



MK 311: Consumer Behaviour

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Consumer Behaviour: 5W1H

- **What a marketer need to know about his/her consumers.**
- **Is this enough?**
- **Who**
- **What**
- **Why**
- **When**
- **Where**
- **How**

Buying Decision Process



Moments of Truth in Consumer Journey/Experience

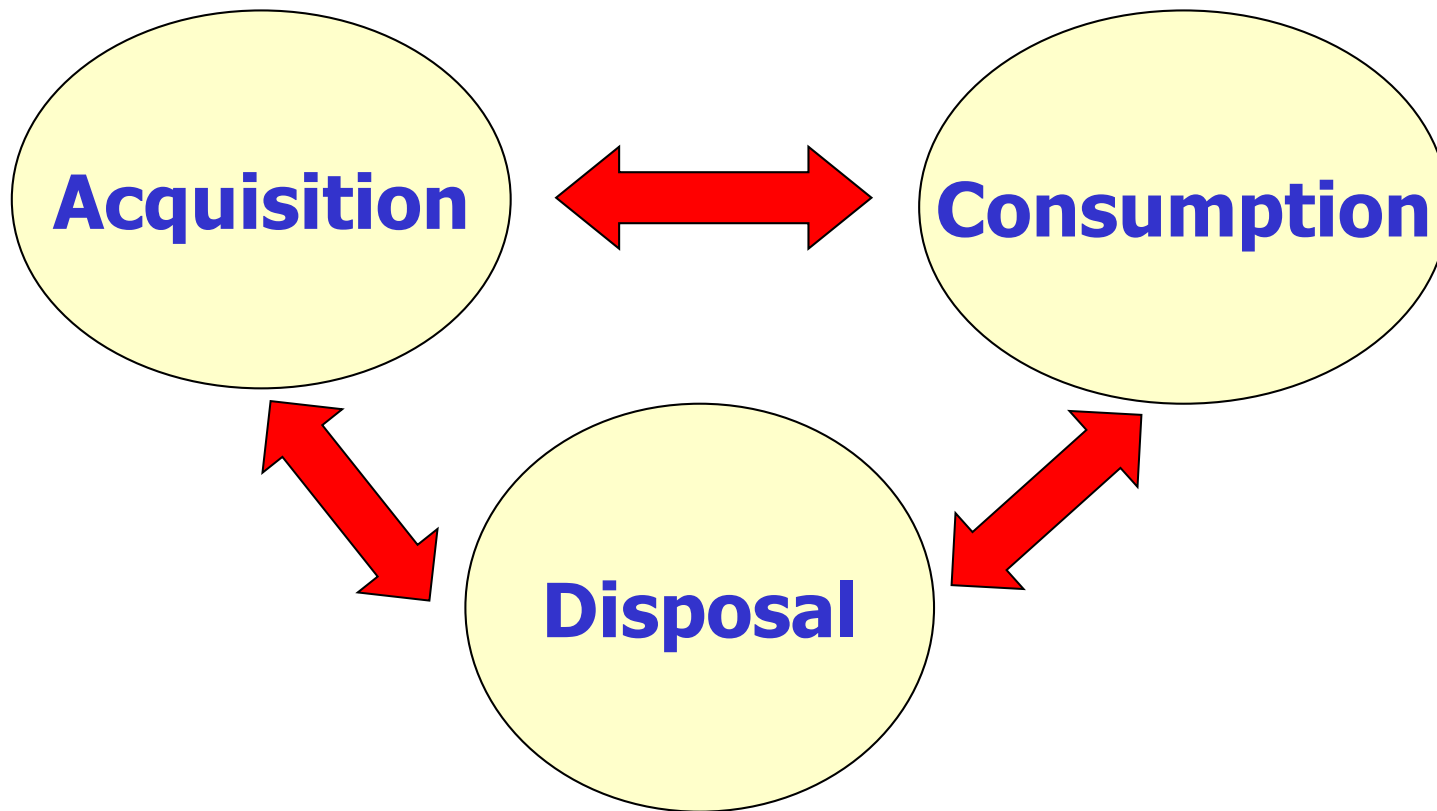
- **The Zero Moment of Truth – Zmot**
 - **Discovery**
- **The First Moment of Truth – Fmot**
 - **Exploration**
- **The Second Moment of Truth – Smot**
 - **Consumption**
- **The Ultimate (Third) Moment of Truth - Umot**
 - **Shared Engagement**

Source: Araujo, 2013

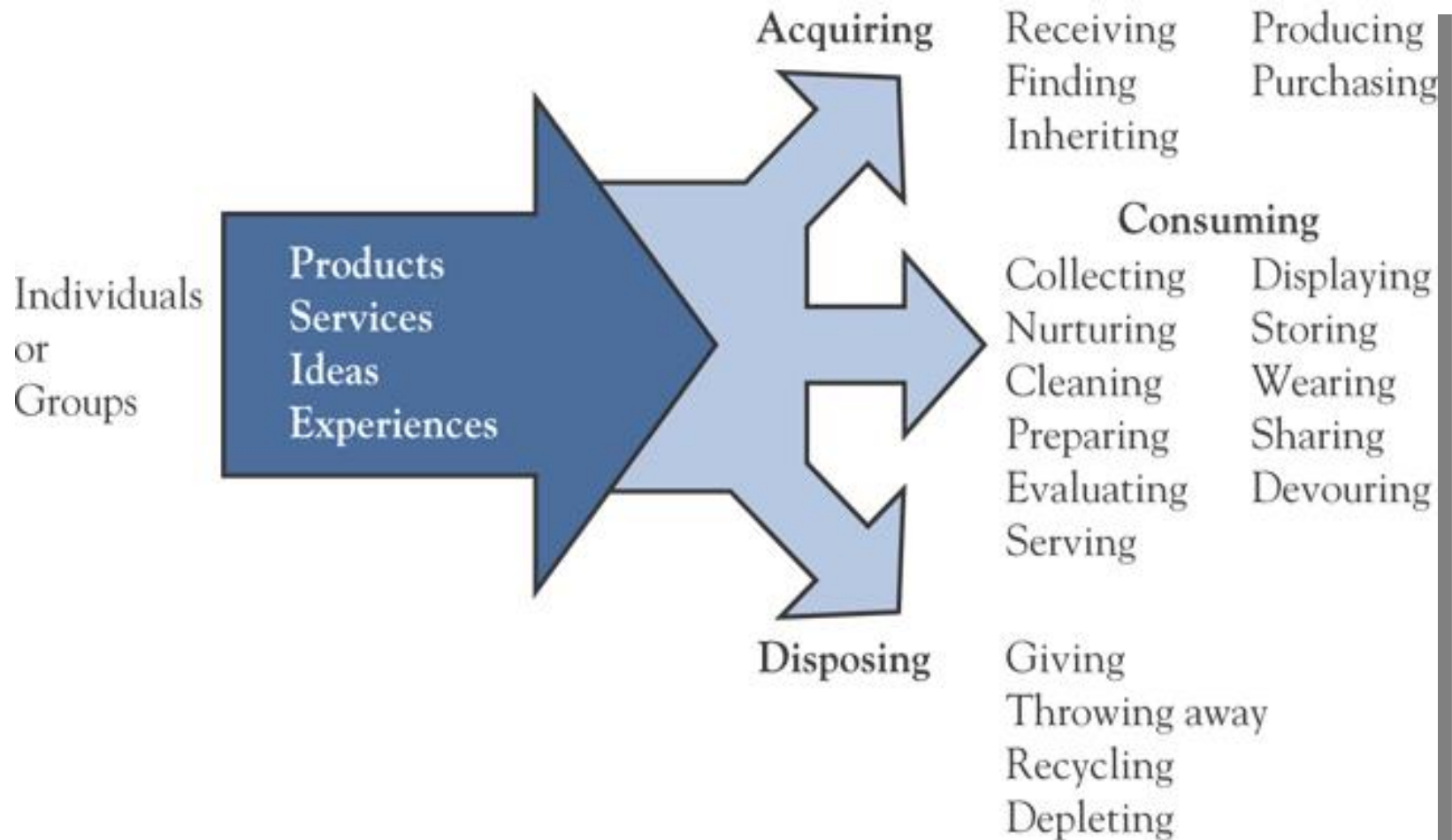
What is Consumer Behaviour?

- **Individuals or groups acquiring, using, and disposing of products, services, ideas or experiences.**
- **Also includes acquisition and use of information.**

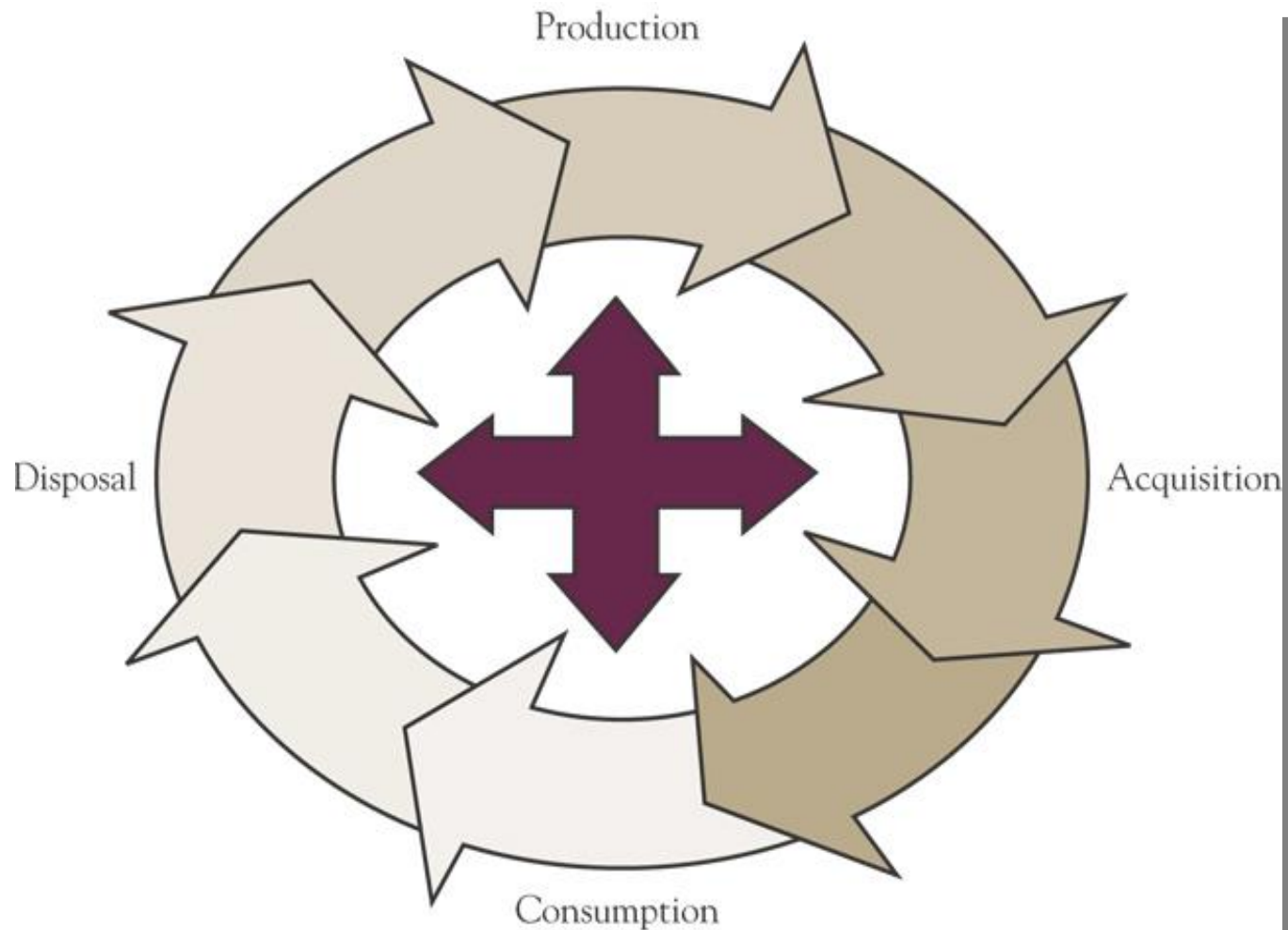
The Circle of Consumption Patterns of Movement



