

# Consumer Behavior

## Chapter 1

We are all consumers

- Consumer with needs; making choices from competing brands
- Demographics: gender, income, occupation
- Psychographics: lifestyle and personality
- Brand is value added
  - o Could be getting exactly same product but chose one over another just cuz of the brand
  - o i.e. apple has done amazing job of marketing

**Consumer behavior** is the process involved when individual or groups select, use or dispose of products, services or experiences to satisfy needs and desires.

Why Study consumer behavior?

- Why do people buy?
- Meet human needs
- Communicate with and influence consumers
- Understand your own behaviour

Buyer Behavior Model

- activation → evaluate alternatives → intention → decision → consumption

Steps in Target Marketing

1. Define the market
2. Identify potential customers
3. Identify bases for segmentation
  1. i.e. demographics, lifestyle, etc.
4. Develop segment profiles
5. Analyze competitor's positions
6. Evaluate market segments
7. Select market segments
8. Finalize the marketing mix

Marketing Segmentations

- Criteria for Identifying Market Segments
  - o Are consumers within the segment similar in terms of product needs?
  - o Can important differences among segments be identified?
  - o Is the segment large enough to be profitable?

- Can the segment be reached any an appropriate marketing mix?
- Will the segment respond as desired?

### Marketing Impacts on Consumers

- Popular culture: movies, celebrities, music, all have an impact on what we buy
  - i.e. celebrity endorsements
- Public policy: drugs, alcohol, drunk driving, texting while driving, anti-tobacco - things which enforced by the gov.. How these impact consumers
  - Types of products as a result of these policies i.e. Bluetooth to avoid using phone while driving
- Global marketing i.e. differences btw countries
- Marketing ethics- what is ethical from a marketing perspective esp when marketing to kids (vulnerable part of market); how much is too much marketing
  - Do we have needs ? Or are we told by marketers that these are our needs and them convincing us how imp their products are for us
- Internet and virtual shopping - huge impact cuz ppl can sit at home and shop
  - How are you gna appeal to customers if you are marketing mainly through internet?

3 parts? First is object, the sign or symbol is second- what is it representing, and third the interpreted—what is the meaning of the message

### Relationship Marketing

- Building lifetime relationships between brands and customers
- Regular interaction with customers
- Giving them a reason to maintain a relationship with the company
- Marketers significantly influence lifestyles and consumption habits

### Ethical Standards of Conduct

- Prescribed code of ethics guidelines:
  - Disclosure of substantial risks with a product
  - Identifying added features that will increase the cost
  - Avoiding false or misleading advertising
  - Avoiding selling or fundraising under the guise of market research

## Dark Side of Consumer Behavior

- Consumer addiction: psychological dependency on products or services
- Drinking alcohol, smoking cigarettes, drugs
- Addiction to technology: “Crackberry”
- Compulsive Consumption
  - Gambling in Canada is an example of compulsive consumption
- Why do we act in certain ways?
  - i.e. shop lifting to save money or for the thrill
  - This is all part of consumer behaviors that we need to look at and know

## **Chapter 14**

**Culture**—thought as a society’s personality; it includes abstract ideas, such as values and ethics, as well as the material objects and services that are produced or valued by a group of people, such as cars, clothes, food, art and sports

- consumption choices simply cannot be understood without considering the cultural context in which they are made
- culture is the lens through which people view products
  - o determines priorities a person gives to products
- products can reflect the culture of a particular period
  - o i.e. buying animal free tested products reflects consumers concern about pollution, waste, and animals rights

### **Functions of Cultures**

- Rules of conduct
- Standards of performance/behavior
- Interpretation
- Solutions for society

### **Aspects of Cultures**

- ecology - the way in which a system is adapted to its habitat
- social structure - the way in which orderly social life is maintained

- ideology – the mental characteristics of people and the way in which they relate to their environment and social groups.
  - o Worldview: Members of a society share certain ideas about principles of order and fairness.

## Factors that differ across cultures

### Values

- Many values are universal, such as family, health, happiness, and wisdom.
- What sets cultures apart is which values are seen as being relatively more important.
- A marketing message that is appealing in one culture may not be as appealing in another culture.
- Measuring cross cultural values
  - o Hofstede's 5 things
  - o

### Norms

- Enacted norms – i.e green means go and red means stop are explicitly decided upon
- Crescive norms are more subtle and are embedded in a culture, discovered only thru interaction with other members of that culture
  - o **Customs**—norm handed down from the past that controls basic behaviors
  - o **More** – custom with a strong moral overtone; i.e. forbidden behavior such as incest or cannibalism
  - o **Conventions** – norms regarding the conduct of everyday life

