

# Psychological factors influencing purchase behaviour

The buying behaviour of consumers is influenced by a number of internal or psychological factors. They are

- Motivation
- Perception
- Learning
- Beliefs and Attitude
- Personality
- Roles
- Self-concept
- Goals
- Risk and uncertainty
- Heuristics
- Interrupts



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## Motivation

Human needs translated into consumer needs in the marketing perspective are the basis of all modern marketing. Marketing concept revolves around the consumer needs. The key to a company's survival, profitability, and growth in a highly competitive marketing environment is its ability to identify and satisfy unfulfilled consumer needs better and sooner than the competition.

There are many who believe that marketers are there to create needs for the consumers. But

marketers do not create needs, though in some instances they may make consumers more keenly aware of unmet needs. Successful marketers define their markets in terms of the needs they presume to satisfy, not in terms of the products they sell. This is a market-oriented, rather than a production-oriented, approach to marketing. A marketing orientation focuses on the needs of the buyer; a production orientation focuses on the needs of the seller. The marketing concept implies that the manufacturer will make only what it knows people will buy; a production orientation implies that the manufacturer will try to sell what it decides to make.

A need becomes a motive when it is aroused to a sufficient level of intensity. A motive is a need that is sufficiently pressing to drive the person to act. There can be of types of needs:

1. Biogenic needs: They arise from physiological states of tension such as thirst, hunger
2. Psychogenic needs: They arise from psychological states of tension such as needs for recognition, esteem

In the words of William J Stanton, "A motive can be defined as a drive or an urge for which an individual seeks satisfaction. It becomes a buying motive when the individual seeks satisfaction through the purchase of something". A motive is an inner urge (or need) that moves a person to take purchase action to satisfy two kinds of wants viz. core wants and secondary wants. Let us take two examples:

Examples of core and secondary want

<b>Products</b>	<b>Core want</b>	<b>Secondary want</b>
Glasses	Protection to eyes	It should look good
Shoes	Protection to feet	Elegance in style

### **Theories of Motivation**

So, motivation is the force that activates goal-oriented behaviour. Motivation acts as a driving force that impels an individual to take action to satisfy his needs. So it becomes one of the internal factors influencing consumer behaviour. Over the past 100 years a variety of theories

of human motivation. Has been put forward, the best known of these are the theories of Marshall, Freud, Veblen, Herzberg and Maslow.

The first of these, the Marshallian model, is in many ways the most straightforward and is based on the idea that a person's behaviour is inherently rational and motivated by economic factors. The economic individual therefore attempts to maximise total satisfaction by buying goods and services from which the marginal utility is, in theory at least, equivalent to the marginal utility of the alternatives. Although such an overtly rational view of behaviour has long been criticised as being too partial and inadequate an explanation, Kotler (1972) has highlighted several ways in which the Marshallian model contributes to our understanding of buyer behaviour:

- It is axiomatic that every buyer acts in the light of his own best interest. The question is whether an economist would describe these actions as 'rational' or not.
- The model is normative in the sense that it provides a logical basis for purchase decisions, i.e. how one should decide rather than being descriptive, i.e. how one actually decides.
- The model suggests a number of useful behavioral hypotheses, e.g. the lower the price, the greater the sales; the lower the price of substitute products, the lower the sales of this product; the lower the price of complementary products, the higher the sales of this product; the higher the real income, the higher the sales of this product, provided that it is not an 'inferior' good; the higher the promotional expenditure, the higher the sales.

Freud's work, by contrast, suggests that the psychological factors which influence behaviour are for the most part unconscious, and that as a consequence we can only rarely understand our true motivations. Equally, in the process of growing up and conforming to the rules of society, we repress a series of urges. The obvious implication of this for marketing is that a consumer's *stated* motive for buying a particular brand or product may well be very different from the more fundamental *underlying* motive. Thus, in the case of a fast car, the stated motive might be the ability to get from one place to other place quickly. But the underlying motive, however, might well be the desire for status and to be noticed. Similarly, with an expensive watch the stated motive might be the product's reliability, while the real and unconscious motive might again be status and the desire to impress others. The best-known

exponent of Freudian theory in marketing is Ernest Dichter who in the 1950s developed a series of techniques, under the general heading of *motivational research*, designed to uncover consumers' deepest motives. Motivation research was subjected to a considerable amount of criticism on the grounds that buyers were subsequently being manipulated and persuaded to act against their own interests. Two of the most vociferous opponents of motivation research proved to be Galbraith and Packard. Galbraith (1958), for example, levelled a series of criticisms against the development of the consumer society, arguing that consumers were being persuaded to act against their true interests. Packard's criticisms, in his book *The Hidden Persuaders* (1957), were aimed even more specifically at techniques of motivation research and raised the spectre of the wholesale manipulation of society by marketing people for their own ends. Largely because of the subsequent publicity, motivation research became a less acceptable research technique and this, coupled with a whole series of problems experienced in its use, led to its gradual decline.

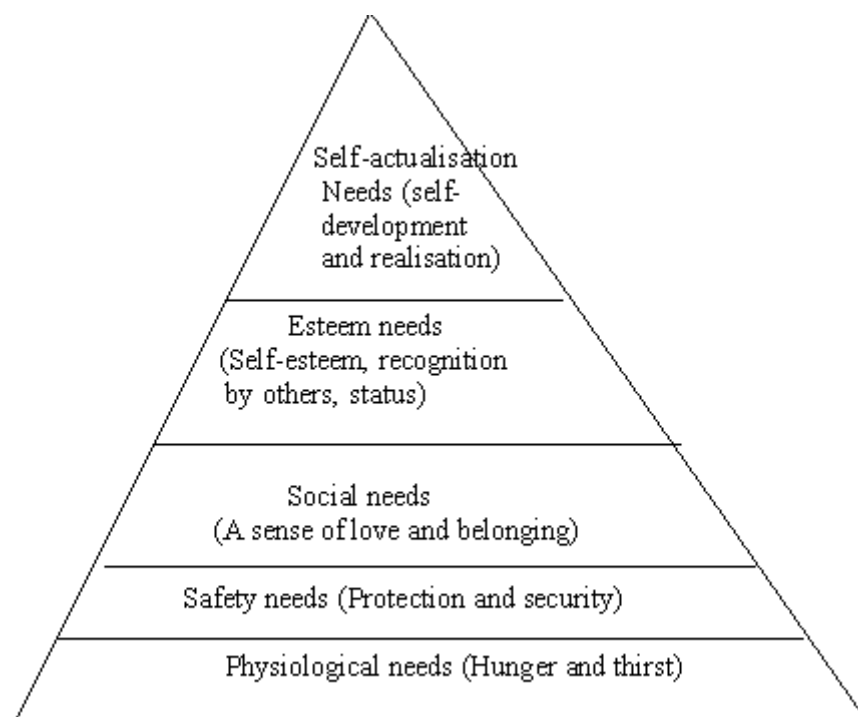
The Freudian view that a consumer's stated motives may well be very different from the true motives is also echoed in Veblen's social-psychological interpretations of behaviour. Many purchases, he argued, are motivated not by need but by a desire for prestige and social standing. Although Veblen's views, and in particular his emphasis upon conspicuous consumption, have subsequently been modified by research findings, his contribution to our understanding of buyer behaviour is significant, not least because it stresses the importance of social relationships as an influence upon choice.

The fourth major theory of motivation and one, which has received considerable attention from marketing analysts over the past 15 years, was developed by Herzberg. Labelled the 'Two Factor Theory' of motivation, it distinguishes between *satisfiers* (factors that create satisfaction) and *dissatisfiers* (factors that create dissatisfaction). In the case of a car, for example, the absence of a warranty would be a dissatisfier. The existence of a warranty, however, is not a satisfier since it is not one of the principal reasons for buying the product. These are more likely to be the car's looks, its performance and the status that the buyer feels the product confers upon the driver. There are several implications of this theory for marketing, the two most significant of which are, first, that the seller needs to be fully aware of the dissatisfiers which, while they will not by themselves sell the product, can easily

'unsell' it. The second implication, which follows logically from this, is that the strategist needs to understand in detail the various satisfiers and then concentrate not just upon supplying them, but also giving them full emphasis in the marketing programme.

The fifth and final principal theory of motivation was put forward by Maslow who suggested that behaviour can be explained in terms of a hierarchy of needs; this is illustrated the following figure.

### Maslow's Need Hierarchy



The model suggests that a person begins by concentrating upon satisfying the most important and most basic physiological needs before moving on to the higher levels of need. Thus, as each level is satisfied, the next level is likely to become the focus of attention. Although from the viewpoint of the marketing strategist Maslow's theory is arguably of less direct value than that of, say, Herzberg, it is of value in that it provides yet another insight into the ways in which products fit into the goals and lives of consumers.

Maslow's primary contribution to psychology is his Hierarchy of Needs. Maslow contended that humans have a number of needs that are instinctoid, that is, innate. These needs are

classified as "conative needs," "cognitive needs," and "aesthetic needs." "Neurotic needs" are included in Maslow's theory but do not exist within the hierarchy.

Maslow postulated that needs are arranged in a hierarchy in terms of their potency. Although all needs are instinctive, some are more powerful than others. The lower the need is in the pyramid, the more powerful it is. The higher the need is in the pyramid, the weaker and more distinctly human it is. The lower, or basic, needs on the pyramid are similar to those possessed by non-human animals, but only humans possess the higher needs.

The first four layers of the pyramid are what Maslow called "deficiency needs" or "D-needs:" the individual does not feel anything if they are met, but feels anxious if they are not met.... Needs beyond the D-needs are "growth needs," "being values," or "B-needs." When fulfilled, they do not go away; rather, they motivate further.

The base of the pyramid is formed by the physiological needs, including the biological requirements for food, water, air, and sleep.

Once the physiological needs are met, an individual can concentrate on the second level, the need for safety and security. Included here are the needs for structure, order, security, and predictability.

The third level is the need for love and belonging. Included here are the needs for friends and companions, a supportive family, identification with a group, and an intimate relationship.

The fourth level is the esteem needs. This group of needs requires both recognition from other people that results in feelings of prestige, acceptance, and status, and self-esteem that results in feelings of adequacy, competence, and confidence. Lack of satisfaction of the esteem needs results in discouragement and feelings of inferiority.

Finally, self-actualization sits at the apex of the original pyramid. Self-actualisation is the the instinctual need of humans to make the most of their abilities and to strive to be the best they can. Working toward fulfilling our potential, toward becoming all that we are capable of becoming

## **Buying Motives**

A sale is usually made in the minds of the buyers, but not in the minds of the salesman. He is motivated or induced by some reason. Therefore it is essential for the salesman to know what induces the buyer to buy and how he can be induced.

Buying motive is the urge or motive to satisfy a desire or need that makes people buy goods or services. Behind every purchase there is a buying motive. It refers to the thoughts, feelings, emotions and instincts, which arouse in the buyers a desire to buy an article. Motives should be distinguished from instincts. Thus hunger is an instinct whereas desire to purchase pizza is a buying motive. According to Prof. D. J. Duncan, "Buying Motives are those influences or considerations which provide the impulse to buy, induce action and determine choice in the purchase of goods and services."

Essentially, consumers are motivated by a desire to satisfy their needs. Needs are basically perceived lack of possession, which means that merely lacking something does not create a need, but the individual's realisation that s/he lacks something means that the need has come into being. For example, the lack of formal suits does not constitute a need unless there is a need to attend a formal party.

The series of psychological events in case of hunger

<b>Psychological event</b>	<b>Explanation</b>	<b>Example</b>
Need is recognised	The feeling of lacking something is categorised	The consumer becomes aware that the feeling of unease is caused by hunger
A drive is generated	A desire to do something about the problem comes to mind	The hungry person wants for food
A relevant motive is selected	The consumer looks for purchasing something	The person considers to buy food
A goal is selected	Some specific product is selected for purchase	The person decides to buy pizza
An action is selected	The consumer selects a particular action needed to achieve the goal	The consumer decides whether to go out and buy the food or telephone for it to be delivered

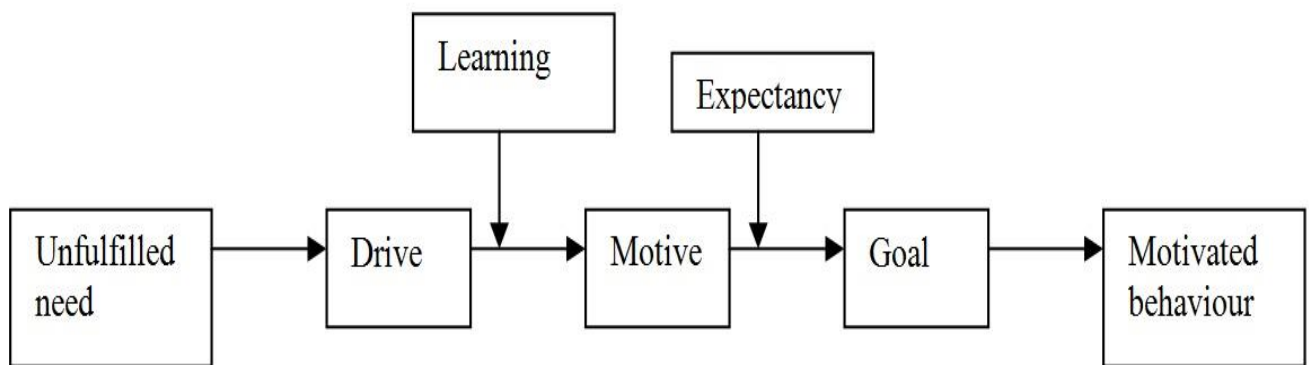
Felt needs can be classified as:

1. Utilitarian needs: These lead the consumer to consider the objective, functional attributes of the product. For instance, cars are bought to travel various places.
2. Hedonic or experiential needs: These lead the consumer to consider the subjective, pleasurable or aesthetic aspects of the product. Hedonism is the cult of pleasure. For example, car manufacturers design car doors to close with a satisfying sound. This serves

no useful purpose except to make the driver and passengers feel that they are in a solid, secure vehicle.

It is quite common for both types of need to be considered in the same purchase decision. A consumer may buy a car for the utilitarian purpose of driving to and from work and decide to buy an AC car with power drive facility for experiential purpose of enjoying the ride.

The model of motivation being developed from the psychological events



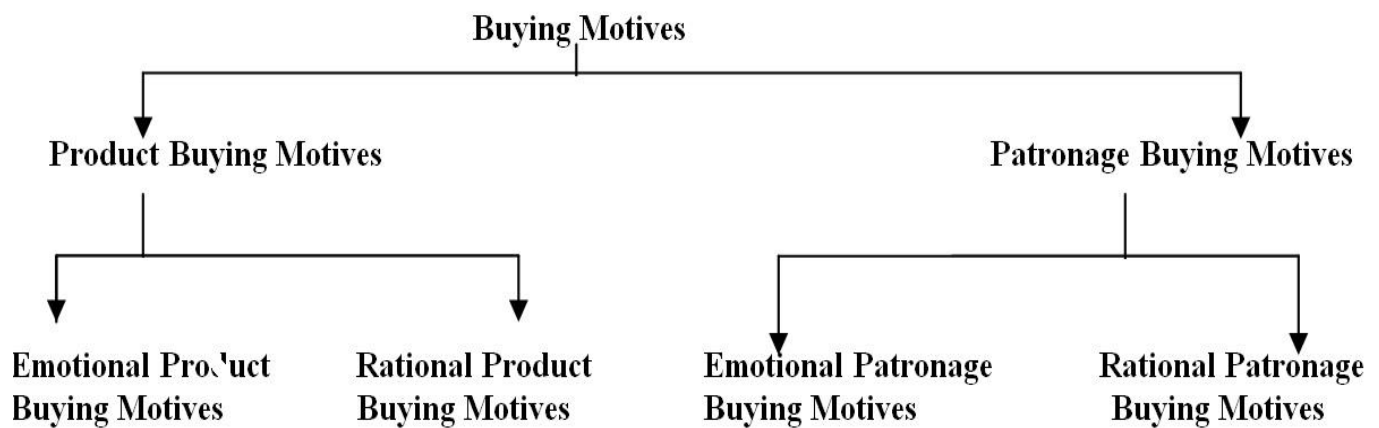
The motives can be classified as below:

<i>Types of motives</i>	<i>Meaning</i>	<i>Example</i>
Primary Motives	The reason to purchase a product class	Purchase of a new car to replace an old car
Secondary Motives	The reason to purchase a particular	Purchase of Tata Indica instead of Maruti Zen
Rational Motives	The reasons based on logical assessment of buyer's situation	Purchase of a Tata Sumo keeping in mind the large number of family members
Emotional Motives	The reasons related to consumer's feelings about the brand	Purchase of Hyundai Santro by a blind Shahrukh fan
Conscious Motives	The reasons connected with awareness	Purchase of Mahindra Armada for rough ride
Dormant Motives	The reasons below the conscious level	Purchase of Ferrari sports car for unconscious desire of becoming a F1 champion like Michael Schumacher

Buying motives can be divided by the following way:



## The classification of buying motives



### Product Buying Motives

Product buying motives refer to those influences and reasons, which prompt (i.e. induce) a buyer to choose a particular product in preference to other products. They include the physical attraction of the product (i.e. the design, shape, dimension, size, colour, package, performance, price etc. of the product) or the psychological attraction of the product (i.e. the enhancement of the social prestige or status of the purchaser through its possession), desire to remove or reduce the danger or damage to the life or body of the possessor, etc.

A. Emotional Product Buying Motives: When a buyer decides to purchase a product without thinking over the matter logically and carefully (i.e., without much reasoning), he is said to have been influenced by emotional product buying motives. Emotional product buying motives include the following:

*Pride or Prestige*: Pride is the most common and strongest emotional buying motive. Many buyers are proud of possessing some product (i.e., they feel that the possession of the product increases their social prestige or status).

*Emulation or Imitation*: Emulation, i.e., the desire to imitate others, is one of the important emotional buying motives.

*Affection*: Affection or love for others is one of the stronger emotional buying motives influencing the purchasing decisions of the buyers.

*Comfort or desire for comfort*: Desire for comfort (i.e., comfortable living) is one of the important emotional buying motives.

*Sex appeal or sexual attractions:* Sex appeal is one of the important emotional buying motives of the buyers. Buyers buy and use certain things, as they want to be attractive to the members of the opposite sex.

