on events that are easier to recall
 - Base-rate information
 - How often an event really occurs on average
 - Tends to be ignored
 - Law of small numbers
 - Consumers' expectation that information obtained from a small number of people represents the larger population
 - Makes word-of-mouth communication powerful
- Marketing implications
 - Marketers can position offerings close to a prototype
 - Marketers can provide base-rate information about the general population

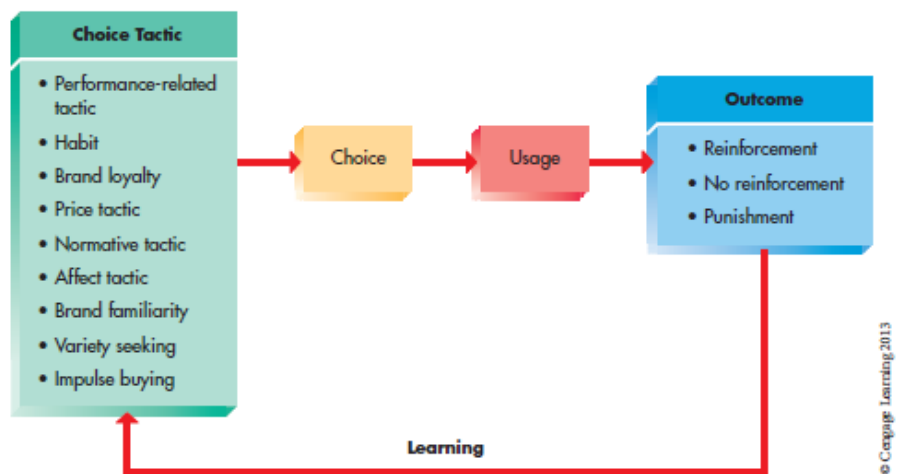
Low-effort decision-making processes

- Unconscious low-effort decision making
 - Environmental stimuli affect unconscious choices
 - Ex. perfume fragrance in a department store
 - Thin-slice judgments
 - Positive attitude toward a friendly human face
 - Ex. a 'smiling' car
 - Body feedback
 - Ex. nodding
 - Automatic goal-relevant behavior
- Conscious low-effort decision making
 - Traditional hierarchy of effects:
 - Thinking → feeling → behaving
 - BUT, low-effort hierarchy of effects:

- Thinking → behaving → feeling
- Using simplifying strategies when consumer effort is low
 - Framing influences consumers' reaction
 - The goal is rather satisficing than optimizing
 - Repeat purchase
 - Consumers learn choice tactics
 - Simple rules of thumb used to make low-effort decisions
 - Ex. price tactics, performance tactics, normative tactics, habit tactics, brand-loyalty tactics, variety-seeking tactics

Learning choice tactics

- Operant conditioning
 - The view that behavior is a function of reinforcements and punishments received in the past
- Reinforcement
 - Comes from a feeling of satisfaction that occurs when consumers perceive that their needs have been adequately met
 - As long as a consumer is not dissatisfied, the choice tactic he/she used will be reinforced
 - Can occur for both brands and choice tactics
- Punishment
 - Consumers who have a bad experience with a product or service, form a negative evaluation of it and never purchase it again
 - Occurs when a brand does not meet the consumer's needs and he learns not to buy that brand again
 - Can lead consumers to reevaluate the choice tactic used
- Repeat purchase
 - Whether a consumer forms a positive or negative evaluation of a brand or tactic can be an important input into future decisions



- Choice tactics depend on the product
 - Experiences help consumers learn which tactics work for each product, and they use these tactics to minimize decision-making effort for future purchases

Low-effort thought-based decision-making

- Performance as a simplifying tactic
 - Performance-related tactics
 - Tactics based on benefits, features or evaluations of a brand
 - Marketing implications
 - Marketers should increase the likelihood of satisfaction through offering quality
 - Sales promotions such as free samples, price deals and coupons can be used to induce consumers to try an offering
 - They only work if product performance satisfies and reinforces the consumer
- Habit as a simplifying strategy
 - Habit
 - Doing the same thing time after time
 - Little/no information sought
 - Little/no evaluation of alternatives
 - Decision-making based on habit reduces risk
 - Marketing implications
 - Developing repeat-purchasing behavior
 - Repeat purchases lead to profitability
 - Shaping
 - Leading consumers through a series of steps to create a desired response: purchase
 - Sales promotions are often used to shape repeat purchasing
 - Marketing to habitual purchasers of other brands
 - Sales promotions are used to induce brand switching
 - Habits can also be broken by introducing a new and unique benefit
 - Distribution policies
 - The greater the amount of shelf space a brand has, the more likely it is to get consumers' attention
 - Marketing to habitual purchasers of one's own brand
 - Marketers need to offer comparable deals to build resistance to switching
 - Distribution and inventory control is important to prevent habitual consumers from switching brands
 - Advertising can induce resistance to switching
- Brand loyalty as a simplifying strategy
 - Brand loyalty
 - Buying the same brand repeatedly because of a strong preference for it (quality & satisfaction)
 - Results from very positive reinforcement of a performance-related choice tactic
 - Cognitive lock-in
 - Results in low-effort decision-making
 - Resistant to competitive efforts because of a high level of commitment
 - Multi-brand loyalty

- Buying two or more brands repeatedly because of a strong preference for them
- Marketing implications
 - Identifying brand-loyal customers
 - Focus on consumer purchase patterns
 - Consumers who exhibit a particular sequence of purchases (3 or 4 consecutive purchases of the same brand) or proportion of purchases (7 or 8/10 purchases for the same brand) are considered brand loyal
 - But, this may also indicate habit
 - So, assessment needed of both repeat-purchase behavior and brand preference
 - Developing brand loyalty
 - Price promotions are becoming less effective for brand loyalty so other techniques should be applied
 - Developing brand loyalty through product quality
 - Satisfy the consumer with a high-quality product that is priced fairly
 - Developing brand loyalty through sales promotions
 - Ex. frequent-buyer programs, discount coupons, giveaways, etc.
 - Marketing to brand-loyal consumers of other brands
 - It is usually better to avoid these consumers, except when a brand has a strong point of superiority or differentiation when compared with the competition
- Price as a simplifying strategy
 - Price-related tactics
 - Simplifying decision heuristics that are based on price
 - Consumer side price considerations
 - Zone of acceptance
 - The acceptable range of prices for any purchase decision
 - Price is sometimes used as a heuristic to judge quality
 - Price perceptions
 - A product's price can be compared with an internal reference price
 - Consumers perceive odd prices as significantly lower than even prices (€15.99 ⇔ €16.00)
 - Consumers tend to be more responsive to price decreases than they are to price increases
 - Deal-prone consumer
 - A consumer who is more likely to be influenced by price
 - Marketer side price considerations
 - Different types of promotions and pricing techniques
 - Savings must be:
 - At or above the just noticeable difference
 - Within zone of acceptance
 - Special pricing must not be used too often or risk of dilution

- Marketing implications
 - There are more consumers searching for deals on deal sites
 - The importance of value
 - Many consumers are looking for good value: high-quality brands at a good price
 - Special pricing
 - Too many deals can damage brand loyalty and consumers will perceive the discount price as the regular price
 - Deals tend to work best when used intermittently and selectively
 - Price consciousness is not static
 - Consumers tend to be more price conscious in difficult economic times than in times of prosperity
- Normative influences as a simplifying strategy
 - Normative choice tactics
 - Low-elaboration decision making that is based on others' opinions
 - Can result from:
 - Direct influence
 - Others try to manipulate consumers
 - Vicarious observation
 - Consumers observe others to guide their behavior
 - Indirect influence
 - Consumers are concerned about the opinions of others
 - Particularly common among inexperienced consumers with little knowledge

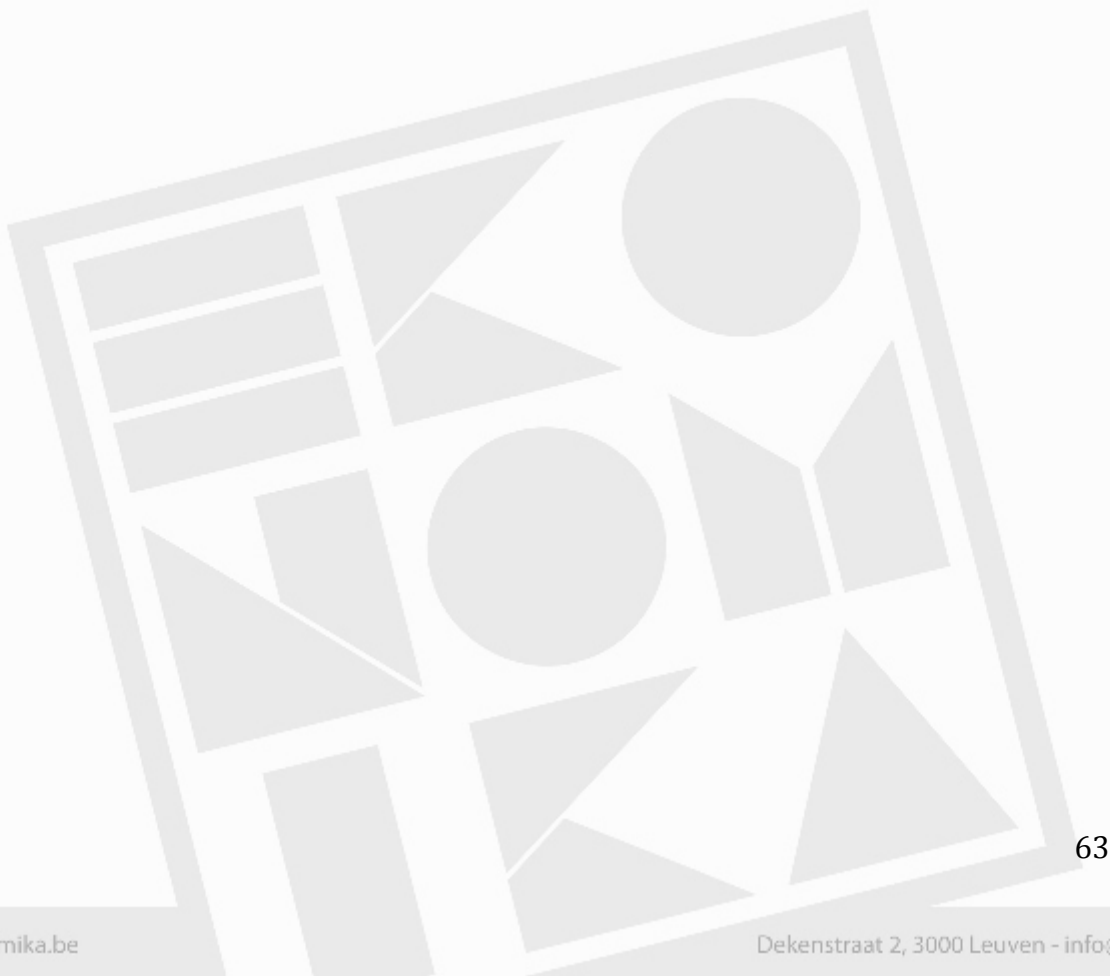
Low-effort feeling-based decision-making

- Feelings as a simplifying strategy
 - Affect
 - Low-level feelings
 - Most likely to be part of the decision process when the offering is hedonic and other factors are not in operation
 - Affect-related tactics
 - Tactics based on feelings
 - Affect referral
 - A simple type of affective tactic whereby consumers simply remember their feelings for the product or service
 - "How do I feel about it?"
- Brand familiarity
 - Easy recognition of a well-known brand
 - Mere exposure effect / Visual attributes
 - Co-branding
 - An arrangement by which two brands form a partnership to benefit from the power of both
 - Marketing implications

- Two key aspects of a product's design generate more positive affective responses to the product:
 - Unity
 - When all the visual parts of a design fit together
 - Prototypicality
 - When the object is representative of its category
- Decision-making based on variety-seeking needs
 - Variety seeking
 - Trying something different
 - Satiation & boredom
 - Consumer decisions that occur repeatedly can become monotonous
 - Optimal stimulation level
 - The level of arousal that is most comfortable for an individual
 - Sensation seeker
 - A consumer who actively looks for variety
 - These consumers are a good market for new offerings
 - Vicarious exploration
 - Seeking information simply for stimulation
 - Marketing implications
 - Marketers should recognize consumers' need for variety and accommodate these needs appropriately
 - Simply altering the way that a product assortment is presented can increase consumers' perceptions of variety
- Buying on impulse
 - Impulse purchase
 - An unexpected purchase based on a strong feeling
 - Intense feeling
 - Disregard negative consequences
 - Euphoria/excitement
 - Conflict between self-control vs. indulgence
 - Marketing implications
 - Marketers can influence impulse purchases
 - Marketers should use eye-level and eye-catching displays, special package designs,..

CHAPTER 10: Post-decision processes

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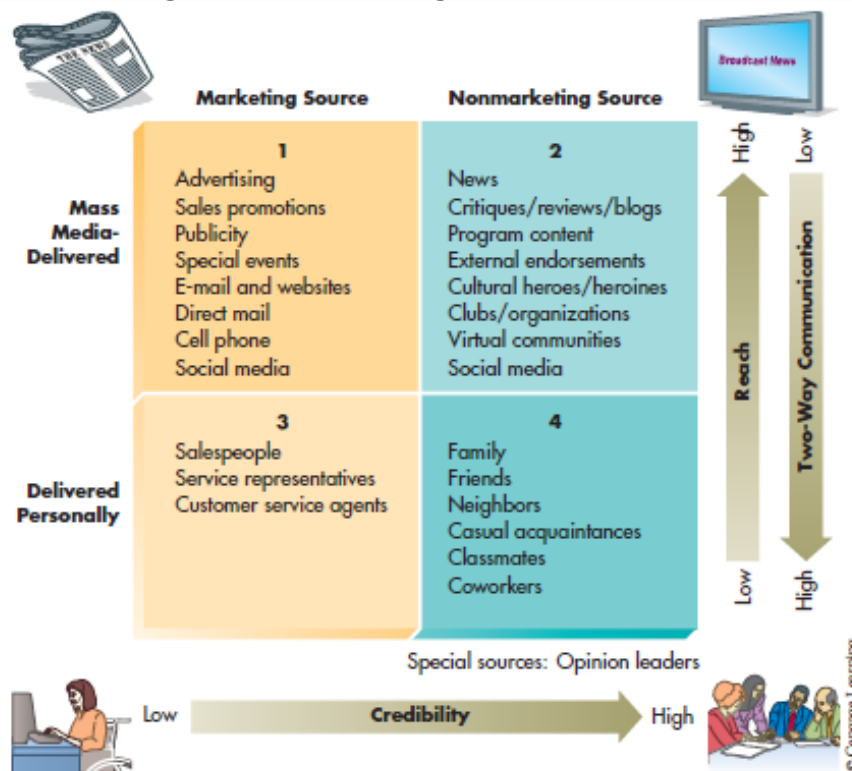


CHAPTER 11: Social influences on consumer behavior

1. Explain how social influence can come from marketing or non-marketing sources and can be mass media or personally delivered.
2. Discuss why marketers must pay particular attention to the influence of opinion leaders, both online and offline, and to the effects of social media.
3. Highlight the types and characteristics of reference groups and show how each can affect consumer behavior.
4. Distinguish between normative and informational influence, and explain how marketers can use their knowledge of these types of influence for more effective marketing.