The Domain of Consumer Behaviour



The Circle of Consumption

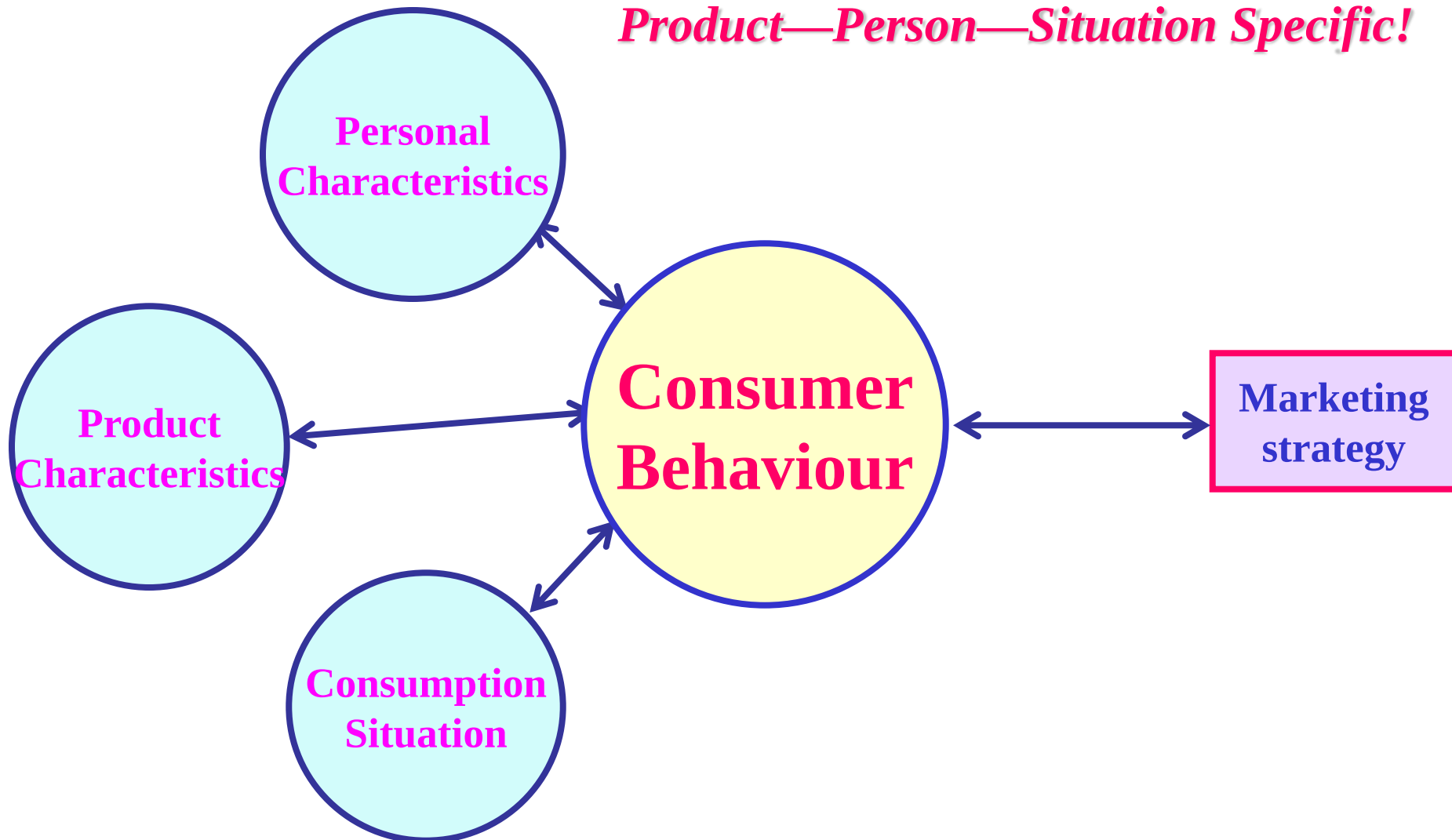


The Full Circle in Important

- **Something may be purchased as a memento, but end up as a collectible which is then sold for profit.**
- **The links between all the phases are important.**

Consumer Behaviour is

Product—Person—Situation Specific!



Consumer
Insights
Influences



Marketing Strategy

Consumer Insights



Background:

- *Staff Accountant at Founder Accounting
- *Completed his undergraduate degree at Penn State and his masters at Cornell University
- *Has a serious girlfriend and two dogs (a Labrador retriever and a pug mix)

Demographics:

- *Male
- *Age 34
- *Annual HH income: \$125,000
- *Lives in a townhouse-style condo in an urban area

Goals:

- *Become a senior accountant within 3-5 years
- *Achieve a salary of \$80,000 so that he can purchase a single family home
- *Network aggressively in order to build professional contacts

**Tommy
Technology****Hobbies & Interests:**

- *Running 5K races with his girlfriend
- *Watching Game of Thrones
- *Going out to brunch with other young couples
- *Taking one nice vacation a year to established tourist destinations

Challenges:

- *Wants to have a more modern website, but isn't the final decision-maker
- *Struggles with being seen as the "young guy" in the office and being taken less seriously as a result

Common Objections:

- *I love the idea of a new website, by my boss will never go for it! He doesn't see the value in new technology.
- *I'd love to get started on a new website, but I don't think I can get buy-in from my boss. He never takes my ideas seriously.

Biggest Fears:

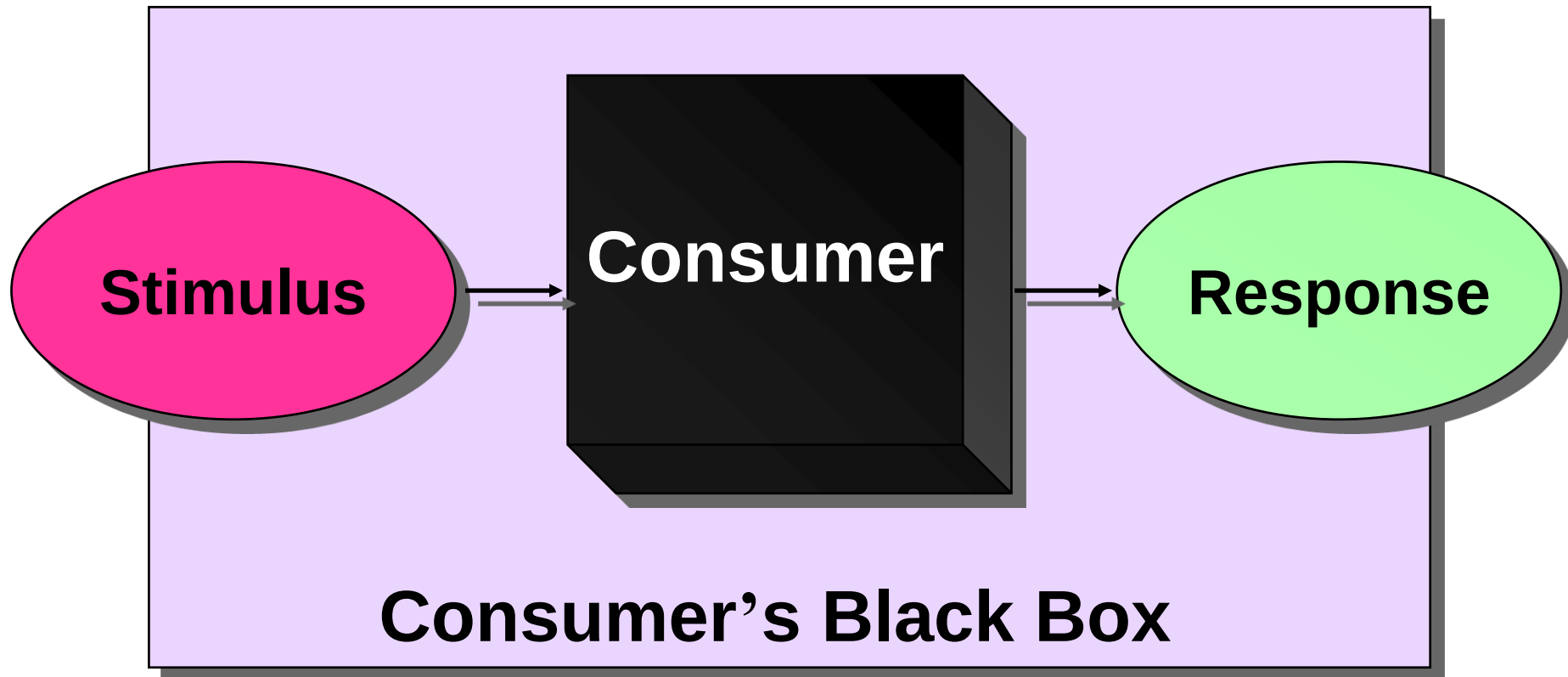
- *Getting stuck in a job and not advancing up the corporate ladder as quickly as he'd like
- *Economic recessions that mean he'll never be able to retire
- *Life passing him by too quickly

You Can't Put Consumers in a Box

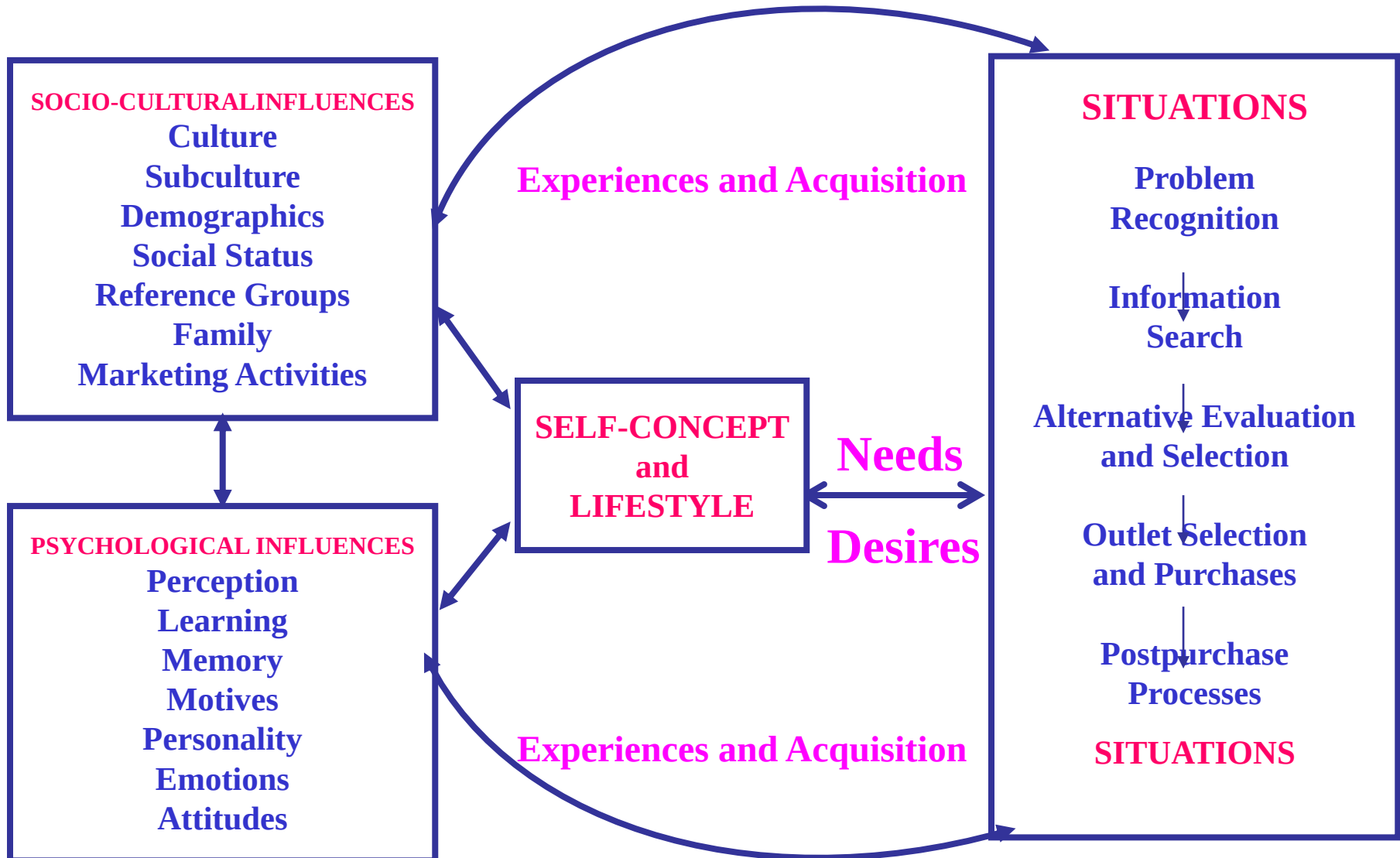
**Knowing stereotypes
might not be sufficient!**

- **People are not acting their age**
- **People are not acting their class**
- **People are not acting their sex**

We don't exactly know what drive our behavior



Overall Model of Consumer Behaviour



Adapted from "Consumer Behavior: Building Marketing Strategy" by Hawkins, Best and Coney

And...

