ROLE OF PSYCHOLOGY & ENVIRONMENT IN CONSUMER BUYING BEHAVIOUR

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Consumer behavior is a hotbed of psychological research, as it ties together issues of communication (advertising and marketing), identity (you are what you buy), social status (among peers and potential mates), decision-making, and mental and physical health. Corporations put the findings about consumer behavior to good use, and so should you in monitoring what, when, and why you buy.Consumer behavior is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. It blends elements from psychology, sociology, social anthropology and economics.The 1990s have borne witness to dramatic shifts in the marketplace triggered by sharp changes in the lifestyle patterns of the past and present and the radical revolution in the telecommunication technology. Time tested concepts on Brand loyalty and Mass Marketing, are being turned on their heads as they fail to gauge the Behaviour of new generation customers. The behaviour is characterized by the uniqueness of individual expectations, the preference for multiple options, propensity to abandon Brand loyalty and switch to competition Brands that give higher (perceived) value. The new breed is even willing to import to satisfy specific requirement. It is difficult to classify this generation by conventional Demographic factors and unless their thought process and buying behaviour are fully understood, decisions on product designs and packaging, Branding and Distribution channels are likely to be misplaced. With the inevitability of change looming large over the horizon, Indian companies must learn from their western counterparts; not only to identify the sources, timing and direction of the changes likely to affect India, but also the new competencies and perspective that will enable them to respond to these changes, comprehensively and effectively. Companies offering Product or Services will need to understand this new face of the customers. The changing Demographic profile of the population in terms of education, income, size of family and so on, are important by what will be more substantive in days to come will be the Psychographics of customers that is how they feel, think or behave. Markers will have to constantly monitor and understand the underlying Psychographics to map their respective industries are moving and decide what needs to be done, by way of adding value that motivates customers to buy the company's products and influence the future industry structure.

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LITERATURE REVIEW

AWARENESS: This means to know about the existence of the product in the market. It is the first stage of the adoption process. The consumers are exposed to the product innovation. The consumers at this stage are not interested in more information about the product.

PERCEPTION: It is defined as the process by which an individual selects, organizes and interprets stimuli into a meaningful and coherent of the world. It is how we see the world around us'. Two persons subject to the same stimulus under the same conditions will react differently. A stimulus is any unit of input to any of the senses. The study of perception is largely the study of what we subconsciously add to or subtract from raw sensory to produce our own private picture of the world.

ATTITUDE: In simple dictionary meaning 'attitude; means a way of thinking is a learned predisposition to behave in a consistently favourable or unfavourable way with respect to a given object. Attitudes are learned may be because of a previous experience with the product, information acquired from others, and exposure to mass media. Attitudes are not permanent; they do change over a period of time.

Consumer Behavior

The study of consumers helps firms and organizations improve their marketing strategies by understanding issues such as how consumers think, feel, reason, and select between different alternatives (e.g., brands, products);

The psychology of how the consumer is influenced by his or her environment (e.g., culture, family, signs, media);

The behavior of consumers while shopping or making other marketing decisions;

Limitations in consumer knowledge or information processing abilities influence decisions and marketing outcome;

How consumer motivation and decision strategies differ between products that differ in their level of importance or interest that they entail for the consumer; and how marketers can adapt and improve their marketing campaigns and marketing strategies to more effectively reach the consumer.

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Understanding these issues helps in adapting strategies by taking the consumer into consideration. For example, by understanding that a number of different messages compete for our potential customers' attention, one learns that to be effective, advertisements must usually be repeated extensively. It is also learnt that consumers will sometimes be persuaded more by logical arguments, but at other times will be persuaded more by emotional or symbolic appeals. By understanding the consumer, the company will be able to make a more informed decision as to which strategy to employ.

The "official" definition of consumer behavior given in the text is "The study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society.

Behavior occurs either for the individual, or in the context of a group (e.g., friend's influence what kinds of clothes a person wears) or an organization (people on the job make decisions as to which products the firm should use).

Consumer behavior involves the use and disposal of products as well as the study of how they are purchased. Product use is often of great interest to the marketer, because this may influence how a product is best positioned or how we can encourage increased consumption. Since many environmental problems result from product disposal (e.g., motor oil being sent into sewage systems to save the recycling fee, or garbage piling up at landfills) this is also an area of interest.