*Ambition:* Ambition refers to the desire to achieve a definite goal. It is because of this buying motive that, sometimes, customers buy certain things.

*Desire for distinctiveness or individuality:* Desire for distinctiveness, i.e., desire to be distinct from others, is one of the important emotional buying motives. Sometimes, customers buy certain things, because they want to be in possession of things, which are not possessed by others.

*Desire for recreation or pleasure:* Desire for recreation or pleasure is also one of the emotional buying motives.

*Hunger and thirst:* Hunger and thirst are also one of the important emotional buying motives.

*Habit:* Many customers buy a particular thing because of habit, (i.e. because they are used to the consumption of the product).

B. Rational Product Buying Motives: When a buyer decides to buy a certain thing after careful consideration (i.e. after thinking over the matter consciously and logically), he is said to have been influenced by rational product buying motives. Rational product buying motives include the following:

1. *Safety or Security:* For instance, iron safes or safety lockers are bought by the people because they want to safeguard their cash, jewellery etc., against theft. Similarly, vitamin tablets, tonics, medicines, etc., are bought by the people because of this motive, i.e. they want to safeguard their health and protect themselves against diseases.

2. *Economy:* Economy, i.e. saving in operating costs, is one of the important rational buying motives. For instance, Hero Honda bikes are preferred by the people because of the economy or saving in the operating cost, i.e. petrol costs.

3. *Relatively low price:* Relatively low price is one of the rational buying motives. Most of the buyers compare the prices of competing products and buy things, which are relatively cheaper.

4. *Suitability:* Suitability of the products for the needs is one of the rational buying motives.

Intelligent buyers consider the suitability of the products before buying them. For instance, a buyer, who has a small dining room, naturally, goes in for a small dining table that is suitable, i.e. that fits in well in the small dining room.

5. *Utility or versatility*: Versatility or the utility of a product refers to that quality of the product, which makes it suitable for a variety of uses. Utility of the product is one of the important rational buying motives. People, often, purchase things that have utility, i.e. that can be put to varied uses.

6. *Durability of the product*: Durability of the product is one of the most important rational buying motives. Many products are bought by the people only on the basis of their durability. For instance, buyers of wooden furniture go in for teak or rosewood table, though they are costlier, as they are more durable than ordinary wooden furniture.

7. *Convenience of the product*: The convenience of the product (i.e. the convenience the product offers to the buyers) is one of the important rational product buying motives. Many products are bought by the people because they are more convenient to them. For instance, automatic watches, gas stoves, etc., are bought by the people because of the convenience provided by them.

### **Patronage Buying Motives**

Patronage buying motives refer to those considerations or reasons, which prompt a buyer to buy the product wanted by him from a particular shop in preference to other shops. In other words, they are those considerations or reasons, which make a buyer, patronise a particular shop in preference to other shops while buying a product.

Patronage Buying Motives also may be sub-divided into two groups, viz. a) Emotional patronage buying motives and b) Rational patronage buying motives.

A. Emotional Patronage Buying Motives: When a buyer patronises a shop (i.e. purchases the things required by him from a particular shop) without applying his mind or without reasoning, he is said to have been influenced by emotional patronage buying motives.

1. *Appearance of the shop*: Appearance of the shop is one of the important emotional patronage buying motives. Some people make their purchases from a particular shop because of good or attractive appearance of the shop,

2. *Display of goods in the shop*: Attractive display of goods in the shop also makes the buyers patronise a particular shop.

3. *Recommendation of others*: Some people purchase their requirements from a particular shop because that shop has been recommended to them by others, i.e., by their friends and relatives.

4. *Imitation*: Imitation also is one of the emotional patronage buying motives influencing the purchases of buyers. Some people make their purchases from a particular shop just because other people make their purchases from that shop.

5. *Prestige*: Prestige is one of the emotional patronage buying motives of the buyers. For instance, some people consider it a prestige to take coffee from a five-star hotel.

6. *Habit*: Habit is also one of the important emotional patronage buying motives. Some people make their purchases from a particular shop for the simple reason that they have been habitually making their purchases from that shop.

B. Rational Patronage Buying Motives: When a buyer patronises a shop after careful consideration (i.e. after much logical reasoning and careful thinking) he is said to have been influenced by rational patronage buying motives. Rational patronage buying motives include the following:

1. *Convenience*: Convenient location proximity of a shop is one of the considerations influencing the purchases of many buyers from a particular shop. Many buyers, usually, buy their requirements from a near-by shop, as it is convenient to them to make their purchases. Similarly, convenient working hours of the shop also influence the purchases of good many buyers.

2. *Low price charged by the shop*: Price charged by the shop also influences the buyers to patronise a particular shop. If the price charged by a shop for a particular product is relatively cheaper, naturally, many people will make their purchases from that shop.

3. *Credit facilities offered*: The credit facilities offered by a store also influence the buying of some people from a particular shop. People who do not have enough money to make cash purchases every time prefer to make their purchases from a shop which offers credit facilities.

4. *Services offered*: The various sales and after-sale services, such as acceptance of orders through phone, home delivery of goods, repair service, etc., offered by a shop also induce the

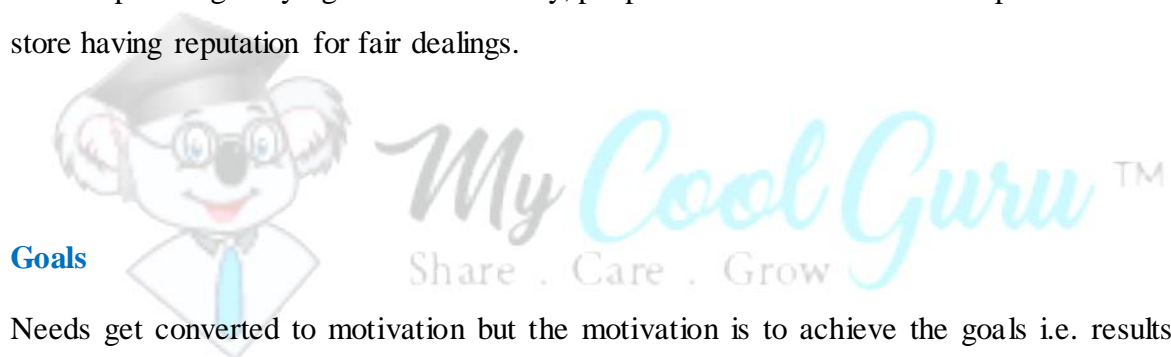
buyers to buy their requirements from that shop. Rational buyers are, often, influenced by the various services or facilities offered by the shop.

5. *Efficiency of salesmen*: The efficiency of the salesmen employed by a shop also influences the people in patronising a particular shop. If the employees are efficient and are capable of helping the buyers in making their purchases, people naturally would flock to such a shop.

6. *Wide choice*: Wide choice of goods offered by a shop is one of the rational considerations making the buyers patronise a particular shop. People generally prefer to make their purchases from a shop, which offers Wide choice (i.e. wide varieties of goods).

7. *Treatment*: The treatment meted out by a shop to the customers is one of the rational considerations influencing the buyers to patronise a particular shop. Usually, people would like to purchase their requirements from a shop where they get courteous treatment.

8. *Reputation of the shop*: Reputation of the shop for honest dealings is also one of the rational patronage buying motives. Usually, people would like to make their purchases from a store having reputation for fair dealings.



## Goals

Needs get converted to motivation but the motivation is to achieve the goals i.e. results of motivated behaviour. All behaviour is goal oriented. There are two types of goals towards which people work.

1. Generic goals are the general classes or categories of goals that consumers select to fulfil their needs.
2. Product-specific goals are the products they select to fulfil their needs.

Goals are very individualistic and depends on their personal values and they select means that they believe will help them achieve their desired goals.

Needs and goals are interdependent—neither exists without the other. But amazingly people are generally not as aware of their needs as they are of their goals. Moreover individuals are usually more aware of their physiological needs than they are of their psychological needs.

### ***Emotional Versus Rational Motives***

Traditionally, the term rationality is associated with persons who are carefully weigh the pros and cons of all the alternatives and then choose the one that gives them the greatest utility. We can say that consumers who are rational generally select the goals after ascertaining the various objective criteria such as size, weight price etc. As opposed to this, emotional motives are those goals, which are selected on the basis of emotions involvement. Most of the time, we select such goals purely on the basis of emotion's involvement.

### ***The Dynamic Nature of Motivation***

Needs and goals are constantly growing and changing. Once an existing need is satisfied, a new and higher level of need is born. Also the needs are generally not permanently satisfied. Once we are hungry and eat, our hunger is satisfied, but that does not mean we will never feel hungry. Once we buy a dress, within few days we look forward to buying another one. Some motivational theorists believe that a hierarchy of needs exists, and that new, higher-order needs emerge as lower-order needs are fulfilled. Marketers should be attuned to for changing needs.

Thus as soon as one need of ours is satisfied we immediately feel a higher need and set a higher goal. The nature and persistence of an individual's behavior often is influenced by expectations of success or failure in reaching certain goals. The effects of success or failure on goal selection have implications for marketers.

- a) Advertisements should not promise more than the product can deliver.
- b) Creating unrealistic expectations can backfire on the marketer.

For any individual always attaining a specific goal may not be possible. When an individual cannot attain a specific goal or type of goal that he or she anticipates will satisfy certain needs, behaviour may be directed to a substitute goal. Although the substitute goal may not be as satisfactory as the primary goal, it may be sufficient to dispel uncomfortable tension.

Failure to achieve a goal often results in feelings of frustration. Individuals react differently to frustrating situations. Some are optimistic and can adapt to this failure, and set new standards.

On the other hand some are less adaptive and may regard their inability to achieve a goal as a personal failure and experience feelings of anxiety.

### **Marketing Application of Motivation**

Since people can be at different stages of Needs hierarchy, so marketers can segment the market on the basis of these need states. So they can design specific advertising appeals directed to one or more need-segment levels. This helps the marketers to position the product in a more appropriate way to the customers. Customers are also facilitated in their choice of products and brands. For a niche marketer it becomes a must.

### ***Motivation and Goal***

A goal is an external object towards which a motive is directed. Goals differ from drives in that the goal is external and pulls the person whereas drive is internal and pushes the individual. The basic consequences, needs or values that consumers want to achieve are called end goals. These end goals can be abstract or concrete.

*The concrete end goals:* These derive directly from the product purchase. For instance, when we buy a new light bulb, the purpose of buying is to replace a broken one.

*Abstract end goals:* These derive indirectly from the purchase. For instance, when we buy new formal clothes for interview, the job is the end goal and the clothes are only a means to the end.

Goal hierarchies are series of sub goals that provide a structure for decision-making; in other words, people set priorities. If the individual has previous experience, this will help; consumers without previous experience will have more trouble with establishing goal hierarchies and are likely to go by trial and error. For example, if you have never bought a car before, you do not really know what to look for; you will not have prioritised your needs, or formed a hierarchy of goals.

Below is a sample goal hierarchy for buying a second-hand car.

1. Find out which car would best suit your needs.
2. Find out which is the cheapest way of financing the purchase.
3. Find out who has the right type of car for you.
4. Do the deal and get the car.

To translate this into an action plan, the person will have to establish a series of activities to meet each sub goal. Here is an example of the buying process for the second-hand car:

1. Buy used-car guide.
2. Decide which looks like the make(s) and year(s) that most suit your needs.
3. Decide what prices are within your range.
4. Phone around loan companies to get the best loan quotes.
5. Buy the local paper as soon as it hits the newsagents.
6. Call up anybody who seems to have the right kind of car, call round to see it, and do the deal.

The experienced consumer, for example, somebody who often buys second-hand cars - will already know how to go about this process and will establish the goal hierarchy and action plan immediately. Inexperienced consumers have to construct a goal hierarchy from scratch, often by trial and error approaches, and develop a decision plan to achieve each sub goal.

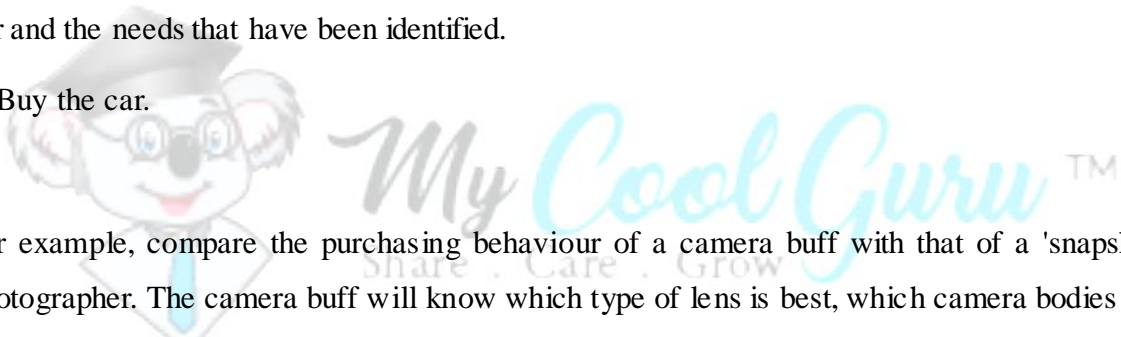
Marketers can help here, and especially salespeople, because they can guide individuals through the process; this is the most effective kind of selling activity, since it addresses the consumer's need for assistance.

Problem-solving processes are greatly affected by the amount of product knowledge the consumer has acquired through past experiences, and by the level of involvement with the product and/ or choice processes. In other words, if the individual has a great deal of knowledge about the product category, or has a strong interest in the product category, the process of finding a suitable product will proceed along very different lines.



The inexperienced car buyer is more likely to follow a plan such as this:

1. Decide to buy a car.
2. Ask around among family and friends to find out which car might suit his or her needs. This would often involve a discussion to determine what the needs are; an experienced car-owner might suggest extra needs which the prospective purchaser is not aware of. The financing of the purchase might be discussed at this point.
3. Go to used-car showrooms to examine the different makes and models.
4. Find a helpful salesperson who appears honest and trustworthy.
5. Tell the salesperson what the needs are.
6. Listen to the salesperson's advice about the particular models in stock. Again, the financing of the purchase might also be discussed at this stage.
7. Make the decision based on the closeness of fit between the salesperson's description of the car and the needs that have been identified.
8. Buy the car.



For example, compare the purchasing behaviour of a camera buff with that of a 'snapshot' photographer. The camera buff will know which type of lens is best, which camera bodies are most reliable and durable, and which accessories (light meters, etc.) will give the best results. A camera buff will use different filters for different effects, and so forth. This type of consumer will probably shop at a specialist camera shop, and will talk on equal terms with the sales staff. The snapshot enthusiast, on the other hand, is likely to want a camera that is simple and relatively fool-proof, and that will give reliable if uninspiring results. This individual will not be very interested in the technicalities of shutter speeds, apertures or film speeds.

## Perception

Human beings have considerably more than five senses. Apart from the basic five (touch, taste, smell, sight, hearing) there are senses of direction, the sense of balance, a clear knowledge of which way is down, and so forth. Each sense is feeding information to the brain constantly, and the amount of information being collected would seriously overload the system if one took it all in. The brain therefore selects from the environment around the individual and cuts out the extraneous noise.

In effect, the brain makes automatic decisions as to what is relevant and what is not. Even though there may be many things happening around you, you are unaware of most of them; in fact, experiments have shown that some information is filtered out by the optic nerve even before it gets to the brain. People quickly learn to ignore extraneous noises: for example, as a visitor to someone else's home you may be sharply aware of a loudly ticking clock, whereas your host may be entirely used to it, and unaware of it except when making a conscious effort to check that the clock is still running. Therefore the information entering the brain does not provide a complete view of the world around you. When the individual constructs a world-view, s/he then assembles the remaining information to map what is happening in the outside world. Any gaps (and there will, of course, be plenty of these) will be filled in with imagination and experience. The cognitive map is therefore not a 'photograph'; it is a construct of the imagination. This is called perception.

Perception is the process by which an individual selects, organizes, and interprets stimuli into a meaningful and coherent picture of the world. People perceive through sensation which is the immediate and direct response of the sensory organs to stimuli like any advertisement, package or a brand name. Now human sensitivity i.e. experience of sensation is very individualistic and hence the same objective reality is perceived differently by different people.

Individuals act and react on the basis of their perceptions, not on the basis of objective reality. Therefore, consumers' perceptions are more important to a marketer than their knowledge of objective reality, because people make decisions based on their perceptions.

Perception is affected by the following factors:

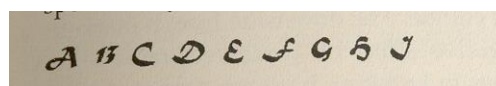
**1. Subjectivity:** This is the existing world-view within the individual, and is unique to that individual.

**2. Categorisation:** This is the 'pigeonholing' of information, and the pre-judging of events and products. This can happen through a process known as *chunking*, whereby the individual organises information into chunks of related items. For example, a picture seen while a particular piece of music is playing might be chunked as one item in the memory, so that sight of the picture evokes the music and vice versa.

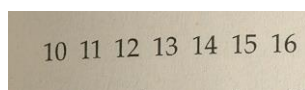
**3. Selectivity:** This is the degree to which the brain is selecting from the environment. It is a function of how much is going on around the individual, and also of how selective (concentrated) the individual is on the current task. Selectivity is also subjective: some people are a great deal more selective than others.

**4. Expectation:** These lead individuals to interpret later information in a specific way. For example, look at this series of numbers and letters:


Example of expectation



A B C D E F G H J



10 11 12 13 14 15 16

In fact, the number 13 appears in both series, but in the first series it would be interpreted as a B because that is what the brain is being led to expect, (The B in Matura MT Script looks like this: )

**5. Past experience:** This leads us to interpret later experience in the light of what we already know. Psychologists call this the law of primacy, Sometimes sights, smells or sounds from our past will trigger off inappropriate responses: the smell of bread baking may recall a village bakery from twenty years ago, but in fact the smell could have been artificially generated by an aerosol spray near the supermarket bread counter.

An example of cognitive mapping as applied to perception of product quality might run as follows. The consumer uses the input selector to select clues and assign values to them. For quality, the cues are typically price, brand name and retailer name. There are strong positive relationships between price and quality in most consumers' perceptions, and brand name and quality; although the retailer name is less significant, it still carries some weight. For example, many consumers would feel confident that Big Bazaar would sell higher-quality items than the local corner shop, but might be less able to distinguish between Food Bazaar and Giant hyperstore. The information is *subjective* in that the consumer will base decisions on the selected information. Each of us selects differently from the environment and each of us has differing views. Information about quality will be pigeonholed, or *categorised*: the individual may put Scoda Octavia in the same category as Mercedes Benz or perhaps put Sony in the same slot as Aiwa.