**This course shall also
embrace some new
views and alternative
theories.**

Last Reminders:

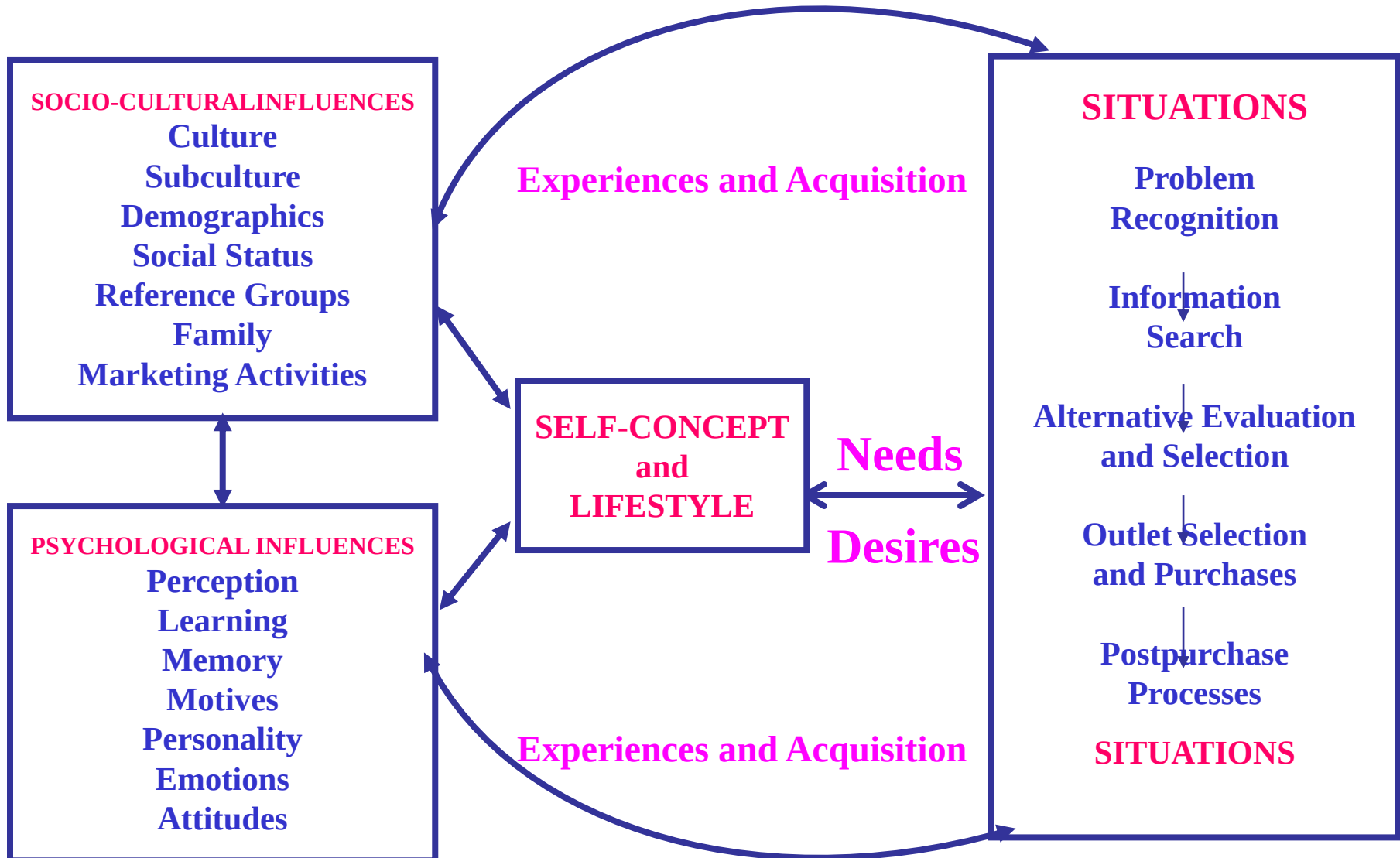
- Understanding Consumer Behaviour is the ♥ of Marketing
- Mastering Consumer Behaviour is the 🔑 to Marketing Success
- Consumer Behaviour is 🕸️.
- An Endeavour to 🔓 Consumer Behaviour is Best through an Attempt to Reflect on **Our Own Behaviour.**

Session 2: Lecture Outline

Consumers As Individual

- Perception

Overall Model of Consumer Behaviour



Adapted from "Consumer Behavior: Building Marketing Strategy" by Hawkins, Best and Coney

Perception

- **The process by which an individual selects, organises, and interprets stimuli into a meaningful and coherent picture of the world.**

Perception

- **The process by which an individual selects, organises, and interprets stimuli into a meaningful and coherent picture of the world.**
- **Perception vs. Sensation**

Perception vs. Sensation

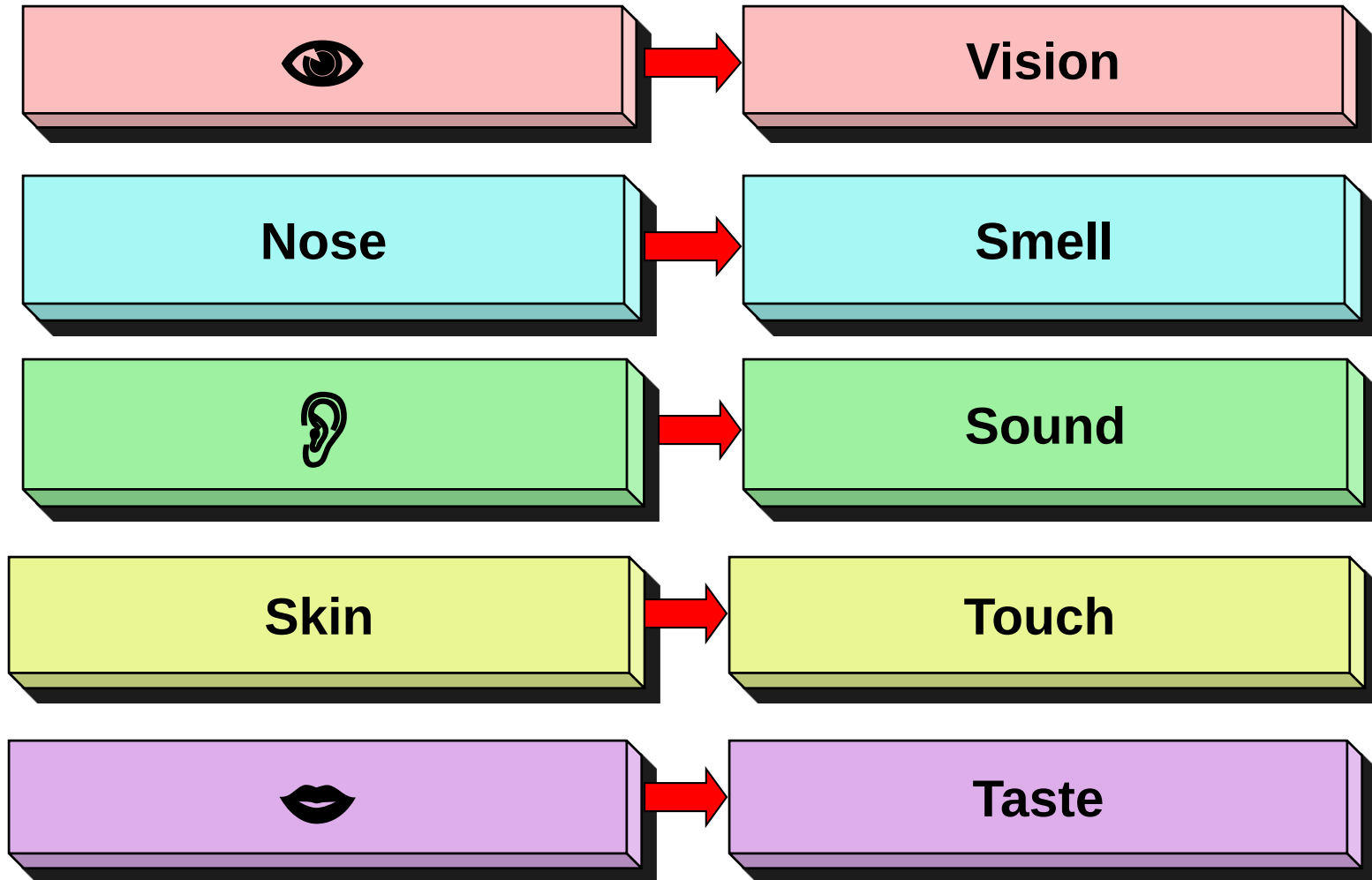
■ Sensation

- Refers to the immediate response of our sensory receptors (eyes, ears, nose, mouth, skin) to such basic stimuli as light, color, and sound.