Consumer behavior involves services and ideas as well as tangible products.

The impact of consumer behavior on society is also of relevance. For example, aggressive marketing of high fat foods, or aggressive marketing of easy credit, may have serious repercussions for the national health and economy.

There are four main applications of consumer behavior:

The most obvious is for *marketing strategy*—i.e., for making better marketing campaigns. For example, by understanding that consumers are more receptive to food advertising when they are hungry, we learn to schedule snack advertisements late in the afternoon. By understanding that new products are usually initially adopted by a few consumers and only

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spread later, and then only gradually, to the rest of the population, we learn that (1) companies that introduce new products must be well financed so that they can stay afloat until their products become a commercial success and (2) it is important to please initial customers, since they will in turn influence many subsequent customers' brand choices.

As a final benefit, studying consumer behavior should make us better consumers. Common sense suggests, for example, that if you buy a 64 liquid ounce bottle of laundry detergent, you should pay less per ounce than if you bought two 32 ounce bottles. In practice, however, you often pay a size *premium* by buying the larger quantity. In other words, in this case, knowing this fact will sensitize you to the need to check the unit cost labels to determine if you are *really* getting a bargain. There are several units in the market that can be analyzed.

Research Methods

There are two main categories of research methods. *Secondary* research uses research that has already been done by someone else. For example, marketers often find information compiled by the U.S. Census very useful. However, in some cases, information specific enough to satisfy a firm's needs is not publicly available. Original research that a firm does for it is known as *primary research*.

There is no one perfect primary research method. Each has strengths and weaknesses, and thus the appropriate method must be selected based on research needs.

Surveys are useful for getting a great deal of specific information. Surveys can contain open-ended questions or closed-ended, where the respondent is asked to select answers from a brief list. Open ended questions have the advantage that the respondent is not limited to the options listed, and that the respondent is not being influenced by seeing a list of responses. However, open-ended questions are often skipped by respondents, and coding them can be quite a challenge. In general, for surveys to yield meaningful responses, sample sizes of over 100 are usually required because precision is essential.

Surveys come in several different forms. Mail surveys are relatively inexpensive, but response rates are typically quite low—typically from 5-20%. Phone-surveys get somewhat higher response rates, but not many questions can be asked because many answer options have to be repeated and few people are willing to stay on the phone for more than five

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minutes. Mall intercepts are a convenient way to reach consumers, but respondents may be reluctant to discuss anything sensitive face-to-face with an interviewer.

Focus groups involve getting a group of 6-12 consumers together to discuss product usage. Focus groups are especially useful if we do not have specific questions to ask yet, since we don't know what consumers' concerns might be. Drawbacks of focus groups include high costs and the fact that generalization toward the entire population is difficult for such small sample sizes. The fact that focus groups involve social interaction also means that participants may say what they think will make they look good rather than what they really believe (the social desirability bias).

Personal interviews involve in-depth questioning of an individual about his or her interest in or experiences with a product. The benefit here is that one can get really into depth. But this method of research is costly and can be extremely vulnerable to interviewer bias.

Projective techniques are used when a consumer may feel embarrassed to admit to certain opinions, feelings, or preferences. The main problem with this method is that it is difficult to analyze responses.

Observation of consumers is often a powerful tool. Looking at how consumers select products may yield insights into how they make decisions and what they look for. Observation may help in determining how much time consumers spend comparing prices, or whether nutritional labels are being consulted.

Physiological measures are occasionally used to examine consumer response. For example, advertisers may want to measure a consumer's level of arousal during various parts of an advertisement.

Segmentation

Segmentation basically involves dividing consumers into groups such that members of a group (1) are as similar as possible to members of that same group but (2) differ as much as possible from members other segments. This enables us then to "treat" each segment differently—e.g., by:

Providing different products (e.g., some consumers like cola taste, while others prefer lime). Offering different prices (some consumers will take the cheapest product available, while others will pay for desired features). Distributing the products where they are likely to be bought by the targeted segment.