### Food culture

- Pattern of food and beverage consumption that reflects the values of a social group
- Patterns vary so much thus food companies find it hard to standardize their recipes
  - o i.e. in China Cadbury are less sweet/milky than in UK catering to the low dairy dietary needs of the Chinese

### Myths and Rituals

- Myth is a story containing symbolic elements that expresses the shared emotions and ideals of a culture
- Myths serve 4 interrelated functions in a culture
  - o Metaphysical – help to explain the origins of existence
  - o Cosmological—emphasize that all components of the universe are part of a single picture

- Sociological—maintain order by authorizing a social code to be followed by members of a culture
  - Psychological—provide models for personal conduct
- Many stories involve binary opposition in which two opposing ends of some dimension are represented i.e. good vs. evil
- Myths in popular culture too
  - Modern myths are embodied in many aspect of popular culture contrary to our belief that they are of ancient times only
- Monomyth—myth common to many cultures
- Ritual is a set of symbolic behaviors that occur in a fixed sequence and that tend to be repeated periodically
- Types of rituals
  - Religious (baptism), rites of passage (graduation, marriage), cultural, civic (elections, voting), group (business negotiations), family (mealtimes, bedtimes), personal (grooming)
- Gift giving culture
  - Economic exchange - giver gives and receiver obligated to give a gift back vs. symbolic exchange - giver motivated by unselfish desires (i.e. for love) vs. social expression - exchange orientated in the early stages of a relationship
  - Stages of gift giving : 1.gestation - giver is motivated by an event to procure a gift ; 2. Presentation - process of gift exchange where recipient responds to the gift and donor evaluates the response; 3. Reformulation—bonds btw giver and receiver are adjusted to reflect new relationship
  - Reciprocity norm - return gesture of gift with 1 of equal value
  - Self gifts
  - Regifting unwanted gifts
  - Holiday rituals
  - Rites of passage - special times marked by a change in social status; 3 stages
    - 1. Separation - individual is detached from their original group or status
    - 2. Liminality - middle state; person is literally btw statuses

- 3. Aggregation - individual reenters society after rite of passage is complete
- ex. 1. Student leaves home for uni; 2. Student arrives on campus is trying to figure everything out; 3. Student returns home for summer vacation

### **Sacred and Profane consumption**

- Sacred consumption involves objects and events that are set apart from normal activities and are treated with some degree of respect
- Profane consumption involves consumer objects and events that are ordinary, everyday objects and events that do not share the specialness of sacred ones
- Domains of sacred consumption
  - Places, People, Events, Souvenirs
- Sacralisation—occurs when ordinary objects, events, and people take on sacred meaning to a culture or to specific groups within a culture
  - Collecting is systematic vs. hoarding which is merely unsystematic collecting of items
- De-sacralisation—occurs when sacred item or symbol is removed from its special place or is duplicated in mass quantities becoming profane as a result

### **Language and symbols**

- **symbol**—object that represents something else
- language barrier is a problem marketers wish to break into foreign markets
  - technique to avoid language problem is back translation - info first translated from original language into target language; then different interpreter retranslates a translated ad back into original to pick up any errors

### **Marketing across cultures - think global or local?**

- Adopting a standardized strategy
- Adopting a localized strategy

### **When does global marketing work best?**

- need to conduct cross culture analysis to determine whether to use standardized or localized strategy
  - o involves examining the degree to which consumers of two or more cultures are different or similar in terms of psychological, social, and cultural factors
- when factors of culture such as values/norms, myths rituals etc. are similar, it is wise to use standardized approaches

### **Chapter 2**

**Sensation** - immediate response of our sensory receptors to such basic stimuli such as light, color and sound

**Perception**- process by which these sensations are selected, organized, and interpreted

- study of perception focuses on what we add to take away from these raw sensations as we choose which to notice and then go out assigning meaning to them
- often, perception is more influential than sensation in determining consumer behavior i.e. coke vs. pepsi almost exact

same but some people prefer one or the other according to how we organize, interpret, and form associations about the brand

### **Sensory Systems**

- not every stimuli is picked up and attended to and might not be processed
- meaning of stimuli is interpreted by individuals who are influenced by their unique biases, needs and experiences
- sensory stimuli
  - o light, sound, smells, taste, textures
- sensory reception - we receive external stimuli through our 5 senses
  - o eyes, ears, mouth, nose, skin
- 3 stages—exposure, attention, and interpretation make up the process of perception
  - o perception process begins sensory input