Sources of influence

- Social influence
 - Information by and implicit or explicit pressures from individuals, groups and the mass media that affects how a person behaves
- Marketing and non-marketing sources



- Marketing sources delivered via mass media
 - Marketing source
 - Influence delivered from a marketing agent
 - Ex. advertising, personal selling
 - Ex. advertising, sales promotions, publicity, special events and social media posts
- Marketing sources delivered personally
 - Ex. Sales people, service representatives and customer service agents
 - Ex. In retail outlets, at consumers' homes or offices, over the phone or via e-mail or online chat

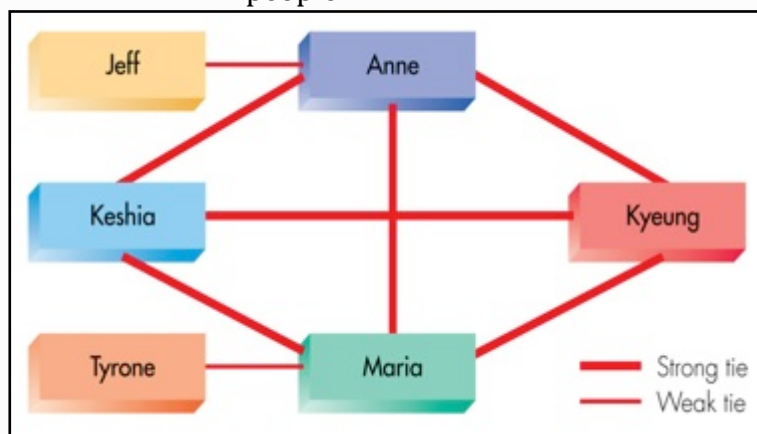
- Non-marketing sources delivered via mass media
 - Non-marketing source
 - Influence delivered from an entity outside a marketing organization
 - Ex. friends, family, the media
 - Ex. news items about products,...; internet sites, blogs and other media not controlled by marketers, etc.
- Non-marketing sources delivered personally
 - Word of mouth
 - Influence delivered verbally from one person to another person or group of people
- Marketing and non-marketing sources delivered via social media
 - Social media are increasingly used by both marketing and non-marketing sources
 - They have a mass reach but a more personal feel because consumers choose when, where and how to access and share content
 - Reaction to marketing sources delivered via social media is likely to be positive when the content is entertaining, informative or is valued in some other way by the audience
- How do these general sources differ?
 - Reach
 - Mass media reach large consumer audiences
 - Capacity for two-way communication
 - Personally delivered sources allow for a two-way flow of information
 - Information can be tailored to the consumer audience
 - Credibility
 - Marketing and non-marketing sources differ in their credibility
 - Information delivered through marketing sources tends to be perceived as being less credible, more biased and manipulative
 - Non-marketing sources appear more credible because consumers don't believe that the sources have a personal stake in their purchase, consumption or disposition decisions
 - Marketing implications
 - Use non-marketing sources to enhance credibility
 - Use personal sources to enhance two-way communication
 - Use a mix of sources to enhance impact
- Opinion leaders
 - An individual who acts as an information broker between the mass media and the opinions and behaviors of an individual or group
 - Knowledgeable about products
 - Heavy users of mass media
 - Buy new products when introduced
 - Perceived as unbiased and credible
 - Self-confident, gregarious and willing to share product information
 - Part of a general category of *gatekeepers*:
 - A source that controls the flow of information

- People who have special influence/power in deciding whether a product or information will be disseminated to a market
- Market maven
 - A consumer on whom other rely for information about the marketplace in general
 - He/she seems to know all about the best products, the good sales and the best stores
- Marketing implications
 - Target opinion leaders
 - To encourage positive, personal reviews and thereby influence the attitudes and buying behavior of consumers
 - Use opinion leaders in marketing communications
 - Their expertise and association support the offering
 - Alternatively: use simulated opinion leaders
 - Refer consumers to opinion leaders
 - Ask consumers to contact a knowledgeable opinion leader

Reference groups as sources of influence

- Reference group
 - A set of people with whom individuals compare themselves for guidance in developing their own attitudes, knowledge and behavior
- Types of reference groups
 - Aspirational reference groups
 - Groups that consumers admire and desire to be like but are not currently a member of
 - Associative reference groups
 - Groups to which consumers actually belong
 - Brand community
 - A specialized group of consumers with a structured set of relationships involving a particular brand, fellow customers of that brand and the product in use
 - Dissociative reference groups
 - Groups whose attitudes, values and behaviors consumers disapprove of and do not wish to emulate
 - Marketing implications
 - Associate products with aspirational reference groups
 - Accurately represent associative reference groups
 - Help to develop brand communities
 - Avoid using dissociative groups
- Characteristics of reference groups
 - Degree of group contact
 - Primary reference group
 - Group with whom consumers have physical face-to-face interaction
 - Tends to exert the greatest influence
 - Ex. Friends, family,..
 - Secondary reference group

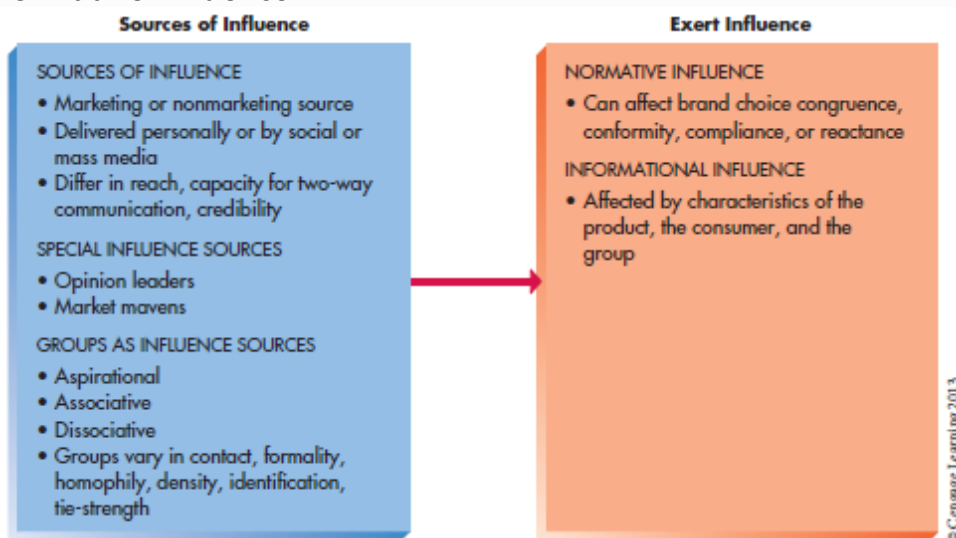
- Group with whom consumers do not have direct contact
- Ex. Internet chat group, musical fan club,..
- Formality
 - Reference groups vary in formality
 - Some are formally structured, with rules outlining the criteria for group membership and the expected behavior of members
 - Others are more ad hoc, less organized and less structured
- Homophily: Similarity among members
 - The overall similarity among members in the social system
 - Reference-group influence is strong because similar people tend to see things in the same way, interact frequently and develop strong social ties
- Group attractiveness
- Density
 - Dense groups are those in which group members all know one another
 - Not all groups are very dense
- Degree of identification
 - The influence that a group has on an individual's behavior is affected by the extent to which he/she identifies with it
- Tie strength
 - The extent to which a close, intimate relationship connects people



- Marketing implications
 - Understand information transmission
 - Within dense networks, information is likely to be transmitted quickly
 - Target individuals in dense networks characterized by strong ties and frequent contact
 - Target formal reference groups
 - Target homophilous consumers
 - Ex. Amazon recommendation system
 - Target the network
 - Many Facebook friends, LinkedIn contacts & Twitter followers → a large social & or professional network
 - Understand strength of weak ties
 - Weak ties often serve as “bridges” to connect groups

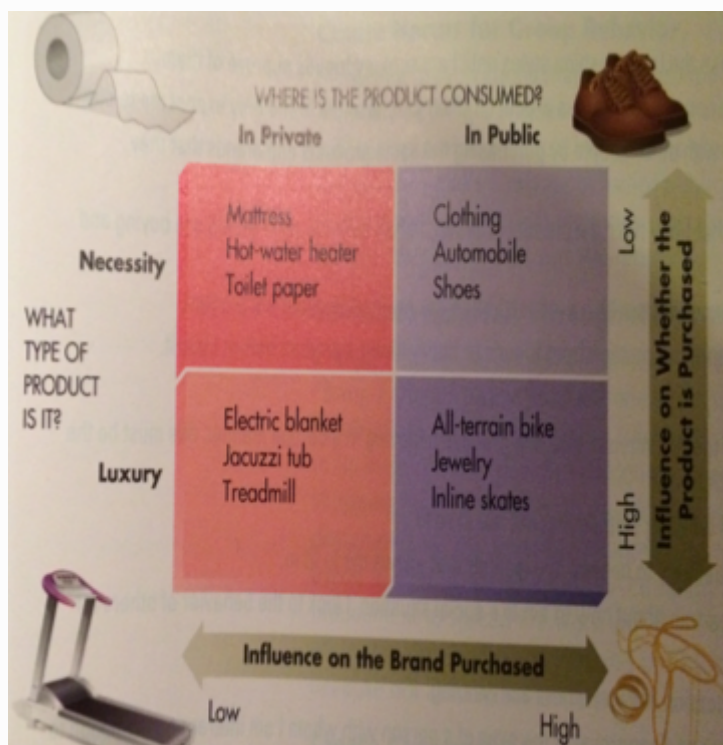
- Embedded market
 - Market in which the social relationships among buyers and sellers change the way the market operates
 - Ex. buying cookies from neighbor's daughter vs. buying cookies from a stranger
- Reference groups affect consumer socialization
 - Consumer socialization
 - The process by which people learn to become consumers and come to know the value of money; the appropriateness of saving versus spending; and how, when, and where products should be bought and used
 - Consumers learn consumption values as well as gain the knowledge and skills for consumption
 - People as socializing agents
 - Intergenerational influence affects consumers' acquisition and use of certain product categories and preferred brands
 - The effect of reference groups as socializing agents can change over time
 - The media and the marketplace as socializing agents

Normative influence



- Normative influence
 - Social pressure designed to encourage conformity to the expectations of others
 - Norm
 - Collective decision about what constitutes appropriate behavior
- How normative influence can affect consumer behavior
 - Brand-choice congruence and conformity
 - Brand-choice congruence
 - The likelihood that consumers will purchase the same brand as other members of their group
 - Conformity

- The tendency for an individual to behave as the group behaves
- Compliance versus reactance
 - Compliance
 - Doing what the group or social influencer asks
 - Reactance
 - Doing the opposite of what the individual or group wants us to do
- Social-relational theory
 - Consumers conduct their social interactions according to:
 - The rights and responsibilities of their relationship with group members
 - A balance of reciprocal actions with group members
 - Their relative status and authority
 - The value placed on different objects and activities
 - In turn, these relationships and their unspoken rules wield normative influence on consumer behavior
- What affects normative influence strength
 - Product characteristics
 - Because consumers have to buy necessity items, reference groups are likely to have little influence on these purchases, but they might exert some influence when purchasing a luxury item
 - Reference groups are likely to have considerable influence on the brand consumers buy when the product is publicly consumed but not when it is privately consumed
 - The more central a product is to a reference group, the greater the normative influence the group exerts over its purchase



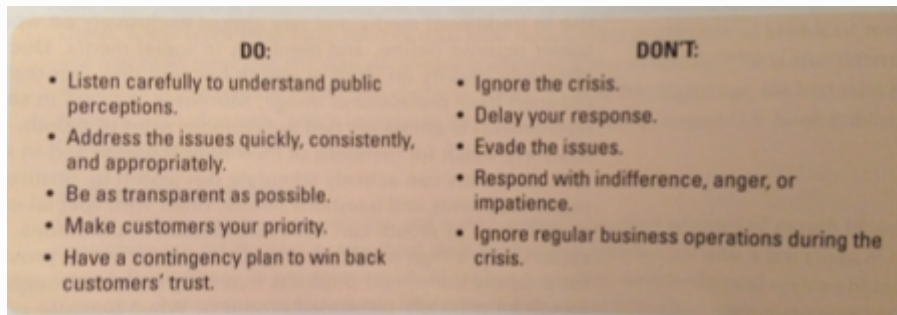
- Consumer characteristics
 - Consumers who are susceptible to interpersonal influence try to enhance their self-image by acquiring products that they think others will approve of
- Group characteristics
 - Coercive power
 - The extent to which the group has the capacity to deliver rewards and sanctions
 - Group cohesiveness and group similarity also affect the degree of normative influence
- Marketing implications
 - Show rewards/sanctions for product use/nonuse
 - Create norms for group behavior
 - Stimulate referrals through normative influence
 - Ex. Bring a friend-promotions, referral discounts,..
 - Create conformity pressures
 - Marketers can actively associate a product with a certain group
 - Use compliance techniques
 - Foot-in-the door technique
 - A technique designed to induce compliance by getting an individual to agree first to a small favor, then to a larger one and then to an even larger one
 - Door-in-the-face technique
 - A technique designed to induce compliance by first asking an individual to comply with a very large and possibly outrageous request, followed by a smaller and more reasonable request
 - Even-a-penny-will-help technique
 - A technique designed to induce compliance by asking individuals to do a very small favor – one that is so small that it almost does not qualify as a favor
 - Ask consumers to predict their behavior
 - It often increases the likelihood that they will actually behave in that way
 - Self-fulfilling prophecy
 - Provide freedom of choice
 - Use expert service providers similar to target customers