In order for a segment structure to be useful:

❖ Each segment must have an identity—i.e., it must contain members that can be described in some way (e.g., price sensitive) that behave differently from another segment.

❖ Each segment must engage in systematic behaviors (e.g., a price sensitive segment should consistently prefer the low price item rather than randomly switching between high and low priced brands).

❖ Each segment must offer marketing mix efficiency potential—i.e., it must be profitable to serve. For example, a smaller segment may be profitable if, for example, it is price insensitive or can be targeted efficiently. Some segments are not cost effective.

There are three "levels" of segmentation. Levels here refer to the trade-off between the difficulty of implementing a segmentation scheme and the benefits that result.

❖ The first level of segmentation involves *personal characteristics*—e.g., demographics. The trouble with this method of segmentation, however, is that there is often not a good correlation between personal characteristics of consumers and what they want to buy. Psychographics includes a bit more information about the consumer than his or her mere descriptive characteristics.

❖ The second level is *benefit desired*—segmenting on what someone wants rather than who he or she is. Implementing segmentation on benefit desired is more difficult. The benefit, however, is that one can now make product that matches more closely a particular segment's specific desires, and one can promote, price, and distribute it according to the desires of the segment. This method, then, lends itself extremely well to strong product positioning—one make a product that offers specific benefits, and

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we aggressively promote this fact to interested consumers. A drawback, however, is some efficiency is lost in marketing communication.

❖ The third level is segmentation based on *behavior*. Behavior here refers to a person's response (or lack of response) to a given treatment. The rewards are often great, because one can tailor the kind of deal we give a consumer to the minimum concession needed to get that consumer to buy our (as opposed to a competing) product.

Direct marketing offers exceptional opportunities for segmentation because marketers can buy lists of consumer names, addresses, and phone-numbers that indicate their specific interests.

Culture

Culture is part of the *external* influences that impact the consumer.That is, culture represents influences that are imposed on the consumer by other individuals.

The definition of culture offered in the text is "That complex whole which includes knowledge, belief, art, morals, custom, and any other capabilities and habits acquired by man person as a member of society." From this definition, one can make the following observations:

Culture, as a "complex whole," is a system of interdependent components.

Knowledge and beliefs are important parts. Other issues are relevant. Art, for example, may be reflected in the rather arbitrary practice of wearing ties in some countries and wearing turbans in others.

Culture has several important characteristics: (1) Culture is *comprehensive*. This means that all parts must fit together in some logical fashion. (2) Culture is *learned* rather than being something we are born with. (3) Culture is manifested within *boundaries* of acceptable behavior... (4) Conscious awareness of cultural standards is limited. (5) Cultures fall somewhere on a continuum between static and dynamic depending on how quickly they accept change.

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Cultural rules can be categorized into three types. *Formal rules* carry relatively explicit standards as to how one should behave, and violations often carry severe sanctions. *Informal rules*, on the other hand, are less explicit and may not carry sanctions for violation. Finally, *technical cultural rules* involve implicit standards as to what constitutes a good product.

Language is an important element of culture. It should be realized that regional differences may be subtle.

Subculture is often categorized on the basis of demographics. While part of the overall culture, these groups often have distinguishing characteristics. An important consequence is that a person who is part of two subcultures may experience some conflict.

Values are often greatly associated with age groups because people within an age-group have shared experiences. Regional influence, both in the United States and other areas, is significant.

Family Decision Making

The Family Life Cycle: Individuals and families tend to go through a "life cycle." The simple life cycle goes fromchild/teenager ---> young single ---> young couple[*] ---> full nest

--->Empty nest ---> widow(er).

A "couple" may either be married or merely involve living together. The breakup of a non-marital relationship involving cohabitation is similarly considered equivalent to a divorce.

Full nest ---> single parent

This situation can result either from divorce or from the death of one parent. Divorce usually entails a significant change in the relative wealth of spouses. In some cases, the non-custodial parent (usually the father) will not pay the required child support, and even if he or she does, that still may not leave the custodial parent and children as well off as they were during the marriage. On the other hand, in some cases, some non-custodial parents will be called on to pay a large part of their income in child support. This is particularly a problem when the non-custodial parent remarries and has additional children in the second (or subsequent) marriages.