#### **6. Sensory thresholds:**

This factor indicates how much human beings can feel through their sense organs. Although different people have different level of understanding, but there exists a range of sensing and judging by people. The lowest level at which an individual can experience a sensation is called the absolute threshold. The point at which a person can detect the difference between “something” and “nothing” is that person’s absolute threshold for the stimulus. For example, the distance at which a driver can note a specific billboard on a highway is that individual’s absolute threshold. Under conditions of constant stimulation, such as driving through a “corridor” of billboards, the absolute threshold increases (that is, the senses tend to become increasingly dulled).

For example, in case of sound the sensation range is in between 30 to 15000 cycles per second (cps), so that people cannot perceive any sound below the lower threshold of 30 cps and more than upper threshold of 1500 cps. It is also important to remember that even within

the sensation range, people cannot judge minute differences; for instance, it is not possible to differentiate the sound of 4000 cps and 4005 cps. The point at which we can just notice the differences is called a *j.n.d.* (just noticeable difference) whereas a difference just below the *j.n.d.* is called *j.n.n.d.* (just not-noticeable difference). A 19th century German scientist named Ernst Weber discovered that the *j.n.d.* between two stimuli was not an absolute amount, but an amount relative to the intensity of the first stimulus. Weber's law states that the stronger the initial stimulus, the greater the additional intensity needed for the second stimulus to be perceived as different. Also, an additional level of stimulus, equivalent to the *j.n.d.*, must be added for the majority of people to perceive a difference between the resulting stimulus and the initial stimulus.

Weber developed a mathematical formula on the relationship of the *j.n.d.* to the original stimulus itself. The Weber's law (or Weber-Fechner's law as per some experts) is most applicable for the middle ranges of intensities of stimuli, but not for either extreme. The law is:

$$dI/I = K$$

where,

*dI* is the smallest increase in intensity to be noticed (*j.n.d.*),

*I* is the original intensity, and

*K* is the constant that varies from one sense modality to another.

From the law it is clear that the stronger the initial intensity is, the greater is the increment necessary to produce a perceptible difference. For example, the amount of salt that makes a food item just slightly more salty (*j.n.d.*) depends on how much salt was used in the first place. This law may be used to decide on price, product design, preference, or other aspects of consumer behaviour. For instance, the perception of the price of television should fall below the competitor's price in order to be noticed, which depends on the competitor's original price. For low-end colour televisions of price range below Rs. 6,000, a change of 500 is sufficient; but for high-end television where the price range starts from 20,000, the change should be in the region of 1,500 and more.

In other words, Weber's Law states that the size of the least detectable change depends on the

size of the stimulus. This means that a very intense stimulus will require a bigger change if the change is to be perceived by the consumer. For example, Rs. 1/- off the price of a morning newspaper is a substantial discount, and would attract attention from the readers whereas even Rs. 100/- off the price of a Maruti 800 would go unnoticed. Clearly at this level of intensity (a price of a few rupee compared with a price of thousands of rupees) Weber's Law may not work very precisely, but in the middle range of prices the law appears to work well. Incidentally, reducing the price from Rs. 10 to Rs. 9.99 is very noticeable even though the actual reduction is only 0.1 per cent of the initial price. The important element here is that the reduction is noticeable. Weber's Law also applies to product differentiation. The law can be applied to determine how much better the product has to be for the difference to be noticeable or conversely to determine how similar the product needs to be, to be indistinguishable from the leading brand.

In order to cut through the daily clutter the marketers try to increase the sensory inputs through the advertisements by making them more colourful or attractive or by using celebrity endorsement. Other advertisers try to attract attention by decreasing sensory input. They use silence advertise in unusual media, design attractive and unique packages to stand out in the retailers' shelves.

Retailers use differential threshold in reducing prices. They may be giving a 5% off as well but they promote saying up to 50% off so that it gets noticed.

Manufacturers and marketers use the j.n.d principle for their products so that negative changes—reductions or increases in product size, or reduced quality—are not readily discernible to the public. They also use it to highlight the product improvements without being wastefully extravagant. Marketers use the j.n.d. to determine the amount of change or updating they should make in their products to avoid losing the readily recognized aspects of their products. To better compete in a global marketplace that has been radically altered by computer technology, many companies are updating their corporate logos to convey the notion that they are timely and fast-paced and at the top of their respective product class. The recent change in the logo of Godrej is such an example. In past changes from Amrutanjan to Amrutanjan Strong are more such cases. Although some companies make minor changes

(below the j.n.d.) to promote continuity, others have deliberately changed their traditional block lettering and dark colours in favour of script typefaces, bright colours, and hints of animation—taking their cues from pop icons like MTV. Marketers want to meet or exceed the consumers' differential threshold so that they readily perceive the improvements made in the original product.

It should be noted here that perception and reality are not different things. There is a popular view that perception somehow differs from reality; in fact, reality only exists in the heads of individuals. If there is an objective reality, it is not accessible to us as human beings; we only have what our senses tell us, and for each of us reality is different because each of us selects and synthesises in a different way. Let us consider an individual in a crowded room where he only sees woman and his synthesis of what she looks like may not be accurate whereas somebody else may have a differing perception. We often say that someone is 'looking through the eyes of love' or that 'beauty is in the eye of the beholder'. These phrases accurately sum up what perception is all about.

From a marketing viewpoint, the fact that perception is so nebulous and individual a thing is probably helpful in the long run. People's views of products and services rely heavily on perceived attributes, some of which have no objective reality; the difficulty for marketer lies in knowing what will be the general perception of the members of the market segments with whom we are attempting to do business.

A motivated person is ready to act. How the person acts is influenced by his perception of the situation. According to Derrand Berelson and Gary A. Steiner, "Perception is the process by which an individual selects, organises and interprets information inputs to create a meaningful picture of the world". People from different perceptions of the same stimulus because of three perceptual processes viz. selective exposure, selective distortion and selective retention.

**Selective exposure:** A person may be exposed to a number of stimuli every day. But it is not possible for him to give attention to all these stimuli. They pay attention only to a few selected stimuli after screening. It has been found out by research that people are likely to notice only to those stimuli that relate to their current need. So, marketers must try to find out

which stimuli people would look out for.

**Selective distortion:** People who notice the same stimuli may not interpret them in the same way as intended by the marketers. They may interpret them in order to fit their own beliefs or attitudes, which differ from person to person. It explains the tendency of the people to adopt information in a way that will support what they already believe. It suggests that the marketers must try to understand the mind-set of the consumers and how they will affect interpretation of stimuli i.e. advertisements and sales information.

**Selective retention:** People tend to forget a number of stimuli or information to which they are exposed. They will retain only that information, which support their beliefs and attitudes. They remember only that information in which they are interested and have a strong buying motive. Therefore, the marketers must make an appeal to the buyers who have strong motives.

An individual sees things, as s/he wants to see them by selecting and understanding the available information and by creating a meaningful whole out of them. These perceptions are the outcome of his or her values, beliefs, attitudes and other experiences, either of his or her own or of others around him or her. For instance, a common perception is that anything that is Japanese is of excellent quality, which is why “Made in Japan” tag attracts the buyers.

## **Reflections of Perception in Marketing**

### ***Product Positioning***

Positioning conveys the concept or meaning of the product or service, in terms of how it fulfils a consumer need. How a product is positioned in the mind of the consumer is more important to the product’s success than are the product’s actual characteristics. Marketers try to differentiate their products by stressing attributes they claim will fulfill the consumer’s needs better than competing brands. Thus a distinctive brand image is created on which consumers rely to make choices.



### ***Product Repositioning***

However well a product appears to be positioned to the marketer, he may be forced to reposition (product repositioning) it in response to market events, such as a competitor cutting into the brand's market share. Here again the marketer plays with people's perception.

### ***Perceptual Mapping***

Perceptual mapping is a graphics technique used by marketers that attempts to visually display the perceptions of customers or potential customers. Typically the position of a product, product line, brand, or company is displayed relative to their competition. Perceptual mapping allows marketers to determine how their products appear to consumers in relation to competitive brands on one or more relevant characteristics.

### ***Positioning of Services***

Since services are intangible, image becomes a key factor in differentiating a service from its competition. Compared with manufacturing firms, service marketers face several unique problems in positioning and promoting their offerings. The marketing objective is to enable the consumer to link a specific image with a specific brand name. So, marketers use tangibles as a part of their service offering in order to relate their brands more to the customers.

### ***Perceived Price***

The perception of value derived out of a transaction by a customer depends a lot on their perception of the price as high, low or fair and has a strong influence on both purchase intentions and purchase satisfaction. Customers also pay attention to the prices paid by other customers as at times they perceive differential pricing to be biased.

### ***Perceived Quality***

Consumers often judge the quality of a product i.e. perceived quality on the basis of a variety of informational cues. Intrinsic cues are physical characteristics of the product itself, such as size, colour, flavour, or aroma. Extrinsic cues are such things as price, store image, service environment, brand image, and promotional message.

Consumers perceive the quality of products from the price as well. Moreover to a consumer the quality is good or bad based on the country of its origin also. So though the quality is an objective measurement, consumer perception of it is very subjective.

Again service characteristics include—intangibility, variability, perishability, simultaneously produced, and consumed which makes it more difficult for consumers to evaluate the quality of services than the quality of products.

### ***Price/Quality Relationship***

Because price is so often considered to be an indicator of quality, some products deliberately emphasize a high price to underscore their claims of quality. Marketers have used the price/quality relationship to position their products as the top-quality offering in their product category. Consumers use price as a surrogate indicator of quality if they have little information or little confidence in their ability to make a choice.

### ***Retail Store Image***

Retail purchase is two stage purchase where the customer first select the retail brand and then the product brand. So the retail stores have their own images that influence the perception of the quality of the products they carry. For example studies show consumers perceive stores with small discounts on a large number of products as having lower-priced items than stores that offer large discounts on a small number of products. The type of product the consumer wishes to buy influences his or her selection of retail outlet, conversely, the consumer's evaluation of a product often is influenced by the knowledge of where it was bought.

### ***Manufacturer's Image***

Manufacturers who enjoy a favourable image generally find that their new products are accepted more readily than those of manufacturers who have a less favourable or even a “neutral” image. Some major marketers introduce new products under the guise of supposedly smaller, pioneering (and presumably more forward-thinking) companies. The goal of this so-called stealth (or faux) parentage is to persuade consumers (particularly young consumers) that the new brands are produced by independent, nonconformist free spirits, rather than by giant corporate entities such as their parents might patronize. Today, companies

are using advertising, exhibits, and sponsorship of community events to enhance their images.

### ***Perceived Risk***

Perceived risk is the uncertainty that consumers face when they cannot foresee the consequences of their purchase decision. The degree of risk that consumers perceive and their own tolerance for risk taking are factors that influence their purchase strategies. Consumers are influenced by risks that they perceive, whether or not such risks actually exist.

## **Learning**

It is defined as the changes in the behaviour of an individual arising from the past practice or previous experience. Learning is the acquisition and development of memories and behaviors, including skills, knowledge, understanding, values, and wisdom. It is the product of experience and the goal of education. Learning ranges from simple forms of learning such as habituation and classical conditioning seen in many animal species, to more complex activities such as play, seen only in relatively intelligent animals.

For small children, learning is as natural as breathing. In fact, there is evidence for behavioral learning prenatally, in which habituation has been observed as early as 32 weeks into gestation, indicating that the central nervous system is sufficiently developed and primed for learning and memory to occur very early on in development.

Learning has also been mathematically described as a differential equation of knowledge with respect to time, or the change in knowledge in time due to a number of interacting factors (constants and variables) such as initial knowledge, motivation, intelligence, knowledge anchorage or resistance, etc. Thus, learning does not occur if there is no change in the amount of knowledge even for a long time, and learning is negative if the amount of knowledge is decreasing in time. Inspection of the solution to the differential equation also shows the sigmoid and logarithmic decay learning curves, as well as the knowledge carrying capacity for a given learner.

The buying behaviour is critically affected by their learning experience. The learning process

occurs through the interplay of drives, stimuli, cues responses and reinforcement. A drive is a strong internal stimulus, which calls for action. This becomes a motive when it is directed towards a particular stimulus object. It motivates a person to act towards the satisfaction of the needs. The objects are stimuli, which satisfy the drives. Cues are minor stimuli, which determine when, where and how the buyer responds. It may be seeing the object in the television every day hearing about discount in price etc. This puts him into action. The responses of satisfaction or dissatisfaction are reinforced. This learning process results in habits, attitudes and beliefs. A marketing manager can build a demand for their products by associating it with strong drives, using motivating cues and providing positive reinforcement.

For example, some people especially the older ones believed that instant coffee lacks the freshness of taste and aroma of a filter coffee. In order to change this perception and learn positive about the instant coffee, the advertiser of one instant coffee has used an elderly model who will not drink anything but a filter coffee. Yet the elderly model is unable to differentiate between the filter coffee and the instant coffee. Thus the advertisement is meant to change the learning pattern of the coffee drinkers.

Learning is defined as the behavioural changes that occur over time relative to an external stimulus condition. According to this definition, activities are changed or originated through a reaction to an encountered situation. We can therefore say that someone has learned something if, as a result, the person's behaviour changes in some way.

The main conditions that arise from this definition are as follows:

- There must be a change in behaviour (response tendencies)
- This must result from external stimulus

Learning has not taken place under the following circumstances:

- *Species' response tendencies:* These are instincts, or reflexes; for example, the response of ducking when a stone is thrown at you does not rely on your having learned that stones are hard and hurt the skin. Learning has not taken place under those circumstances.

- *Maturation:* Behavioural changes often occur in adolescence due to hormonal changes (for example), but again this is not a behavioural change as a result of learning.
- *Temporary states of the organism:* While behaviour can be, and often is, affected by tiredness, hunger, drunkenness, etc., these factors do not constitute part of a larger learning process (even though learning may result from those states; the drunk may well learn to drink less in future).

### Consumer Learning

Since there are various theories of learning and all of them do not agree on how a person learns, so it is difficult to give a single and standardized definition of consumer learning. From marketing point of view Consumer learning can be thought of as the process by which individuals acquire the purchase and consumption knowledge and experience that they apply to future related behaviour. Several points in this definition are worth noting.

a) First, consumer learning is a process; that is, it continually revolves and changes as a result of newly acquired knowledge or from actual experience.

b) Both newly acquired knowledge and personal experience serve as feedback to the individual and provide the basis for future behaviour in similar situations.

The role of experience in learning does not mean that all learning is deliberately sought. A great deal of learning is also incidental, acquired by accident or without much effort. The term learning encompasses the total range of learning, from simple, almost reflexive responses to the learning for abstract concepts and complex problem solving.

c) Most learning theorists recognize the existence of different types of learning and explain the differences through the use of distinctive models of learning.

Despite their different viewpoints, learning theorists in general agree that in order for learning to occur, certain basic elements must be present—motivation, cues, response, and

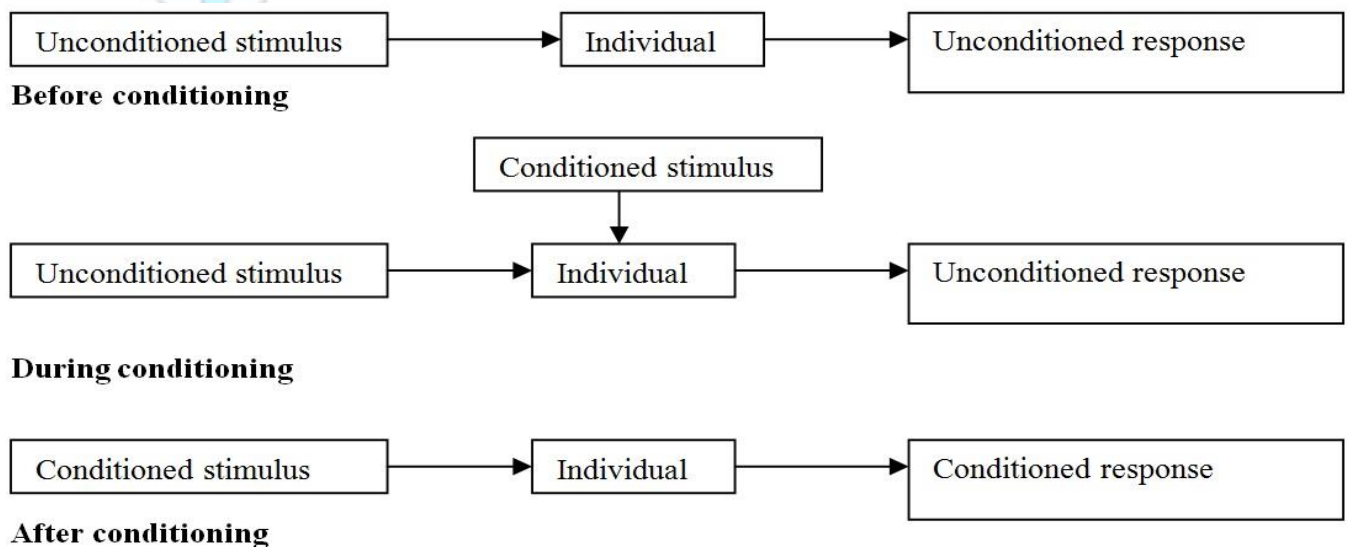
reinforcement.

Regarding the study of learning, there are two main schools of thought:

- Stimulus-response approach, which further subdivides into classical and operant conditioning
- Cognitive theories where the conscious thought of the individual enters into the equation.

### Classical learning theory

The classical theory of learning was developed by, among others, the Russian researcher Pavlov. Pavlov's famous experiments with dogs demonstrated that automatic responses (reflexes) could be learned. What Pavlov did was present a dog with an unconditioned stimulus (in this case, meat) knowing that this would lead to an unconditioned response (salivation). At the same time, Pavlov would ring a bell (the conditioned stimulus). After a while the dog would associate the ringing of the bell with the meat, and would salivate whenever it heard the bell, without actually seeing any meat. This mechanism is shown in following figure.