Informational influence

- Informational influence
 - The extent to which sources influence consumers simply by providing information
 - Can affect the time and effort consumers devote to information search and decision making
- Factors affecting informational influence strength
 - Product characteristics

- Consumers tend to be more susceptible to informational influence when considering complex or risky products
- Consumer and influencer characteristics
 - Influence is greater when the source is an expert and the consumer lacks expertise or has had ambiguous experiences with the product
 - Personality traits also influence the extent to which consumers look to others for cues on product characteristics
 - Informational influence may affect tie strength (and vice-versa)
 - Culture may affect informational influence
- Group characteristics
 - Members of cohesive groups have both greater opportunity and perhaps greater motivation to share information
- Marketing implications
 - Create informational influence by using experts
 - Create a context for informational influence
 - Ex. sponsoring of special product-related events, hosting social media accounts,..
 - Create informational and normative influence
 - Marketing efforts may be most successful when both are involved
- Descriptive dimensions of information
 - Valence: is information positive or negative?
 - Negative information is more likely to be communicated
 - People pay more attention to & give more weight to negative information
 - Modality: does information come from verbal or nonverbal channels?
 - Consumers can infer norms through observation instead of verbal description
- The pervasive and persuasive influence of word of mouth
 - Online word of mouth
 - Online sources magnify the effect of word of mouth because consumers can notify many people about their good or bad experiences with a few clicks of the mouse
 - Social media word of mouth
 - Social media are truly *social*, disseminating word of mouth through public messages and through messages visible only to friends
 - Social media have made word of mouth real-time
- Marketing implications
 - Viral marketing
 - Rapid spread of brand/product information among a population of people stimulated by brands
 - Opportunity to influence many people in a short period
 - Engineering favorable word of mouth
 - Target opinion leaders and use networking opportunities
 - Should be an ongoing effort across marketing activities

- Preventing and responding to negative word of mouth
 - Crisis management:



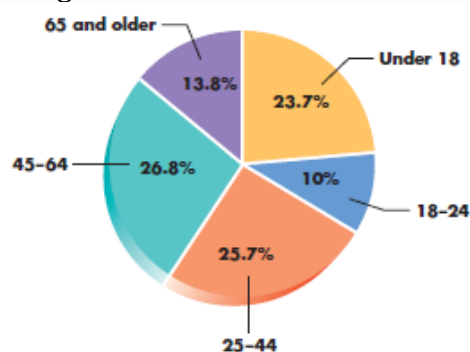
- Handling rumors and scandals
 - Do nothing
 - Attempts to correct it can attract more attention
 - BUT, can backfire
 - Do something locally
 - Put the rumor to rest on a case-to-case basis
 - Ex. only react to complaints
 - Do something discreetly
 - Don't mention the rumor/scandal, but do something contrary to it
 - Do something big
 - Use all the media resources that are at your disposal
- Tracking word of mouth
 - Identify the source of positive and negative information

CHAPTER 12: Consumer diversity

1. Explain how the consumer's age affects acquisition, consumption, and disposition behavior, and why marketers need to consider age influences when planning marketing activities.
2. Describe how gender and sexual orientation each affects consumer behavior and how companies can create more effective marketing by understanding these two influences.
3. Discuss how regional, ethnic, and religious influences can affect consumer behavior and why marketers must consider such influences when targeting specific groups.

How age affects consumer behavior

- Age trends in the United States



Source: Data from U.S. Census Bureau, 2010 Census.

- Teens and Millennials
 - Teens shop more frequently than consumers in other segments and put a high value on price and convenience
 - Millennial / Generation Y
 - Individuals born between 1980 and 1994
 - They are media and tech savvy, having grown up during the Internet era and being accustomed to using various digital gadgets to show, communicate, listen to music, play games,...
 - Boomerangers
 - Consumers in their 20s and 30s who delay their independence and move back in with their parents
 - High discretionary income
 - Delay marriage
- Marketing implications
 - Brand loyalty can be developed early in life
 - Positioning
 - Help establishing an identity, rebelling and peer acceptance
 - Advertising messages
 - Incorporate symbols, issues and language of teens
 - Traditional and social media
 - Use specific TV networks, radio stations and the Internet
 - Other marketing activities
 - Recreation and special events
- Generation X
 - Born between 1965 and 1976

- Marketing implications
 - Advertising messages
 - Consumers tend to be cynical about obvious marketing
 - Consumers react positively to messages they see as clever or in tune with their values, attitudes and interests
 - Traditional and social media
 - Alternative radio, cable TV, concerts, sporting events, music publications, vacation spots
- Boomers
 - Born between 1946 and 1964
 - Influential consumer segment because of size and buying power
 - Value individualism and freedom
 - Segments: leading boomers, core boomers, and trailing boomers
 - Marketing implications
 - Target for cars, housing, travel, entertainment, recreation equipment, motorhomes
 - Heavy consumers of financial services
 - Gourmet fast food
 - Comfortable clothing
 - Anti-aging products
- Seniors
 - Gray market
 - Individuals over 65 years old
 - Women outnumber men
 - Reduced information processing skills
 - Susceptible to the “truth effect”
 - Believing that often-repeated statements are true
 - Tend to be brand loyal
 - Marketing implications
 - Advertising and media
 - Oldies radio
 - Activity-specific publications & TV
 - Lifestyle-related events
 - Distribution, sales and promotions
 - Age-friendly shopping environment
 - Education and protection are needed to avoid scams
 - Health-related products/services
 - Retirement communities

How gender and sexual orientation affect consumer behavior

- Sex roles
 - Men
 - Guided by agentic goals:
 - Goals that stress mastery, self-assertiveness, self-efficacy, strength and no emotion
 - Tend to be more competitive, independent, externally motivated and willing to take risks

- Women
 - Guided by communal goals:
 - Goals that stress affiliation and fostering harmonious relations with others, submissiveness, emotionality and home orientation
 - Tend to be cooperative, interdependent, intrinsically motivated and risk averse
- Differences in acquisition and consumption behaviors
 - Women
 - Deliberate, thorough research
 - Pay attention to both personally relevant information and information relevant to others
 - More likely to engage in compensatory eating
 - Responding to depression or making up for deficiencies such as lack of social contact by eating
 - Men
 - Driven by themes, simple heuristics
 - Sensitive to personally relevant information
- Gender and sexual orientation
 - Gender
 - Biological state of being male or female
 - Sexual orientation
 - A person's preference toward certain behaviors
 - Masculine
 - Tend to display male-oriented traits
 - Feminine
 - Tend toward female characteristics
 - Androgynous
 - Having both male and female traits
 - Marketing implications
 - Special targeting at gay/lesbian consumers
 - BUT, this can backfire with conservative consumers

How regional influences affect consumer behavior

- Regions within the United States
 - NOT SEEN IN CLASS
- Regions across the world
 - Cultural differences can be viewed along three main dimensions:
 - Individualism versus collectivism
 - Individualist cultures
 - Emphasis on the individual
 - Collectivist cultures
 - Emphasis on connections to others
 - Horizontal versus vertical orientation
 - Horizontal orientation
 - Value equality
 - Vertical orientation
 - Emphasis on hierarchy
 - Masculine versus feminine

- Masculine cultures
 - Tend to be more aggressive and focused on individual advancement
- Feminine cultures
 - Tend to be more concerned with social relationships
- Marketing implications
 - Marketing strategy has to be altered according to the culture

How ethnic influences affect consumer behavior

- Ethnic groups within the United States
 - Ethnic group
 - Subculture with a similar heritage and values
 - Acculturation
 - The process by which individuals learn the values and behaviors of a new culture
 - Learning how to adapt to a new culture
 - Multicultural marketing
 - Strategies used to appeal to a variety of cultures at the same time
 - Intensity of ethnic identification
 - How strongly people identify with their ethnic group
 - Accommodation theory
 - The more effort one puts forth in trying to communicate with an ethnic group, the more positive the reaction
 - Hispanic American consumers
 - NOT SEEN IN CLASS
 - African American consumers
 - NOT SEEN IN CLASS
 - Asian American consumers
 - NOT SEEN IN CLASS
- Ethnic groups around the world
 - Ethnic subcultures exist in many nations
 - Marketers can fine-tune their offerings and positioning for each targeted group

The influence of religion

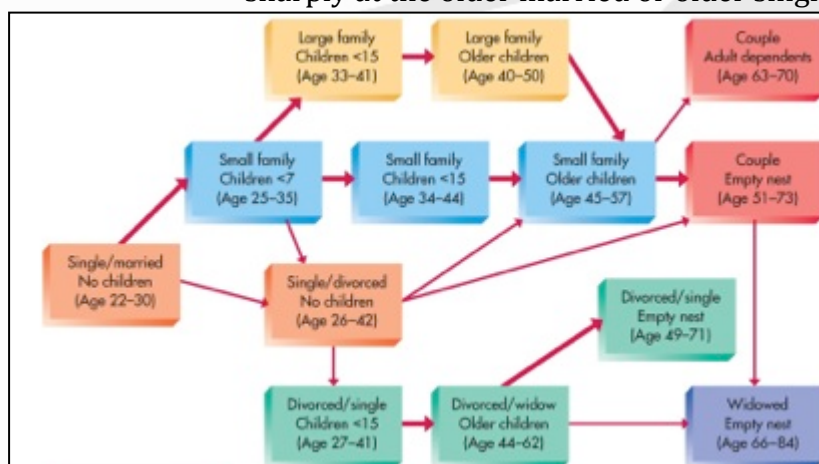
- Religion provides people with a structured set of beliefs and values that serve as a code of conduct or guide to behavior
- It also provides ties that bind people together and make one group different from another
- Religion can prevent consumption of certain products or services
- Marketing tactics should demonstrate understanding and respect for the targeted group's beliefs and customs

CHAPTER 13: Household and social class influences

1. Describe the various types of households and families, and explain how the family life cycle and other forces affect household structure.
2. Discuss the roles that household members play in acquisition and consumption decisions, and how companies can build on these roles to market more effectively.
3. Define the social class hierarchy and identify the major determinants of social class standing.
4. Explain how social class influences consumer behavior and why these influences are considerations when marketers plan strategy and tactics.
5. Outline three key forces that are, over time, changing social class structure in many countries.

How the household influences consumer behavior

- Types of households
 - Nuclear family
 - Father, mother and children
 - Extended family
 - The nuclear family plus relatives such as grandparents, aunts, uncles and cousins
- Households and family life cycle
 - Household
 - A single person living alone
 - A group of individuals who live together in a common dwelling, regardless of whether they are related
 - Family life cycle
 - Different stages of family life, depending on the age of the parents and how many children are living at home
 - In general, spending increases as households shift from young singles to young married and then remains high until falling sharply at the older married or older single stages



- This exhibit does not capture all types of households
 - Missing are: same-sex couples, never-married single mothers, pets, etc.
- Changing trends in household structure

- Delayed marriage and cohabitation
 - Career is a higher priority
 - Cohabiting individuals tend to be more self-oriented
- Dual-career families
 - Higher discretionary spending
 - Particularly value offerings that save time
- Divorce
 - During this transition, consumers perform critical tasks such as disposing of old possessions, forming a new household and creating new patterns of consumption
- Smaller families
 - The average household size is getting smaller
 - This means that there is more discretionary income to spend on recreation, vacations, education and entertainment
- Same-sex couples

Roles that household members play

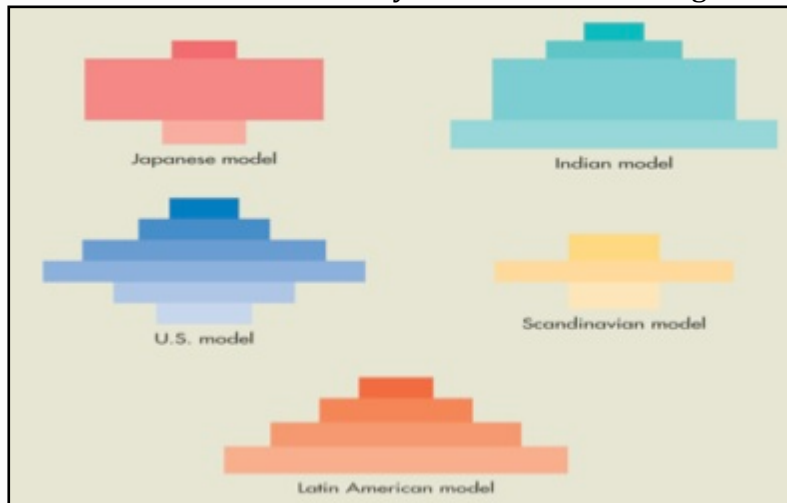
- Household decision roles
 - Roles that different members play in a household decision
 - Each role can be performed by different household members, by a single individual, a subset of individuals or the entire household
 - Roles can be:
 - Expressive
 - Roles that involve an indication of family norms
 - Ex. choice of color or style
 - Instrumental
 - Roles that relate to tasks affecting the buying decision
 - Ex. when and how much to purchase
 - Gatekeeper
 - Household members who collect and control information important to the decision
 - Influencer
 - Household members who try to express their opinions and influence the decision
 - Decider
 - The person or persons who actually determine which product or service will be chosen
 - Buyer
 - The household member who physically acquires the product or service
 - User
 - The household members who consume the product
- Household role conflict
 - Reasons for buying
 - Who should make decision
 - Which option to choose
 - Who uses product/service
 - Purchaser is not always the end user
 - Gender roles are blurring

- In general, households resolve conflicts through problem solving, persuasion, bargaining and politics
- The roles of spouses
 - Husband-dominant decision
 - Decision made primarily by the male head-of-household
 - Wife-dominant decision
 - Decision made primarily by the female head-of-household
 - Autonomic decision
 - Decision equally likely to be made by the husband or wife, but not by both
 - Syncretic decision
 - Decision made jointly by the husband and wife
 - Bargaining
 - Involves a fair exchange
 - Concession
 - A spouse gives in on some points to get what he/she wants in other areas
- The role of children
 - Pester power
 - Children's ability to make their parents buy something or do something for them by continually asking until the parents agree to do it.
 - Children consistently overestimate how much influence they have in most decisions
 - The older the children, the more influence they will exert
 - Marketing implications
 - Marketers should determine which family members are involved in each acquisition decision and appeal to all important parties

Social class

- Social class hierarchy
 - The grouping of members of society according to status, high to low
- Social classes
 - Identifiable groups of individuals whose behaviors and lifestyles differ from those of members of other classes
 - Loose collections of individuals with similar life experiences, not formal groups with a strong identity
- Types of social class systems
 - Upper, middle, lower
 - Economic substrata
 - Overprivileged
 - Families with an income higher than the average in their social class
 - They have funds to buy more than basic necessities
 - Class average
 - Families with an average income in a particular class
 - They can afford the type of symbols expected for their status

- Underprivileged
 - Families below the average income in their class
 - They have trouble meeting class expectations



- Social class influences
 - Social class structures strongly affect norms, values and behavior
 - Trickle down-effect
 - Trends that start in the upper classes and are then copied by lower classes
 - Status float
 - Trends that start in the lower and middle classes and move upward
- How social class is determined
 - Income versus social class
 - Income is only weakly related to social class
 - However, social class can often explain how income is used
 - Occupation and education
 - Strongest determinant of class standing
 - Other indicators of social class
 - Inherited status
 - Status that derives from parents at birth
 - Earned status
 - Status acquired later in life through achievements
 - Social class indexes
 - Computerized Status Index (CSI)
 - Index that assesses consumers' education, occupation, area of residence and income
 - Status crystallization
 - When consumers are consistent across indicators of social class income, education, occupation, etc.