**Sensory Marketing** - companies may extra attention to the impact of sensation on our product experience

- sight - marketers rely a lot on visual elements in advertising
  - o colors invoke emotions; reactions determined by biological and cultural factors; perception of color depends on both wavelength and how mind responds to stimuli i.e. yellow is middle wavelength and perceived as the brightest color to attract attention; product recognition, importance of package design
- smell
  - o Can stir emotions; create calming effect, reactions to odours depend on cultural background
- Hearing
  - o Many aspects of sound affect people's feelings and behaviors
  - o Can relax or stimulate workers and consumers
- Touch
  - o Richness, quality and durability are assessed by touch
  - o Some consumers like to touch a product before using, others don't
  - o Influence consumer evaluations i.e. soft carpeting leads to greater sense of physical comfort than does hard tiling

- **Kansei engineering** - philosophy that translate customers feelings into design elements
- \*look at table in lecture slides
- Taste
  - taste testing; blind taste tests
  - Cultural changes determine desirable tastes

**Exposure** - process by which consumers come into contact with stimulus and has the potential to notice it

- We can concentrate, ignore, or completely miss stimuli
- i.e. running 5s commercials for Cadillac Cars was more effective than 30s

### **Sensory thresholds**

- **Psychophysics** - science of how physical env. is integrated into our personal subjective world
- **Absolute threshold** - minimum amt of stimulation that can be detected on a sensory channel i.e. billboard w/ too small print
- **Differential threshold** - ability of a sensory system to detect changes in a stimulus or differences between two stimuli ; minimum change that can be noticed is JND—just noticeable difference
- Amount of change needed to be noticed is dependent on the initial intensity of the stimuli - **weber's law**; used for two reasons:
  - Reductions are not readily apparent to the public thus need to have a significant amt to be noticed
  - Product improvements are perceived by the public

**Subliminal Perception** - perception of stimuli below the level of consumer consciousness

- If you can see/hear it, its not subliminal because stimulus above consciousness
- Publics fear of unconsciousness manipulation
- Subliminal techniques can be both visual and aural
  - Embeds - tiny figures inserted in magazine ads by using high speed photography or airbrushing
  - Subliminal auditory perception - messages hidden on sound recordings

- Most researchers believe that subliminal techniques aren't useful very in marketing
  - o Individual differences
  - o Advertisers lack of control over behavior
  - o Amount of attention to stimulus
  - o General level

**Attention** - refers to extent to which brains processing activity is devoted to a particular stimulus

- sensory overload—exposed to far more info that are willing or able to process
- Marketers need to break through the clutter
  - o Exposed to so much advertising daily - need to compete for our attention

**Perceptual selectivity** -people attend to only a small portion of the stimuli to which they are exposed

**Personal Selection Factors:**

- Selective exposure
- Perceptual filters -past experiences influence what they decide to process
- Perceptual vigilance - more likely to be aware of stimuli that relates to their current needs
- Perceptual defense—flip side of vigilance; people see what they want to see and don't see what they don't want to se
- Adaptation - degree to which consumers continue to notice stimuli overtime and no longer pay attention to it; several factors lead to adaptation
  - o Intensity - habituated to less intense stimuli
  - o Duration—long exposure
  - o Discrimination - simple stimuli tend to be habituated because don't require attention to detail
  - o Exposure - people tend to be habituated to frequently encountered stimuli as rate of exposure increases
  - o Relevance - tend to be habituated to stimuli that are irrelevant because they fail to attract attention

## Stimulus Selection Factors

- in addition to consumer's mindsets, characteristics of stimuli itself play an important role in what gets noticed or not
- marketers need to understand these factors to be able to cut through the clutter and reach their consumers
- in general, stimuli that differs from others is more likely to be noticed (i.e. Weber's law) through contrast created by:
  - o size
  - o color
  - o position - in places where we are more likely to look
  - o novelty—communication that uses novel stimuli or appear in unexpected places tend to grab our attention

## Interpretation - meaning that people assign to sensory stimuli

- consumers assign meaning based on **schema**—set of beliefs to which stimuli is assigned
  - o i.e. brand names communicate expectations about a product and can shape consumer's perceptions of the product performance by activating a relevant schema

## Stimulus Organization

- people don't perceive single stimulus in isolation, they tend to view it in terms of relationship with other events, sensations, or images
- **Gestalt psychology** - people derive meaning from the totality of a set of stimuli rather than from any one individual stimulus
  - o **Principle of closure**—implies that consumers tend to perceive an incomplete picture as complete
    - This in marketing strategies encourages audience participation increasing the chance that people will attend to the message i.e. if marketers want to encourage brand recall, they should omit an element of the ad
  - o **Principle of similarity**—consumers tend to group together objects that share similar physical characteristics