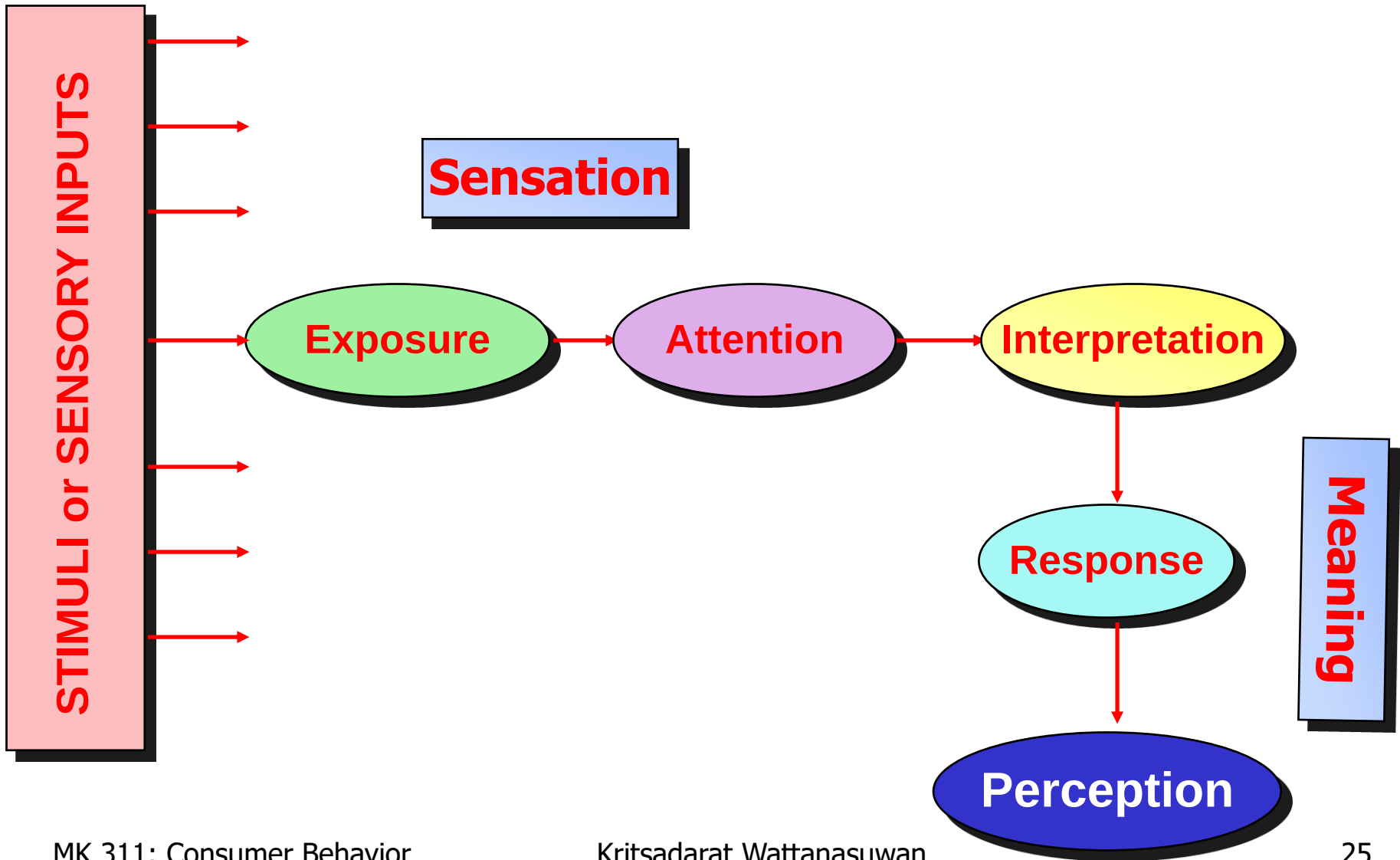
■ Perception

- selected, organised, and interpreted.
- People process a small amount of information (stimuli).
- An even small amount is attended to and given meaning.

Sensory System



Perception Process



Exposure

Degree to which people notice a stimulus that is within range of their sensory receptors.

AA

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Attention

Refers to the extent to which processing activity is devoted to a particular stimulus.

Consumers often suffer Sensory Overload, exposure to far more information than they are capable of or willing to process.

Interpretation

Refers to the meaning that we assign to sensory stimuli.

Consumers assign meaning to stimuli based on **Schema**, or set of beliefs, to which the stimuli is assigned. **The schema will determine what criteria will be used to evaluate the marketing mix and activities.**

Elements of Perception



- **Sensation**
- **The absolute Threshold**
- **The differential Threshold**
- **Subliminal Perception**

Sensory Threshold:

Range of Intensity of a Stimulus That Consumers are Capable of Perceiving:

Absolute Threshold

refers to the minimum (maximum?) amount of stimulation that can be detected on a sensory channel.

Differential Threshold

refers to the ability of a sensory system to detect changes or differences between two stimuli.

- *Just Noticeable Difference (j.n.d.)*
- *Weber's Law*

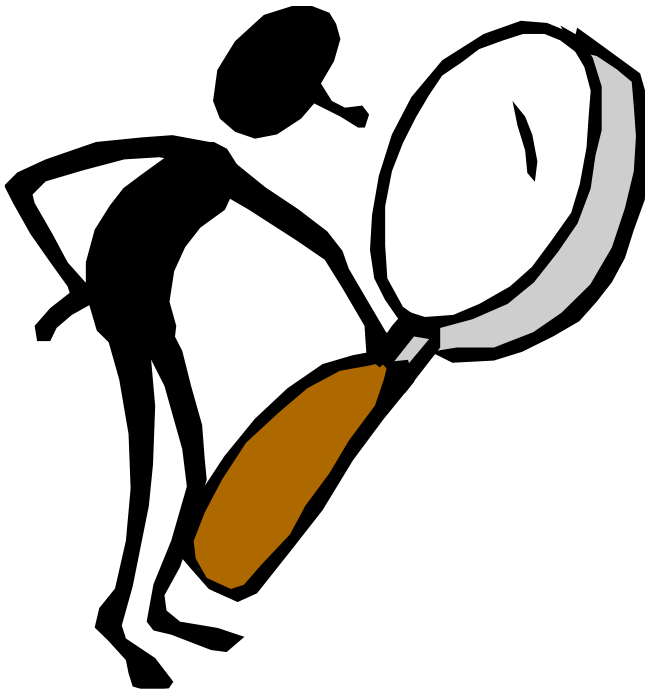
Weber's Law

A theory concerning the perceived differentiation between similar stimuli of varying intensities (i.e., the stronger the initial stimulus, the greater the additional intensity needed for the second stimulus to be perceived as different).

Subliminal Perception

Perception of very weak or rapid stimuli received below the level of conscious awareness.

Concepts Concerning Selective Perception



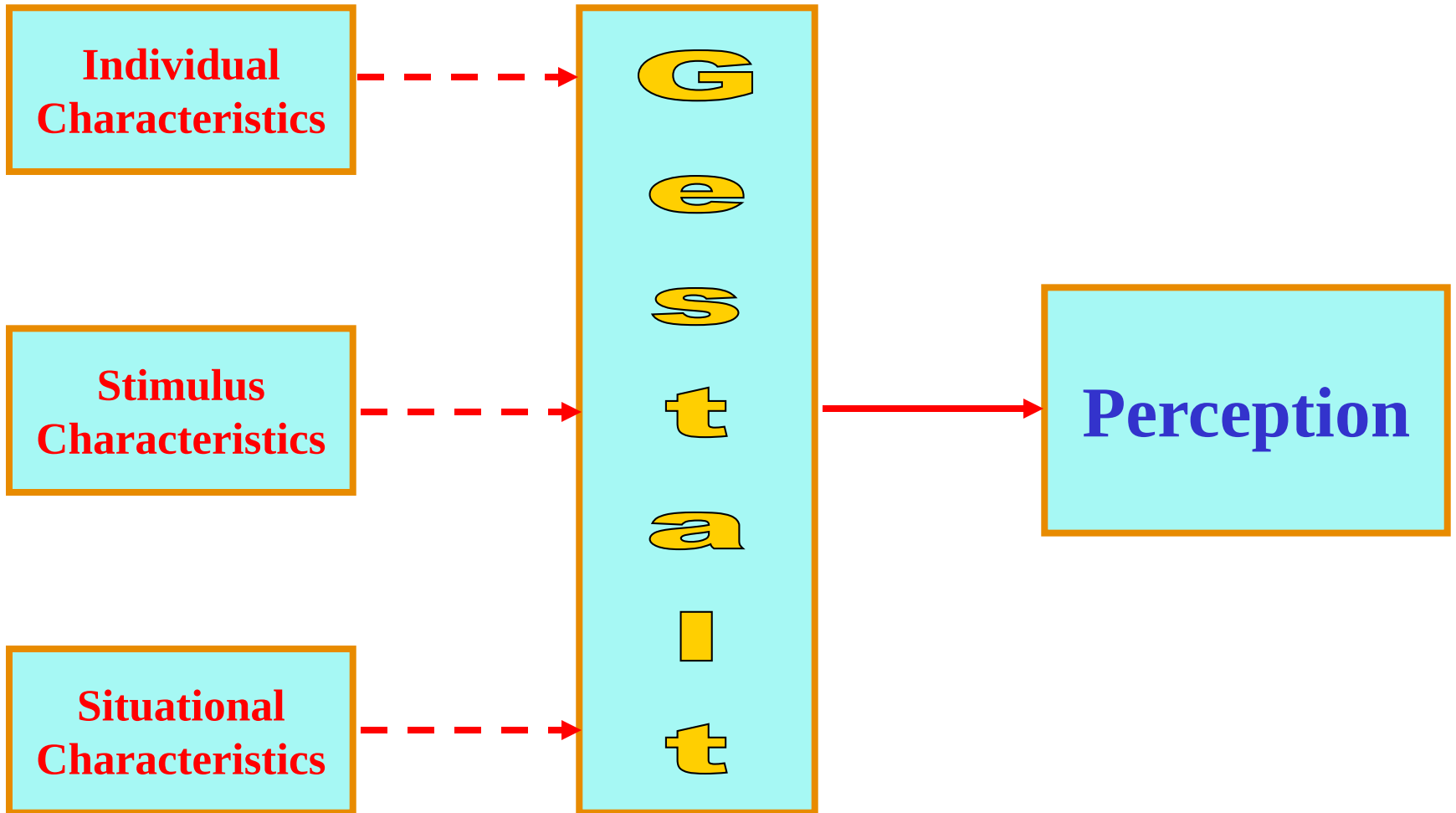
- **Selective Exposure**
- **Selective Attention**
- **Perceptual Defense**
- **Perceptual Blocking**

Selective Perception

Consumers:

- Concentrate on some stimuli,
- Are unaware of others,
- Even go out of their way to ignore some messages.

Determinants of Perception



Individual Characteristics

- **Interest & Involvement**
- **Ability to Attend to Information**
- **Attitudes toward Stimuli**
- **Experience** → **Learning & Expectations**
 - **Perceptual Vigilance**
 - **Perceptual Defense**
 - **Adaptation**

Stimulus Characteristics

- **Size**
- **Intensity**
- **Colour**
- **Movement**
- **Position**
- **Isolation**
- **Format**
- **Contrast**
- **Quantity**
- **Novelty**

Adaptation Level Theory

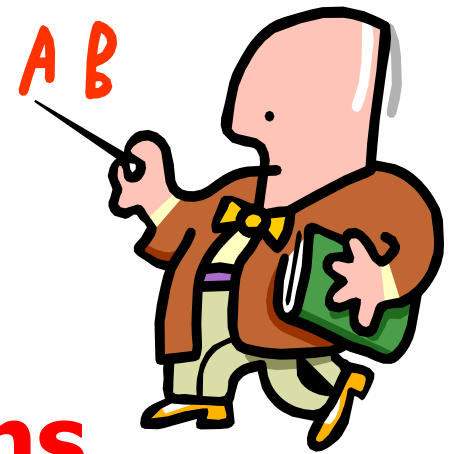
Over time, we adjust to the level and type of stimuli to which we are accustomed. Thus, an advertisement that stands out when new will eventually lose its contrast effect and its ability to capture or hold attention.

Situational Characteristics

- **Context of the Situation**
- **Time Pressure**
- **Crowded Space**
- **Situational Involvement**
- **etc.**

Distorting Influences

- **Physical Appearances**
- **Stereotypes**
- **Irrelevant Cues**
- **First Impressions**
- **Jumping to Conclusions**
- **Halo Effect**



Perception & Marketing Strategy

**How can we apply our
knowledge of perception
in our marketing
strategy?**

Perception and Product

- **Perceptual Mapping & Positioning**
- **Stimuli Cues & Product Characteristics**
- **Brand Name and Logo Development**
- **Package & Label Design**
- **etc.**

Perception and Price

- Price & Quality
- Competitive Price
- Price Changes
- Price Reference
- etc.



Was B199
Now B99!

20% to 70% Off!