How social class changes over time

- Upward mobility
 - Raising one's status level
 - Usually by educational or occupational achievement
- Downward mobility

- Losing one's social standing
- An increasing trend in some industrialized societies, job loss
- Creates disappointment and disillusionment
- Social class fragmentation
 - The disappearance of class distinctions
 - Several reasons:
 - Blurred class divisions
 - Increased availability of mass media exposes consumers to the values and norms of diverse classes and cultures
 - Advances in communication technology have increase interaction across social class lines

How does social class affect consumption?

- Conspicuous consumption and voluntary simplicity
 - Conspicuous consumption
 - The acquisition and display of goods and services to show off one's status
 - Both uniqueness and conformity play a role
 - Terror management theory
 - Such materialism helps relieve consumers' anxiety over the inevitability of death
 - Conspicuous waste
 - Visibly buying products and services that one never uses
 - Voluntary simplicity
 - Consciously limiting acquisition and consumption for a less materialistic, eco-friendly lifestyle
- Status symbols and judging others
 - People often judge other on the basis of what they own
 - Status symbol
 - Product or service that tells others about someone's social class standing
 - Parody display
 - Status symbols that start in the lower-social classes and move upward
 - Fraudulent symbol
 - Symbol that becomes so widely adopted that it loses its status
- Compensatory consumption
 - The consumer behavior of buying products or services to offset frustrations or difficulties in life
- The meaning of money
 - Money can be defined as a medium of exchange or standard of payment
 - Often, money comes to symbolize power, love and freedom
 - Money as both good and evil
 - Money can be perceived as the just reward for hard work and can lead to the acquisition of needed items, a higher quality of life and the ability to help others and society in general
 - However, the quest for money can lead to obsession, greed, dishonesty and potentially harmful practices

- Money and happiness
 - Money cannot buy love, health, true friendship and children
 - However, money can bring happiness through the purchase of experiences and materialistic possessions
- Marketing implications
 - Marketers can tap into the desire for visible signs of upward mobility
 - Marketers can adapt packages to smaller sizes to sell them at lower prices, affordable when there is downward mobility

The consumption patterns of specific social classes

- The upper class
 - Aristocracy
 - The “old money” of inherited wealth
 - New social elite
 - Nouveaux riches
 - Upper middle class
 - Professionals
 - Small but diverse, its members share a number of common values and lifestyles that relate to consumption behavior
 - Self-expression is important
 - These consumers see themselves as intellectual, political and socially conscious
- The middle class
 - White-collar workers
 - The values and consumption patterns vary, but many look to the upper class for guidance on certain behaviors
- The working class
 - Blue-collar workers
 - Depend heavily on family members for economic and social support in many areas
 - Socially, psychologically and geographically a local orientation
- The homeless
 - Lack shelter and live on the streets or in makeshift structures, cars or vacant houses
 - Struggle for survival
 - Scavenging
 - Finding used or partially used goods that others have discarded
- Marketing implications
 - Product/service should reflect social class motives & values
 - Marketing messages should focus on groups’ distinctiveness
 - Media usage differs between classes
 - Different social classes shop at different stores
 - Social class may not be the best market segmentation variable
 - Difficult to assess
 - Variations within classes
 - Social class fragmentation

CHAPTER 14: Psychographics: values, personality and lifestyles

1. Define values and the value system and show how they can be described.
2. Identify some values that characterize Western cultures, outline the main factors that influence values, and describe how values can be measured.
3. Discuss the personality characteristics most closely related to consumer behavior, and show why these are important from a marketing perspective.
4. Explain how activities, interests, and opinions represent lifestyles.
5. Describe how psychographic applications in marketing combine values, personality, and lifestyle variables.

Psychographics

- A description of consumers based on their psychological and behavioral characteristics

Values

- Values
 - Abstract, enduring beliefs about what is right/wrong, important and good/bad
 - Value system
 - Our total set of values and their relative importance
 - Often in place by age 10
 - Acculturation
 - The process by which individuals learn the values and behaviors of a new culture
 - Value conflict
 - Something is consistent with one value but inconsistent with another equally important value
- How values can be described
 - In terms of their specificity
 - Global values
 - A person's most enduring, strongly held and abstract values that hold in many situations
 - Terminal values
 - Highly desired end states such as social recognition and pleasure
 - Instrumental values
 - The values needed to achieve the desired end states such as ambition and cheerfulness
 - Domain-specific values
 - Values that may only apply to a particular area of activities
- The values that characterize western cultures
 - Materialism
 - Placing importance on money and material goods
 - Increasingly prevalent in Western cultures
 - In contrast, symbolic items are more important to those low in materialism

- Terror management theory
 - Materialism is rooted, in part, in consumers' drive to relieve anxiety over the inevitability of death by deriving self-esteem and status from acquiring and possessing things
- Home
 - Many consumers place a high value on their home and believe in making it as attractive and as comfortable as possible
 - Consumers often consider their home a haven, but they also look for opportunities to connect with others
- Work and play
- Individualism
 - Allocentric consumers
 - Prefer interdependence and social relationships
 - Idiocentric consumers
 - Put more emphasis on individual freedom and assertiveness
- Family and Children
- Health
 - Highly valued due to reasons of self-esteem and concerns about longevity and survival
- Hedonism
 - The principle of pleasure seeking
- Youth
 - Value is placed on youth and on products that help consumers feel youthful
- Authenticity
 - People generally value authentic things, either the original article, or a faithful reproduction
 - Cheap knockoffs or counterfeits tend to be valued much less
- The environment
 - Environmental protection has become an important value
 - Consumers are interested in conserving natural resources, preventing pollution and supporting environmentally friendly goods, services and activities
- Technology
 - Technology is believed to improve the quality of lives
- Why values change
 - Societies and their institutions are constantly evolving
- Influences on values
 - Culture
 - Cultures vary along four main value dimensions:
 - Individualism & collectivism
 - The degree to which a culture focuses on the individuals rather than the group
 - Uncertainty avoidance
 - The extent to which a culture prefers structured to unstructured situations
 - Masculinity versus femininity

- The extent to which a culture stresses masculine values such as assertiveness, success and competition over feminine values such as quality of life, warm personal relationships and caring
- Power distance
 - The degree to which a society's members are equal in terms of status
- Ethnic identification
 - Ethnic groups within a larger culture can have some values that differ from those of other ethnic subcultures
- Social class
 - Different social classes hold specific values, which in turn affect their acquisition and consumption patterns
- Age
 - Members of a generation often share similar values that differ from those of other generations
- Marketing implications
 - Consumption patterns
 - Consumers usually buy, use and dispose of products in a manner consistent with their values
 - Market segmentation
 - Value segmentation
 - The grouping of consumers by common values
 - Marketers can use values to understand the attributes that consumers in a particular segment find important
 - New product ideas
 - The more a new product is consistent with important consumer values, the greater the likelihood of its success
 - Ad development strategy
 - Value-laden ads can instigate value-consistent behavior
 - Marketers must connect product attributes and benefits to consumer values
 - Ethical considerations
 - Consumers use values to gauge the appropriateness of others' behaviors, including the behavior of marketers
 - Consumers evaluate marketers' behavior for fairness, ethics and appropriateness
- How values can be measured
 - Inferring values from the cultural milieu
 - Criticism
 - It is never clear whether culture reflects values or creates them
 - Means-end chain analysis
 - A technique that can help to explain how values link to attributes in products and services
 - Value laddering
 - Determining the root values related to product attributes that are important to consumers

- Can be used to identify product attribute that will be consistent with certain values
- Can be used to develop an advertising strategy
- Can be used to segment global markets and appeal to consumers on the basis of specific benefits and related values

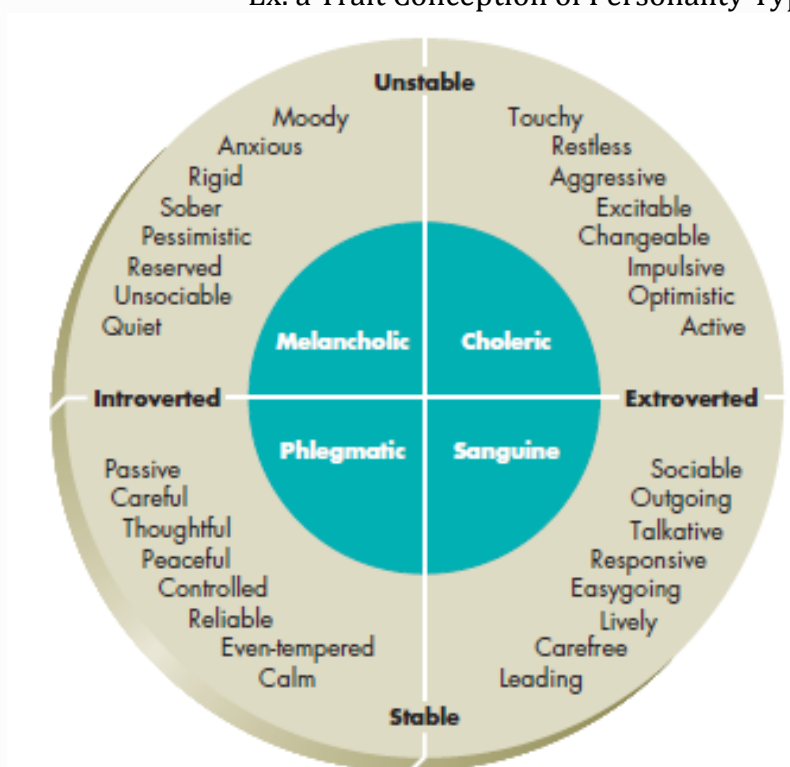
Product	Attribute	Benefit	Instrumental Value (driving force)	Terminal Value
Light beer (I)	Fewer calories	I won't gain weight.	Helps make me healthy	I feel good about myself (self-esteem).
Light beer (II)	Fewer calories Great taste Light taste	Less filling Enjoyable/relaxing Refreshing	Good times/fun Friendship	Belonging
Rice	Comes in boiling bag	Convenient No messy pan to clean up	Saves time	I can enjoy more time with my family (belonging).

- Value questionnaires
 - Material values scale
 - Focuses only on specific aspects of consumer behavior
 - Rokeach Value Survey
 - A survey that measures instrumental and terminal values
 - Helps researchers identify the specific values that are most important to a given group of consumers, determine whether values are changing over time and learn whether values differ for various groups of consumers
 - Drawback
 - Some values measured are less relevant to consumer behavior
 - List of Values
 - A survey that measures nine principal values in consumer behavior
 - Useful for identifying segments of consumers with similar value systems
 - Compared to the RVS, it is a better predictor of consumer behavior, it is shorter and it is easier to administer

Personality

- Personality
 - An internal characteristic that determines how individuals behave in various situations
- Research approaches to personality
 - Psychoanalytic approaches
 - Psychoanalytic theories:

- Personality arises from a set of dynamic, unconscious internal struggles within the mind
- Freud proposed several development stages:
 1. The oral stage
 - The infant is entirely dependent on others for need satisfaction and receives oral gratification from sucking, eating and biting
 2. The anal stage
 - The child is confronted with the problem of toilet training
 3. The phallic stage
 - The youth becomes aware of his/her genitals and must deal with desires for the opposite-sex parent
- Failure to resolve the conflicts from each stage could influence one's personality
- The key point is that the subconscious can influence behavior
- Trait theories
 - Personality is composed of characteristics that describe and differentiate individuals
 - Jung:
 - Individuals can be categorized according to their levels of introversion and extroversion
 - The Big 5
 - Five major personality traits tend to account for most of the variance in personality
 - Agreeableness, conscientiousness, emotional stability, openness and extraversion
 - Ex. a Trait Conception of Personality Types



- Phenomenological approaches
 - Personality is largely shaped by an individual's interpretations of life events
 - Locus of control
 - How people interpret why things happen (internal versus external)
 - Can heavily influence consumers' perceptions of satisfaction in a consumption experience and determine how the consumer feels
- Social-psychological theories
 - Individuals act in social situations to meet their need
 - Karen Horney:
 - Behavior can be characterized by three major orientations:
 - Compliant
 - Individuals are dependent on others and are humble, trusting and tied to a group
 - Aggressive
 - Individuals need power, move away from others and are outgoing, assertive, self-confident and tough-minded
 - Detached
 - Individuals are independent and self-sufficient but suspicious and introverted
 - These orientations are measured by the CAD scale
 - Distinguish between:
 - State-oriented consumers
 - More likely to rely on subjective norms to guide their behavior
 - Action-oriented consumers
 - Behavior is based more on their own attitudes
- Behavioral approaches
 - Differences in personality are a function of how individuals have been rewarded or punished in the past
 - Individuals are more likely to have traits or engage in behaviors for which they have received positive reinforcement
 - Individuals are less likely to maintain characteristics and behaviors for which they have been punished
- Determining whether personality characteristics affect consumer behavior
 - Optimal stimulation level
 - People prefer things that are moderately arousing to things that are either too arousing or not arousing at all
 - Things that are physically stimulating, emotionally energizing or novel have arousal-inducing potential
 - Individuals differ in the level of arousal they regard as moderate and optimal
 - Dogmatism
 - A tendency to be resistant to change or new ideas
 - Open-minded vs. close-minded consumers