Classical conditioning like this can also occur with humans. Many smokers associate having a cup of coffee with having a cigarette; and find it difficult to give up smoking without also

giving up coffee. The use of a particular piece of western music in the Titan's ads is another example. Repeated exposure to the advertisement leads the individual to associate the music with the product. This gives two results: first, if the consumer likes the music that extends to liking the product; and second, the consumer will tend to think of Titan whenever s/he hears the music. Assuming the music used actually becomes (or is already) a hit, Titan will obtain some free exposure whenever the music is played on the radio or elsewhere.

Behaviours influenced by classical conditioning are thought to be involuntary. If the doorbell rings, it is automatic for most people to look up, without consciously thinking about whether somebody is at the door. Classical conditioning also operates on the emotions; playing old film songs will elicit memories of childhood and ads evoking nostalgic feelings (such as the Complan ads) will generate warm feelings towards the product.

Another factor in the effectiveness of classical conditioning is the order in which the conditioned stimulus and the unconditioned stimulus are presented. In *forward conditioning*, the conditioned stimulus (CS) comes before the unconditioned stimulus (US). This means that the product would be shown before the music was played. In *backward conditioning*, the US comes before the CS. Here the music would be played before the product is shown. *Simultaneous conditioning* requires both to be presented at the same time.

It appears that forward conditioning and simultaneous conditioning work best in advertising. This means that it is usually better to present the product before playing the popular tune, or play both together; the responses from this approach are usually stronger and longer lasting. If classical conditioning is being used, clearly the broadcast media such as TV and radio will be better suited, since it is easier to control the order in which the stimuli are presented; with print media this is not necessarily the case. For example, not everybody reads newspapers from front to back. Many people would start with the sports pages (at the back) and work forward, or perhaps read the headlines on the front pages, then go straight to the TV pages before coming back to the local news. Even if the conditioned stimulus and unconditioned stimulus are placed in the same ad on the same page, it is possible that the reader's eye will be drawn to each stimulus in the wrong order: people do not necessarily read each page from top to bottom, either.

*Extinction* occurs when the conditioned stimulus no longer evokes the conditioned response.

Examples of Routes by which extinction occurs

<i>Reason for extinction</i>	<i>Example</i>	<i>Explanation</i>	<i>Techniques to avoid extinction</i>
The conditioned stimulus is encountered without the unconditioned stimulus.	The product is shown without the background music.	Seeing the product without the music tends to reduce the association of the music with the product; other stimuli will replace the music.	Ensure that all the advertising uses the same music, or imagery associated with the music.
The unconditioned stimulus is encountered without the conditioned stimulus.	The background music is heard without the product being present.	In this case, other stimuli may be evoked by the music; it will become associated with something other than the product.	Either ensure that the music is not played anywhere other than when the product is being shown, or ensure that the product is available when the music is played. For example, ensure that the disco has an ample supply of the drink you are advertising.

*Generalisation* happens when a stimulus that is close to the existing one evokes the same response. Pavlov found that a sound similar to the bell he used could also stimulate salivation. A very common tactic in marketing is to produce similar packaging to that of one's competitor in order to take advantage of the generalization effect.

*Discrimination* is the process by which we learn to distinguish between stimuli, and only respond to the appropriate one. Consumers quite quickly learn to distinguish between brands, even when the design of the packaging is similar as in the Eno campaign, where the company has compared its own remedial ability with other digestive medicines. Classical conditioning is responsible for many repetitive advertising campaigns, and for many catchphrases, which are now in common use; for example “nothing official about it” (Pepsi), “thanda matlab Coca-Cola (Coca-Cola), “connecting people” (Nokia) etc. In some cases, these stimuli can be very long lasting; for instance the depiction of Santa Claus dressed in red and white is the result of a Coca-Cola campaign from the early part of this century, Santa having previously been dressed in green. Classical conditioning assumes that the individual plays no active role in the learning process. Pavlov's dogs did not have to do anything in order to be 'conditioned', because the process was carried out on their involuntary reflex of salivation. Although classical conditioning does operate in human beings, people are not usually passive in the process: the individual person (and most higher animals, in fact) is able to take part in the process and cooperate with it or avoid it. This process of active role-playing is called *operant conditioning*.



## Operant conditioning

Here the learner will conduct trial-and-error behaviour to obtain a reward (or avoid a punishment). Burris F. Skinner developed the concept in order to explain higher-level learning than that identified by Pavlov. The difference between Pavlov's approach and the operant conditioning approach is that the learner has choice in the outcome; the modern view of classical conditioning is that it also involves a cognitive dimension.

The basis of operant conditioning is the concept of reinforcement. If a consumer buys a product and is pleased with the outcome of using it, then s/he is likely to buy the product again. This means that the activity has had a positive reinforcement, and the consumer has become 'conditioned' to buy the product next time. The greater the positive reinforcement, the greater is the likelihood of repeat purchase. If the reward works, the consumer will try to think of a way to make it even better. This can lead to over-indulgence in food, alcohol or indeed almost any other pleasurable activity. Typically this will happen if the consumer's need cannot be totally met by the product, but will be helped: a person with a serious psychological problem may well find that alcohol helps, but does not cure. An increasing intake of alcohol will never result in a complete meeting of the person's psychological needs because eventually sobriety will begin to set in again.

An example of operant conditioning is the recent growth loyalty cards in retail stores. Customers who remain loyal to a particular store, will get extra discounts and offers, and also (eventually) their purchasing behaviour can be traced through the electronic point-of-sale systems so that offers can be targeted to those customers who will really be interested in them.

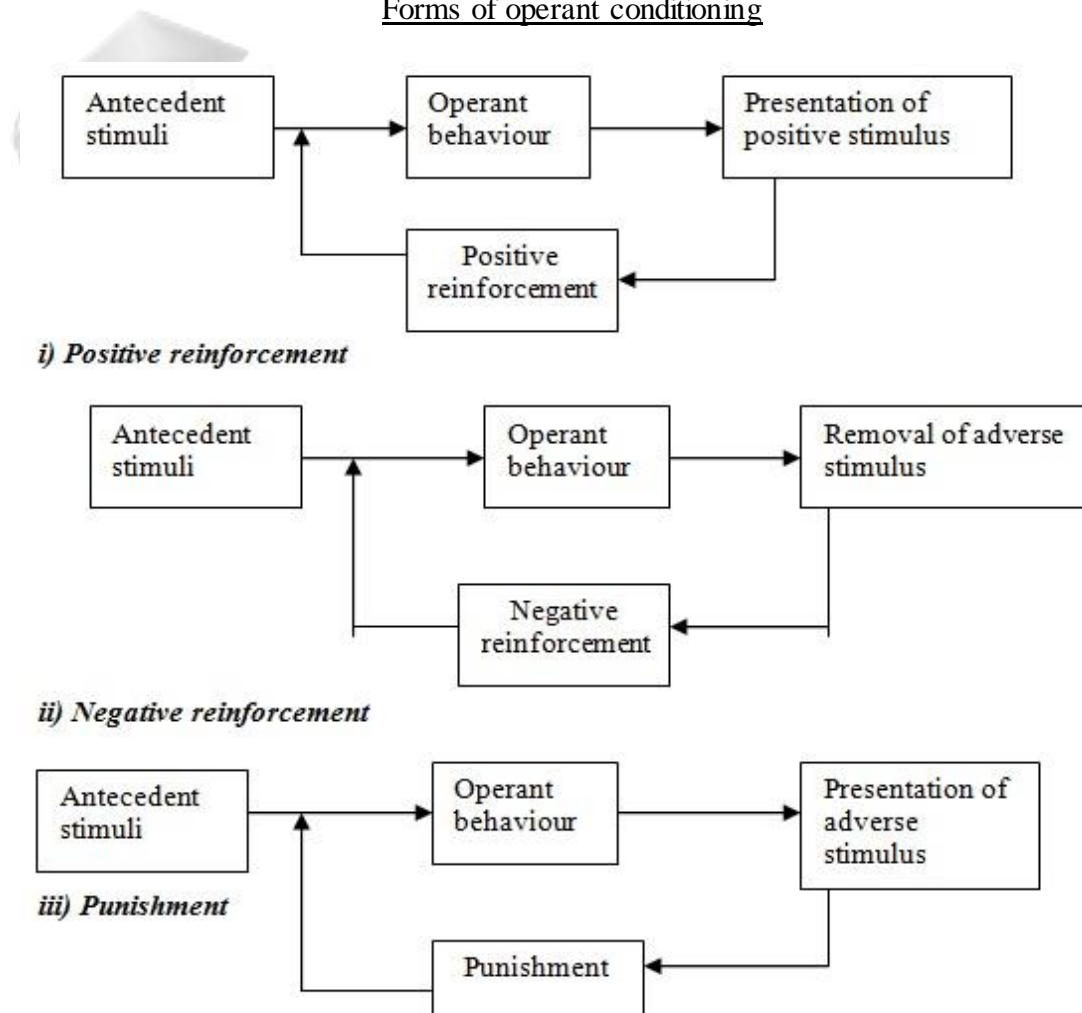
Airline loyalty schemes have also seen huge growth in recent year. These are aimed at reinforcing the frequent flyers, whose loyalty is desirable since they are likely to be the most profitable customers. The airlines offer free flights to their most regular customers, and for many business travellers these free flights offer an attractive reason for choosing the same airline every time.

On the other hand, an overuse of incentives can lead to negative consequences for the producer. An example could be discount vouchers of food chain, which have been given away in newspapers or even on bus tickets. The result of this is that many people will not eat at that chain unless they have a discount voucher. In this way, the positive reinforcement has backfired on the company, since there is an implied *negative* reinforcement in *not* going in

with a voucher.

Following figure charts three forms of operant conditioning. In the first example, positive reinforcement, the individual receives a stimulus and acts upon it. This action works, and the individual gets a good result; this leads to the behaviour being repeated if the same antecedent stimulus is presented at a later date. For instance, if a customer gets an unexpected gift while shopping at a particular shop, s/he will come to that shop again and again whenever the need to purchase arises. The second example in the diagram shows a negative stimulus. This time, the operant behaviour relieves the problem, and again the individual has learned how to avoid bad consequences when faced with a difficulty. For instance, if that customer finds too much crowd at that shop, s/he would go to some other shop. The third example shows how punishment fits into the learning process. For instance, if the customer finds that the shop has cheated in quality of the product (punishment), s/he may decide not to shop at that particular shop again.

#### Forms of operant conditioning



Operant conditioning does not necessarily require a product purchase; marketers will frequently give away free samples in the hope that a positive experience from using the product will encourage consumers to purchase in future. Likewise, car dealers always offer a test drive; some go even further and allow the customer to borrow a car for 24 hours or more in order to get a very clear reinforcement of the car's merits. Operant conditioning is helpful in explaining how people become conditioned, or form habits of purchase; however, it still does not explain how learning operates when people become active in seeking out information. To understand this aspect of learning, it is necessary to look at the cognitive learning process.

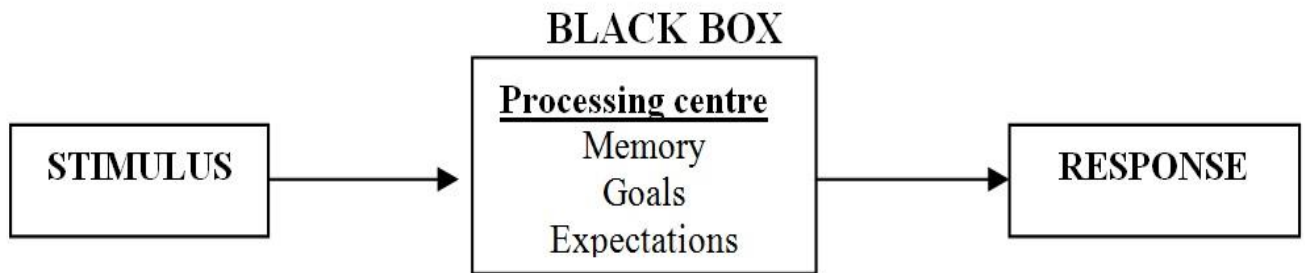
### **Cognitive learning**

Not all learning is just an automatic response to a stimulus. People analyse purchasing situations taking into account previous experiences, and make evaluative judgements. Learning is part of this, both in terms of informing the process as a result of earlier experiences, and also in terms of the consumer's approach to learning more about the product category or brand.

When considering cognitive learning, the emphasis is not on *what* is learned (as in stimulus-response theories), but on *how* it is learned. Classical and operant conditioning theories suppose that learning is automatic; cognitive learning theories assume that there is a conscious process going on. For most people this is true in many cases of consumer behaviour.

The classical and operant theories assume that what goes on inside the consumer's head is a 'black box', in that we know that a given stimulus will prompt a particular response, but for most practical purposes we have no real way of knowing what is happening inside the black box. Within the cognitive learning paradigm, however, we are concerned with what happens inside the box, and we try to infer what is going on by analysing behaviour and responses from the individual. Following figure illustrates this.

### Model of learning process



The black box contains the cognitive processes; the stimulus is considered in the light of the individual's memory of what has happened in the past when presented with similar stimuli, his or her assessment of the desirable outcome, and an assessment of the likely outcome of any action. Following this processing, the individual produces a response.

Cognitive learning expertise has five aspects:

1. *Cognitive effort*: It is the degree of effort the consumer is prepared to put into thinking about the product offering. This will depend on such aspects as the complexity of the product, the consumer's involvement with it, and the motivation for learning.
2. *Cognitive structure*: It is about the way the consumer thinks, and the way the information is fitted into the existing knowledge.
3. *Analysis*: The analysis of information is concerned firstly with selecting the correct, relevant information from the environment and secondly with interpreting the information correctly in order to obtain a clear action plans.
4. *Elaboration*: It is the structuring of the information within the brain, and adding to it from memory in order to form a coherent whole.
5. *Memory*: It is the mechanism by which learned information is stored. In fact, nothing is ever truly forgotten: information will eventually become irrecoverable by the conscious mind (forgotten), but the brain still retains the information and can be stimulated to recall it, either by hypnosis or by association of Ideas.

Cognitive learning processes are important to marketers, since they are helpful in predicting consumer responses to advertising. The consumers view advertisements as tentative hypotheses about product performance that can be tested through product experience. Early

learning about a product will affect future learning; this is called the *law of primacy*. For this reason, first impressions count for a great deal. According to Stephen Hoch and Young-Won Ha, advertising will tend to be ignored if there is unambiguous objective evidence to hand: if you can test the product for yourself, the adverts will not affect you as much. If the evidence is ambiguous or unobtainable at first hand (as is often the case), the advertising might sway you, and in fact advertising appears to have dramatic effects on consumers' perceptions of quality.

For example, it is possible for somebody to test out a new computer before making a commitment to buy. Thus advertising plays a small part in computer purchase, only serving to alert the consumer to what is available within the current technology. Conversely, somebody spending a similar amount on a holiday has no chance to try out the holiday before buying it, and is therefore more likely to be swayed by the advertising or other communications (brochures, salespeople, etc.) One of the main considerations for a consumer in this position is the reputation of the tour operator, since the consumer is, after all, buying a promise.

Learning from experience is a four-stage process, as following table shows.

Stages of learning by experience

<i>Stage</i>	<i>Explanation</i>	<i>Example</i>	<i>Marketing response</i>
Hypothesising	Developing a rough estimate of what is happening or what is available	Getting information from a friend, or reading some advertising material or brochures	Have clearly written brochures and advertising; do not use too much jargon, especially if your product is a complex one or can be 'test-driven'.
Exposure	Having a look at the product, trying one out, getting direct experience of it	Visiting a computer shop to try the product and ask questions about it	Ensure that the product is on display, and allow plenty of opportunity for hands-on testing.
Encoding	Making sense of the information	Translating the jargon into something comprehensible, perhaps getting some clarification; understanding what the product is and does in terms which fit in with previous experience	Have salespeople who can explain things in lay terms, and who do not frighten the customer off by using too much technical language.
Integration	Fitting the new information into the existing knowledge bank	Thinking about the new information into information gained about computers and discarding knowledge bank previous misconceptions	Ensure that customers feel able to come back for further explanations if they still have problems. Make sure that customers understand everything before leaving the shop.

In most cases, people prefer to learn by experience, especially for major product purchases.

Few people would buy a car without having a test drive first, and still fewer would buy one by mail order unless they had previous direct experience of the car. It is for this reason that mail-order companies have a no-quibble money-back guarantee; if this were not the case, few people would have been prepared to buy by post rather than visit a high street shop where they can see and feel the goods. This is one of the main reasons why dotcoms burst and Internet shopping has not been very popular except a few cases all over the world especially in India where shopping is basically a family experience.

There are also three moderating factors in the cognitive learning process. These are:

- *Familiarity with the domain:* This is the degree to which the consumer has pre-existing knowledge of the product category. For example, a computer savvy would go through a different and probably shorter, learning curve for buying a new type of machine than would a complete novice.
- *Motivation to learn:* If the purchase is an important one, or the possible effects of making a mistake are serious, the consumer is likely to be highly motivated to obtain as much information as possible.
- *Ambiguity of the information environment:* If the information is hard to get, contradictory or incomprehensible, this will hinder the learning process. Sometimes consumers give up the process if this is the case.

Following table uses these moderating factors to classify readiness to learn from experience.

### Managing the learning process

<i>How motivated are Consumers to learn?</i>	<i>What do consumers Already know?</i>	<i>How much can experience teach?</i>	
		<i>Little (high ambiguity)</i>	<i>A lot (low ambiguity)</i>
Highly Motivated	Unfamiliar	Learning is most susceptible to management.	Learning is spontaneous, rapid and difficult to manage
	Familiar	Formation of superstitious beliefs is possible. Existing beliefs inhibit suggestibility	
Weekly Motivated	Unfamiliar	Learning is slow to start and difficult to sustain, but is susceptible to management	Learning is difficult to initiate and once started difficult to manage
	Familiar	Complacency inhibits initiation of learning, so experience is unresponsive to management.	

Cognitive theories recognise that consumers influence the outcome in an active manner, so the learning process is not always easy for an outsider (i.e. a marketing person) to manage. This may be part of the reason why new products fail so frequently: weak motivation to learn about new products leads to difficulty for marketers in starting the learning process.