; group like items into sets to form an integrated whole

- **Figure group principle**—one part of a stimulus will dominate while other parts recede to the background
  - in marketing message that use this, stimulus can be made the focal point of the message or merely the context that surrounds the focus

### **What ads do we remember?**

- Consistent with values, attitudes, lifestyles
- Some form of distinctiveness

### **Perceptual Positioning**

- perceptions of a brand comprise both its functional attributes (features, price, etc.) and its symbolic attributes (its image and how we perceive it)
- market position—evaluation of a product is typically the result of what it means rather than what it does
- positioning strategy - the way marketers want brand to be viewed in the eyes of the consumer
  - fundamental part of company's marketing strategies as it uses elements of the marketing mix to influence consumers interpretation of the brand's meaning
  - repositioning brands to update brand for an evolving market
  - positioning dimensions
    - price leadership, attributes, product class, occasions, users, design

## **Chapter 3**

**Learning-** relatively permanent change in behavior that is caused by an experience

- can learn vicariously through learning others and doesn't have to be direct
- unintentional acquisition of knowledge is known as incidental learning
- learning process: stimulus  $\Rightarrow$  consumer memory  $\Rightarrow$  response

**Behavioral learning theories**—assume the learning takes place as the result of responses to external events, as opposed to internal thought processes

- conditioning

**Classical conditioning**—occurs when a stimulus that elicits a response is paired with another stimulus that initially does not elicit a response on its own

- second stimulus causes a response because it is associated with the first one
- i.e. dog example - powder is unconditioned stimulus it naturally capable of causing the response and over time bell become a conditioned stimulus; didn't initially cause response but over time dogs learned to associate bell with food

**Associate learning**—consumers learn associations btw stimuli in a rather simple fashion without more complex processes such as memory or cognition taking place

- **repetition**
  - o associated learning effects are more likely to occur after a conditioned and unconditioned stimulus have been paired many times
  - o repeated exposures increase strength of stimulus - response associations and prevent the decay of these associations in the memory

- interval btw exposure may influence effectiveness of this strategy as well as the type of medium used to communicate the stimulus
- associate learning wont occur or will take longer if paired stimuli are only sometimes presented together
  - may lead to extinction—when effects of prior conditioning are reduced and finally disappeared
  - could happen due to overexposure
- some argue should only repeat stimulus 3 times
  - advertising wearout—consumers become so used to hearing or see it over again that they no longer pay attention to it
- **stimulus generalization** - tendency of stimuli similar to a CS to evoke similar conditioned responses
  - i.e. dogs salivating when they hear sounds similar to that of the bell
  - applications of stimulus generalization are often central to branding and packaging decisions that try to capitalize on consumers positive associations with existing brand
    - family branding - capitalizing rep of a company name to sell different product lines
    - product line extensions - adding products to existing brand
    - licensing
    - look alike packaging - packaging designs create strong associations with a particular brand
  - issue of consumer confusion of one company's logo, product, design etc. are too similar to another companies
- **stimulus discrimination**—when stimulus similar to that of CS is not followed by a UCS
  - reactions are weakened and will soon disappear
  - i.e. manufacturers of brands urge consumers to stop buying cheap imitations
  - using mask branding - purposely hides a products true origin

**Instrumental Conditioning** - aka operant learning, occurs when individual learns to perform behaviors that produce positive outcomes and to avoid behaviors that yield negative outcomes

- in classical conditioning, people respond involuntarily and simply vs. in this people perform more complex behaviors and associate

them with rewards or punishments

- shaping—occurs when consumers are rewarded for successive steps taken toward the desired response i.e. giving shoppers samples as a way to encourage them to come again
- positive reinforcement—in the form of a reward, response is strengthened and appropriate behavior is learned
- negative reinforcement—removal of something negative so as to increase desired response
- punishment - response followed by an unpleasant event i.e. heel breaking off shoe means you won't buy a cheap shoe again
- Extinction- removal of positive outcome following an unwanted behavior

Four types of learning schedules

- **Fixed ratio reinforcement-** schedule whereby reinforcement occurs following a fixed number of desired behaviors
- **Variable ratio schedule-** schedule whereby behaviors are reinforced after a varying number of them have been exhibited
- **Fixed interval schedule-** a schedule whereby reinforcement occurs at fixed time periods
- **Variable interval schedule-** schedule whereby reinforcement occurs at random periods of time

**Cognitive Learning Theory** - stresses the importance of internal mental processes

Conscious

- mindlessness - condition in which you learn unconsciously, in an automatic, passive way

- trigger feature—stimulus that cues as towards particular pattern  
i.e. when seeing a new product, we typically respond to stimulus in terms of existing category and not formulating different ones
  - o i.e. men rating cars higher in any aspects if hot woman is in the car (trigger feature)
- thinking without thinking - adaptive unconscious , making snap judgments