Perception and Place

- **Channel & Outlet Selection**
- **Point-of-purchase Display**
- **Store Layout & Interior Design**
- **Shelf Position**
- **In-store Promotion**
- **etc.**

Perception and Promotion

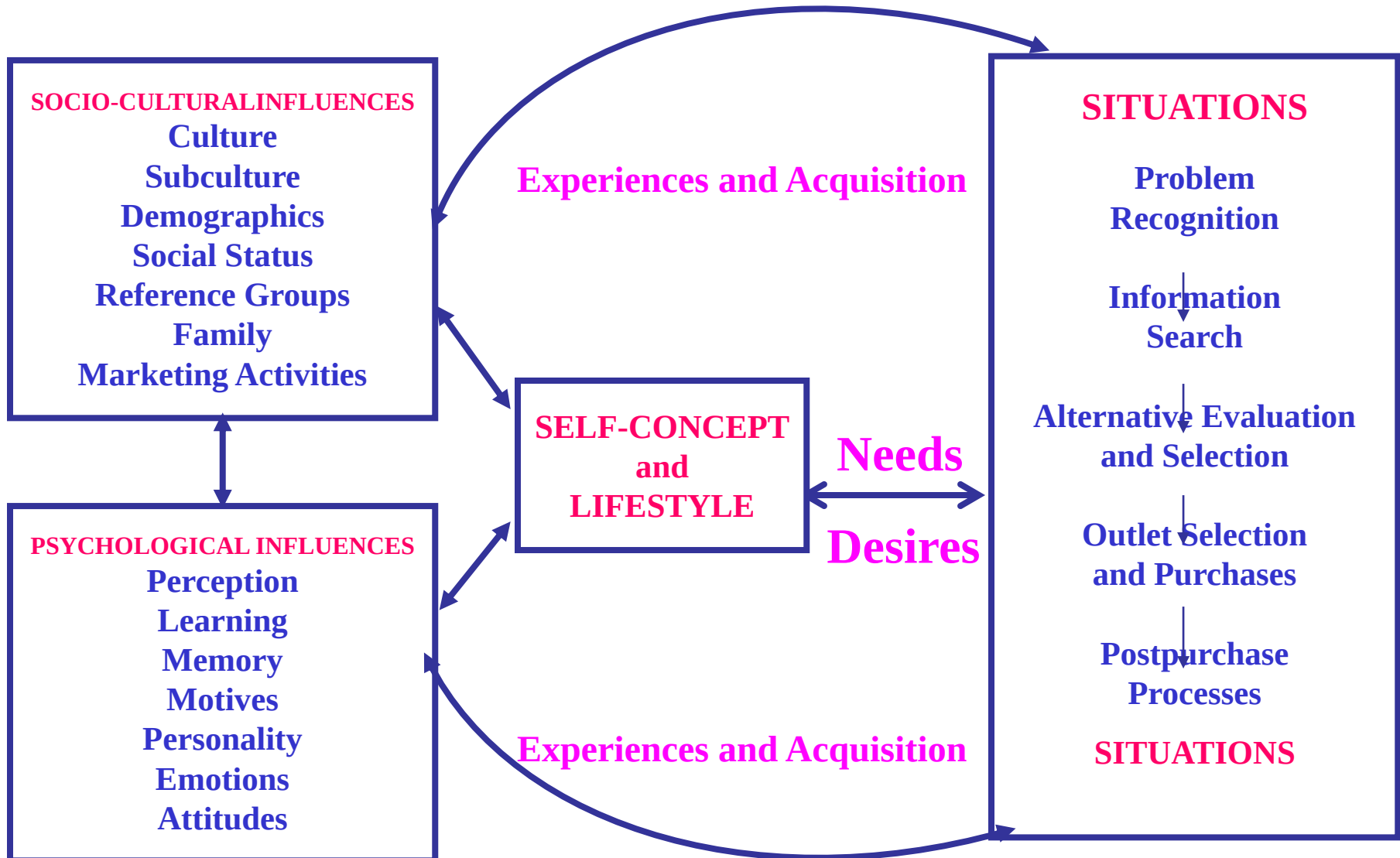
- **Advertising Design**
 - **Media**
 - **Creative**
- **Sales Promotion Campaign**
- **PR Campaign**
- **Salespeople**
 - **Characteristics**
 - **Uniform**
- **etc.**

Session 3: Lecture Outline

Consumers As Individual

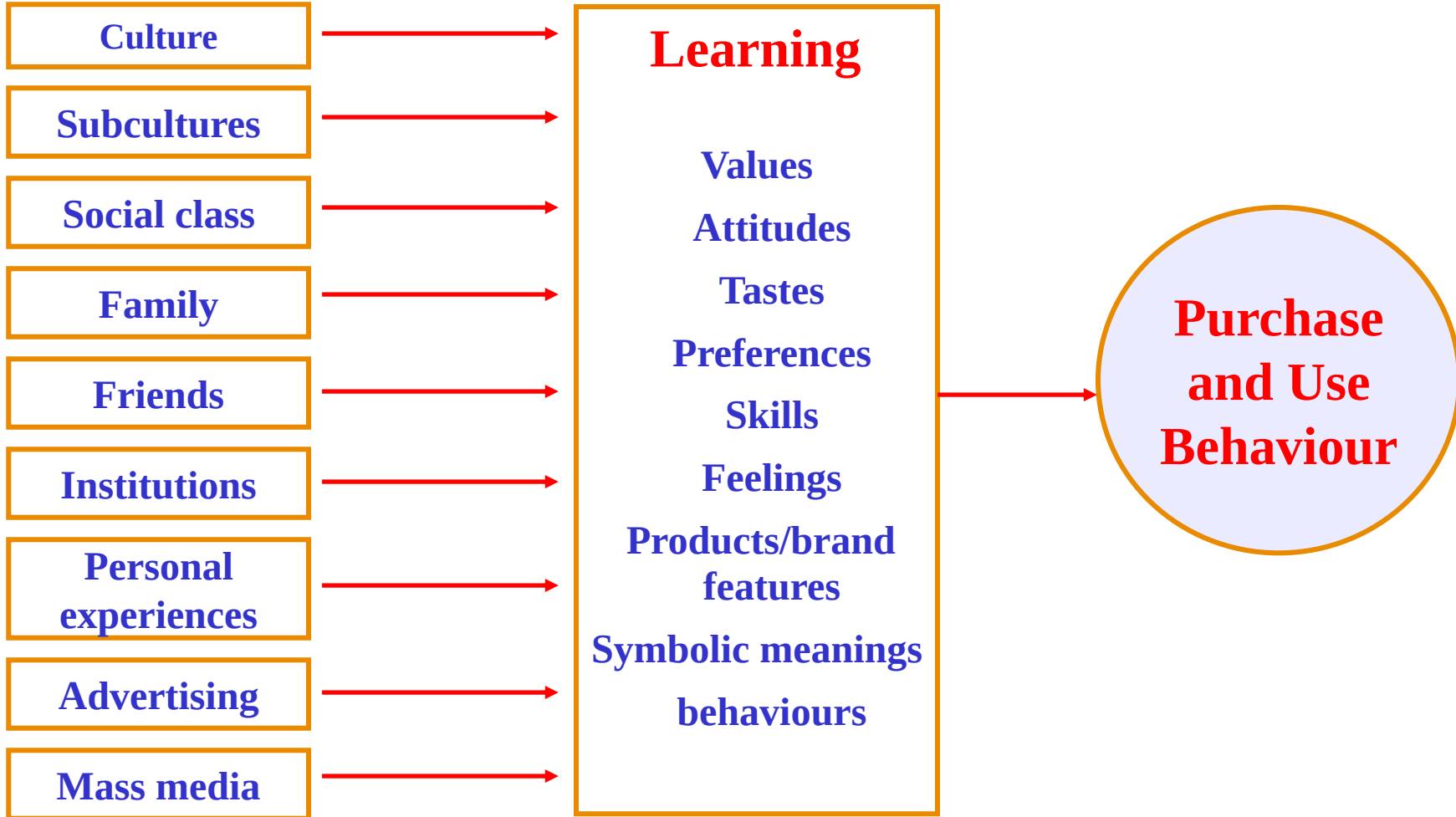
- Learning
- Memory

Overall Model of Consumer Behaviour



Adapted from "Consumer Behavior: Building Marketing Strategy" by Hawkins, Best and Coney

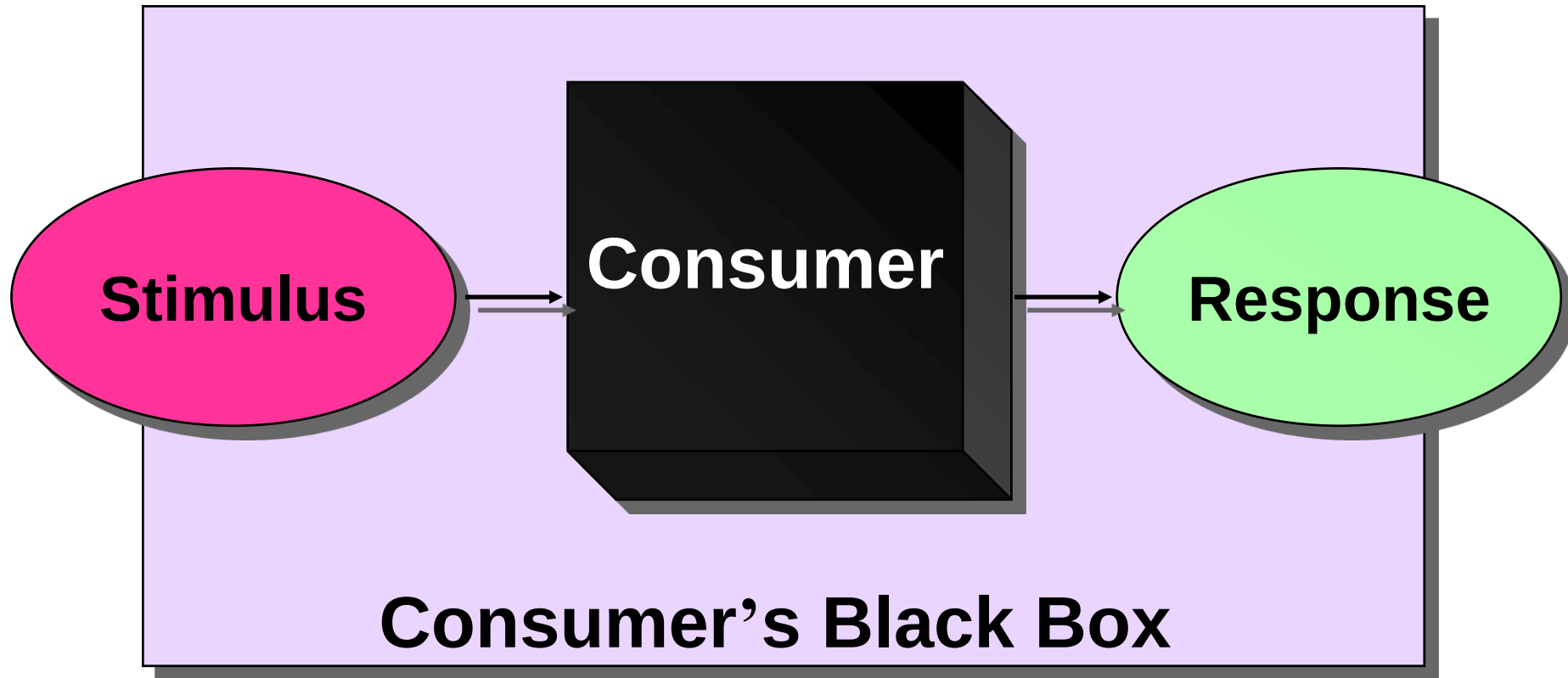
Learning Is a Key to Consumer Behaviour



Learning: Definition

A **process** by which individuals acquire the purchase and consumption **knowledge and experience** that they apply to **future** related behaviour.