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Divorced parents frequently remarry, or become involved in other non-marital relationships; thus, we may see

Full nest ---> single parent ---> blended family

Another variation involves

Young single ---> single parent

Generally, there are two main themes in the Family Life Cycle, subject to significant exceptions:

As a person gets older, he or she tends to advance in his or her career and tends to get greater income (exceptions: maternity leave, divorce, retirement).

Unfortunately, obligations also tend to increase with time (at least until one's mortgage has been paid off). Children and paying for one's house are two of the greatest expenses.

Note that although a single person may have a lower income than a married couple, the single may be able to buy more discretionary items.

Family Decision Making: Individual members of families often serve different roles in decisions that ultimately draw on shared family resources. Some individuals are *information gatherers/holders*, who seek out information about products of relevance. These individuals often have a great deal of power because they may selectively pass on information that favours their chosen alternatives. *Influencers* do not ultimately have the power decide between alternatives, but they may make their wishes known by asking for specific products or causing embarrassing situations if their demands are not met. The *decision maker(s)* have the power to determine issues such as:

- whether to buy;
- Which product to buy (pick-up or passenger car?);
- which brand to buy;
- where to buy it; and
- When to buy.

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One is *bargaining*—one member will give up something in return for someone else. Strategy is *reasoning*—trying to get the other person(s) to accept one's view through logical argumentation.

Group Influences

Humans are inherently social animals, and individuals greatly influence each other. A useful framework of analysis of group influence on the individual is the so called *reference group*— the term comes about because an individual uses a relevant group as a standard of reference against which oneself is compared. Reference groups come in several different forms. The *aspirational reference group* refers to those others against whom one would like to compare oneself. *Associative* reference groups include people who more realistically represent the individuals' current equals or near-equals—e.g., co-workers, neighbours, or members of churches, clubs, and organizations. Finally, the *dissociative* reference group includes people that the individual would *not* like to be like.

Reference groups come with various degrees of influence. *Primary* reference groups come with a great deal of influence—e.g., members of a fraternity/sorority. *Secondary* reference groups tend to have somewhat less influence—e.g., members of a boating club that one encounter only during week-ends are likely to have their influence limited to consumption during that time period.

Another typology divides reference groups into the *informational* kind (influence is based almost entirely on members' knowledge), *normative* (members influence what is perceived to be "right," "proper," "responsible," or "cool"), or *identification*. The difference between the latter two categories involves the individual's motivation for compliance. In case of the normative reference group, the individual tends to comply largely for utilitarian reasons— dressing according to company standards is likely to help your career, but there is no real motivation to dress that way outside the job. In contrast, people comply with identification groups' standards for the sake of belonging—for example, a member of a religious group may wear a symbol even outside the house of worship because the religion is a part of the person's identity.

Diffusion of Innovation

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The diffusion of innovation refers to the tendency of new products, practices, or ideas to spread among people. Usually, when new products or ideas come about, they are only adopted by a small group of people initially; later, many innovations spread to other people. The *saturation point* is the maximum proportion of consumers likely to adopt.

Several forces often work against innovation. One is risk, which can be either social or financial. Another risk is being perceived by others as being weird for trying a "fringe" product or idea. Other sources of resistance include the initial effort needed to learn to use new products (e.g., it takes time to learn to meditate or to learn how to use a computer) and concerns about compatibility with the existing culture or technology. Innovations come in different degrees. A *continuous* innovation includes slight improvements over time. A *dynamically continuous* innovation involves some change in technology, although the product is used much the same way that its predecessors were used—e.g., jet vs. propeller aircraft. A *discontinuous* innovation involves a product that fundamentally changes the way that things are done—e.g., the fax and photocopiers.

Some cultures tend to adopt new products more quickly than others, based on several factors:

❖ *Modernity*: The extent to which the culture is receptive to new things. In some countries, such as Britain and Saudi Arabia, tradition is greatly valued—thus, new products often don't fare too well. The United States, in contrast, tends to value progress.