Observational learning—when people watch the actions of others and note reinforcements they receive for their behaviors

- learning occurs vicariously rather than directly
- behavioral learning through modeling
  - o 1. Consumers attention must be directed toward the appropriate model whom, for reasons of attractiveness, competence, status, or similarity, it is desirable to emulate
  - o 2. Consumer must remember what the models says or does
  - o 3. Consumer must convert this information into actions
  - o 4. Consumer must be motivated to perform these actions
- components of observational learning
  - o attention - consumers focuses on model's behavior
  - o retention - consumer retains this behavior on memory
  - o production processes - consumer performs behavior
  - o motivation - situation where behavior is useful to the consumer

### **Role of memory in learning**

- memory - acquiring and storing information to be used later
- Information processing approach
- External inputs  $\Rightarrow$  encoding info (info placed in mem)  $\Rightarrow$  storage (info retained in mem)  $\Rightarrow$  retrieval (info stored in mem is found as needed)
- The way info is encoded helps determine how it will be represented in memory
  - o Consumer may process stimulus in terms of sensory meaning such as shape or color
  - o Episodic memories are memories that are personally relevance
    - People's motivation to retain these mem are higher

## Memory Systems

- sensory memory - permits storage of info we receive from our senses
  - o only lasts for a few seconds
  - o high capacity; duration: less than 1 second
  - o i.e. passing by donut shop and smelling them causing you to go buy
- short-term memory - stores info for limited period of time
  - o limited capacity; duration: less than 20 seconds
- long term memory - unlimited cap; long or permanent
  - o unlimited capacity; duration: long/ permanent
  - o elaborate rehearsal - process of transferring info from short term to long term
  - o involves thinking about the meaning of a stimulus and relating it to other info already in the memory
  - o marketers assist in the process by devising catchy slogans or jingles

## Storing info in memory

- **activation models of memory** - the more effort it takes to process info, the more likely it is that the info will be placed in long term memory
- **knowledge structures** - storage unit
  - o complex spider webs filled with pieces of data
- **evoked set** - consumer only recalls those brands contained in the appropriate category

## Analogical Learning

- a way to learn about new products and features
- learning by drawing analogies
- existing product is the base and new product is called the target
- analogical learning can occur in two forms
  - o level of attributes—identifiable features or properties of the product
  - o level of relationships - how product relates to desired outcome

## Retrieving information for purchase decision

- process of accessing information from long-term memory
- **salience** of a brand - refers to its prominence or level of activation in memory

- techniques that increase the novelty of a stimulus also improve recall – known as the Van Restorff effect
- **pictorial vs. verbal cues** – is a picture worth a 1000 words?
  - Evidence for superiority of visual memory over verbal memory
- **Familiarity and recall** – prior familiarity with an item enhances its recall

### **Factors Influence forgetting**

- interference – as additional info is learned, it displaces earlier info
  - retroactive interference – stimulus response associations will be forgotten if consumers subsequently learn new response to the same/similar stimulus
  - proactive interference – prior learning can interfere with new learning
- partial list cueing

### **Factors influencing strength of learning**

- Reinforcement
- Relevance and involvement
- Repetition

### **Measuring Memory**

- recognition vs. recall

### **Marketing power of nostalgia**

- nostalgia—the bittersweet emotion, in which past is viewed with both sadness and longing
- nostalgia is appealing to consumers because “we are creating a new culture and we don’t know what’s going on.. so we need some warm fuzzies from our past.”
  - Retro brands – updated version of a brand from a prior historical period
  - These products trigger nostalgia

### **Logo Design - how to aid in recognition**

- Simple
- Recognizable
- Unique
- Tone
- Transferability

## **Chapter 4**

**Motivation** – process that cause people to behave as they do

- occurs when need is aroused that a consumer wishes to satisfy
- once need is activated, state of tension occurs that drives the consumer to attempt to reduce the need
- desired end state is the consumer's goal

### **Factors that define the current state**

- Reference group changes
- Changes in socioeconomic variables
- Changes in societal norms
- Changes in family life cycle
- Changes in cultural surroundings
- Product innovation

### **Motivational Strength**

- degree to which a person is willing to expend energy to reach one goal as opposed to another reflects his or her underlying motivation to attain that goal
- **Driver theory** – biological needs that produce unpleasant states of arousal (such as stomach grumbling)
  - o In marketing, tension means unpleasant state that exists if a persons consumption needs are not fulfilled
  - o Homeostasis – reduce or eliminate unpleasant state and return to a balanced one
- **Expectancy theory** – behavior is largely pulled by expectations of achieving desirable outcomes – positive incentives – rather than pushed from within

### **Motivational Direction**

- motives have direction as well as strength
- **needs vs. wants**
  - o need is a consumer's desire for a product's or service's specific benefit, whether that be functional or emotional.
  - o want is the desire for products or services that are not necessary, but which consumers wish for.