Consumer Learning



Two Approaches to Understand Learning

- **Behavioural theories emphasise response to external events (conditions)**
- **Cognitive theories emphasise information processing**
- **not either / or, but complimentary**

Behavioural Learning Theories

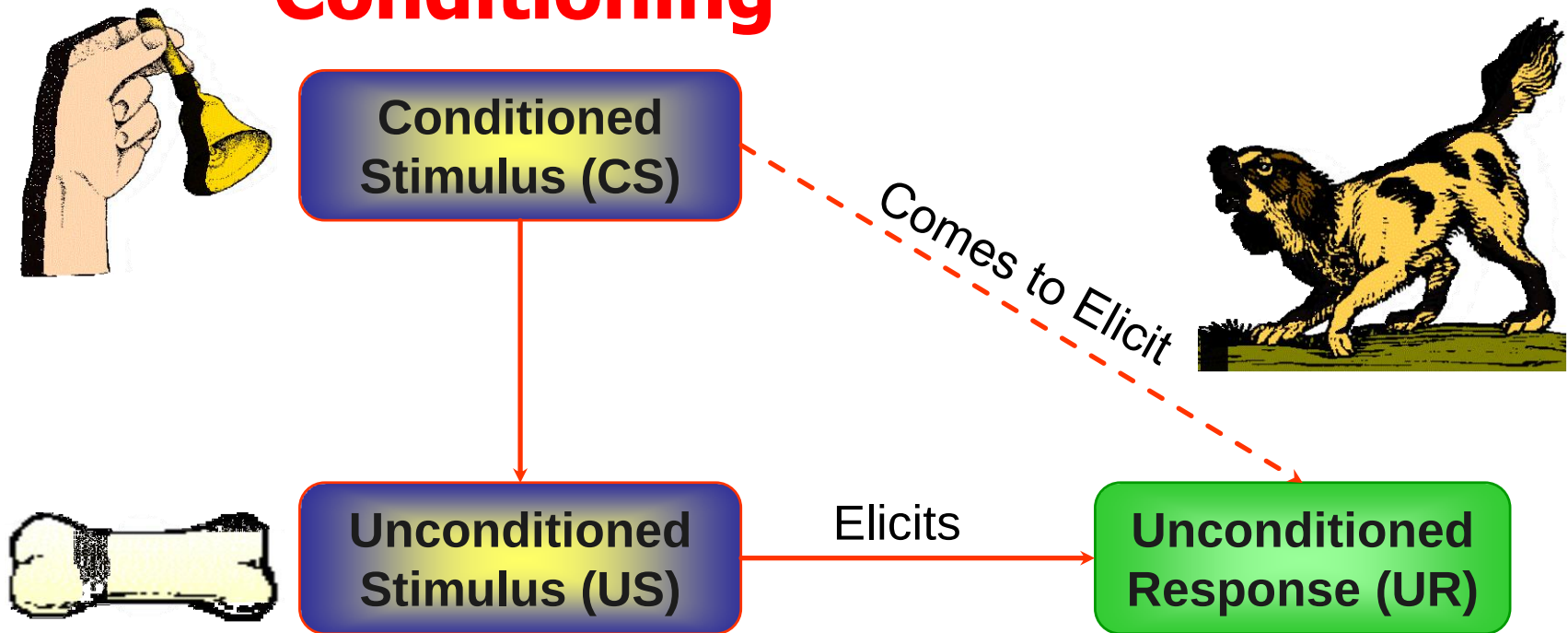
- **Classical Conditioning**
 - **conditioned stimulus evokes response**
- **Instrumental (Operant) Conditioning**
 - **responses that are rewarded are repeated**

Classical Conditioning

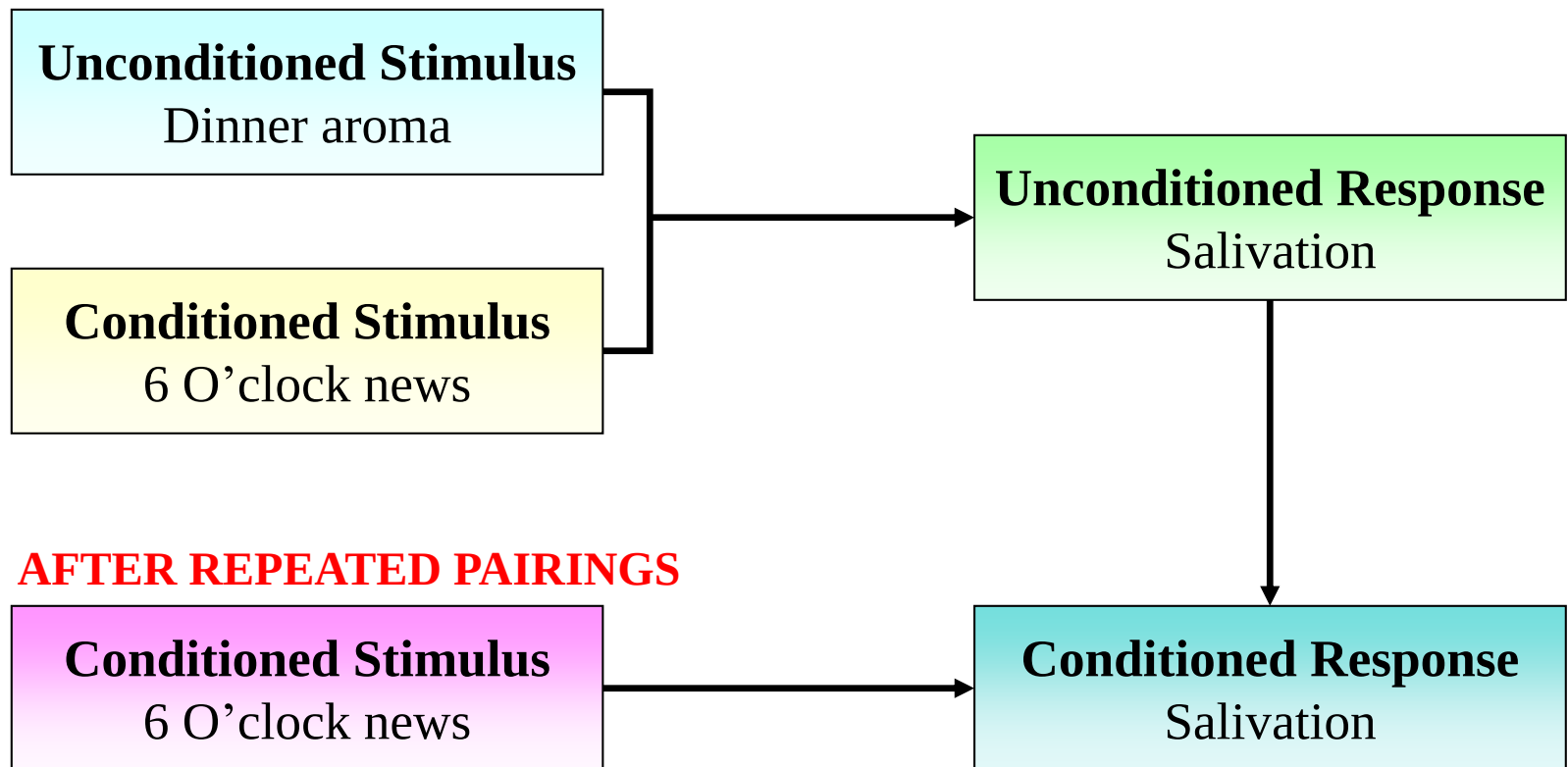
A behavioural learning theory according to which a stimulus is paired with another stimulus that elicits a known response that serves to produce the same response when used alone.

Classical Conditioning

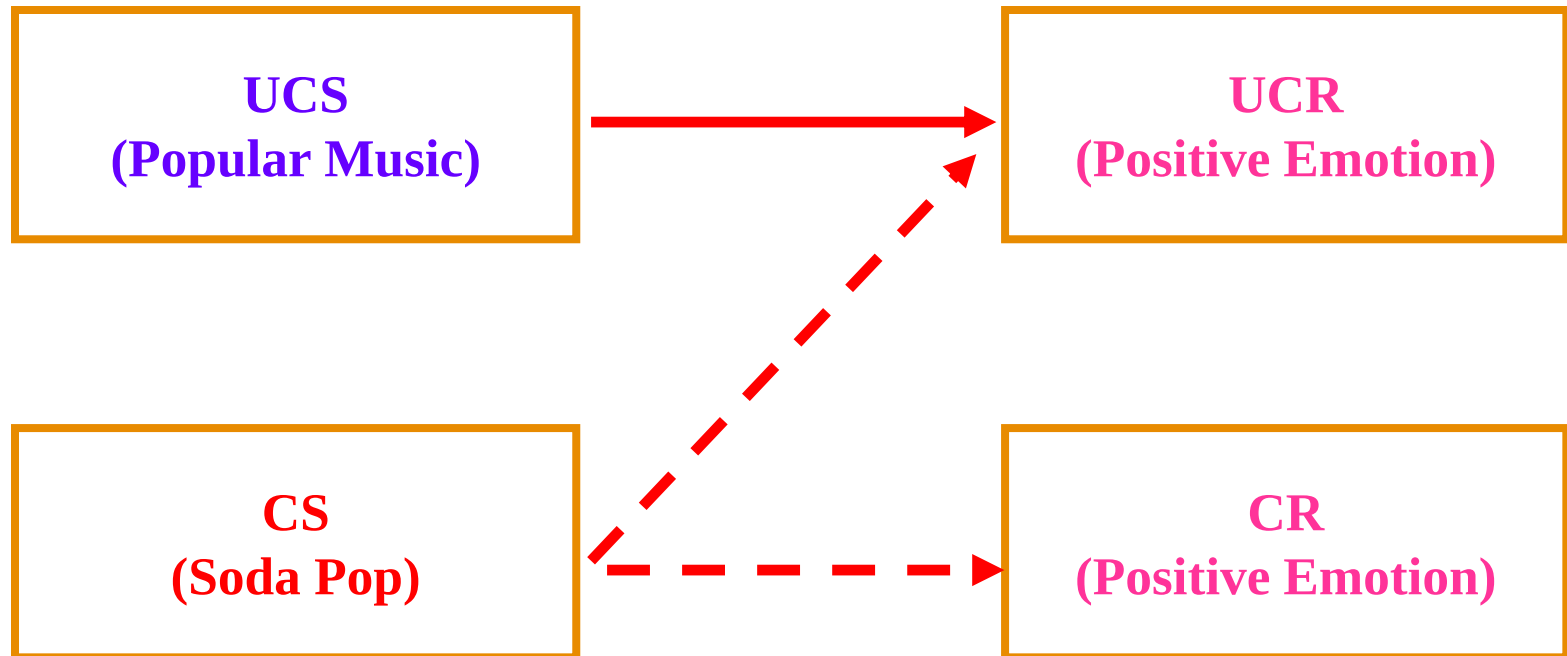
Schematic Presentation of Classical Conditioning



An Analogous Model of Classical Conditioning



Consumer Learning through Classical Conditioning



Instrumental (Operant) Conditioning

A behavioural theory of learning based on a trial-and-error process, with habits forced as the result of positive experiences (reinforcement) resulting from certain responses or behaviours.