❖ *Homophily:* The more similar to each other that members of a culture are, the more likely an innovation is to spread—people are more likely to imitate similar than different models. The two most rapidly adopting countries in the World are the U.S. and Japan. While the U.S. interestingly scores very low, Japan scores high.

❖ *Physical distance:* The greater the distance between people, the less likely innovation is to spread.

❖ *Opinion leadership:* The more opinion leaders are valued and respected, the more likely an innovation is to spread. The style of opinion leaders moderates this influence, however. In less innovative countries, opinion leaders tend to be more conservative, i.e., to reflect the local norms of resistance.

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Perception

Our perception is an approximation of reality. Our brain attempts to make sense out of the stimuli to which we are exposed.

Factors in perception: Several sequential factors influence our perception. *Exposure* involves the extent to which we encounter a stimulus. Most of this exposure is random—we don't plan to seek it out. Exposure is not enough to significantly impact the individual—at least not based on a single trial In order for stimuli to be consciously processed, *attention* is needed. *Interpretation* involves making sense out of the stimulus. *Weber's Law* suggests that consumers' ability to detect changes in stimulus intensity appear to be strongly related to the intensity of that stimulus to begin with.

Several factors influence the extent to which stimuli will be noticed. One obvious issue is *relevance*. Consumers, when they have a choice, are also more likely to attend to *pleasant* stimuli (but when the consumer can't escape, very unpleasant stimuli are also likely to get attention—thus, many very irritating advertisements are remarkably effective). *Surprising* stimuli are likely to get more attention—survival instinct requires us to give more attention to something unknown that may require action. A greater *contrast* (difference between the stimulus and its surroundings) as well as greater *prominence* (e.g., greater size, centre placement) also tend to increase likelihood of processing.

Learning and Memory

Learning involves "a change in the content or organization of long term memory and/or behavior." The first part of the definition focuses on what we know (and can thus put to use) while the second focuses on concrete behavior.

Classical conditioning: Pavlov's early work on dogs was known as *classical conditioning*. Pavlov discovered that when dogs were fed meat powder they salivated. Pavlov then discovered that if a bell were rung before the dogs were fed, the dogs would begin salivating in anticipation of being fed (this was efficient, since they could then begin digesting the meat powder immediately). Pavlov then found that after the meat had been "paired" with the meat powder enough times, Pavlov could ring the bell without feeding the dogs and they would *still* salivate.

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In the jargon of classical conditioning, the meat powder was *an unconditioned stimulus* (US) and the By *pairing* the bell with the unconditioned stimulus, the bell became a *conditioned stimulus* (CS) and salivation in response to the bell (with no meat powder) became a *conditioned response* (CR).

Operant conditioning: Instrumental, or operant, conditioning, involves a different series of events, and this what we usually think of as learning. The general pattern is:

Behavior ---> consequences ---> behavior is more or less likely to be repeated

There are three major forms of operant learning. In *positivereinforcement*, an individual does something and is rewarded. He or she is then more likely to repeat the behavior.

Punishment is the opposite. It should be noted that *negative reinforcement* is very different from punishment.

In general, marketers usually have relatively little power to use punishment or negative reinforcement.

Several factors influence the effectiveness of operant learning. In general, the *closer in time* the consequences are to the behavior, the more effective the learning. However, it is not necessary to reward a behavior every time for learning to occur. Even if a behavior is only rewarded some of the time, the behavior may be learned.

Memory: There are two kinds of memory. When you see an ad on TV for a mail order product you might like to buy, you only keep the phone number in memory until you have dialled it. This is known as *short term* memory. In order for something to enter into *long term* memory, which is more permanent, you must usually "rehearse" it several times. A special issue in memory are so called "scripts," or procedures we remember for doing things. Scripts involve a series of steps for doing various things (e.g., how to send a package).

Motivation, Personality, and Emotion

Perspectives on Consumer Behavior and Motivation: People considered several perspectives on behavior as a way to understand what motivates the consumer. Each of these perspectives

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suggests different things as to what the marketer should do and what can (and cannot) be controlled.

The *Hard Core Behavioral* perspective is based on learning theories such as operant and classical conditioning. These theories suggest that consumers must learn from their own experiences rather than merely observing *other people* who overeat and get sick.