Cognitive learning has five elements, as follows:

- *Drive*: Drive is the stimulus that impels action. It is strong, internal and general. The impulse to learn can be driven by a fear of making an expensive mistake, or by a desire to maximise the benefits of the purchase.
- *Cue*: This is an external trigger, which encourages learning. It is weaker than a drive, is external, and is specific. For example, a public service might exhort employers to send for a leaflet on safety in the workplace. Sometimes firms will use advertisement retrieval cues to trigger responses.
- *Response*: This is the reaction of the consumer to the interaction between a drive and a cue. With luck, this results in a sale; but humans learn, and will base future purchases on their concrete experience of the product rather than on the marketer's cues.

- *Reinforcement*: Purchase response should be rewarded with a positive experience of the product. The object of reinforcement is to get consumers to associate the product with certain benefits. An example is the servicing policy of Aquaguard water purifiers, by which each unit comes with one year's servicing facility. This means that the customer knows that any problems with the purifier will be fixed immediately, and thus the experience of owning Aquaguard is likely to be positive. From Aquaguard's viewpoint the positive experience of the customer and therefore the likelihood of repeat sales, is worth the cost and trouble of providing the servicing, rather than allowing customers to choose their own, possibly unreliable, servicing option.
- *Retention*: This is the stability of the learned material over time, or in other words how well it is remembered. Advertising jingles have very high retention. Consumers can often recall jingles that have not been broadcast for 1 year or more. This is particularly true for advertisements that were popular when the consumer was a child. You should not have forgotten the classic MRF space radial tyre ad. The opposite of retention is *extinction*.

Learned responses are never truly unlearned. The brain *remembers* (stores) everything, but rather like a computer with a faulty disk drive it may not always be able to *recall* (retrieve) everything. Also, the human memory is huge: the *Encyclopaedia Britannica* contains 12,500 million characters, but the brain has 125,000,000 million characters' storage capacity. This is enough storage to hold 10,000 *Encyclopaedia Britannicas*, which makes the human brain easily the world's most powerful computer.

## Beliefs & Attitude

People through acting and learning, develop their beliefs and attitudes, which, in turn, influence their buying behaviour. Beliefs refer to a descriptive thought, which a person has about something. Marketing Managers are generally interested in the beliefs that the people formulate about specific products and services. An attitude is a state of mind or feeling. It may be described as a person's emotional feelings, action, and tendencies towards some idea or object. It explains a person's relatively consistent evaluations, feelings and tendencies



towards an object or idea. An attitude is a learned predisposition to behave in a consistently favourable or unfavourable way with respect to a given object.

- An attitude in marketing can be formed towards an object which refers to such things as: product, product category, brand, service, possessions, product use, advertisement price, or retailer.
- Attitudes are not automatic or in born, rather they are learned. They are formed as a result of direct experience with the product, information acquired from others, and exposure to mass media. Although attitudes may result in behaviours, but that does not mean that they are the same as the behaviour. As learned predispositions, attitudes have a motivational quality.
- Attitudes are relatively consistent with the behaviour they reflect. But they are not necessarily permanent; they do change. If not it would be difficult for the marketers to position and reposition their brands. Situational influences are responsible for changing consumer attitudes and behaviour.
- Consumer attitudes occur within, and are affected by, the situation i.e. events or circumstances that, at a particular time, influence the relationship between an attitude and a behaviour. So it is important when measuring attitudes that we consider the situation in which the behaviour takes place, or the relationship between attitudes and behaviour could be misinterpreted.

## Attitude Models

Attitude has 3 dimensions as the following table explains:

The dimension of attitude

<i>Dimensions</i>	<i>Definition</i>	<i>Explanation</i>	<i>Examples</i>
Cognition	The perceptual component of attitude	This is the individual's awareness, knowledge, beliefs and images of the attitudinal object. It is the conscious, thinking part of attitude	An individual's attitude towards a car may be composed of comparative information
Affect	The evaluative component of attitude	There are the emotions and feelings of like and dislike, which do not always have a basis in objective fact	Drivers frequently have affective relationships with their first cars
Conation	Behavioural intention	It is about what we intend to do about the attitudinal object: whether to approach it, reject it, buy it etc. It is not the actual behaviour, merely an intention	Having formed an attitude about a car

The above is called the Tri-Component attitude Model. Model says that there are three components to attitude viz. Cognition, Affection and Conation.

**The cognitive component:** The cognitive component consists of a person's cognitions, i.e., knowledge and perceptions (about an object). This knowledge and resulting perceptions commonly take the form of beliefs, images, and long-term memories.

**The affective component:** The affective component of an attitude comprises of the consumers emotions or feelings (toward an object). These emotions or feelings are frequently treated by consumer researchers as primarily evaluative in nature; i.e., they capture an individual's direct or global assessment of the attitude-object, which might be positive, negative, or mixed reaction consisting of our feelings about an object. Buying of any product or service would be accomplished on the basis of how each product/ service makes the decision maker feel. The product that evokes the greatest positive (pleasurable) affective response would thus be ranked first.

**The conative component:** The conative component is concerned with the likelihood or tendency of certain behaviour with regard to the attitude object. It would also mean the predisposition or tendency to act in a certain manner toward an object

Another example of attitudinal dimensions can be understood from the recent cola controversies. Having read or seen the news report on the presence of insecticides in soft drinks, a consumer forms **cognition**. You may think that this is unethical and unacceptable and you did not like the company involved in this controversy; thus you form **affect**. At last you may decide to stop consumption- thus forming **conation**.

These three elements are interrelated in a complex way. Purchase intentions relate to beliefs and brand evaluations, and likelihood of buying a brand has been shown to be influenced by attitudes towards advertising as well as attitudes towards brands. Attitude contains components of beliefs and opinion, but it is neither of them.

## **Multiattribute Attitude Models**

Multiattribute attitude models portray consumers' attitudes with regard to an attitude "object" as a function of consumers' perceptions and assessment of the key attributes or beliefs held with regard to the particular attitude "object". The three models, which are very popular, are: the attitude-toward-object model, the attitude-toward-behaviour model, and the theory of-reasoned-action model.

### **Attitude toward object model:**

The attitude-toward object model is suitable for measuring attitudes towards a good or service category or specific brands. This model says that the consumer's attitude toward a product or specific brands of a product is a function of the presence or absence and evaluation of certain product-specific beliefs or attributes. In other words, consumers generally have favourable attitudes toward those brands that they believe have an adequate level of attributes that they evaluate as positive, and they have unfavourable attitudes towards those brands they feel do not have an adequate level of desired attributes or have too many negative or undesired attributes. What consumers will purchase is a function of how much they know, what they feel are the important features for them, and their awareness as to whether particular brands possess (or lack) these valued attributes. For instance, you may like one Satya Paul Saree or Armani Designer wear because of its being exclusive and giving you a status value.

### **Attitude toward behaviour model:**

This model is the individual's attitude toward the object itself. The crux of the attitude-towards-behaviour model is that it seems to correspond somewhat more closely to actual behaviour than does the attitude-toward-object model. The attitude-toward-behaviour model is the individual's attitude toward behaving or acting with respect to an object, rather than the attitude toward the object itself. For instance, you may like a Satya Paul Saree or an Armani Designer wear but you will buy only when you feel it is appropriate with your lifestyle and gives you adequate value.

### **Theory of reasoned-action-model:**

This model represents a comprehensive integration of attitude components into a structure that is designed to lead to both better explanations and better predictions of behaviour. Similar to the basic tri-component attitude model, the theory-of-reasoned-action model incorporates a cognitive component, an affective component, and a conative component; however these are arranged in a pattern different from that of the tri-component model. For instance in case of purchase of a Satya Paul Saree or an Armani Designer wear, the consumer will not only consider his own attitude towards the object but also others attitude towards it and his motivation to comply to their attitudes and beliefs. This theory has been explained in detail later in the chapter.

### **Theory of Trying-to-Consume:**

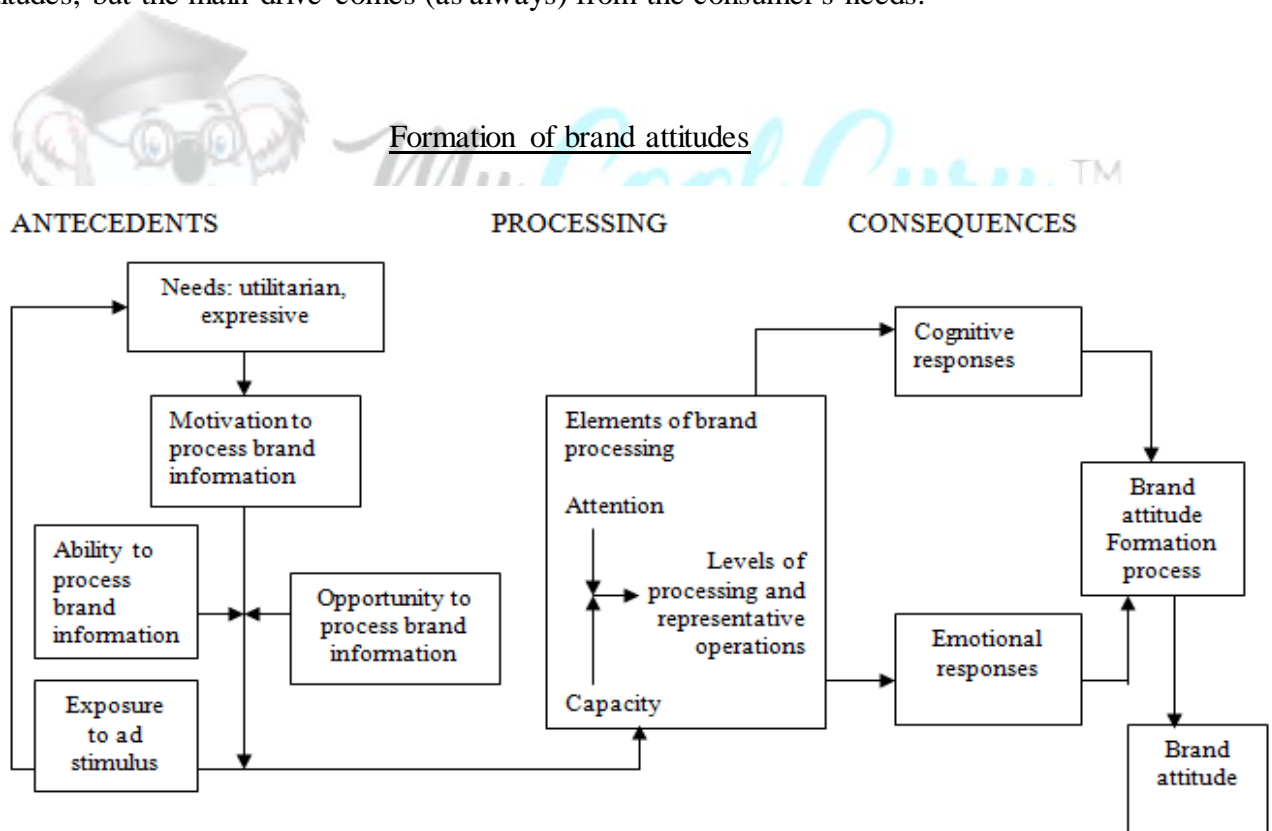
There could be situations where you cannot afford a BMW but you like the brand and working hard saving the money for the purchase. Here comes the theory of trying-to-consume which is designed to account for the cases where the action or outcome is not certain but reflects the consumer's efforts to consume. Sometimes personal impediments or environmental impediments prevent the desired outcome.

### **Attitude-Toward-the-Ad Models:**

Unlike the beliefs of many advertisements, it is not an expenditure but an investment as the attitude-toward-the-ad model depicts that the consumer forms various feelings (affects) and judgments (cognitions) as the result of exposure to an ad. These feelings and judgments in turn affect the consumer's attitude toward the ad and beliefs about the brand acquired from exposure to the ad. Finally, the consumer's attitude toward the ad and beliefs about the brand influence his or her attitude toward the brand. Consumer socialization has also shown itself to be an important determinant of a consumer's attitudes toward advertising.

## Attitude Formation

The formation of attitudes about brands is a somewhat complex process, as following figure shows. The diagram begins with the consumer's needs, both utilitarian (practical) and expressive (emotional). This feeds into the consumer's motivation to process information, as does advertising; motivation and exposure feed into the processing, but the consumer also needs to have the ability and the opportunity to process the information. Within the processing 'black box' the consumer's level of processing is affected by attention and capacity for processing: in other words, by the degree of interest the consumer has, and his or her ability to process the information. The result of the processing is both cognitive and affective, feeding into the formation of attitudes about the brand. Situational variables surrounding the brand or product will also affect the attitude formation process. For example; an unpleasant salesperson or an inconveniently located dealership may affect the way we perceive brands. Exposure to ad stimulus plays a major part in encouraging learning and the formation of attitudes, but the main drive comes (as always) from the consumer's needs.



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### Sources of Influence on Attitude Formation

- Personal experience, the influence of family and friends, direct marketing, and mass media.
- Consumer's direct experience in trying and evaluating the products and services.
- Coming in contact with others, especially family, close friends, and admired individuals.

Consumers acquire *salient beliefs* about products. Because the cognitive system can hold only a relatively small number of facts in mind at once, the salient beliefs are the ones, which are used by the consumer to make a judgement. Usually the salient beliefs will be those that the consumer holds most important, but they may be merely the ones that have been most recently presented.

A consumer's overall attitude towards an object is a function of many attributes of the object. The attitude forms as a result of the consumer's strength of feeling, or the strength of the salient beliefs, about the attributes and also the evaluation of those beliefs. For example, a consumer may have the belief set about a restaurant given in following table.

Example of a belief set

<i>Attribute</i>	<i>Strength of salient belief (Out of 10)</i>	<i>Level of importance (Out of 10)</i>
Convenient parking	5	7
Good food	6	8
Friendly waiters	?	4
Pleasant decor	7	5
Clean cutlery	3	7
Reasonable prices	?	3
Open on Sundays	?	5

The question marks represent areas where the consumer has no knowledge, or has the knowledge, but is not taking it into consideration. In other words, only the salient beliefs are taken into account. This *multiattribute attitude model* attempts to explain how the consumer's salient beliefs help to form the final attitude. The attributes listed are integrated to form an overall attitude: in this example, the consumer will form an attitude about the restaurant as to whether it is a good restaurant or a bad one. The attitude may be qualified in some way - the restaurant may be regarded as a good one for lunch, but a bad one for dinner, or perhaps as a good one for a quick meal when the consumer does not feel like cooking, but a bad one for special occasions.

### **Changes in Attitude**

Attitudes cannot be changed easily, because a person's attitudes settle into a consistent pattern. So the marketing managers should usually try to fit firm's products into existing attitudes rather than trying to change the attitudes themselves. Attitude changes are learned. They are influenced by personal experience and other sources of information. Personality affects both the receptivity and the speed with which attitudes are likely to be altered. One theory of attitude change that demonstrates how changing basic motivations can change attitudes is known as the "functional approach". According to this approach, we can classify attitudes in terms of 4 functions:

i. ***The utilitarian or instrumental function***: We hold certain brand attitudes partly because of a brand's utility. If the product has helped us in the past, even in a small way, our attitude towards it tends to be favourable. One way of changing attitudes in favour of a product is by showing people that it can serve a utilitarian purpose they may not have considered.

ii. ***The ego-defensive function***: We want to protect our self-image from inner feelings of doubt. Ads for cosmetics and personal hygiene products, by acknowledging this need, increase both their relevance to the consumer and the likelihood of favourable attitude by offering reassurance to the consumers' self-concept.

iii. ***The value-expressive function***: Attitudes are one of the expressions of general values, lifestyle and outlook. If a consumer segment generally holds a high evaluation (i.e. a positive attitude) toward owning the latest electronic devices or being "high-tech", then attitudes towards a new electronic device are likely to reflect that orientation. Similarly, if a segment of consumers has a positive attitude toward "being in fashion", then we could expect their attitudes toward high-fashion clothing to reflect this view-point.

iv. ***The knowledge function***: Individuals generally have a strong need to know and understand the people and things with whom they come into contact, especially when such people and things might influence behaviour. The 'need to know' is a cognitive need, which is important to marketers to decide about the product positioning.

Attitude-change strategies can also be designed to take advantage of actual or potential conflict between attitudes. Specifically, if consumers can be made to see that their attitudes toward a brand is in conflict with another attitude, they may be induced to change their evaluation of the brand. Similarly, there may be conflict over beliefs held concurrently about the same attitude-object. For instance, consider a man who stops using an electric shaver because he feels that he cannot get as close or as comfortable shave with an electric shaver as



with a manual razor (belief no.1), though he really likes the convenience of an electric shaver (belief no.2), These conflicting beliefs about shaving with an electric razor might be reconsidered after he is exposed to an ad for a new shaver. Finally a product endorsement by an admired person is both strong and in conflict with a consumer's pre-existing views, it may bring about an attitude change.

Multi-attribute models have important implications for attitude change strategies. Using the popular Fishbein attitude-toward object model, we will consider the following strategies for bringing about attitude change:

***Changing the relative evaluation of attributes:*** The market for many product categories is structured in a way so that different consumer segments are attracted to brands offering different features or beliefs. In general, when a product category is naturally divided according to distinct product features or benefits they appear to a particular segment of consumers; marketers usually have an opportunity to attempt a “cross-over”, that is, to convince consumers who prefer one version of the product (e.g. brewed regular coffee) to shift their favourable attitudes toward another version of the product (e.g. brewed decaffeinated coffee) and vice versa.

Such a strategy is tantamount to altering the relative evaluation of conflicting product attributes. In other words, it serves to upgrade consumer beliefs about the product attributes and either downgrade some other attributes or convince customers that it is not in conflict with the upgraded attribute. Since the attributes to be changed are usually important and distinctive, if consumer’s evaluation of one attribute can be upgraded, then there may well be a shift in overall attitude or even in the intention to buy.