- Need for uniqueness (NFU)
 - The desire for novelty through the purchase, use and disposition of products and services
 - Covers three behavioral dimensions:
 - Creative choice counterconformity
 - The consumer's choice reflects social distinctiveness yet is one that others will approve of
 - Unpopular choice counterconformity
 - Choosing products and brands that do not conform to establish distinctiveness despite possible social disapproval
 - Avoidance of similarity
 - Losing interest in possessions that become commonplace to avoid the norm and hence reestablish distinctiveness
- Creativity
 - A departure from conventional consumption practice in a novel and functional way
 - Ex. using substitutes for missing ingredients
- Need for cognition (NFC)
 - A trait that describes how much people like to think
 - Consumers with different needs for cognition differ in terms of their product interests, information search and reaction to different ad campaigns
- Susceptibility to influence
 - Consumers vary in their susceptibility to persuasion attempts, especially those who are interpersonal or face to face
- Frugality
 - The degree to which consumers take a disciplined approach to short-term acquisitions and are resourceful in using products and services to achieve longer-term goals
- Self-monitoring behavior
 - Individuals differ in the degree to which they look to others for cues on how to behave
- National character
 - The personality of a country
 - People can be stereotyped as having a national character
 - Marketers must consider how differences in national character influence reactions to advertising and other communications
- Competitiveness
 - The desire to outdo others through conspicuous consumption of material items
- Marketing implications
 - Marketers can develop offerings and communications that appeal to various personality types

Lifestyles

- Lifestyles

- People's patterns of behavior
- Three components:
 - Activities, interests and opinions (AIO's)

Activities	Interests	Opinions	Demographics
Work	Family	Themselves	Age
Hobbies	Home	Social issues	Education
Social events	Job	Politics	Income
Vacations	Community	Business	Occupation
Entertainment	Recreation	Education	Family size
Club membership	Fashion	Economics	Dwelling
Community	Food	Products	Geography
Shopping	Media	Culture	City size
Sports	Achievements	Future	Life cycle stage

- Lifestyle and behavior patterns
 - Lifestyle research can help marketers understand how a product fits into consumers' general behavior patterns
 - Consumers in different countries may have characteristic lifestyles
- Voluntary simplicity
 - A lifestyle choice for consumers who do not want the accumulation of possessions to be the focus of their lives
- Marketing implications
 - Market segmentation and targeting
 - Identify consumer segments for specific offerings
 - Monitor lifestyle changes to identify new opportunities
 - Communications
 - Marketers can design ad messages and promotions to appeal to certain lifestyles, featuring products in the context of the desired lifestyles
 - New product ideas
 - Marketers can develop new product and service ideas by uncovering unfulfilled needs of certain lifestyle segments

Psychographics: combining values, personality and lifestyles

- VALS
 - Responses to a proprietary survey place a consumer in one of 8 categories (innovator, thinker, believer, achiever, striver, experienter, survivor, maker)



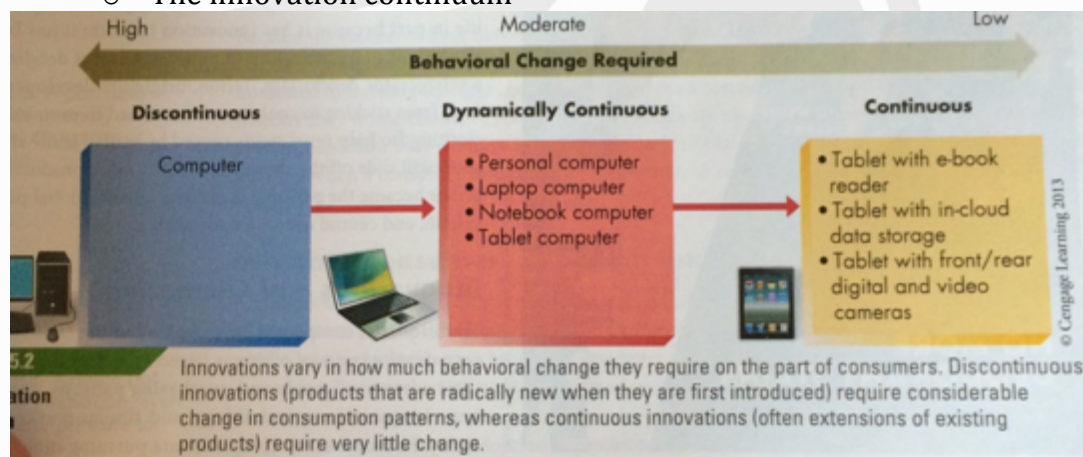
- Other applied psychographic research
 - Futures Company's MindBase
 - A psychographic segmentation system with eight broad segments
 - Determines how consumers in each segment behave and why, and then interprets this information for marketing purposes
- Warning!
 - Segments can shift with societal changes, economic changes, technological changes and competitive changes
- Marketing implications
 - Marketers can use psychographic applications in combination with demographic analyses to understand and reach their target markets.

CHAPTER 15: Innovations: adoption, resistance and diffusion

1. Describe how innovations can be classified in terms of their type, the benefits they offer, and their breadth.
2. Explain how consumers adopt an innovation, why they might resist adoption, and why marketers must understand the timing of adoption decisions.
3. Define diffusion and discuss how diffusion curves relate to the product life cycle.
4. Outline the main factors that affect adoption, resistance, and diffusion, and show how marketers can use their knowledge of these factors to market more effectively.

Innovations

- Defining an innovation
 - An offering that is perceived as new by consumers within a market segment and that has an effect on existing consumption patterns
 - Innovations can be new products or new services
 - Innovations can bring about changes in acquisition, consumption and disposition patterns
- Innovations characterized by degree of novelty
 - Continuous innovations
 - An innovation that has a limited effect on existing consumption patterns
 - Dynamically continuous innovations
 - An innovation that has a pronounced effect on consumption practices and often involves a new technology
 - Ex. Smartphones
 - Discontinuous innovations
 - An offering that is so new that we have never known anything like it before
 - Ex. airplanes, Internet services,...
 - The innovation continuum



- Innovations characterized by benefits offered
 - Functional innovation

- A new product, service, attribute or idea that has utilitarian benefits that are different from or better than those of alternatives
 - Ex. Hybrid vehicles = more fuel-efficient
- Hedonic or aesthetic innovation
 - An innovation that appeals to our aesthetic, pleasure-seeking and/or sensory needs
 - Ex. New food types
- Symbolic innovation
 - A product, service, attribute or idea that has new social meaning
 - Ex. Condoms used to be bought to control conception, but now they are also bought for STD-prevention
- Many new products represent blends of these innovation types
- Innovations characterized by breadth
 - The range of new and different uses for a particular product
 - Ex. Baking soda
 - Baking ingredient
 - Tooth polisher
 - Carpet deodorizer
 - Refrigerator deodorizer
- Innovations and co-creation
 - Co-creation
 - Actively involving consumers in creating value through participation in new product development, among other marketing activities
 - Potential benefits:
 - Innovations that spring from co-creation are likely to better fit consumer needs
 - Gathering ideas from consumers via social media or a website is relatively fast and inexpensive
 - Involving consumers in co-creation strengthens the relationship with the company
 - Consumers who are involved in selecting the products to be marketed exhibit higher demand for them, because they feel a sense of psychological ownership
- Marketing implications
 - Marketers must deal with concerns such as the secrecy of new product ideas and the challenges of developing an idea into a commercially feasible innovation
 - Marketers must also attract, retain and motivate a community of consumers to participate in co-creation

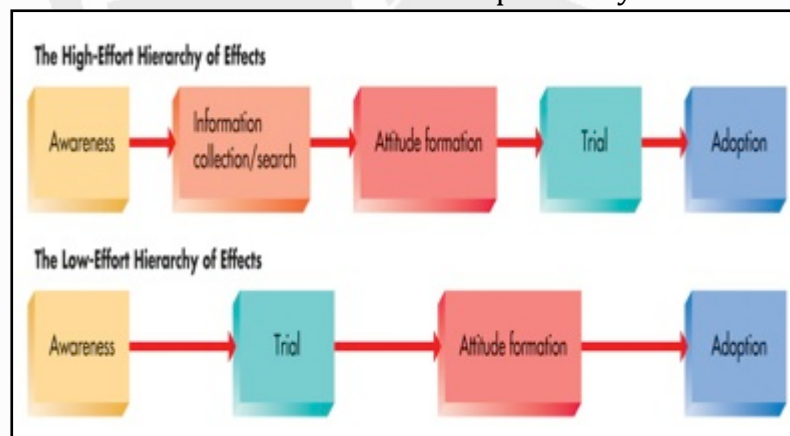
Resistance versus adoption

- Whether consumers adopt an innovation
 - Adoption
 - A purchase of an innovation by an individual consumer or household
 - Will take place only if consumers do not resist the innovation

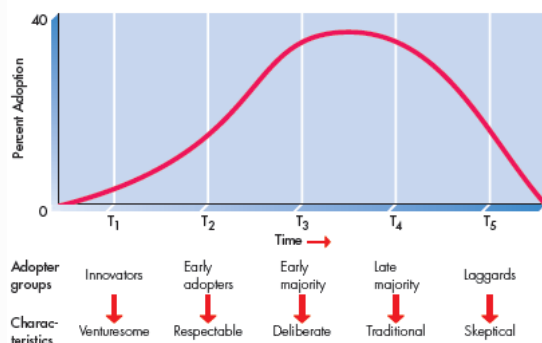
- Resistance
 - A desire not to buy the innovation, even in the face of pressure to do so
 - People are inherently resistant to change and to things they are uncertain of
- Eight central Paradoxes of technological products:

Paradox	Description
Control/chaos	Technology can facilitate regulation or order, and technology can lead to upheaval or disorder.
Freedom/enslavement	Technology can facilitate independence or fewer restrictions, and technology can lead to dependence or more restrictions.
New/obsolete	New technologies provide the user with the most recently developed benefits of scientific knowledge, and new technologies are already or soon to be outmoded as they reach the marketplace.
Competence/incompetence	Technology can facilitate feelings of intelligence or efficacy, and technology can lead to feelings of ignorance or ineptitude.
Efficiency/inefficiency	Technology can facilitate less effort or time spent in certain activities, and technology can lead to more effort or time spent in certain activities.
Fulfills/creates needs	Technology can facilitate the fulfillment of needs or desires, and technology can lead to the development or awareness of needs or desires previously unrealized.
Assimilation/isolation	Technology can facilitate human togetherness, and technology can lead to human separation.
Engaging/disengaging	Technology can facilitate involvement, flow, or activity, and technology can lead to disconnection, disruption, or passivity.

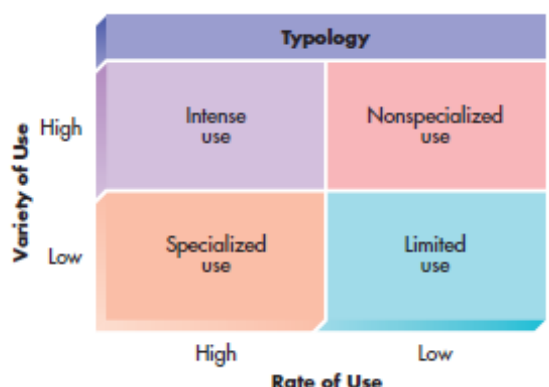
- How consumers adopt an innovation
 - Depends on whether they are prevention- or promotion-focused
 - Prevention-focused consumers
 - Priority is safety, more likely to resist new offerings
 - Promotion-focused consumers
 - Priority is advancement and growth, more likely to adopt new offerings (when the risks are not salient)
 - High-effort hierarchy of effects
 - A purchase of an innovation based on considerable decision-making effort
 - Low-effort hierarchy of effects
 - A purchase of an innovation based on less decision-making effort
 - The time between awareness of the innovation and its trial or adoption may be brief



- Marketing implications
 - Low-effort adoption → marketers should encourage trial
 - High-effort adoption → marketers should reduce perceived risk
- When consumers adopt innovations
 - Characteristics of adopter groups
 - Innovators
 - The buyers who want to be the first to have the new product/service; they take risks and are regarded as knowledgeable
 - Early adopters
 - Visionaries, they admire a technologically product for its abilities to create a revolutionary breakthrough in how things are done
 - Early majority
 - Pragmatists, seeking innovations that offer incremental, predictable improvements on an existing technology
 - They do not like risk and they are price sensitive
 - Late majority
 - More conservative, wary of progress and rely on tradition
 - Fear high-tech products, their goal in buying them is to not get stung
 - Laggards
 - Slowest group to adopt, skeptics



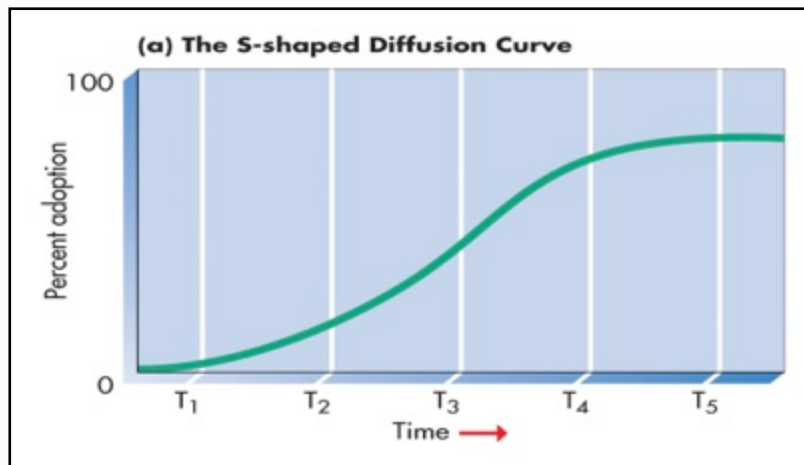
- Application of adopter group categories
 - The five-category scheme of adopter groups is useful but somewhat idealized; there are more or fewer adopter groups, depending on the innovation
 - Use-diffusion patterns for home technology innovations:



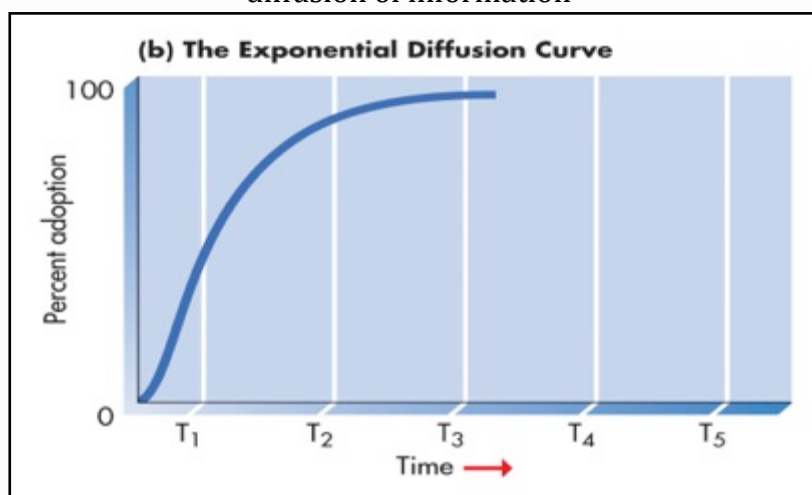
- Marketing implications
 - Innovators are important!
 - They are more likely to be receptive to information about new products
 - They may communicate information to others
 - Demographics
 - Innovators tend to be younger, affluent and well-educated
 - Laggards tend to be older, have less income and education and have lower occupational status
 - Social influence
 - Innovators tend to be opinion leaders
 - Personality
 - Innovators have high stimulation needs, are inner directed and are less dogmatic
 - Best to use a mixed approach to understand innovativeness
 - Measure innate innovativeness
 - Measure consumers' willingness to be innovative in a specific consumption domain
 - Consumers may be innovators in one domain but laggards in another
 - Cultural values
 - Innovativeness is associated with cultures that value individualism over collectivism, assertiveness over nurturing and openness to change over conservatism
 - Media involvement
 - Innovators are heavy media users and rely extensively on external information
 - Innovators see themselves as active seekers and disseminators of information
 - Usage
 - Innovators tend to be heavy users and experts within the product category

Diffusion

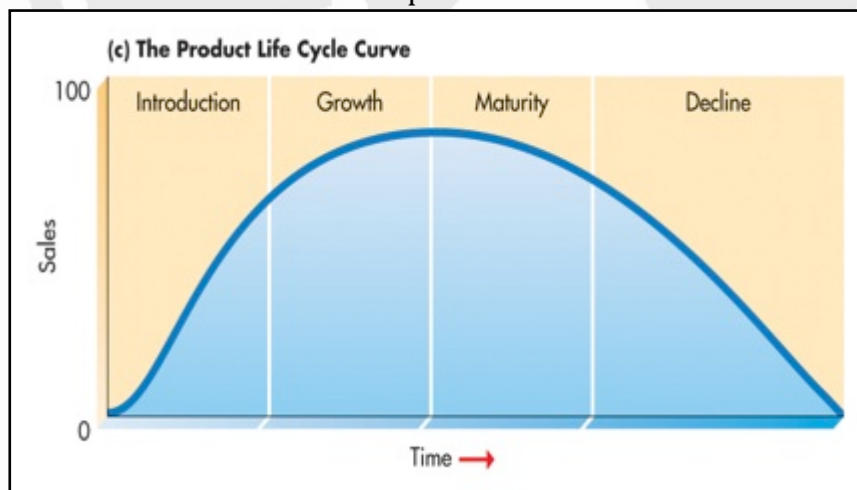
- Diffusion
 - The percentage of the population that has adopted an innovation at a specific point in time
 - The behavior of the marketplace of consumers as a group
- How offerings diffuse through a market
 - The S-shaped diffusion curve
 - A diffusion curve characterized by slow initial growth followed by a rapid increase in diffusion
 - Associated with risk, uncertainty about switching cost
 - Ex. Electronic books, computers, CD players



- The exponential diffusion curve
 - A diffusion curve characterized by rapid initial growth
 - Little risk, low switching cost, similar consumers, quick diffusion of information



- How diffusion relates to the product life cycle
 - Product life cycle
 - A concept that suggests that products go through an initial introductory period followed by periods of sales growth, maturity and decline
 - Sales of the product over time



- Marketing implications
 - Different product life cycle curves
 - Fad
 - A successful innovation that has a very short product life cycle
 - Ex. Diets
 - Fashion
 - A successful innovation that has a moderately long and potentially cyclical product life cycle
 - Ex. Cloth styles
 - Classic
 - A successful innovation that has a lengthy product life cycle
 - Ex. Jeans
 - The product life cycle is at the product level, not the brand level!

Influences on adoption, resistance and diffusion

- Characteristics of the innovation
 - Perceived value
 - Greater perceived benefits or lower perceived costs than existing alternatives
 - Perceived benefits
 - Relative advantage
 - Benefits in an innovation superior to those found in existing products
 - Avoid risk, fulfill needs, solve problems or achieve goals
 - Important predictor of new-product success
 - Use innovativeness
 - Finding use for a product that differs from the product's original intended usage
 - Perceived costs
 - All types of costs, including the money, time and effort required to adopt a product
 - Switching costs
 - The costs of changing from the current product to a new one
 - Marketing implications
 - Communicate and demonstrate the relative advantage
 - Use price promotions to reduce perceived costs
 - Provide incentives for switching
- Uncertainty
 - Can affect adoption, resistance and diffusion of an innovation
 - Several aspects:
 - Doubt about what will become the industry standard
 - Doubt about the relative advantage of a product that requires the consumer to make significant behavioral changes
 - Surprisingly, giving consumers more information about a high-tech product that combines a new interface with new functionality actually increases their uncertainty

- The length of the product life cycle
 - Consumers are more likely to resist buying a fad than a fashion or a classic
 - The length of time before adoption
- Marketing implications
 - Marketers can show how adaptable a product is and hence how likely it is to have a long life cycle
- Consumer learning requirements
 - Compatibility
 - The extent to which an innovation is consistent with one's needs, values, norms or behavior
 - The more compatible an innovation is, the less resistance and the greater the product diffusion
 - Trialability
 - The extent to which an innovation can be tried on a limited basis before it is adopted
 - Trial allows consumers to assess the product's relative advantages and potential risks
 - Products that are easy to try tend to diffuse more quickly
 - Important to innovators and early adopters, as they have little else on which to base the value of the innovation
 - Complexity
 - The extent to which an innovation is complicated and difficult to understand or use
 - Diffusion is likely to be slow when consumers perceive they will have difficulty understanding or using a new product
 - Marketing implications
 - Enhance compatibility or reduce complexity
 - Educate about compatibility
 - Use change agents (opinion leaders)
 - Design the innovation to fit with a system of existing products
 - Force the innovation to be the industry standard
 - Use promotions to enhance trialability
 - Demonstrate compatibility and simplicity
 - Simulate trial
 - Ex. Online preview of paint colors on walls of different rooms
- Social relevance
 - The extent to which an innovation can be observed or the extent to which having others observe it has social cachet
 - The more consumers can observe others using the innovation, the more likely they are to adopt it
 - Is affected by the public or private nature of the product's consumption
 - Social cachet
 - Socially desirable and/or appropriate
 - Generates imitation, speeding diffusion

- However, although social value may enhance diffusion, the diffusion of a product based on a prestige image may actually shorten its life cycle because once it is adopted by the masses, it is no longer prestigious
- Legitimacy and adaptability
 - Legitimacy
 - The extent to which the innovation follows established guidelines for what seems appropriate in the category
 - Adaptability
 - The extent to which the innovation can foster new styles
 - The innovation's potential to fit with existing products or styles
 - Marketing implications
 - Legitimacy can be enhanced by demonstrating how the innovation came into being
 - Adaptability can be enhanced by showing that a product has uses beyond its original function
- Characteristics of the social system
 - Modernity
 - The extent to which consumers in the social system have positive attitudes toward change
 - The more modern the social system, the more receptive its consumers are to novel products
 - Physical distance
 - Diffusion tends to be faster when members of the social system are physically close
 - Homophily
 - Diffusion tends to be faster when consumers in the market are similar in education, values, needs, income and other dimensions
 - Similar people are more likely to have similar needs, values and preferences
 - Similar people are more likely to interact with one another and transmit information
 - Similar people tend to model each other
 - Opinion leadership
 - People with credibility, such as experts or opinion leaders, can have considerable influence because they may spread positive or negative product information to others
 - Marketing implications
 - The more intensive the marketing effort, the faster the innovation spreads through a market

The consequences of innovations

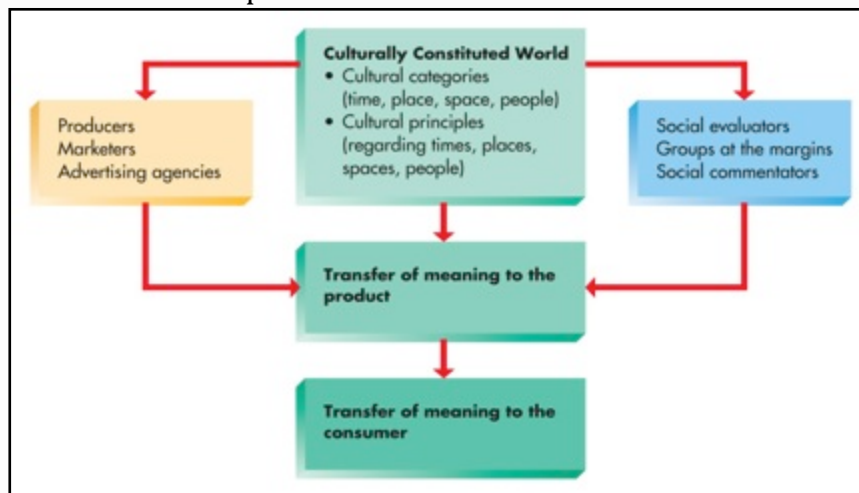
- Innovations can offer new relative advantages
- However, negative consequences may arise
 - Social
 - Innovations may discriminate poor people
 - Economic
 - Ex. Debt rises with credit card use

CHAPTER 16: Symbolic consumer behavior

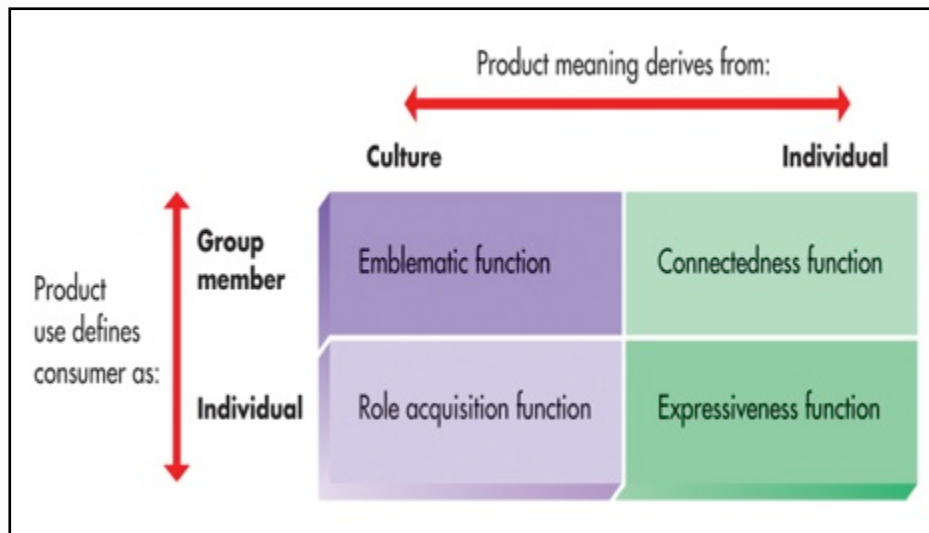
1. Discuss how products, special possessions, and consumption activities gain symbolic meaning and how this meaning is conveyed from one consumer to another.
2. Identify how marketers can influence or make use of the symbolic meaning that consumption may have for consumers.
3. Distinguish between sacred and profane entities, and show why this distinction is important for marketing strategy.
4. Understand the process of gift giving and describe how marketers can use knowledge of this process to market more effectively.