### **Motivational conflicts**

- goal represent desired future states; has a valence which can be positive or negative
  - o positive is when they are motivated to approach the goal
  - o negative is when they are motivated to avoid a negative outcome
- approach-approach—choosing btw two desirable outcomes
  - o theory of cognitive dissonance - people have a need for consistency in their lives and that a state of tension is created when beliefs or behaviors conflict with one another
- approach-avoidance—many products have neg consequences attached to them as well as positive
- avoidance- avoidance—face a choice between two undesirable consequences

### **Classifying Consumer needs**

- Physiological/Biogenic needs
  - o Food, water, air, sleep, sex, shelter, emotional stability
- Psychological/Psychogenic
  - o Autonomy, affiliation, play, change, assistance
- Murray believed that everyone has the same basic set of needs
  - o Difference is how individuals prioritize these needs ?

### **Specific needs and buying behavior**

- Need for Affiliation (to be in company of other people)
  - o Relevant to products and services that alleviate loneliness and that are consumed among groups of people
- Need for Power (to control one's environment)
  - o Products that allow consumers to feel they have mastery over surroundings
- Need for Uniqueness (to assert one's individual identity)
  - o Satisfied through products that pledge to accentuate a consumer's distinctive qualities

### **Maslow's hierarchy of needs**

- Physiological  $\Rightarrow$  safety  $\Rightarrow$  belongingness  $\Rightarrow$  ego needs  $\Rightarrow$  self actualization
- Higher order needs become the driving force behind human behavior as the consumer's lower level needs are satisfied
- Theory states that satisfaction doesn't motivate behavior, rather dissatisfaction does

### **Motivation and Goal Fulfillment**

- people often set goals that are related to consumption
- SMART goals

### **Same Decisions: Different Drivers**

- look at slides

**Consumer Involvement**—a person's perceived relevance of the object based on: inherent needs, values and interests

- it is the motivation to process information and/or imagery
- low levels of involvement—inertia - decisions are made out of habit because the consumer lacks the motivation
- high levels of involvement—passion
- flow state - when consumers are truly involved with a product
- involvement= f (person, situation, object)
  - o level of involvement may be influenced by one or more of these 3
- involvement with ads, products, purchase decisions

### **Faces of Involvement**

- types of involvement : cognitive and affective
  - o i.e. high cognitive = car, new products
  - o i.e. low cog = household cleaners, ground beef
  - o i.e. high affective = jewelry, motorcycles
  - o i.e. low affective = candy, liquor
- product involvement - related to a consumers level of interest in a particular product

- mass customization—personalization of products for individuals at mass production prices
- message response involvement
  - i.e. TV is low involvement medium vs. media print is high
- purchase situation involvement
  - differences that may occur when buying the same object for different contexts

### **Segmenting by involvement levels**

- measurement approach that segments involvement by levels
  - this allows researchers to capture the diversity of involvement construct
  - allows for involvement to be used for basis of market segmentation

### **Strategies to increase involvement**

- Increase complexity
- Increase relevance
- Increase risk
- Celebrity endorsements

## **Affect**

### **Types of Affective Responses**

- Evaluations - valenced (i.e., positive or negative) reactions to events and objects, that are not accompanied by high levels of arousal
- Moods - involve temporary positive or negative affective states accompanied by moderate levels of arousal
  - Positive moods/emotions often highlighted as product benefit
  - Negative moods utilized i.e. by showing pic of starving kid
  - Negative state relief—helping others as means by relieving one's own negative mood
  - Mood congruency—judgements consistent with our existing moods
- Emotions - tend to be more intense and are often related to a specific triggering event

## **Social Media and Moods**

- Sentiment analysis – process that scours the social media universe to collect and analyze the words people use when describing products or companies
  - o Aka opinion mining
- From these words, word phrase dictionary is created to code the data

## **Discrete emotions**

- Examination of specific emotional reactions during consumption episodes can provide additional insight
- Happiness
- Envy
- Guilt

## **Chapter 5**

**Self- concept**—refers to belief a person holds about his or her own attributes and how he or she evaluates these qualities.