The *Social Learning Perspective*, in contrast, allows for *vicarious* learning--i.e., learning obtained by watching others getting good or bad consequences for behavior. The *models* that may be observed and imitated include peers and family members as well as relevant others that may be observed in advertising. Certain people are more likely to be imitated than othersGenerally, observations are made of overt behavior, but some room is made for individual reasoning in learning from others. This perspective is clearly more realistic than that of the "Hard Core" view.

The *Cognitive* approach emphasizes consumer *thinking* rather than mere behavior.Here, the emphasis is on how people reason themselves to the consequences of their behavior. It is often somewhat more difficult to attempt to "get into" a consumer's head than it is to merely observe his or her behavior, and what we "observe" is somewhat more subjective.

The *Biological* approach suggests that most behavior is determined by genetics or other biological bases. By this perspective, it is suggested that consumers eat the foods they eat in large part because the body craves these foods. The main implication of *biological determinism* is that the marketer must *adapt*--for example, food advertisements are more likely to be effective when people are hungry, and thus they might better be run in the late afternoon rather than in the late morning.

The *Rational Expectations* perspective is based on an economic way of looking at the World. The *Psychoanalytic* perspective is based on the work of historical psychologists such as Sigmund Freud who suggest that (1) much behavior has a biological basis which is (2) often sexual in nature, and (3) that early experiences in childhood will have a profound, but *unconscious* effect on later life. Although modern psychologists certainly recognize that early experiences may influence later psychological well being, the psychoanalytic view has largely been discredited today as being much too cantered on the issue of sex.

Properties of motivation: Motivation is described through several properties:

❖ *Motivation is composed of energy and direction.* A person may or may not have enough motivation to engage in a given activity.

❖ *Motives may be overt, hidden, and multiple*. Some motivations are publicly expressed (e.g., the desire to buy an energy efficient house), while others (e.g., the desire to look wealthy by buying a fancy car) are not.

❖ *Many motivations are driven by the desire for tension reduction* (e.g., eliminate thirst or hunger).

❖ *Motivations can be driven by both internal and external factors*.

❖ *Motivations may have either a positive or negative valence*--people may either be motivated to achieve something (e.g., get a promotion at work) or avoid something (e.g., being hospitalized without having adequate insurance).

❖ *Consumers are motivated to achieve goals*. Achieving these goals may require sustained activity over time (e.g., exercising every day for months or years) as opposed to just taking some action once.

❖ *Consumers maintain a balance between the desires for stability and variety*. M

❖ *Motivation reflects individual differences*. Different consumers are motivated to achieve different things, and it may be difficult to infer motivations from looking at actual behavior without understanding these differences in desired outcomes.

Personality and consumer behavior: Traditional research in marketing has not been particularly successful in finding a link between personality and consumer behavior.

Emotion: Emotion impacts marketing efforts in several ways. One purpose is to get *attention* to a stimulus (since emotionally charged individuals tend to be less predictable than calmer ones, there has been an evolutionary advantage in paying attention to emotion). Secondly, emotion influences *information processing*.

Attitudes

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Consumer attitudes are a composite of a consumer's (1) beliefs about, (2) feelings about, (3) and behavioral intentions toward some object within the context of marketing, usually a brand or retail store. These components are viewed together since they are highly interdependent and together represent forces that influence how the consumer will react to the object.

Beliefs: The first component is *beliefs*. A consumer may hold both positive beliefs toward an object (e.g., coffee tastes good) as well as negative beliefs (e.g., coffee is easily spilled and stains papers). In addition, some beliefs may be neutral.

Affec*t*: Consumers also hold certain feelings toward brands or other objects. Sometimes these feelings are based on the beliefs (e.g., a person feels nauseated when thinking about a hamburger because of the tremendous amount of fat it contains), but there may also be feelings which are relatively independent of beliefs.

Behavioral intention: The behavioral intention is what the consumer plans to do with respect to the object (e.g., buy or not buy the brand). As with affect, this is sometimes a logical consequence of beliefs (or affect), but may sometimes reflect other circumstances.