***Changing brand beliefs:*** This cognitive-oriented strategy for changing attitudes, concentrates on changing beliefs or perceptions about the brand itself. This can be done in 4 ways:

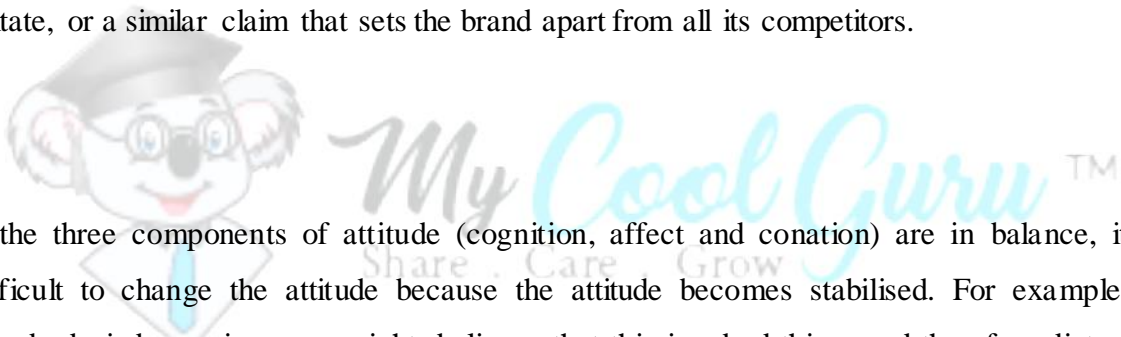
- *Add a new salient belief.* For example, the restaurant might point out that it has a ballet performance on Saturday nights. This would be a new fact for the consumer to take into account.

- *Change the strength of a salient belief.* If the belief is a negative one, it can be discounted or played down; if it is a positive one, it can be given greater importance. In the above example, the consumer has a low level of belief in the cleanliness of the cutlery, but a high evaluation of this attribute. The restaurant should therefore make a point of telling customers that the cutlery is specially checked before it reaches the table.
  
- *Change the evaluation of an existing belief.* In the above example, the customer has a low evaluation of the price level in the restaurant: that is to say, the consumer is not really worried about getting a cheap meal. The restaurant could increase the evaluation of this attribute by pointing out that the low prices mean that the customer can come more often, or treat friends to a meal without breaking the bank.
  
- *Make an existing belief more salient.* In the example, the customer has indicated that the friendliness of the waiters is either not known or not salient. The restaurant could therefore emphasize that it makes a big difference to the enjoyment of the evening if the waiters are pleasant.

This is by far the most common form of advertising appeal. Advertisers are constantly reminding us that their product has "more" or is "better" or "best" in terms of some important product attributes. Two caveats are necessary here. First, in the long run, attempts to change consumer perceptions about a brand attribute will not work if the brand does not actually have the attribute in question. Second, changes in the relative evaluations of both the attribute and the brand-attribute beliefs must not be too drastic, because, too extreme an advertising position would probably result in rejection of the whole message. This caution is based on assimilation-contrast theory. This theory warns that marketers trying to change attitudes by altering the relative evaluation of either attributes or brand-attribute beliefs must be careful to avoid "overkill" or "overselling" their case. According to this theory, consumers will assimilate (or accept) only moderate changes. If the change suggested by a message is too extreme, the contrast will likely result in distortion of the whole message and rejection of the message as being too extreme.

**Adding an attribute:** Another cognitive strategy consists of adding an attribute. This can be accomplished by adding either attribute that has previously been ignored or one that represents a technological improvement or innovation. The first route of adding a previously ignored attribute can be difficult to accomplish because, for most product classes, existing attributes have been considered by consumers at one time or another. For this reason, the second route of adding an attribute that reflects an actual product change or technologic innovation is preferable.

**Changing the overall brand rating:** This cognitive oriented strategy consists of attempting to alter the consumer's overall assessment of the brand directly without attempting to improve or change their evaluation of any single brand attribute. Such a strategy frequently relies on some form of global statement that this is the largest selling brand, the one all others try to imitate, or a similar claim that sets the brand apart from all its competitors.



If the three components of attitude (cognition, affect and conation) are in balance, it is difficult to change the attitude because the attitude becomes stabilised. For example, if somebody is becoming overweight, believes that this is a bad thing, and therefore diets, the attitude is stable and would be difficult to change. If, on the other hand, the same person is overweight, believes that it is bad, but just somehow never gets round to dieting, it is relatively easy to tempt the person to eat a delicious junk good. Inconsistency between the three components of attitude will come about when a new stimulus is presented. New information might affect the cognitive or conative aspects, or a bad experience might change the affective aspects. When the degree of inconsistency between the three components exceeds a certain tolerance level, the individual will be compelled to undertake some kind of mental readjustment to restore stability.

This can come about through three main defence mechanisms:

- *Stimulus rejection:* It means that the individual discounts the new information. For example, an overweight person might reject advice that slim people live longer than fat people, on the grounds that the research does not examine people who used to be

fat but are now slim and have kept the weight off. By rejecting the new information, the individual is able to maintain the status quo as regards the cognitive element of attitude.

- *Attitude splitting*: It involves accepting only that part of the information that does not cause an inconsistency. Here, the individual might accept that the new information is basically true, but that his or her own circumstances are exceptional. For example, if an individual finds out that the company he or she was planning to sue has gone bankrupt, this will alter the conative element of attitude, since it is impossible to sue a bankrupt company. The individual might agree that this is *generally* the case, but decide that the circumstances are such that he or she can sue the directors of the company instead.
- *Accommodation to the new attitude*: This means, in effect, changing the attitude to accommodate the new information. The fat person may switch to a low fat diet, the smoker may cut down or give up altogether, the prospective litigant may just chalk it up to experience.

The three elements are so closely related to each other that a change in one element will usually cause a change in the others. New information causing a change in cognition will change the consumer's feelings about the product, which in turn is likely to change the consumer's intentions about the product.

The final strategy involves changing consumer beliefs about the attributes of competitive brands or product categories. This strategy has become more heavily utilised as the popularity of competitive advertising has grown. However, this strategy must be used with caution, Comparative advertising can boomerang by giving visibility to competing brands and claims. Furthermore, if the audience is sophisticated and involved, attributes may be quite difficult to change with any kind of message.

## **Elaboration Likelihood Model (ELM)**

Compared to the various specific strategies of attitude change that we have reviewed, the Elaboration Likelihood Model (ELM) proposes the more global view that consumer attitudes are changed by two distinctly different routes to persuasion: a central route or a peripheral route. The central route involves an appeal to the rational, cognitive element; it is particularly relevant to an attitude when a consumer's motivation or ability to assess the attitude-object is high, i.e. attitude change occurs because the consumer seeks the information relevant to the attitude-object itself. Moreover, attitude change is willing to exert the effort to comprehend, learn or evaluate the available information about the attitude object.

In contrast, the peripheral route tends to involve the affective element by associating the product with another attitudinal object. If a movie star appears in an ad for a soft drink, this might cause the star's loyal fans to change their attitudes towards the drink. This change in attitudes has nothing to do with the attributes of the drink, but everything to do with the attributes of the star. The peripheral route seems to be pertinent to attitude change when a consumer's assessment skills or motivation is low, i.e. attitude change occurs without the consumer focusing on information relevant to the attitude-object itself. In such cases, attitude change is often a result of secondary inducements (rupees-off coupon, free gift etc.)

Changing existing attitudes relies heavily on market research, but the teasing out of the factors, which go to make up the attitude, can be a particularly demanding task. This is because of *halo effect*. Halo effect is the tendency for attitudes about one salient belief to colour attitudes about another. For example, if a consumer had a bad meal at a restaurant, this is likely to lead to a view that everything else about the restaurant was bad, too. Likewise a favourable view of some factors often leads to respondents reporting a favourable view of other factors.

## **Attitude Measurement**

Measuring attitudes is clearly a subject of some interest to marketers, since attitudes play such a major role in consumer purchasing behaviour. It is obviously of importance for manufacturers to know what the consumers' attitude is to the product, but it is difficult to

quantify. This is because attitude contains elements of both cognition and affect. Here are two contrasting models for attitude measurement: the Rosenberg model and the Fishbein model.

**1. Rosenberg model** The *Rosenberg model* says that an individual's attitude towards an object represents the degree and direction of the attitudinal effect aroused by the object. Put more simply, attitude is composed of a *quantity* of feeling and a *direction*, and has two main components:

- *Perceived instrumentality*: This is the subjective capacity of the object to attain the value in question: in other words, the usefulness of the object.
- *Value importance*: This is the amount of satisfaction the person derives from the attainment of a particular value. More simply, it is the importance of achieving the result that the consumer is hoping to achieve by buying and using the object of the attitude.

Perceived instrumentality means the degree to which the consumer thinks the product will work as it is supposed to. Value importance is the degree to which getting the job done is important to the consumer. Theoretically, perceived instrumentality and value importance are actually independent, and taken separately they do not predict responses well, but taken together they are good predictors of behaviour that is illustrative of attitude.

**2. Fishbein model**: The *Fishbein model* takes a different perspective on the problem, by focusing on the consumer rather than on the product. For Fishbein, attitudes can be predicted from beliefs and evaluation. Belief is the probability that the object possesses a particular attribute; evaluation is whether that attribute attracts or repels. This is not compatible with the value importance concept in the Rosenberg model.

In this model, the consumer's belief in the product's capabilities replaces the perceived instrumentality aspect. For example, it may be useful for a car to have a large boot (Rosenberg model), but whether a particular car's boot is large or not is a relative term and relies on the consumer's beliefs (Fishbein model). Furthermore, the belief that a car's boot is large does not necessarily mean that the prospective owner will like that attribute (Fishbein model). This will depend on how important the attribute is to the customer (Rosenberg model).

Combining the two models, there are three distinct aspects of attitude:

- Perceived instrumentality
- Evaluative aspect (affect)
- Value importance

Examples of these aspects are as follows:

- I believe the Hyundai Santro is the most comfortable car in medium segment car class
- I like comfort
- Comfort is very important to me

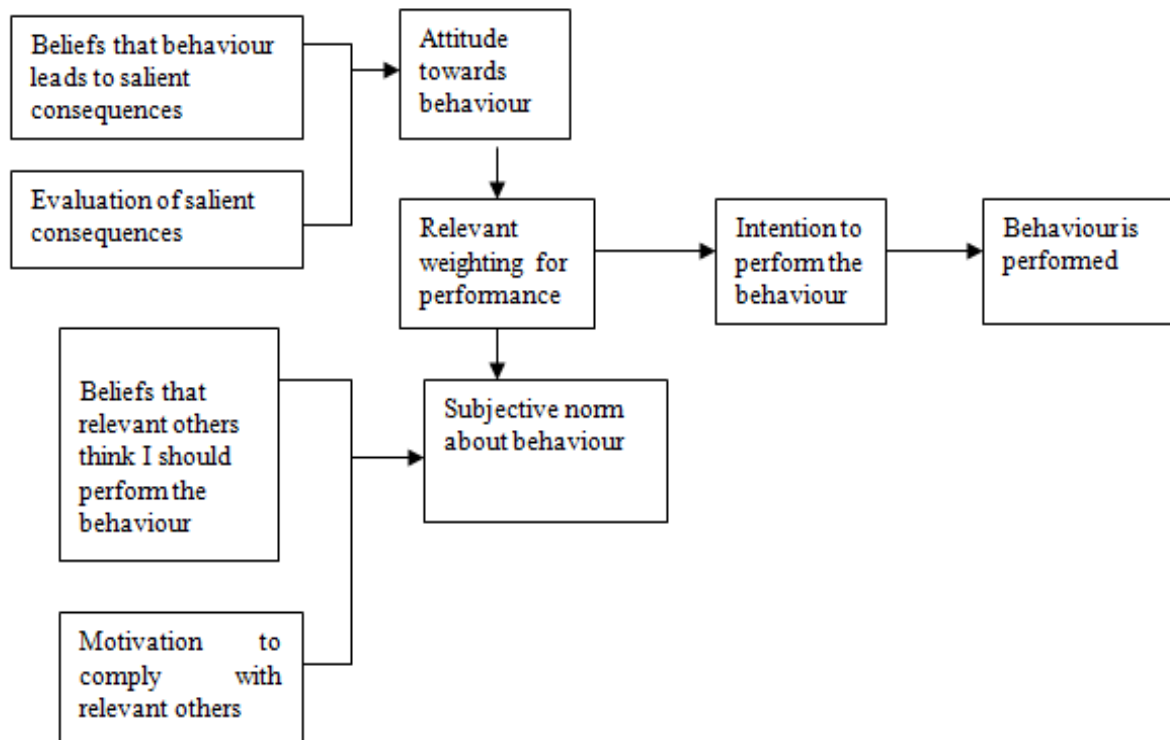
Note that the second two are not identical. You can like something without it being very important to you.

### **Attitude and behaviour**

The *theory of reasoned action* says that consumers consciously evaluate the consequences of alternative behaviours, and then choose the one that will lead to the most favourable consequences. Following figure shows the four main components of the theory: behaviour, intention to behave, attitude towards the behaviour, and subjective norm. The subjective norm is the component, which reflects the social pressures that the individual may feel to perform (or avoid performing) the behaviour being contemplated.

The individual's beliefs about the behaviour and the evaluation of the possible main consequences will combine to produce an attitude about the behaviour. At the same time, the individual's beliefs about what other people might think, and the degree to which he or she cares about what other people think, go towards developing a subjective norm about the contemplated behaviour. The individual will then weight the relative importance of the attitude and the norm, and will form an intention of how to behave. This may, in turn, lead to the behaviour itself. The theory of reasoned action assumes that consumers perform a logical evaluation procedure for making decisions about behaviour, based on attitude towards the behaviour, which in turn derives from attitudes towards the product or brand.

## The theory of reasoned action



Logically, attitude should precede behaviour. In other words, we would expect the consumer to form an attitude about something, then to act on that attitude. In fact, much of the evidence points the other way. It appears in some cases that people behave first, and form attitudes afterwards.

*Marketing efforts* often encourage people to buy first, then form attitudes: free samples, test drives, demonstrations and coupons are all more powerful in forming attitude and behaviour consistency than are advertisements. Attitudes formed without trial experience are probably weak and easily changed. In this context, the Pepsi Challenge represents a way of persuading people that Pepsi is better than Coca-Cola. Each summer, stands are set up in shopping malls and at seaside resorts, and passers-by are offered the chance to compare Pepsi with Coca-Cola in a blind taste test. People are frequently surprised to find that they actually prefer the Pepsi. Part of the reason for this is that the two drinks do, in fact, taste very similar, and without the visual cue of the packaging, the consumers often cannot tell the difference between the two.

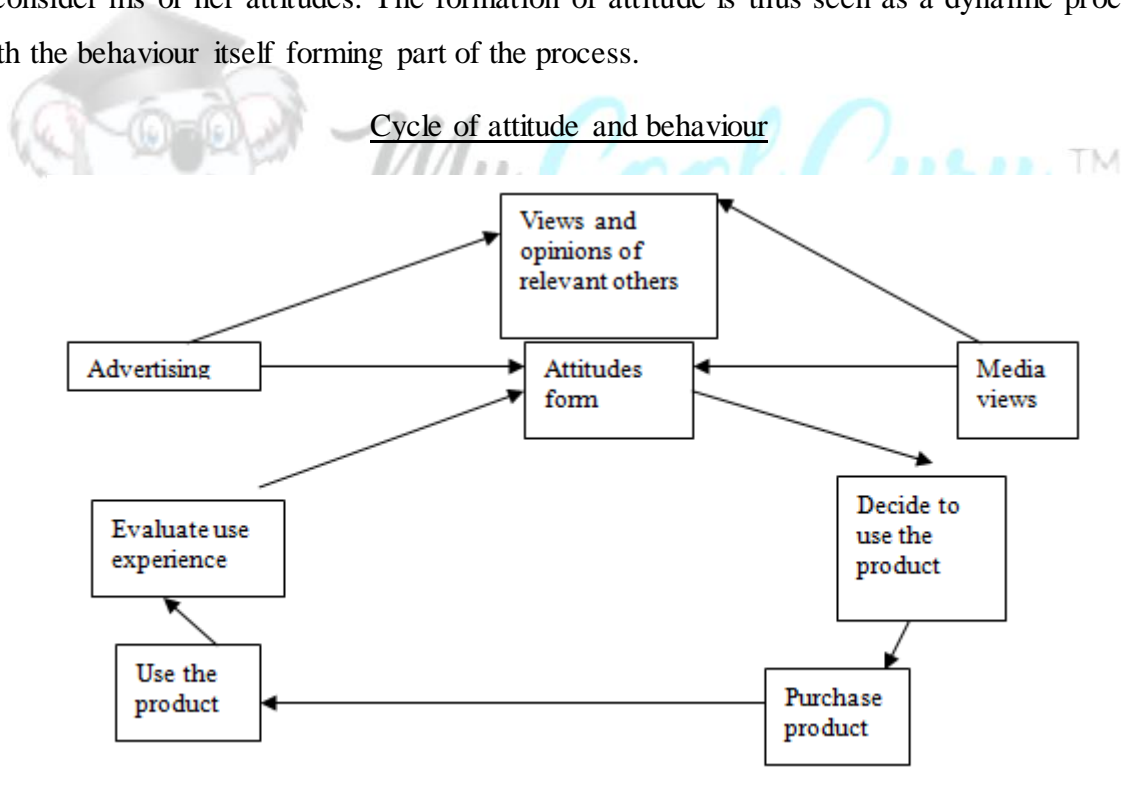
Trial of a product is so much more powerful than advertising in forming favourable impressions that car manufacturers are prepared to give special deals to car rental companies



and driving schools in order to encourage hirers and learners to buy the same model at a later date.

It may not matter greatly whether attitude precedes behaviour or not. Attitude is not always followed by the proposed behaviour; most people are familiar with having proposed doing something, then having done something else instead. This may be because attitude and behaviour are not always consistent. For example, a smoker may take the attitude that smoking is unhealthy and antisocial, but may still not give up smoking. Dieting is a similar example: even though a fat person may believe that being fat is unhealthy and unattractive, losing weight may not be the end result. In Freudian terms, the attitude may have come from the superego, but the demands of the id result in a failure to act.

In fact, it seems more likely that, at least regarding fast-moving consumer goods (FMCG), the processes of attitude formation and behaviour are interwoven. Following figure illustrates this. In this model, there is a feedback loop that allows the consumer to re-evaluate and reconsider his or her attitudes. The formation of attitude is thus seen as a dynamic process, with the behaviour itself forming part of the process.



### **Risk and Uncertainty**

In the case of the inexperienced buyer, there is a greater risk attached to making the purchase. Inexperienced buyers have, by definition, less knowledge of the product category they are

planning to buy into. Most consumers will try to reduce risk in this situation, and indeed this is part of the reason for establishing goal hierarchies; the task is thus broken down into manageable portions, which can each take a share of the risk. The risks fall into the following categories, which we will try to understand with the help of decision of car purchase.