- attributes of self esteem such as facial attractiveness, mental aptitude, valence (positivity or negativity), intensity, stability over time, and accuracy (i.e. degree to which your self assessment corresponds to reality)
- self esteem – refers to positivity of your attitude towards yourself
  - o exposure to ads can trigger a social comparison
- real and ideal selves
  - o ideal self – person’s conception of how they would like to be
  - o actual self – realistic appraisal of the qualities we do and don’t have
  - o impression management—work hard to manage what others think of us i.e. choosing clothes and products that present us in a good light

## **Multiple Selves**

- many selves as we have different social roles
- marketers pitch products needed to facilitate active role identities
- i.e. if one has a low gender identity, less likely to buy products linked to their gender

## Virtual Identity

- identity in cyber space
- computer mediated environments (CME)
- on these sites, people make avatars ranging from realistic versions of themselves to exaggerated physical characteristics
- online selves influence consumer behavior
- identities we chose in CME relate to our RL identities
  - o when people take on avatar forms, they tend to interact with other avatars much as their real self interacts with other RL people
  
- symbolic interactionism – stresses the relationships with other people play a large part in forming the self
  - o Pattern our behavior on perceived expectations of others in a form of self fulfilling prophecy
  - o By acting the way we assume others expect of us, we often confirm these perceptions
  - o Act in the way others expect you to act
  - o Change identity as you meet new people
  
- The looking glass self - process of imagining reactions of others towards us
  - o Reflexive evaluation when individual attempts to define self by taking readings of our own identity by bouncing signals off others and trying to project the impression they have of us

## Consumption and Self Concept

- Product consumption influences perceptions of the individual
- **Symbolic Self-Completion Theory** – people who have an incomplete self definition tend to complete this identity by acquiring and displaying symbols associated with it
  - o i.e. low self esteem leads to products to boost self esteem like makeup
- you are what you consume
  - o social identity as individual consumption behaviours
  - o inference of personality based on consumption patterns
  - o consumers may attach themselves to product to maintain self-concept

Self/Product Congruence - products will be chosen with their attributes match some aspect of the self

- product usage = self image

Extended Self

- external objects considered a part of us
- levels of extend self:
  - o Individual: personal possessions (cars, clothing)
  - o Family: residence and furnishings
  - o Community: neighborhood or town where you live
  - o Group: social or other groups
- These levels affect what we purchase

Gender Roles

- people often conform to their culture's expectations about what those of their genders should do

- Social Assumptions
  - o Men controlled by agentic goals - which stress self assertion and mastery
  - o Females taught to value communal goals - such as affiliation
- Gender vs. sexual identity
  - o i.e. behavior considered masculine in one culture may not be in other so these are biological things

Androgyny - possession of both masculine and feminine traits

- researchers make a distinction between gender typed people who are stereotypically masculine or feminine and androgynous people
- gender bending products -sex typed item adapted to the opposite gender
  - o i.e. Rubbermaid introduced a line of grooming tools specially for men including tweezers and clippers

Gay, Lesbian, Bi, Transgender Consumers

Body Image - consumer's subjective evaluation of his or her physical self

Body Cathexis—emotional significance of some object or idea to a person, and some parts of the body are more central to self concept than others

Ideals of Beauty – particular model, or exemplar of appearance

- is beauty universal? No
  - o western ideal of beauty – big eyes, tiny waists, large breasts, blonde hair, blue eyes

## **Chapter 6**

Personality – person’s unique psychological makeup and how it influences the way they respond to the environment

- Consumer behavior is often the result of unconscious motives which can be determined through psychological techniques

Freudian Theory

Id – component of the self entirely oriented toward immediate gratification

- It is the party animal of the mind
- Operates according to **pleasure principle**—behavior is guided by the primary desire to maximize pleasure and avoid pain
- ID is selfish and logical

Superego - counterweight to the I; this is the person's conscience

- it internalizes society's rules and works to prevent the Id from seeking selfish gratification
- operates according to moral principles

Ego -system in between Id and superego - a referee in the fight between temptation and virtue

- his work highlights the importance of unconscious motives underlying purchases
- put emphasis on sexual aspects of personality

Motivational Research

- first attempt to apply Freudian ideas to understand the deeper meanings of products and ads
- relies on in depth interviews with individual consumers
- 

Neo-Freudian Theory

- coworkers/students that were influenced by Freud
- Karen Horney - she proposed that people can be moving towards other (compliant), away from others (detached), or against others (aggressive)
  - o These three types of people prefer different types of products
- Carl Jung - developed analytic psychology which emphasizes both individual's development as a creative person (their future) and individual and racial history (their past) in formation of personality
  - o Emphasis on collective unconsciousness - storehouse of memories inherited from our ancestral past
  - o Archetypes - shared memories, universal ideas and behavior patterns