Attitude-Behavior Consistency: Consumers often do not behave consistently with their attitudes for several reasons:

❖ *Ability:* He or she may be unable to do so.

❖ *Competing demands for resources*

❖ *Social influence*

❖ *Measurement problems*: Measuring attitudes is difficult. In many situations, consumers do not consciously set out to enumerate how positively or negatively they feel about mopeds.

Attitude Change Strategies: Changing attitudes is generally *very difficult*, particularly when consumers suspect that the marketer has a self-serving agenda in bringing about this change (e.g., to get the consumer to buy more or to switch brands).

Changing affect: One approach is to try to change affect, which may or may not involve getting consumers to change their beliefs. One strategy uses the approach of *classical conditioning* try to "pair" the product with a liked stimulus. Finally, products which are better known, through the *mere exposure* effect, tend to be better liked--that is, the more a product is advertised and seen in stores, the more it will generally be liked, *even if consumers to do not develop any specific beliefs about the produc*t.

Changing behaviour: People like to believe that their behavior is rational; thus, once they use our products, chances are that they will continue unless someone is able to get them to switch. ----One way to get people to switch to one brand is to use temporary price discounts and coupons; however, when consumers buy a product on deal, they may justify the purchase based on that deal (i.e., the low price) and may then switch to other brands on deal later. A better way to get people to switch to our brand is to at least temporarily obtain better shelf space so that the product is more convenient. Consumers are less likely to use this availability as a rationale for their purchase and may continue to buy the product even when the product is less conveniently located. (Notice, by the way, that this represents a case of shaping).

Changing beliefs: Although attempting to change beliefs is the obvious way to attempt attitude change, particularly when consumers hold unfavorable or inaccurate ones, this is often difficult to achieve because consumers tend to resist. Several approaches to belief change exist:

❖ *Change currently held beliefs*. It is generally very difficult to attempt to change beliefs that people hold, particularly those that are strongly held, *even if they are inaccurate*.

❖ *Change the importance of beliefs*.

❖ *Add beliefs*: Consumers are less likely to resist the addition of beliefs *so long as they do not conflict with existing beliefs*.

❖ *Change ideal*: It usually difficult, and very risky, to attempt to change ideals, and only few firms succeed.

One-sided vs. two-sided appeals: Attitude research has shown that consumers often tend to react more favorably to advertisements which either (1) admit something negative about the

sponsoring brand or (2) admits something positive about a competing brand Two-sided appeals must, contain overriding arguments why the sponsoring brand is ultimately superior.

The Elaboration Likelihood Model (ELM) and Celebrity Endorsements. The ELM suggests that consumers will scrutinize claims more in important situations than in unimportant ones.

The ELM suggests that for "unimportant" products, elaboration will be low. However, for products which are either expensive or important for some other reason elaboration is likely to be more extensive, and the endorser is expected to be "congruent," or compatible, with the product.

Appeal approaches. Several approaches to appeal may be used. The use of *affect* to induce *empathy* with advertising characters may increase attraction to a product, but may backfire if consumers believe that people's feelings are being exploited. *Fear appeals* appear to work only if (1) an optimal level of fear is evoked--not so much that people tune it out, but enough to scare people into action *and* (2) a way to avoid the feared stimulus is explicitly indicated. *Humor* appears to be effective in gaining attention, but does not appear to increase persuasion in practice. In addition, a more favorable attitude toward the advertisement may be created by humorous advertising, which may in turn result in increased sales. *Comparative advertising*, which is illegal in many countries, often increases sales for the sponsoring brand, but may backfire in certain cultures.

Self-Concept, Situational Influences, and Lifestyle

The self-concept: The consumer faces several possible selves. The *actual* self reflects how the individual actually is, although the consumer may not be aware of that reality In contrast, the *ideal* self reflects a self that a person would like to have, but does not in fact have. The *private* self is one that is not intentionally exposed to others. The key here is to keep in mind which kind of self one is trying to reach in promotional messages.

Individuals will often seek to augment and enhance their self concepts, and it may be possible to market products that help achieve this goal.

Lifestyles: Self-concept often translates into a person's lifestyle, or the way that he or she lives his or her life. Attempts have been made to classify consumers into various segments based on their lifestyles. For example, both "Achievers" and "Strivers" want public

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recognition, but only the Achievers have the resources to bring this about. A global analogue is the Global Scan.