Sources and functions of symbolic meaning

- Meaning derived from culture
 - Cultural categories
 - The natural grouping of objects that reflect our culture
 - Ex. Time (in leisure & work), Occasions (in festive & somber events), etc.
 - Cultural principles
 - Ideas or values that specify how aspects of our culture are organized and/or how they should be perceived or evaluated
 - Ex. Work time (structured, organized and precise), Colors wedding dress, etc.
 - Meaning transfer from the culture to the product and to the consumer:
 - Many agents can play a role in this association and matching process

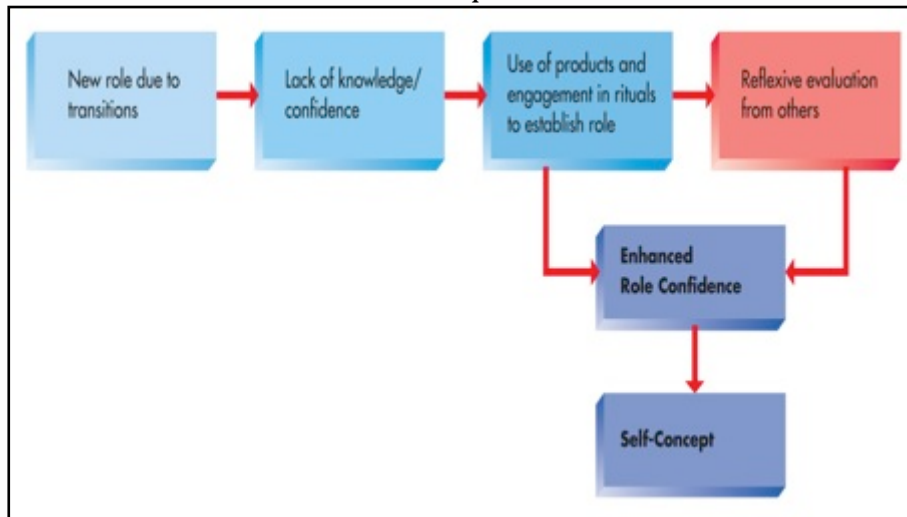


- Meaning derived from the consumer
 - Consumers can develop their own meaning associated to a product
 - Ex. when it is a gift from a friend or relative
 - Symbols can be used to say something about the consumer as a member of a group or as a unique individual
- The sources and functions of consumption symbols



- The emblematic function
 - The use of products to symbolize membership in social groups
 - Geographic emblems
 - Ex. Surfer wear for California
 - Ethnic emblems
 - Ex. Dinner time (late in Spain and Italy), grilled chicken (U.S. identity)
 - Social class emblems
 - Ex. Louis Vuitton versus tattoos
 - Uniforms at school counter this emblematic function
 - Gender emblems
 - Ex. Cars (for men), jewelry (for women)
 - Reference group emblems
 - Ex. Varsity jackets of Harley Davidson
 - Marketing implications
 - Symbol development
 - Marketers can link a product and its attributes to a specific cultural category and its principles
 - Symbol communication
 - Marketers can imbue a product with meaning through every element of an ad
 - Symbol reinforcement
 - Marketers can use the 4 P's to reinforce the symbolic image
 - Symbol removal
 - Some marketers help consumers erase symbols associated with groups with which they no longer identify
 - Ex. The tattoo removal market
- The role acquisition function
 - The use of products as symbols to help us feel more comfortable in a new role
 - Role acquisition phases
 1. Separation from the old role

- a. Disposing of products associated with the role consumers are leaving
- 2. Transition from one role to another
 - a. Consumers may be willing to accept new possessions or styles that they otherwise would have rejected
- 3. Incorporation
 - a. The consumer takes on the new role and the identity associated with it
- Use of symbols and rituals in role transitions
 - Model of role acquisition



- Reflexive evaluation
 - Feedback from others that tells us whether we are fulfilling the role correctly
 - Helps us feel more confident in our role and thus validates our new status
- Marital transitions
 - Ex. Discarding presents from old boyfriends/girlfriends
 - The couple acquires new products that are culturally appropriate for the married role and that help them create a mutual history
 - A similar process operates in the transition from married to divorced status
- Cultural transitions
 - Abandoning and disposing of old customs and symbols and adopting new ones in the process
 - Whether someone abandons or retains possessions that symbolize the old role may depend on how long the role is expected to last
 - Expatriates often face frustrating and formidable barriers to inclusion in a new culture
- Social status transitions
 - Ex. Newly wealthy individuals use possessions to demonstrate their acquired status and validate their role

- “New money” consumers wear brand labels on the outside of their clothes to communicate, whereas “old money” consumers leave labels on the inside
- Marketing implications
 - Role transitions and target consumers
 - Ex. newlyweds are in some way the ultimate consumer
 - Role transitions as a means for developing inventory
 - Product disposition can be an important aspect of role separation
 - Marketers can acquire inventory by marketing to people engaged in role transitions
 - Role transitions and product promotions
 - Marketers may find it useful to promote their products as instrumental in incorporating a new role
 - Selling product constellations
 - Marketers can stress the importance of groups of products to consumers in the process or role acquisition
 - Managing rituals
 - Marketers can focus on planning and implementing rituals surrounding transitions
- The connectedness function
 - The use of products as symbols of our personal connections to significant people, events or experiences
 - Ex. Gifts from friends, concert programs, etc.
- The expressiveness function
 - The use of products as symbols to demonstrate our uniqueness – how we stand out as different from others
 - Ex. Customized products
- Marketing implications
 - Marketers can invoke feelings of nostalgia by connecting their product with people, places or events
 - Marketers can suggest that their products enhance uniqueness
- Multiple functions
 - A product may serve several functions
 - Ex. Cristal wine goblets as a wedding gift from the bride’s grandparents
 - Emblematic: high price = social status
 - Role acquisition: married, household together
 - Connectedness: gift from significant family member
 - Expressiveness: from a registry, taste as a uniqueness factor
 - Consumers are not always aware of a product’s symbolic function
- Symbols and self-concept
 - Actual identity schema
 - A set of multiple, salient identities that reflect our self-concept
 - Ex. Student, worker, son, etc.
 - Ideal identity schema
 - A set of ideas about how the identity would be indicated in its ideal form

- These identity schemas influence which products we use and which consumption practices we engage in
 - Loss of cherished possessions can induce a state of grief that resembles the death of a loved one and can lead to a loss of identity



- Marketing implications
 - Marketing and the development of consumer self-concepts
 - Marketers can play a role in both producing and maintaining an individual's self-concept
 - Consumers maintain their self-concept by selecting products with images that are consistent with it
 - Product and brand fit with self-concepts
 - The more similar a product's image is to a consumer's self-image, the more the consumer likes the product
 - A close fit can enhance brand loyalty and reduce the possibility of brand switching
 - Product fit with multiple self-concepts
 - Marketers must determine whether products consistent with one aspect of the target customers' identity may be inconsistent with another aspect
 - Advertising fit with self-concepts
 - Ads should appeal to the identity concept appropriate for the targeted segment's gender and culture
 - Frame switching
 - Stimulated by language cues, a consumer who identifies with more than one culture will activate the aspects of his or her self-concept that relates to that language's cultural background
 - Marketers must consider how frame switching will affect consumers' emotional and cognitive processing of the arguments and images in their communications

Special possessions and brands

- Special brands
 - A brand becomes special to consumers when they feel emotionally attached to it in some way
- Types of special possessions
 - Pets
 - Memory-laden objects
 - Ex. Grandma's jewelry, photographs
 - Particular memory-laden objects can become fetish objects, viewed as extraordinarily magical objects
 - Achievement symbols
 - Ex. Sports trophy, college diplomas, etc.
 - Collections
 - Ex. Model cars, sport memorabilia, coins, baseball cards, etc.
 - Collectors often view their collections as extensions of themselves
 - For many, collections represent a fantasy image of the self
 - Ex. Baseball cards can keep the fantasy of being a ball player alive
- The characteristics that describe special possessions
 - Few or no substitutes
 - Not sold at market value, unusually low price elasticity
 - Not discarded
 - Not always used for original purpose
 - Evoke powerful emotions
 - Frequently personified (= anthropomorphism)
- Why some products are special

Take a possession that you regard as special, and answer the following questions using a 7-point scale (1 = not true of me; 7 = very true of me).

This possession is important to me because it ...

Symbolic Value	Symbolizes personal history	Reminds me of particular events or places Is a record of my personal history Required a lot of effort to acquire or maintain
	Represents achievement	Required a lot of effort to acquire or maintain Reminds me of my skills, achievements, or goals Reminds me of my relationship with a particular person Reminds me of my family or a group of people that I belong to Represents my family heritage or history
	Facilitates interpersonal ties	Allows me to spend time or share activities with other people
	Demonstrates status	Has social prestige value Gives me social status Makes others think well of me
	Is self-expressive	Allows me to express myself Expresses what is unique about me, different from others
Mood-Altering Properties	Provides enjoyment	Provides enjoyment, entertainment, or relaxation Improves my mood Provides comfort or emotional security
	Is spiritual	Provides a spiritual link to divine or higher forces
	Is appearance related	Is beautiful or attractive in appearance Improves my appearance or the way I look
Utilitarian Value	Is utilitarian	Allows me to be efficient in my daily life or work Has a lot of practical usefulness Provides me freedom or independence
	Has financial aspects	Is valuable in terms of money

- Consumer characteristics affect what is special

- Social class
 - Business class
 - Concerned about possessions that symbolize their personal history and self-development
 - Unemployed people
 - Concerned about possessions that have utilitarian value
- Gender
 - Men
 - Products are special when they symbolize activity and physical achievement and when they have instrumental and functional features
 - Women
 - Symbols of identity, children's accomplishments and products that symbolize their attachment to other people are valued
- Age
 - Special possessions vary with age
- Rituals used with special possessions
 - Possession ritual
 - Ritual we engage in when we first acquire a product that helps to make in "ours"
 - Ex. Personalizing a house
 - Grooming ritual
 - Ritual we engage in to bring out or maintain the best in special products
 - Ex. Cleaning house before visitors arrive
 - Divestment ritual
 - Ritual enacted at the disposition stage that is designed to wipe away all traces of our personal meaning in a product
 - Ex. Deleting all pictures of an ex
- Disposing of special possessions
 - People dispose of special possessions for different reasons and in different ways, related to life transition stages
- Other rituals
 - Practice rituals
 - Ex. Prom
 - Rites of passage rituals
 - Ex. Confirmation

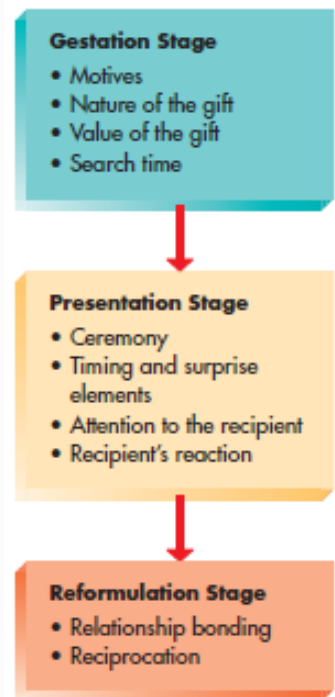
Sacred meaning

- Sacred entities
 - People, things and places that are set apart, revered, worshiped and treated with great respect
 - Ex. The Pope, The Alamo, The Great Wall of China, etc.
 - Characteristics
 - Involve mystery/myth
 - Strong approach/avoidance characteristics
 - Create an overwhelming feeling of power and fascination
 - Scarcity/exclusivity

- Profaned when:
 - Treated with disrespect
 - Commercialized
- Profane things
 - Things that are ordinary/mundane and hence have no special power
- Marketing implications
 - Marketers can help creating and maintaining sacredness
 - Marketers should avoid the profaning of sacred objects and entities
 - Marketers can stimulate product involvement in sacred activities and rituals

The transfer of symbolic meaning through gift giving

- The timing of gifts
 - Some gift-giving occasions are culturally determined and timed
 - Other gift-giving occasions are culturally prescribed but occur at a time that is specific for each individual
 - Still other gift-giving occasions are ad hoc
- Three stages of gift giving
 - The gestation stage
 - Considering what to give
 - Motives for and emotions surrounding giving
 - Altruistic reasons
 - Showing love for the recipient
 - Agnostic reasons
 - Deriving positive emotional pleasure from the act of giving
 - Instrumental reasons
 - Expecting the recipient to give something in return
 - Obligatory reasons
 - The situation or the relationship demands it
 - Reducing guilt or alleviate hard feeling
 - Compensatory giving
 - The appropriateness and meaning of the gift
 - Depends on the situation and the relationship between the gift giver and the recipient
 - Ex. Wedding gifts vs. birthday card
 - The value of the gift
 - Changes the gift from a social exchange into an economic exchange
 - Interestingly, consumers perceive that gifts they buy for others are more valuable, in economic terms, than gifts received from others
 - The amount of time spent searching
 - Symbolizes the nature and intensity of the relationship
 - The presentation stage

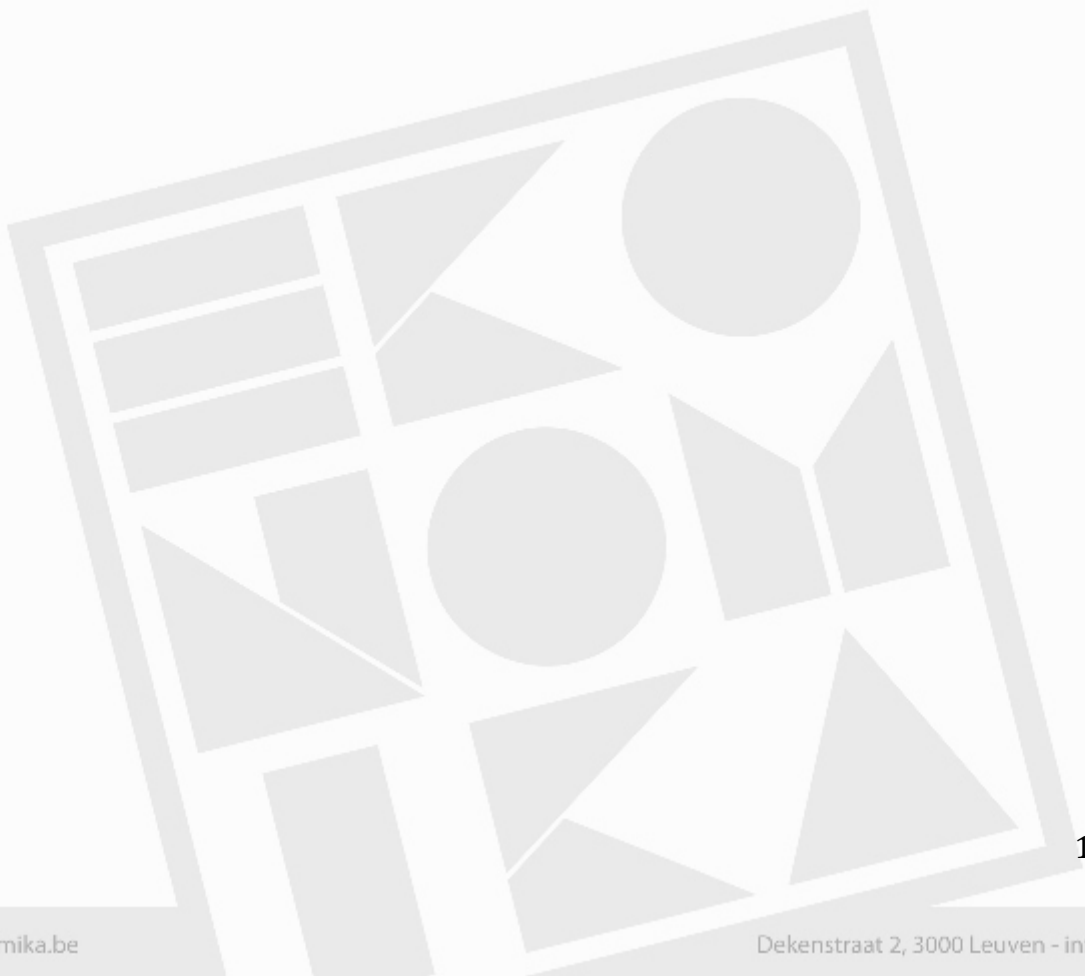


- Actual gift giving
 - Ceremony
 - Timing and surprise
 - Attention to recipient
 - Recipient's reaction
- The reformulation stage
 - Reevaluation of the relationship based on the gift-giving experience
 - Relationship bonding
 - A gift can either maintain, strengthen or weaken the relationship
 - Reciprocation
 - Expectations of reciprocation depend on culture and the relationship between the giver and the recipient
- Possible effect of gift giving on the relationship:

Relational Effect	Description	Experiential Themes
Strengthening	Gift receipt improves the quality of the relationship between giver and recipient. Feelings of connection, bonding, commitment, and/or shared meaning are intensified.	Epiphany
Affirmation	Gift receipt validates the positive quality of the relationship between giver and recipient. Existing feelings of connection and/or shared meaning are validated.	Empathy Adherence Affirming farewell Recognition
Negligible effect	The gift-receipt experience has a minimal effect on perceptions of relationship quality.	Superfluity "Error" Charity Overkill
Negative confirmation	Gift receipt validates an existing negative quality of the relationship between giver and recipient. A lack of feelings of connection, bonding, and/or shared meaning is validated.	Absentee Control
Weakening	Gift receipt harms the quality of the relationship between giver and recipient. There is a newly evident or intensified perception that the relationship lacks connection, bonding, and/or shared meaning, but the relationship remains.	Burden Insult
Severing	Gift receipt so harms the quality of the relationship between giver and recipient that the relationship is dissolved.	Threat Nonaffirming farewell

- Marketing implications
 - Promote products/services as gifts
 - Cause-related marketing for frivolous products
 - Technology & gift shopping
 - Online shopping is faster and more convenient than ever
 - Ethnicity & holiday shopping
 - Alternatives to traditional gifts
 - Ex. anti-gift certificates, giving to people in need

- Apparent in holidays like Valentine's Day, which have elements of market resistance



CHAPTER 17: Marketing, ethics and social responsibility in today's consumer society

1. Distinguish between social and temporal dilemmas, and explain the search for balance in decisions that can involve such dilemmas.
2. Define marketing ethics and consumer ethics, and identify some of the issues that arise from unethical or deviant acquisition, consumption, and disposition behaviors.
3. Discuss some of the ways in which consumers and organizations use marketing for socially responsible purposes.
4. Describe what consumers can do to resist unwanted marketing practices.

In search of balance

- Social dilemma
 - Deciding whether to put self-interest or the interests of others first
- Temporal dilemma
 - Deciding whether to put immediate interests or long-term interests first

Social Dilemma	Temporal Dilemma
<i>Whose interests take priority?</i>	<i>What timing takes priority?</i>
<ul style="list-style-type: none"> • Me (as an individual) OR • We (my family, friends, colleagues, my employer, human beings) OR • Them (others, such as competitors, people in other nations, or society at large) 	<ul style="list-style-type: none"> • Short-term interests OR • Long-term interests

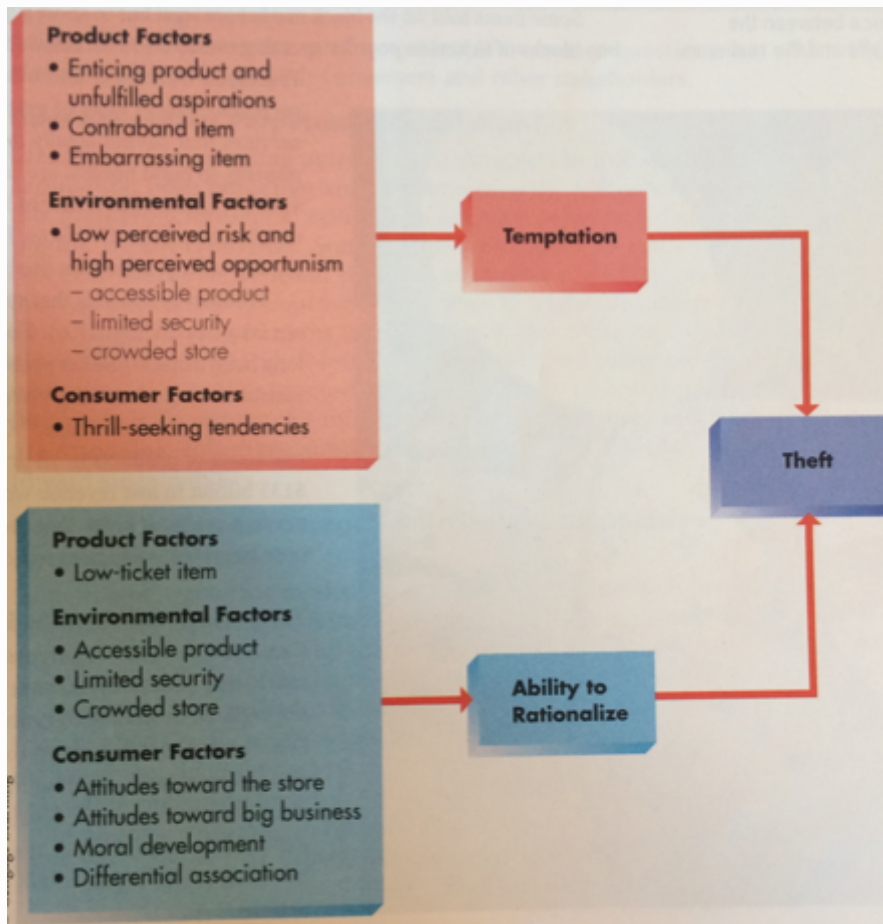
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- Self-interest versus the interests of others
 - “Me versus we” or “me versus them”
 - Helpful other-focus
 - Ex. Sharing of ideas, answering questions on social media, posting product reviews, etc.
 - Harmful self-focus
 - Ex. Shoplifting
- Immediate versus long-term interests
 - Decisions that emphasize short-term interests may have positive or negative implications for the future and vice-versa
- “Dark side” versus “Bright side” outcomes
 - Dark side outcomes
 - Can potentially harm consumers or marketers
 - Bright side outcomes
 - Constructive, sustainable outcomes for people and the planet

Marketing ethics, consumer ethics and deviant consumer behavior

- Marketing ethics
 - Rules of acceptable conduct that guide individuals and organizations in making honest, fair and respectful decisions about marketing activities, internal and external
 - Unethical marketing behavior may not be illegal!

- Consumer ethics
 - Rules of acceptable conduct (such as honesty, fairness and respect) that apply to the range of consumer behaviors
 - Deviant consumer behavior
 - Behavior regarded as deviant if it is either unexpected or not sanctioned by members of the society
- Acquisition controversies
 - Materialistic behavior
 - Social comparison theory
 - If advertising and media show individuals with many material possessions, consumers might use advertising as a means of judging their own personal accomplishments
 - Addictive and compulsive behavior
 - Addiction
 - Excessive behavior typically brought on by a chemical dependency
 - Perceived or chemical dependence on product or activity
 - Repeated use of product, even if dangerous
 - Can be harmful to addicts & those around them
 - Ex. Cigarettes, drugs, alcohol, Internet use, video games, etc.
 - You can be addicted to shopping, online shopping, and other marketplace endeavors
 - Compulsive behavior
 - An irresistible urge to perform an irrational act
 - No “physiological dependency”
 - Compulsive consumption, strong emotional component, compulsive buyers have low self-esteem
 - May be a response to tension or anxiety
 - The financial, emotional and interpersonal consequences can be devastating
 - Consumer theft
 - Temptation to steal
 - Rationalizations for stealing



- Black markets
 - An illegal market in which consumers pay often exorbitant amounts for items not readily available
 - Can fulfill functional, experiential and symbolic needs
 - Fake products are a problem
- Targeting vulnerable segments
 - Advertising to children
 - Issues:
 - Undeveloped cognitive abilities
 - Unable to store/retrieve information in long-term memory
 - Prey on needs
 - Teach children materialism, act on impulse, immediate gratification
 - Do not understand cost
 - Solutions to consider:
 - Parental control
 - Program/advertising separator
 - Limits to amount of advertising per hour
 - Public Service Announcements (PSAs)
 - Messages in the public interest disseminated by the media without charge, with the objective of raising

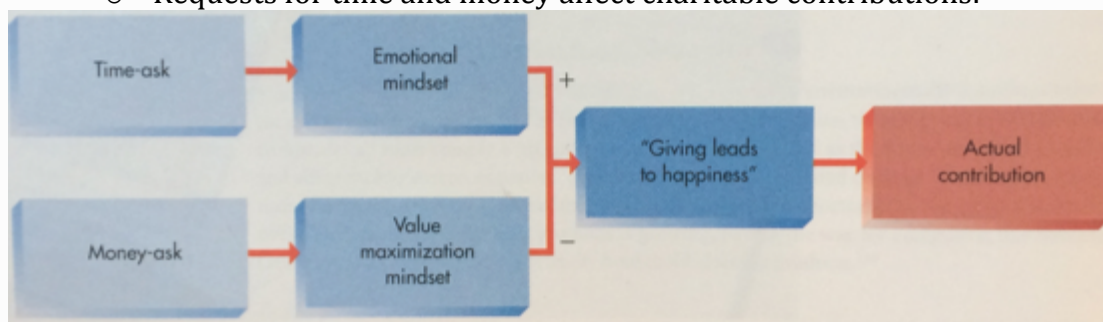
- awareness, changing public attitudes and behavior towards a social issue
 - Children's Advertising Review Unit—Better Business Bureau
 - Educational initiatives
- Marketing implications
 - How can marketers deal with consumer theft?
 - Security systems and procedures
 - But, this may interfere with retailers' abilities to service customers and can intimidate consumers
 - Marketers can deal with black markets by buying and selling online
 - There are guidelines for children's advertising to encourage truthful and accurate advertising
 - Does marketing perpetuate materialism?
 - Marketing makes acquisition attractive and convenient
 - Does marketing encourage addictive and compulsive acquisition behaviors?
 - It promotes unhealthy behaviors, such as smoking,..
- Consumption controversies
 - Underage drinking and smoking
 - Deviant consumer behavior
 - Prevalent
 - Consequences
 - Overuse of alcohol has been implicated in campus violence, campus property damage, academic failures, teen highway fatalities, youth suicides and campus hazing deaths
 - Marketing implications
 - Product availability
 - Exposure to advertising
 - Targeting youth
 - Inappropriate message in media/ads
 - Warning labels/ads
 - Idealized self-images
 - Idealized body images
 - Obsessions with thinness
 - Social Comparison Theory
 - A theory that proposes that individuals have a drive to compare themselves with other people
 - Consumers compare themselves with models in ads and such self-comparisons can affect self-esteem
 - Materialism
 - Consumers less satisfied
 - Compulsive gambling
 - Industry and marketing practices may perpetuate it
 - Overeating and obesity

- Link between junk food advertising & childhood obesity
- Less guilt in eating low-fat snacks
- Underestimate of calorie content of meals
- Unhealthy food perceived as tastier
- Privacy controversies
 - A great deal of detailed information is collected about consumers
 - Sources of marketing information:
 - Tracking purchases
 - Applications
 - Marketing research
 - The extent of consumer concern and the willingness to give personal information varies according to the type of information that marketers want to collect
 - Consumer responses:
 - Uncomfortable
 - Complaints
 - Lack of trust
 - Data has errors
- Marketing implications
 - Does marketing encourage underage or excessive drinking and smoking?
 - Large amount of alcohol and cigarette advertising
 - However, more critical determinants are peer pressure, parental influence, and self esteem
 - Does advertising affect self-image?
 - Marketers are becoming more sensitive to the potentially negative effects of messages on self-image
 - Does marketing contribute to overeating and obesity?
 - More marketers are using marketing to discourage unhealthy eating and encourage healthy eating
 - Do marketers invade consumers' privacy?
 - Communicating how the gathered information helps consumers
 - Laws & self-imposed regulation
 - Markets for privacy protection
- Disposition controversies
 - Disposing of products that still function
 - Functional products can be given away, traded for useful items, sold or auctioned, donated or recycled
 - But, some functional products are thrown away, which may be perceived as wasteful
 - Disposing of products that do not function
 - Throwing them away in a socially acceptable way
 - Ex. In the proper trash bin or recycle center
 - Abandon them in a socially unacceptable way
 - Ex. littering
 - Marketing implications

- Marketers can facilitate disposition, encourage trade-ins, recycle, use less product packaging and more environmentally friendly product packaging, etc.

Social responsibility issues in marketing

- Environmentally conscious behavior
 - Conservation behavior
 - Limiting the use of scarce natural resources for the purposes of environmental preservations
 - Perceived consumer effectiveness
 - The extent to which the consumer believes that his/her personal efforts can contribute to the solution of a problem
 - Greenwashing
 - The misleading use of environmental claims for marketing purposes
 - To avoid confusion and deception, regulators have established specific guidelines for environmental friendly claims
- Charitable behavior
 - Can vary by culture
 - Requests for time and money affect charitable contributions:



- Community involvement
 - Marketing can serve as a catalyst for community-based social responsibility
 - Marketers often have policies that encourage employees to get involved in the communities where they do business
 - This involvement generates goodwill and positive word of mouth
 - It can increase employee satisfaction

How can consumers resist marketing practices?

- Marketing may irritate some consumers
- Individual consumer resistance strategies
 - Choosing not to patronize the offending marketer in the future
 - Complaining to the marketer
 - Spreading negative word of mouth
- Group strategies
 - Informing the public about business practices that they regard as socially inappropriate
 - Lobbying to stop marketing practices
- Boycott

- An organized activity in which consumers avoid purchasing products or services from a company whose policies or practices are seen as unfair or unjust
- A way to hold companies accountable for perceived objectionable actions
- Indicators for success:
 - The offending policies are changed
 - Businesses are more responsible in their plans for future activities
 - Changes in the behavior of non-targeted businesses that engage in similar practices