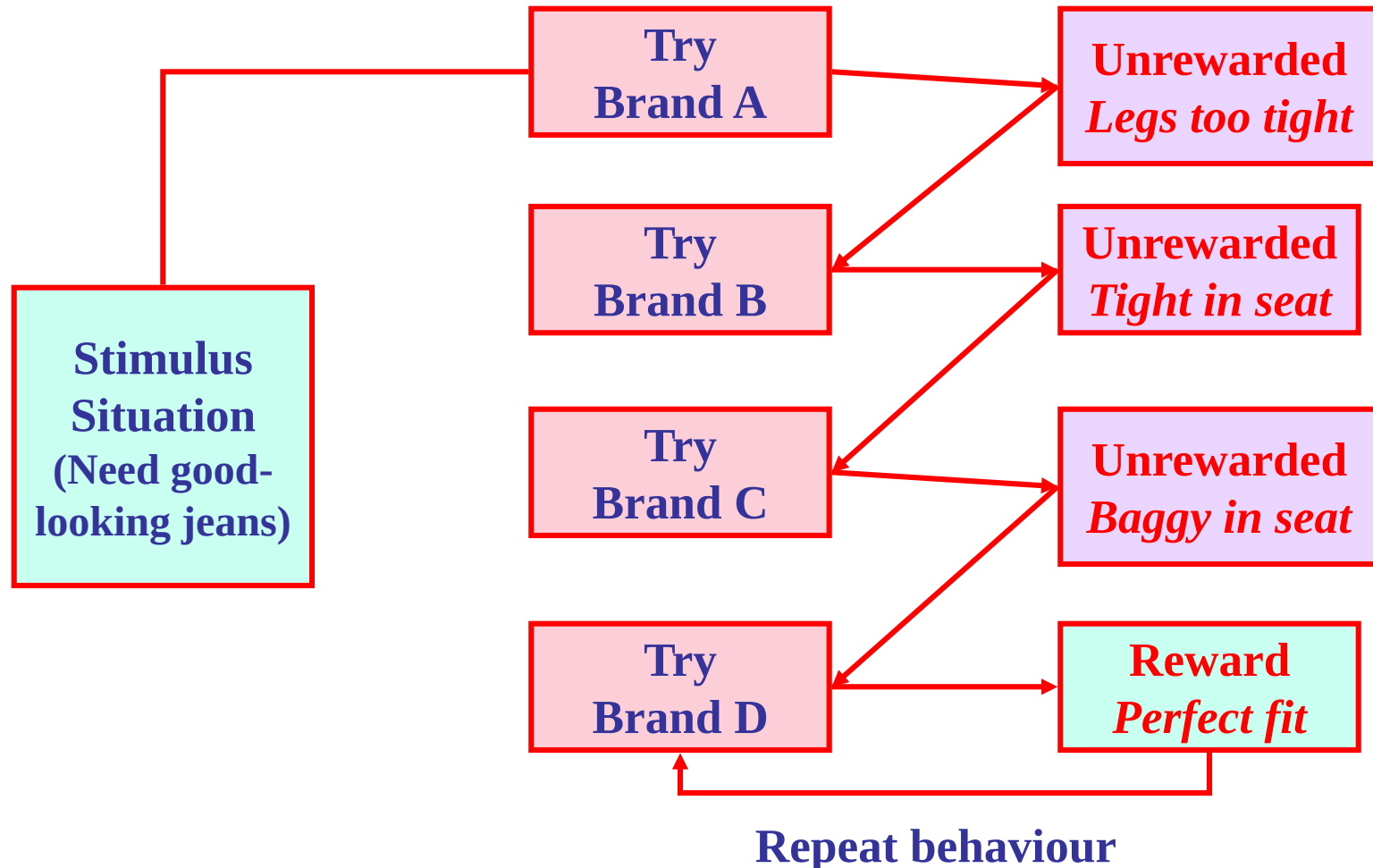
Reinforcement

A positive or negative outcome that influences the likelihood that a specific behaviour will be repeated in the future in response to a particular cue or stimulus.

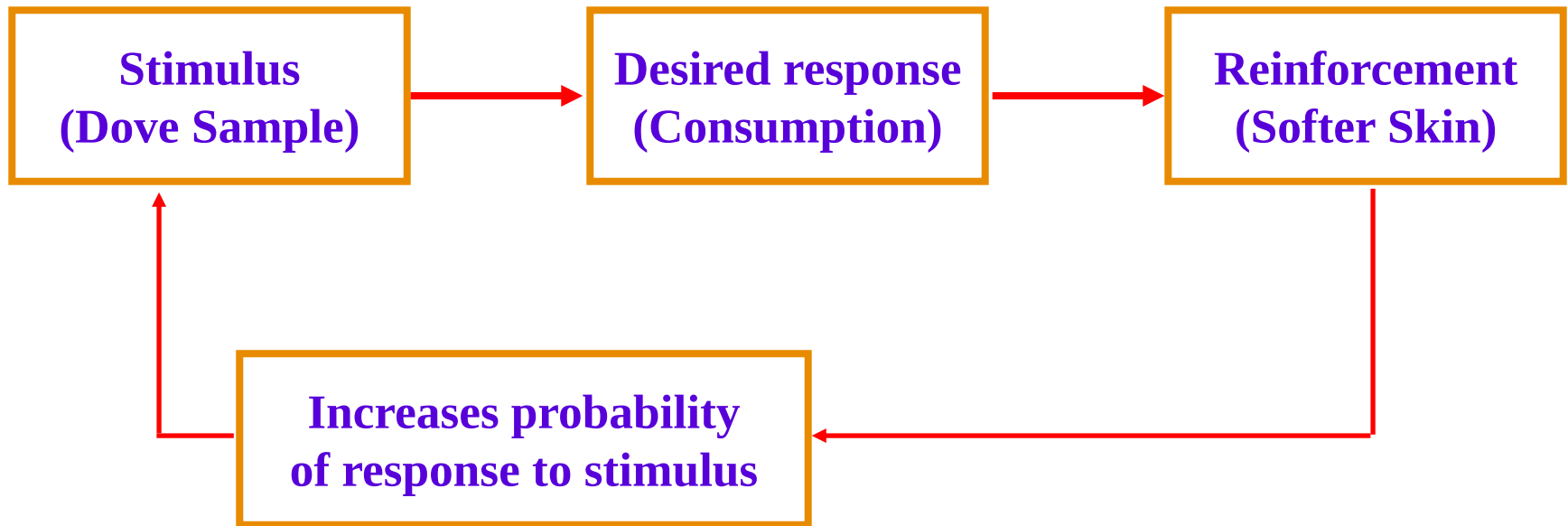
Learning Principles: Instrumental Conditioning

- **Positive Reinforcement**
 - An inducement to repeat a behaviour to receive a reward.
- **Negative Reinforcement**
 - An inducement to repeat a behaviour to remove an adverse situation.
- **Punishment**
 - An aversive consequence that decreases the likelihood a particular response will recur.

A Model of Instrumental Conditioning



Consumer Learning by Instrumental Conditioning



The Process of Shaping in Purchase Behaviour

Consume a free sample of “Dove” that was distributed in front of the university



Purchase a second package using the discount coupon that accompanied the free sample



Repurchase the product at full price

Cognitive Learning Theory

A theory of learning based on mental information processing, often in response to problem solving.

Cognitive Learning

- **storage, organisation, and retrieval of information**
- **long-term memory and associative networks**
- **knowledge retrieval**
 - **familiarity, relevance, form of information, and repetition increase ability to retrieve**

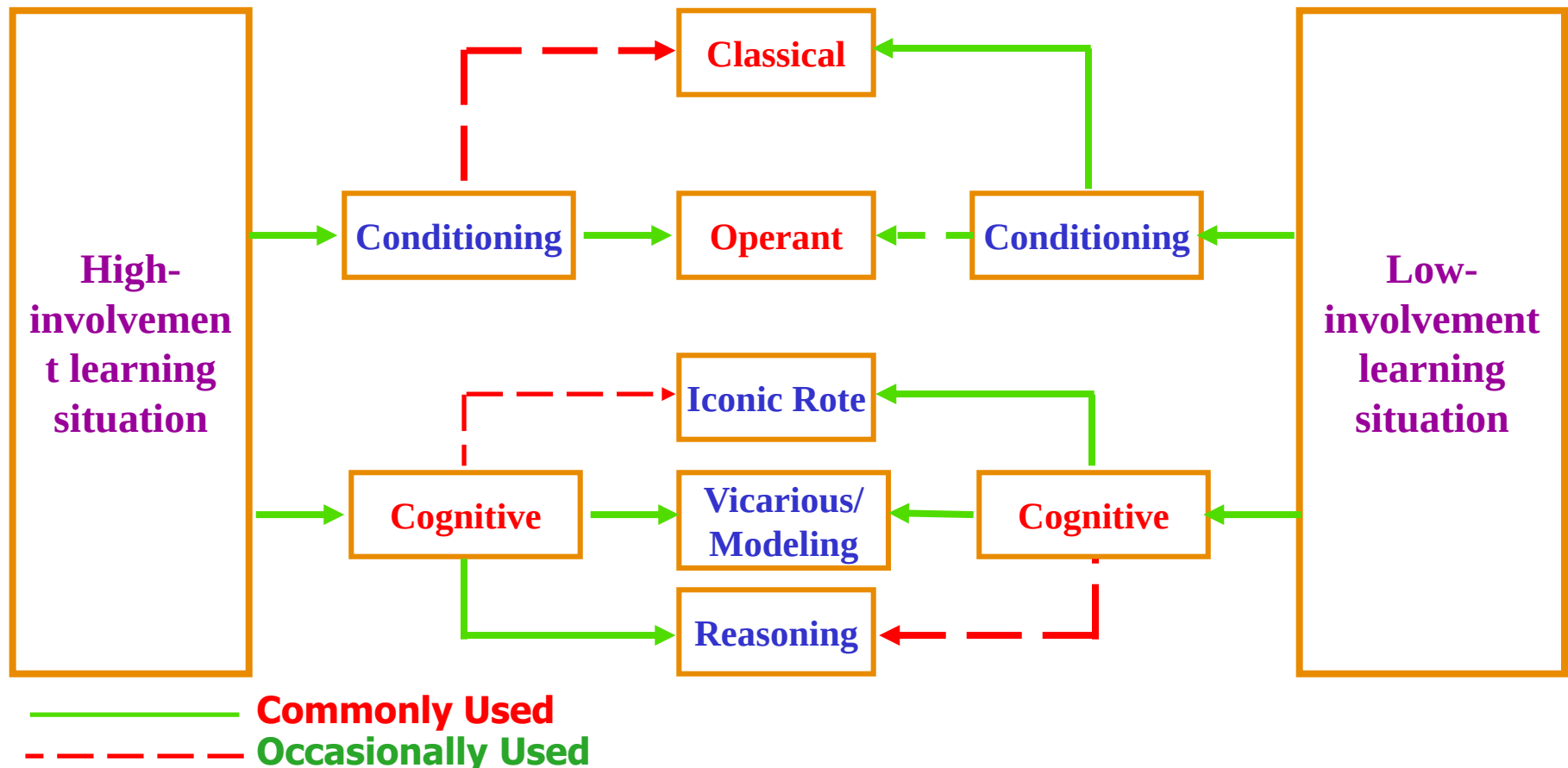
Cognitive Learning Theories

- **Iconic Rote**
- **Vicarious or Modelling**
- **Reasoning or Analogy**

Range of Learning Situations

- **Low-involvement Learning**
 - Case where we are less motivated to attend to or process material to be learned.
- **High-involvement Learning**
 - Case where we are motivated to process information to be learned.