Situational influences. Specific circumstances often influence consumer behavior. Consumers whose attention is demanded elsewhere are likely to disregard commercial messages.

Consumer Decision Making

Consumer decision making comes about as an attempt to solve consumer problems. A *problem* refers to "a discrepancy between a desired state and an ideal state which is sufficient to arouse and activate a decision process."

Consumer Problem Recognition: Consumers often note problems by comparing their current, or actual, situation, explicitly or implicitly, to some desired situation. In terms of the "big picture," what is compared may be the totality of one's lifestyle.

Problems come in several different types. A problem may be an *active* one (e.g., you have a headache and would like as quick a solution as possible) or *inactive*-- you are not aware that your situation is a problem (e.g., a consumer is not aware that he or she could have more energy with a new vitamin). Problems may be *acknowledged* (e.g., a consumer is aware that his or her car does not accelerate well enough or *unacknowledged* (e.g., a consumer will not acknowledge that he or she consumes too much alcohol). Finally, needs can be relatively specific (generic), as in the need for enjoyment (which can be satisfied many different ways), or specific, as in the need for professional attire to wear at a new job.

Creating problems for consumers is a way to increase sales, albeit a questionably ethical one. One way to create new problems, and resultant needs, is to create a new ideal state.

There are two main approaches to search. *Internal* searches are based on what consumers already know. Thus, it may be important for certain firms to advertise to consumers before they actually need the product. A problem is that some excellent ones which are not remembered, or have never been heard of, are not considered. *External* searches get people to either speak to others (getting information by word of mouth) or use other sources (such as advertisements now sought out or yellow page listings). Consumers often do not consider all alternatives. Some are not known (the "unawareness" set), some were once known but are not readily accessible in memory (the "inert" set), others are ruled out as unsatisfactory (the

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"inept" set--e.g., Glad bags attempts to get "bargain bags" into that set), and those that are considered represent the "evoked" set, from which one alternative is likely to be purchased.

The amount of effort a consumer puts into searching depends on a number of factors such as the market (how many competitors are there, and how great are differences between brands expected to be?), product characteristics (how important is this product? How complex is the product? How obvious are indications of quality?), consumer characteristics (how interested is a consumer, generally, in analyzing product characteristics and making the best possible deal?), and situational characteristics (as previously discussed).

Two interesting issues in decisions are *variety seeking* (where consumers seek to try new brands not because these brands are expected to be "better" in any way, but rather because the consumer wants a "change of pace," and *"impulse" purchases*. Impulse purchases are, generally speaking, unplanned, but represent a somewhat fuzzy group.

Public Policy Issues

There are certain marketing practices which may harm consumers. Two main issues are (1) deceptive marketing practices (such as misleading advertising) and (2) the marketing of dangerous or otherwise harmful products (e.g., tobacco). The following are some ethical problems that occur in marketing, and the question arises as to which, if any, kind of government intervention is appropriate.

- ❖ *Marketing efforts may encourage excess consumption* (e.g., products that consumers cannot afford and do not really need). However there are many gray areas--e.g., cosmetics, video games, and even something as politically correct as a gourmet coffee houses. A special case involves marketing to children, whose parents may be coerced, often out of guilt, to buy questionable items aimed at children.

- ❖ *Resource depletion and waste disposal issues associated with the above consumption*. Some European countries have mandated that manufacturers be required to take back packaging materials for their products.

- ❖ *Deceptive marketing practices*: Products claim benefits which really do not result from use of the product (as is done by numerous manufacturers of nutritional supplements); advertising may be misleading (may not indicate the true cost of a

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product up front or may contain "fine print" that the consumer is unlikely to see or understand)

❖ *Products are unhealthy* (e.g., many children's foods contain excessive fat).

Government action is often considered, although it may not always be effective. For example, although the government requires the use of warning labels on some products, manufacturers will often try to "water down" the warnings as much as possible. Further, the prevalence of warning labels today may desensitize consumers since reading all of them carefully would provide the consumer with information overload.

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