Trait Theories

- Trait - specific traits or identifiable characteristics that define a person

- Consumption differences between allocentrics (having group orientation) vs. idiocentrics (individualist orientation)
  - o i.e. idiocentrics live travelling more than allocentrics
  - o i.e. allocentrics like spending time in kitchen more than idiocentrics
  
- problems with trait theories
  - o Validity and reliability
  - o Personality tests are only for specific groups
  - o Test Procedures: conditions, changes in instruments
  - o Results cannot be used to make predictions
  
- Personality traits interact with situational factors to predict how consumers will behave
  - o i.e. someone high in public self consciousness more likely to buy products that will help present a positive view of themselves to others
  - o need for uniqueness
  - o need for cognition - like thinking about things and product attributes

Brand Personality - set of traits people give to a product as if it were a person

- brand equity -extent to which consumers hold a strong favorable association with brand and extent to which they are willing to pay more for this brand
- use of brand personality
  - o Mainly a strategic tool for the creative team
  - o Used as a mirror to see if the ads are congruent with the intended brand personality
  - o The goal is to describe perceptual reality from consumer's perspective
  - o Used for product positioning
  
- Brand personality and animism
  - o **Level 1:** Associating the product with the soul of a human being
  - o **Level 2:** Objects are anthropomorphized; given human characteristics (such as personality traits)

Lifestyles and Psychographics

- who are we, what we do
- life style: a set of shared values or tastes exhibited by a group of consumers, reflected in consumption patterns

- Outward expression of needs and values
  - What consumers buy, do not buy, do not do, etc.
  - Tendency to behave in the marketplace and to respond to them in a predictable manner
  - Can change over time
  - Person, product, setting- look at diagram in slides
- lifestyle marketing perspective recognizes that people sort themselves into groups on the basis of the things they like to do, how they like to spend their leisure time, and how they chose to spend their disposable income
    - these choices can be used for market segmentation strategy
- use of lifestyle concept in marketing
    - Description of target consumer or potential user
    - Who currently buys product and who is likely to buy
    - Demographic data not enough
    - Values, attitudes, opinions, personalities
      - A human portrait of the consumer
- product complementarity - occurs when symbolic meanings of different products are related to each other
    - sets of products are term consumption constellations

### Psychographics

- Activities
  - Work, hobbies, social events, vacation, sports
- Interests
  - Community, recreation, fashion, food, media
- Opinions
  - Politics, business, economics, products, social issues
- Psychographics can help marketers fine tune their offerings to meet the needs of different segments

### Use of Psychographics segmentation

- To define the target market
- To create a new view of the market
- To position the product
- To communicate product attributes
- To develop overall strategy

### VALS

- values and lifestyles
- most well known, and widely used segmentation system

- 8 groups:
  - o innovators: most resources
  - o sufficient resources: thinkers, achievers, experiencers,
  - o less resources: believers, strivers, makers
  - o fewest resources: survivors

Geodemography - analytic techniques that combine data on consumer expenditures and other socioeconomic factors with geographic information about areas where people live to identify consumers who share common consumption patterns

Values - belief that some condition is preferable to its opposite

- Values are central to what makes a consumer distinct in their consumption and in society

Core values

- Every culture has a set of values that it imparts to its members
- Many values vary by country and culture and change over time
- Core values define a culture and are taught to us by socialization agents (parents, friends, teachers) through enculturation
  - o Enculturation is the process of learning the beliefs and behaviors endorsed by one's own culture
  - o Acculturation - the process of learning the beliefs and behaviors endorsed of another culture
- Differences in values explain why marketing campaigns may be a hit in one country and flop in another
- Some Values are universal - health, wisdom etc.
  - o What sets cultures apart is the relative importance or ranking of these universal values - set of ranking constitutes a culture's value system

Values as Motivational Forces

- Values are end-states of life, the goals one lives for
- A behaviour (e.g. investing) can be based on different underlying values (e.g. beliefs about personal success versus providing for family)
- marketers attempt to identify (and leverage) the links between products and consumers' personal values

Classify Values

- Rokeach Value Survey
  - o terminal values/desired end states -applicable to various cultures
- List of Values (LOV) Scale
  - o Developed specifically for marketing use
  - o Nine consumer segments that endorse values such as sense of belonging, and security

#### New Core Values

- Conscientious consumerism - new value
  - o Growing green
- LOHAS “lifestyles of health and sustainability”
  - o Green is spreading to the mass market

#### Materialism

- Materialism refers to the importance people attach to worldly possessions - “He who dies with most toys, wins”
- Modern Living - expectation of “the good life” a world of material comforts, like cell phones, ipads etc.
- Materialism = unhappiness?
- Materialistic tendencies = dislike of school, poor grades