The various types of risks associated with purchase

<i>Type of risk</i>	<i>Explanation</i>	<i>Examples</i>
Physical risk	The fear of injury from the product	Buying a car with defective brakes
Financial risk	Losing or wasting money	Buying a car that offers low mileage
Functional risk	Finding out that the product will not do the job you bought it for	Buying a car that breaks down constantly
Psychosocial risk	The fear of looking foolish	Buying a car with a poor reputation

The amount of perceived risk a consumer experiences depends on two factors:

Firstly, how serious the downside is, or in other words whether the possible negative consequences of the purchase will have a serious effect and

Secondly, what is the probability that the negative consequences will occur. This means that somebody considering the risk of buying a new climbing rope will be aware that the possible consequence of the rope breaking will be death or serious injury. The experienced climber will know which type of rope to buy to minimise the risk of breakage. Consumers habitually reduce risk in this way. Conversely, if a consumer is thinking of trying a new brand of biscuits, the possible downside is only financial, and is probably less than Rs. 5/- even if the biscuits taste terrible, the risk is small so a trial purchase is more likely.

The main way in which consumers reduce risk in purchasing is by increasing their knowledge about the product category. If the risk is still perceived as being high, the consumer will simply not make the purchase. For this reason marketers, particularly retailers, seek to reduce the perceived risk in the consumers' mind by offering no-quibble return policies. Consumers will often spend a great deal of time and effort shopping around, acquiring the necessary knowledge to reduce risk. This has been compared to the hunter-gatherer behaviour of our ancestors, and may account for the fact that the vast majority of retail purchases are still made

while walking in streets, rather than through catalogues or mail order.

## Personality

Personality is the collection of individual characteristics that make a person unique, and which control an individual's responses and relationships with the external environment. It is a composite of subordinate processes: for example, attitude, motivation and perception. It is the whole of the person, and is the system that governs behaviour rather than the behaviour itself.

### The Nature of Personality

1. An individual's personality is a unique combination of factors; no two individuals are exactly alike.
2. Personality is a useful concept because it enables us to categorize consumers into different groups on the basis of a single trait or a few traits.
3. Marketers learn which personality characteristics influence specific consumer responses and attempt to appeal to relevant traits inherent in their target group of consumers.
4. Even though an individual's personality may be consistent, consumption behaviour often varies considerably because of psychological, sociocultural, and environmental factors that affect behaviour.
5. An individual's personality may be altered by major life events, such as the birth of a child, the death of a loved one, a divorce, or a major career change.
6. An individual's personality also changes as part of a gradual maturing process.

The elements that make up personality are called *traits*. Considerable research effort has been made to link individual personality traits to buying behaviour, but with limited success. This is despite the apparent logic that people would buy products that reflect their personality traits (for example, outgoing flamboyant people might be expected to buy more colourful clothing).

In fact, there is some evidence that personality relates to new product purchasing behaviour, there is also some evidence that inner and outer directedness affect some buying behaviour. Overall, though, it is the total personality that dictates buying behaviour rather than each individual trait.

Personality has the following features:

- It is *integrated*: that is to say, all the factors making up the personality act on each other to produce an integrated whole.
- It is *self-serving*. The characteristics of personality facilitate the attainment of needs and goals. In other words, the personality exists to meet its own needs.
- Personal characteristics are *individualistic* and unique, in degree and intensity as well as presence. Although many personal characteristics are shared with other people, the possible number of combinations of traits is huge, and therefore each individual is different. This is what makes each person a separate and unique being.
- Personality is *overt*. External behaviour is affected by personality. In other words, the personality can be observed (albeit indirectly) and deduced from the person's behaviour.
- Personality is *consistent*. Once a person's basic personality has been established, it will change only slowly and with some difficulty; or practical purposes, an individual consumer's personality will stay constant throughout the buying process.

Because people are individuals, it is difficult for marketers to take a standardized approach, yet the exigencies of the business world require standardisation. For this reason, many attempts have been made to establish groupings of personality types, which can be approached with a standardized offering. This is one of the bases of segmentation (the process of dividing the market into target groups of customers with similar needs). For this reason, and of course for the purposes of treating abnormal personalities, there is a long history of studying personality.

There are four basic approaches to studying personality:

- i. The *psychoanalytic* approach: Here the emphasis is on psychoanalysis, or studying the processes and events, which have led to the development of personality traits. The focus is on the individual. This approach is typified by Freudianism.

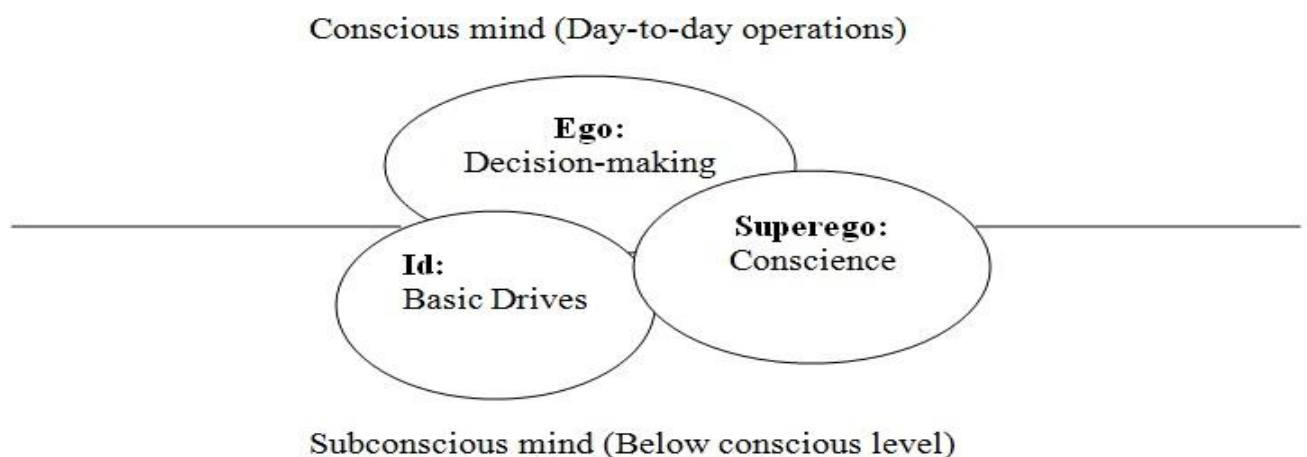
- ii. *Typology*: Here the individuals are grouped according to recognised types.
- iii. *Trait and factor theories*: Here the individual traits of the personality are examined as factors making up the whole.
- iv. *Psychographic*: The consumers are measured using their behavioural tendencies in order to infer personality traits.

### **The psychoanalytic approach**

The Freudian approach is very much centred on the individual. Here the researcher (or, more usually, psychologist) asks the patient or subject to talk about anything regardless of logic, courtesy, self-defence, etc. A Freudian would analyse these statements in terms of id, ego and superego.

According to Freud, the *id* is the underlying drive of the psyche. It is the source of the most basic, instinctive forces that cause people to behave in particular ways, and is largely operating below the conscious level. The *ego* is the conscious self, the part of the mind that makes the day-to-day decisions which lead to the satisfaction of the id; the *superego* is an internalized parent, the conscience that holds us back from selfish gratification of the id's needs. The superego is also operating mostly below the conscious level, and is the 'brake' on behaviour; in a sense, the ego is constantly making compromises between the id's demands and the superego's restraints. This is illustrated in following figure:

Freudian model of the mind



In simple terms, the id acts like a spoilt child, demanding instant gratification regardless of consequences; the superego acts like a stern parent, urging self-restraint and devotion to duty;

and the ego acts like a good lawyer, arranging compromises and settlements between the two parties, which will not lead to bankruptcy.

The Freudian approach led to motivation research, which purported to explain the underlying reasons for buying. Motivation research was at its most popular in the 1950s and was, for a time, believed to be able to predict consumer behaviour in terms of basic drives, which supposedly came from the id. Some of the claims made for motivational research now seem wild or ridiculous: for example, it was claimed that crunching cornflakes appealed to the killer instinct because it sounds like crunching animal bones, and that baking a cake is a substitute for giving birth. Convertible cars were thought to be a substitute for a girlfriend, and so forth. Motivational research became somewhat discredited because of the extravagant claims made, but it still has something to say to marketers.

The *depth* (or *guided*) *interview* is an example of motivational research methodology, which is still widely used. A small number of respondents (50 or fewer) is interviewed without the use of a formal list of questions. Interviewees are encouraged to express their innermost thoughts and feelings about the object of the research (perhaps a new product). The interviewer needs considerable skill to keep the interview on course without leading the interviewee.

A variation on this is the *focus group*, in which a group of ten or so respondents is invited to discuss their feelings and motivations collectively. The advantage of this method is that the respondents will tend to stimulate each other, and therefore there is less risk of the interviewer introducing bias into the results.

*Projective tests* are widely used in psychological counselling and psychiatry and occasionally have applications in market research. They are based on the assumption that the individual may sometimes have difficulty in answering questions directly, either because the answers would be embarrassing or because the answers do not readily come to mind. In effect, a projective technique requires the respondent to say what somebody else might think about a given topic. Sometimes this is done by showing the respondent a cartoon strip of people in a relevant situation; sometimes the respondent is asked to complete a sentence; sometimes the respondent will be asked to draw a picture describing his or her feelings about the attitudinal

object. In all cases the intention of the research is to allow the respondents to convey their innermost feelings in a non-personal way.

Motivational researchers tend to be interested in the id, claiming that this dictates the individual's basic drives. The assumption is that knowledge of the id's demands will enable the marketers to shape arguments for the ego to use in overcoming the superego's restraining influence.

Hedonic consumption: It appeals to the id. It is defined as those facets of consumer behaviour that relate to the multisensory, fantasy and emotive aspects of one's experience with products. Hedonism is about satisfying the 'animal' needs of the individual. An example of this is the recent advertisements of Mountain Dew ad where a person has been show to fight with a bull to get hold of one soft drink bottle. On a rather more restrained level, the id is the main target of advertisements with a 'go on, spoil yourself' theme, such as most liquor advertising.

#### **Type approach**

Freud was the earliest of the scientific psychologists. In subsequent years, additional beliefs to Freud's grew up. First came the followers of Jung, who (in addition to holding Freudian belief) also categorised people as *introverts* (preoccupied with themselves and the internal world) or *extroverts* (preoccupies with others and the outside world). This was an early attempt to classify people into broad types, and this process has continued ever since, with different researchers discovering different ways of grouping people according to personality types.

The mother and daughter team of Kathryn Briggs and Isabel Myers developed the Myers-Briggs Type Indicator with four personality dimensions:

- Extrovert/introvert
- Sensing/ intuitive
- Thinking/feeling
- Judging/perceptive.

The combinations of these dimensions can define people into sixteen different types: for

example, an extrovert-sensing-feeling-judging person is warm-hearted, talkative and popular, and likes harmonious relationships.

An introvert-intuitive-thinking-judging person is likely to be quiet, intelligent, cerebral and reclusive.

Karen Horney defined people across three dimensions:

- *Compliant.* This type of person moves towards people, has goodness, sympathy, love, unselfishness and humility. She or he tends to be over apologetic, oversensitive, over grateful, overgenerous and over considerate in seeking love and affection.
- *Aggressive.* This type of person usually moves against people, controls fears and emotions in a quest for success, prestige and admiration. S/he needs power, exploits others.
- *Detached.* This type of person moves away from people. Conformity is repugnant to the detached person. Distrustful of others, these people are self-sufficient and independent, and value intelligence and reasoning.

There is some empirical evidence to show that these categorisations have some effect on people's buying behaviour. For example, it has been shown that compliant people use more mouthwash and toilet soap, and prefer branded products; aggressive people use more cologne and after-shave. Detached people show low interest in branding.

David Reisman categorised people against three categories:

- *Inner-directed:* These people are essentially driven from within, and are not too concerned with what other people think.
- *Other-directed:* These people get their motivation and take their cues from other people.
- *Tradition-directed:* These people get their cues and motivations from the past, from traditional beliefs and sources.



Reisman's categories have been used for marketing purposes. Inner-directed people, for example, tend to be innovators for cars and foodstuffs, whereas outer-directed people tend to be fashion victims. There appears to be a change in the social paradigm, however, which is turning these views in a different direction. Broadly speaking, it would appear that more and more people are becoming inner-directed. This has led to a shift in the prevailing social paradigm away from the basically conformist attitude towards a more individualistic, free-thinking society. .

This shift in the social paradigm is having several effects. First, the fashion market has fragmented and almost anything goes. Second, there is a declining respect for authority and an increase in the crime rate. Third, and more positive, there is an increase in the tendency for people to espouse causes and work towards altruistic goals, even in the face of opposition from the Establishment. The shift in the social paradigm is coming about as a result of increased wealth and security in the modern world; as consumers move up Maslow's hierarchy of need and more of them are operating at the self-actualising level.

Overall, the type approach has much to offer marketers. There is little doubt that personality type affects buying behaviour, and since such types are easily identified and appealed to through marketing communications, it is not difficult to approach these groups.

### ***Traits and factors***

Personality is composed of traits, or individual 'atoms' of personality. These individual predispositional attributes exert influences on behaviour, so the traits must be identified before people can be typed or classified.

Traits tend to be enduring facets of personality. In other words, traits tend not to change much over time, and even when they do change, they tend to do so rather slowly. Those that might tend to change with age are -anxiety level (which tends to go down as the individual gets older), friendliness (which can change either way) and eagerness for novelty (which tends to go down). A few traits may vary throughout life, but studies show that adult personalities do not vary significantly as a person ages. This is not to say that behaviour and attitudes do not change; merely that the underlying personality tends to stay very much the same. Changing

roles, responsibilities and circumstances have much more effect on behaviour.

Traits can link to consumer behaviour. Research has shown that computer adopters in the early 1980s were more likely to be persons who thought of themselves as opinion leaders, were more intelligent than average, were cognitively structured (i.e. they thought a lot), and tended to be introverted and not socially active. Presumably a similar study, if conducted in the 1990s, would show a different result since computer ownership is now so widespread.

The number of personality traits is very large indeed. There has been an estimate that there are almost 18,000 identifiable personality traits and more are being discovered daily. Traits are clearly interrelated, but the study of this is still in its infancy, which is scarcely surprising given the number of traits that have been identified.

Currently the study of individual traits as they relate to buying behaviour is yielding few concrete results. This is probably because personality is interdependent; studying a few traits in isolation gives an insufficiently complete view of the whole person.

### ***Psychographics***

Psychographics is sometimes known as lifestyle studies, since it is concerned with people's values and approaches to life. Essentially, it is a quantitative study of consumer lifestyles for the purpose of relating those lifestyles to the consumers' purchase behaviour. For example, somebody who has a 'green' set of values is likely to have an eco-friendly lifestyle, which in turn means that the individual will be more likely to buy a bike than a car, and more likely to be a vegetarian than eat red meat, and so forth. By knowing what a person's basic lifestyle is we can make a fair prediction about his or her purchasing behaviour, and the kind of products and promotions that will most appeal to that individual. The psychographic approach to personality study combines the strengths motivation research with those of trait and factor theories. The assessment of lifestyle often involves very lengthy and involved studies of large samples of the population.

Psychographics approaches have in common that they all try to predict behaviour from knowledge of lifestyle and attitudes. The drawback with this approach is that the necessary research is complex and time consuming, and ultimately relies heavily on the judgement of the researchers to decide which factors are appropriate to a particular lifestyle. For example, is somebody who uses unleaded petrol really living a 'green' lifestyle? Presumably a truly 'green' lifestyle would not involve a car at all!

The psychographics approach appears to have strong potential to tell us about what people will buy, since clearly most purchases are related to a chosen lifestyle. The problem is therefore not conceptual, but rather one of definition.

## **Personality and Marketing**

### **Brand Personality**

A very important implication of personality in marketing is the concept of brand personality. It is a comprehensive concept, which includes all the tangible and intangible traits of a brand, say beliefs, values, prejudices, features, interests, and heritage. A brand personality makes it unique. Brand Personality describes brands in terms of human characteristics. Brand personality is seen as a valuable factor in increasing brand engagement and brand attachment, in much the same way as people relate and bind to other people. All of us aspire to be like our heroes, be they leader in whichever field, but we not become one. We then associate ourselves with the brands that seem to portray the more or less same kind of personality. Marketers thus associate their brands with some desirable and unique personality traits to become the preference of the consumers.

### **Personality and Understanding Consumer Diversity**

The basic purpose of studying personality is that the marketers are interested in understanding how personality influences consumption behaviour because such knowledge enables them to better understand consumers and to segment and target those consumers who are likely to respond positively to their product or service communications.

### ***Consumer Innovativeness***

Innovators are very less in number but they form an important part of any marketing activity. Innovators are those who are likely to try new products. Those innovators are often crucial to the success of new products. Following are some of the personality traits which explains the degree to which a consumer can be innovative.

### ***Consumer Acceptance***

This means how receptive are consumers to new products, new services, or new practices. The more the innovativeness the more are the chances of positive word of mouth and hence new product success.

### ***Dogmatism***

Dogmatism is a personality trait that measures the degree of rigidity an individual displays toward the unfamiliar and toward information that is contrary to their established beliefs. Thus less a consumer is dogmatic, more are the chances that he will prefer innovative products to established ones. Consumers high in dogmatism on the other hand are more accepting of authority-based ads for new products.

### ***Social Character***

Social character is a personality trait that ranges on a continuum from inner-directed to other-directed. Inner-directed consumers tend to rely on their own “inner” values or standards in evaluating new products and are innovators. They also prefer ads stressing product features and personal benefits. Other-directed consumers tend to look to others for direction and are not innovators. They prefer ads that feature social environment and social acceptance.

### ***Need for Uniqueness***

There is a considerable part of our population who seek to be unique. These people avoid conformity. So by making a product different in terms of its personality a marketer can attract those customers.

### ***Variety-Novelty Seeking***

Consumers who seek novelty are likely to be innovative. Consumers with high variety seeking scores might be attracted to brands that claim to have novel or multiple uses or applications. Marketers, up to a point, benefit from thinking in terms of offering additional options to consumers seeking more product variety.

## **Cognitive Personality Factors**

Market researchers want to understand how cognitive personality influences consumer behaviour. Two cognitive personality traits have been useful in understanding selected aspects of consumer behaviour.

### *Need for Cognition*

Cognition means how much a person wants to think and how much does he enjoy thinking. Consumers with high need for cognition are more likely to be responsive to the part of an advertisement that is rich in product-related information of description. They are also more responsive to cool colours. Those who are relatively low in Need for Cognition are more likely to be attracted to the background or peripheral aspects of an ad.

### *Visualizers versus Verbalizers*

Visualizers are consumers who prefer visual information and products that stress the visual. Verbalizers are consumers who prefer written or verbal information and products that stress the verbal. This distinction helps marketers know whether to stress visual or written elements in their ads.

## **Roles**

People create and project images of themselves to other people; these images are called roles. The roles may change according to the circumstances and environment, which the individual is in. For instance, a person's behaviour in office is different from the same person's behaviour in his own home. The role-playing behaviour is natural and not consciously carried out. Most people act in ways, which will be acceptable to those around them and by doing so are conferred a status within the group. In most cases, this status is merely that of being accepted within the group (which, of course, helps to fulfill the person's need to belong), but most people would prefer it if they were openly welcomed into the group, and given a degree

of respect; this would fulfil the person's esteem needs.

Erving Goffman developed a useful analogy for the role-playing behaviour when he developed his life-as-theatre analogy. According to Goffman, everyday life has much in common with theatre: people use script, props, make-up, costume and movement to convey an image of themselves to the 'audience'. For Goffman, there is even a backstage where we have friends, lovers or spouses who are allowed 'in the dressing room' to see us as we really are, relaxed and with all the props put away and the make-up off. Following table shows some examples of Goffman's analogy.

Examples of life as theatre

<b>Theatrical terms</b>	<b>Explanation</b>	<b>Real-life example</b>
Props	Items used to make gestures, or to support and emphasise movement, and ornaments or to set a scene	Cigarettes, walking sticks, furniture and ornaments
Costume	Items of clothing which serve to establish a role, or set a scene	Sportswear, business suits, power dressing
Stage	The place where the performance is held, and where the audience is assembled	Offices, living-rooms, social gatherings
Backstage	The place where the dressing rooms are; where the actors prepare for the performance, and where they meet their friends and intimates	Where the individual lives or is relaxed; home; where the person's friends and intimates can visit
Make-up	The face the actor puts on to emphasise the characterisation	Cosmetics, perfumes, aftershave, hairdressing
Script	A pre-planned set of statements intended to communicate the role to the audience	Jokes, sayings, conversational styles, professional jargon
Business	The movements actors make in the course of playing the role	Gestures, body language, facial expressions used to convey emotions and ideas
Applause	Feedback from the audience; confirmation that the role projection has been effective	Getting your way in a business negotiation, having friends laugh at your jokes, having a conversational response from a friend

It is important to understand that the role-playing described here is not in any way a false or 'two-faced' activity. Everybody plays different roles according to circumstances and environment; only to those with whom we are backstage do we show our true faces, and even then there is often some playacting going on, for the purpose of enhancing our own image or

getting our own way. Goffman himself is careful to point out that the analogy should not be pushed too far; we should be aware that the role playing described by Goffman is actually part of the real everyday lives of real people, not the contrived parts played by actors.

## Self-concept

Of all the personality concepts, which are applied to marketing, self-concept has probably provided the most consistent results and the greatest promise of application to the needs of business firms. Self-concept is the person's ideas and feelings about him or herself. It has an important role to play in understanding consumer behaviour, since people will buy products, which contribute to the self-concept. For example, a woman who thinks of herself as a *femme fatale* will choose chic clothes to enhance that image or a man who thinks of himself as a handyman will equip himself with the most sophisticated tools.

Marketers should try to develop brand images that match the target market's images. It is possible that a person's self-concept (how s/he views herself or himself) differs from his or her ideal self-concept (how s/he would like to view herself or herself) and from his or her others-self-concept (how s/he thinks others see him or her).

Essentially, people project a role and this is confirmed (or denied) by the people around. In order for the role to be confirmed, the person will try to develop all the exterior accoutrements appropriate to the role. In this sense, the person becomes a work of art; a sensory stimulus to other people which is intended to generate affective responses. The person may well use all five senses to generate the affective response: sight (by dressing appropriately, wearing make-up, etc.), hearing (by speaking with the right accent, or using the voice well), smell (by wearing perfume or deodorant), touch (by looking after the skin, perhaps by wearing clothes that feel good) and even taste (flavoured lipstick, mouthwashes).

Some of these sensory stimuli will, of course, be available only to the individual's closest friends, and often only to lovers, but most people at some time or another will consciously set

out to create a work of art of themselves in order to 'make a good impression' on somebody. The extent to which people do this depends on the following factors:

- The degree of importance attached to impressing the other person (or people).
- The degree to which the individual anticipates that the 'target audience' can be impressed.
- The cost in time and money of creating the desired image.

Clearly, though, the fact that people do create these works of art has led to invention of whole industries to cater for the need: the cosmetics industry and fashion industry, to name but two.

Self-concept is a learned construct. Children tend to look for role models to imitate; these may not always be the same people, and the child may try several different role models before settling on one that is appropriate. Children can be crushed by a denial of the role being projected, for instance if people laugh while the child is imitating his or her favourite star. During the teenage years, a further refinement occurs as the individual tries to develop an adult role, and again the role-models may shift, typically away from the family members towards a hero (pop star or sporting personality) or sometimes to an individual within a peer group (a school friend, for example). Usually the role model will be an adult a few years older.

Self-concept has four attributes, as follows:

- It is learned, not innate.
- It is stable and consistent. Self-perception may change; self-concept does not. This accounts for brand loyalty, since self-concept involves a view of which products will 'fit the image'.
- It is purposeful: in other words, there is a reason and a purpose behind it. Essentially, self-concept is there to protect and enhance a person's ego. It is therefore advisable not to attack a person's beliefs directly; people get angry or at least defensive when this happens.
- The self-concept is unique to the individual, and promotes individualism.

Self-image breaks down into different components or dimensions, which are shown in the



following table. There is some overlap, but the differences are quite marked between the dimensions.

Components of self-image

<i>Component</i>	<i>Explanation</i>
Real self	This is the actual, objective self, as others see us. There is a problem with this definition, since other people never know the whole story. This means that the 'real' self may be something other than the face shown to the world.
Self-image	This is the subjective self, as we see ourselves. Self-image is likely to differ radically from the real self, but to an extent this is modified over time because of feedback from others. We modify our self-image in the light of the reactions of others.
Ideal self	How we wish we were; this connects to the self-actualisation need that Maslow identified. This self is often the one that provokes the most extravagant spending, as the individual tries to make up the gap between self-image and ideal self.
Looking-glass self	The social self, or the ways we think other people see us. This does not always coincide with the way people actually see us, since we are not able to read minds. Feedback from others will be constrained by politeness or by a desire to project a self-image on the part of the respondent, so we are not always aware of what other people really think we are like.

Each dimension has some relevance for marketers, and the implications are as shown in the following table.

Dimensions of self-image

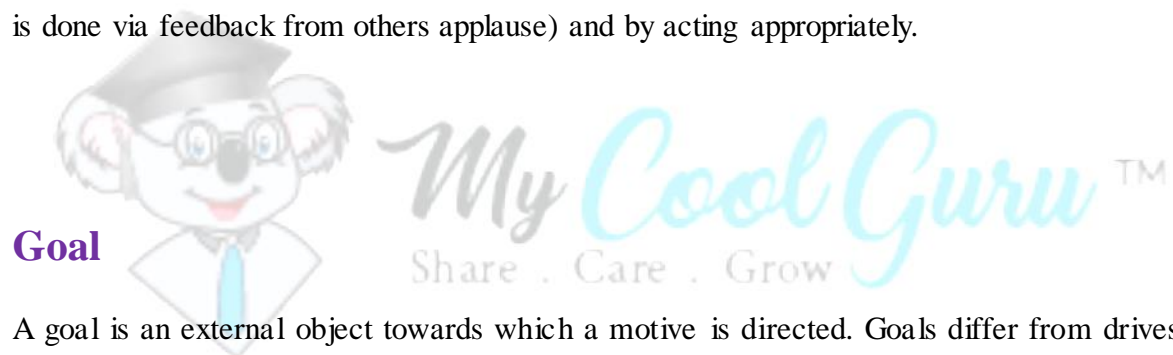
<b>Dimension</b>	<b>Relevance to marketers</b>	<b>Examples</b>
Real self	As the face that is shown to the world, this is the one that people most wish to influence.	Conspicuous consumption of cars, houses, etc. Cosmetics, fashion and hairdressing.
Self-image	Useful in two ways: first, the negative aspects of self-image influence the ideal self; second, the positive aspects influence purchases to reinforce the self-image	Somebody whose self-image is 'cool' will not want to jeopardise that, and will buy appropriate products to match that image. Somebody whose self-image is poor will want to correct discrepancies.
Ideal self	The aspect that leads to the greatest purchases of self-improvement products.	Correspondence courses, cosmetics, cosmetic surgery, musical instruments and any number of other products that lead to self-development.
Looking-glass self	The way we <i>think</i> others see us; this influences us in making changes to those views, or reinforcing views that are perceived as positive.	A man who thinks his friends see him as being staid or boring might be prompted to buy a sports car in order to correct the image. Conversely, somebody more outer directed might deliberately buy a car to fit in with the image he thinks he has with his friends.

For marketers, the differences are useful. Ideal self predicts attempts at upward mobility: purchases of courses, self-improvement classes, upmarket products, cosmetic surgery, etc. Looking-glass self is relevant for other-directed people.

Self-image is relevant to what we think we deserve i.e. what is the 'right' product for us. People are swayed by what is promoted as being 'just right for people like you'. Children can be told they are having 'the special children's meal'. Students can be swayed by a 'special student discount'. Sometimes this type of promotion can backfire; for instance, there may be fears about the quality of the service or product.

Real self is not known to the consumer, although it is one of the greatest motivators in consumer behaviour. In the words of Burns, 'To see ourselves as others see us' is not in our gift and this may be just as well.

Referring back to Goffman's life-as-theatre analogy, it is clear that purchases of props and costume are relevant to the real self. Developing a real self, which is positive and useful to us is done via feedback from others (applause) and by acting appropriately.



**Goal**  
A goal is an external object towards which a motive is directed. Goals differ from drives in that the goal is external and pulls the person whereas drive is internal and pushes the individual. The basic consequences, needs or values that consumers want to achieve are called end goals. These end goals can be abstract or concrete.

**The concrete end goals:** These derive directly from the product purchase. For instance, when we buy a new light bulb, the purpose of buying is to replace a broken one.

**Abstract end goals:** These derive indirectly from the purchase. For instance, when we buy new formal clothes for interview, the job is the end goal and the clothes are only a means to the end.

Goal hierarchies are series of sub goals that provide a structure for decision-making; in other words, people set priorities. If the individual has previous experience, this will help; consumers without previous experience will have more trouble with establishing goal hierarchies and are likely to go by trial and error. For example, if you have never bought a car

before, you do not really know what to look for; you will not have prioritised your needs, or formed a hierarchy of goals. Below is a sample goal hierarchy for buying a second-hand car.

1. Find out which car would best suit your needs.
2. Find out which is the cheapest way of financing the purchase.
3. Find out who has the right type of car for you.
4. Do the deal and get the car.

To translate this into an action plan, the person will have to establish a series of activities to meet each sub goal. Here is an example of the buying process for the second-hand car:

1. Buy used-car guide.
2. Decide which looks like the make(s) and year(s) that most suit your needs.
3. Decide what prices are within your range.
4. Phone around loan companies to get the best loan quotes.
5. Buy the local paper as soon as it hits the newsagents.
6. Call up anybody who seems to have the right kind of car, call round to see it, and do the deal.

The experienced consumer, for example, somebody who often buys second-hand cars - will already know how to go about this process and will establish the goal hierarchy and action plan immediately. Inexperienced consumers have to construct a goal hierarchy from scratch, often by trial and error approaches, and develop a decision plan to achieve each sub goal.

Marketers can help here, and especially salespeople, because they can guide individuals through the process; this is the most effective kind of selling activity, since it addresses the consumer's need for assistance.

Problem-solving processes are greatly affected by the amount of product knowledge the consumer has acquired through past experiences, and by the level of involvement with the product and/ or choice processes. In other words, if the individual has a great deal of knowledge about the product category, or has a strong interest in the product category, the process of finding a suitable product will proceed along very different lines. The

inexperienced car buyer is more likely to follow a plan such as this:

1. Decide to buy a car.
2. Ask around among family and friends to find out which car might suit his or her needs. This would often involve a discussion to determine what the needs are; an experienced car-owner might suggest extra needs which the prospective purchaser is not aware of. The financing of the purchase might be discussed at this point.
3. Go to used-car showrooms to examine the different makes and models.
4. Find a helpful salesperson who appears honest and trustworthy.
5. Tell the salesperson what the needs are.
6. Listen to the salesperson's advice about the particular models in stock. Again, the financing of the purchase might also be discussed at this stage.
7. Make the decision based on the closeness of fit between the salesperson's description of the car and the needs that have been identified.
8. Buy the car.

For example, compare the purchasing behaviour of a camera buff with that of a 'snapshot' photographer. The camera buff will know which type of lens is best, which camera bodies are most reliable and durable, and which accessories (light meters, etc.) will give the best results. A camera buff will use different filters for different effects, and so forth. This type of consumer will probably shop at a specialist camera shop, and will talk on equal terms with the sales staff. The snapshot enthusiast, on the other hand, is likely to want a camera that is simple and relatively fool proof, and that will give reliable if uninspiring results. This individual will not be very interested in the technicalities of shutter speeds, apertures or film speeds.

## Heuristic

In order to reduce risk, and to simplify the decision-making process, consumers will usually have a set of *heuristics*. These are simple 'if . . . then' decision-making rules which can be established before the search procedure begins. Heuristics are also subject to alteration in the light of new knowledge, so some may be constructed as the search procedure continues.

Heuristics can be divided into three categories:

1. Search heuristics: These are concerned with rules for finding out information.
2. Choice heuristics: These are procedures for comparing evaluations of alternatives.
3. Evaluation heuristics: These are concerned with rules for judging products

List of examples

<b>Search heuristics</b>	<b>Examples</b>
Store selection	If you want to buy stereo equipment, go to Sony showroom
Sources of information	If you want to know which alternatives are worth searching for, read the expert reports
Source credibility	If a magazine accepts advertisements from the tested products, do not believe its product tests.

<b>Choice heuristics</b>	<b>Examples</b>
<i>For familiar, frequently purchased products</i>	<i>If choosing among familiar products</i>
Works best	Choose the product that you think works best - that provides the best level of performance and relevant functional consequences.
Affect referral	Choose the alternative you like best (select the alternative with the most favourable attitude).
Bought last	Select the alternative you -used last, if it was satisfactory.
Important person	Choose the alternative that some 'important person' (spouse, child, friend) likes.
Price-based rule	Buy the least expensive alternative (or buy the most expensive, depending on your beliefs about the relationship of price to product quality).
Promotion rule	Choose an alternative for which you have a coupon or that you can get at a price reduction (seasonal sale, promotional rebate, special price reduction).
<i>For new, unfamiliar products</i>	<i>If choosing among unfamiliar products</i>
Wait and see	Don't buy any software until someone you know has used it for at least a month and recommends it. Don't buy a new car (computer, etc.) until the second model year.
Expert consultant	Find an expert or more knowledgeable person, have them evaluate the alternatives in terms of your goals, then buy the alternative that the expert selects.

<b>Evaluation heuristics</b>	<b>Examples</b>
Key criteria	If comparing processed foods, examine sugar content.
Negative criteria	If a salient consequence is negative (high sugar content), give this choice criterion extra weight in the integration process.
Significant differences	If the alternatives are similar on a salient consequence (all low sugar), ignore that choice criterion.

Heuristics can be used by the consumer to simplify decision-making. They may be stored in the consumer's memory, or may be constructed on the spot based on information received, but either way they allow the consumer to reach rapid decisions without overstressing his or her cognitive capacity or brainpower. The use of heuristics, in the extreme, leads to habitual behaviour. For example, there are people who will go to the same tourist spot every year and stay at the same hotel possibly in the same room. Routinised Choice Behaviour such as this is comforting and relaxing, since it does not involve any real decision making at all. In most cases, though, heuristics are simple decision rules (for example, when choosing a restaurant in a new place, always eat where the locals eat as this guarantees quality of the food).

## Interrupt

Interrupts are events, which prevent the consumer from following the goal hierarchy. There are four types:

1. Unexpected information, inconsistent with established beliefs: For example, if the shop, which the consumer had expected to buy from, has changed hands or closed, the consumer has to rearrange the goals to encompass finding a new supplier.
2. Prominent environmental stimuli: For example, an in-store display shows a new brand at a big discount. This may divert the consumer away from his or her normal brand choice, or at the very least cause the consumer to consider the possibility of switching.
3. Affective states: Hunger, boredom or tiredness during a shopping trip may lead to a change in the goal. This may be a change away from looking for a new outfit, and towards a search for a cup of tea and a sit-down.

4. Conflicts: These are the contradictions arise due to many reasons. These are of three types.

- Approach-approach conflicts: In this case, two different products offer the same (or similar) benefit. A holiday in Goa or a holiday in Kerala may seem equally attractive, so the consumer is drawn equally to each one.
- Avoidance-avoidance conflicts: A consumer may not want to be embarrassed by wearing old shoes, but equally may not want to spend money on new ones.
- Approach-avoidance conflicts: In this case, there are factors in favour of the purchase, but also factors against. For example, a stereo may be on special offer, but the consumer does not know if the quality is good. The consumer is therefore torn between wanting to buy at a cheaper price, and being afraid of a functional risk of buying a product that doesn't do what it is supposed to do.

The effect of interrupts will depend on how consumers interpret the interrupting event. On the one hand, the interrupt may activate new end goals (as when a long shopping trip dissolves into a search for a cup of tea). On the other hand, a choice heuristic may be activated (for example, if a friend recommends a brand). Sometimes the problem-solving behaviour might be blocked or shelved indefinitely (say by loss of job). The strength of the interrupt is important. Is the hunger severe enough to stop you shopping for things you needed for tonight? Can you skip lunch for once?