Learning Theories in High- and Low- Involvement Situations



Consumers and Learning

- **Rewards increase learning**
 - consumers will buy things for which they're rewarded
 - pleasures and the dark side
- **Repetition increases learning**
 - bombard consumers with marketing communications
- **Samplings and Trials increase learning**

Consumers and Learning

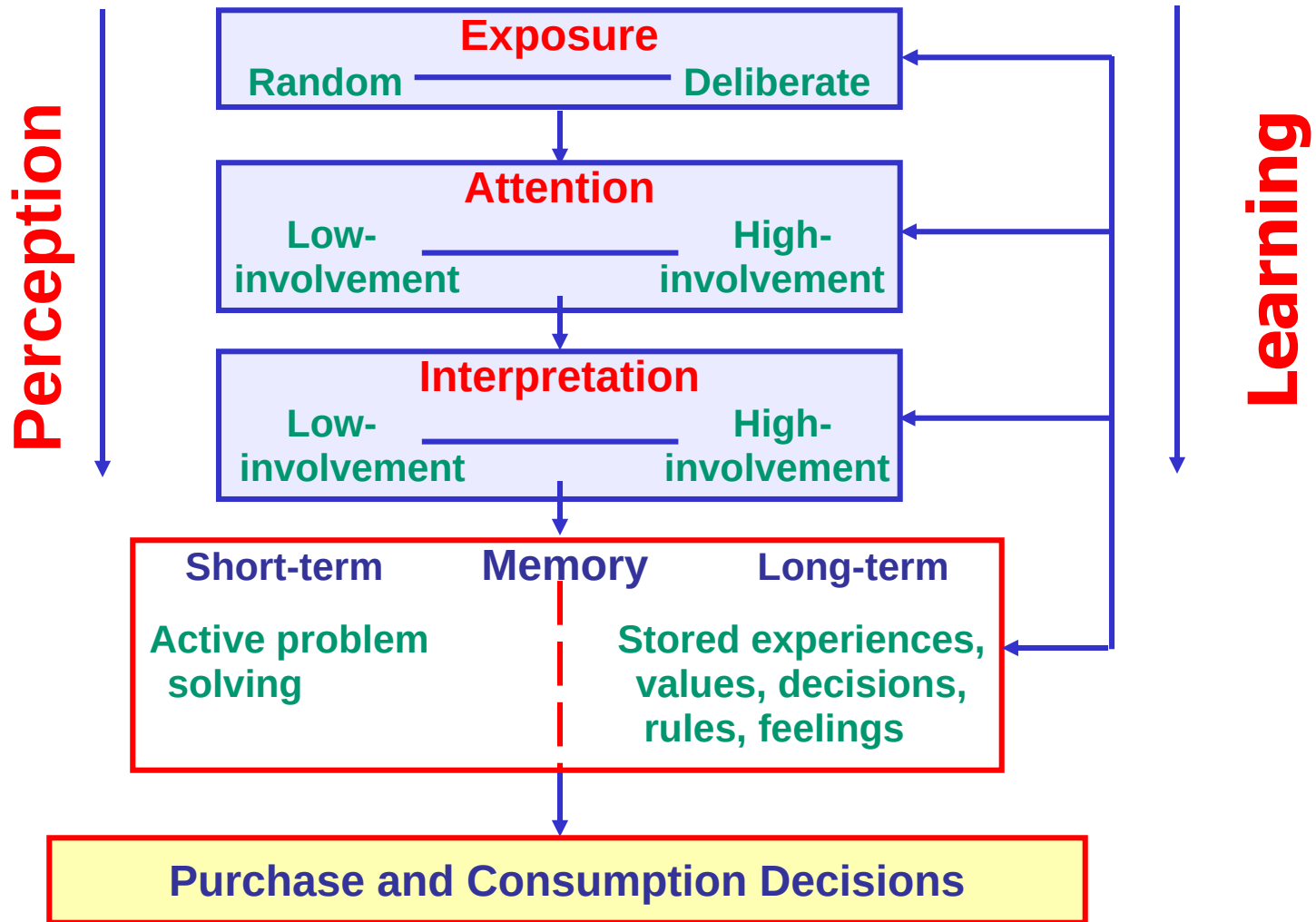
- **Stimulus Generalisation:**
generalisation of similar stimuli through signs and symbols
 - Brand Extensions
 - Re-branding/ Brand Modernisation
 - Private Brands VS. Market Leaders
 - Imitations
- **Stimulus Discrimination:**
discrimination between dissimilar stimuli
 - Product Differentiation

Learning, Memory and Information Processing

- **How Consumers Store, Retain and Retrieve Information**



Information Processing for Consumer Decision Making

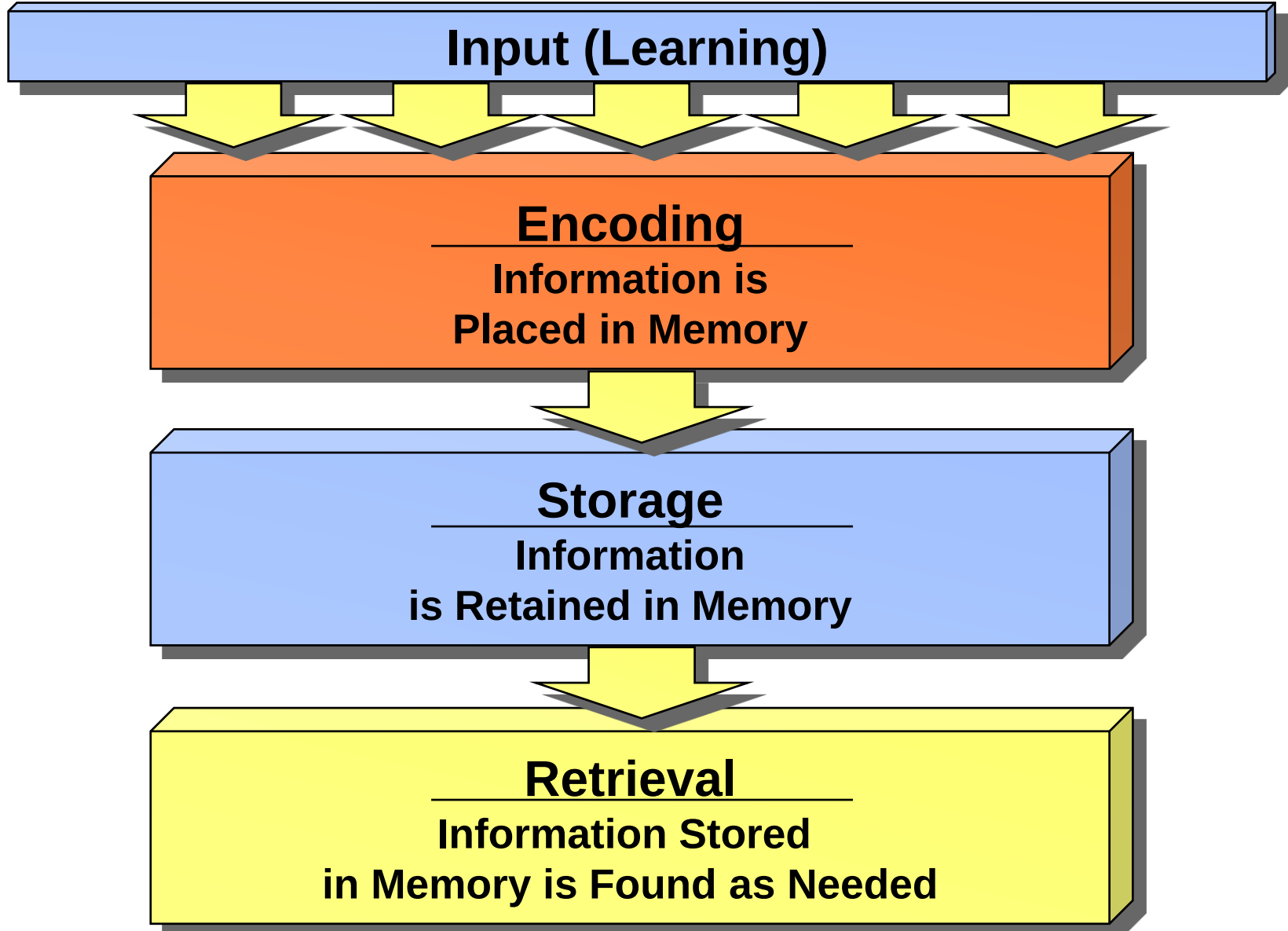


The Structure of Memory

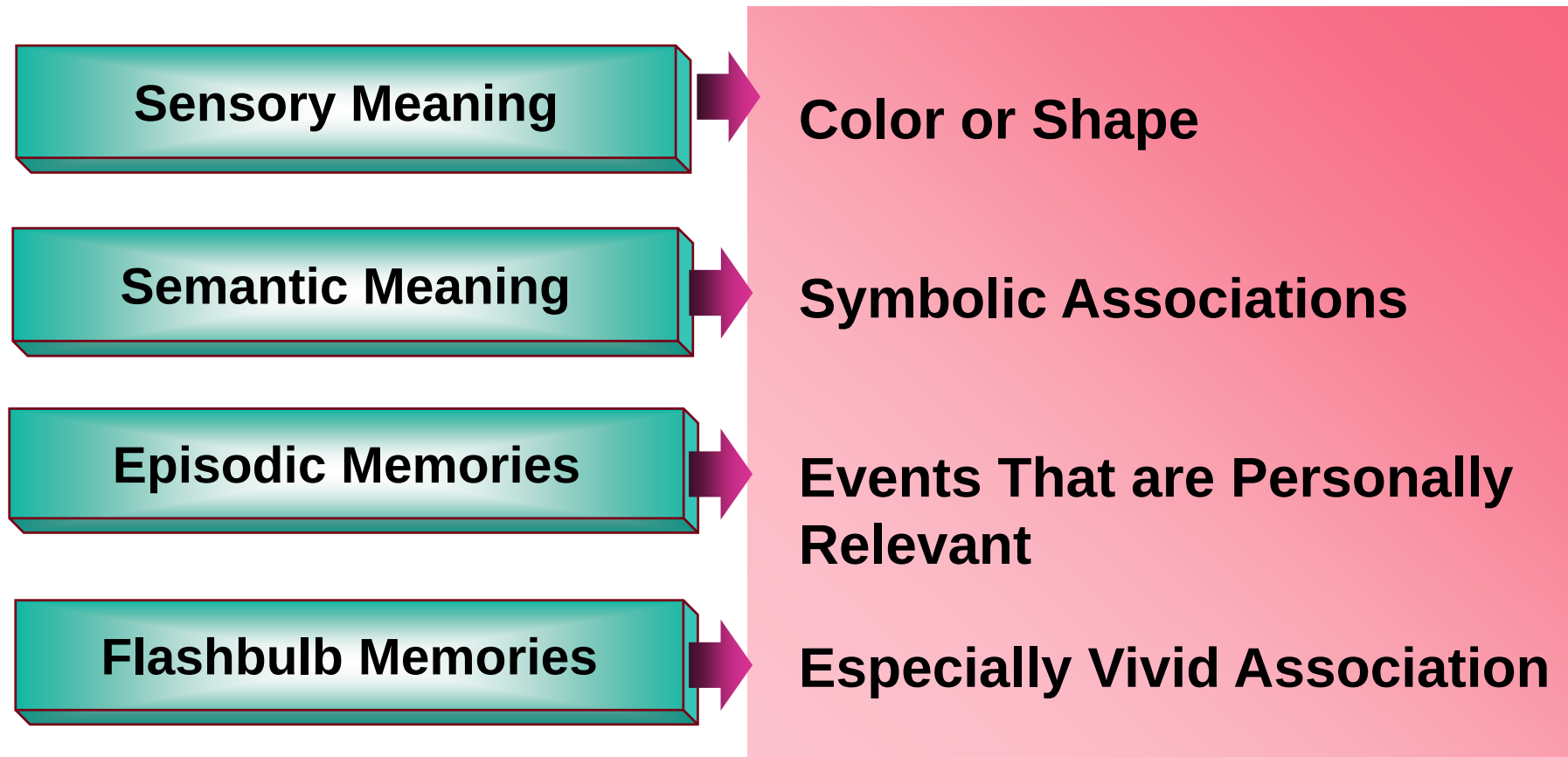
Memory consists of three storage systems:

- **Sensory Memory:** A storage system where incoming data undergo preliminary processing.
- **Short-term Memory:** A storage system that momentarily holds acquired information.
 - If information is significant, it may undergo:
 - Rehearsal
 - Encoding
- **Long-term Memory:** An information warehouse where data are organised and extendedly stored.

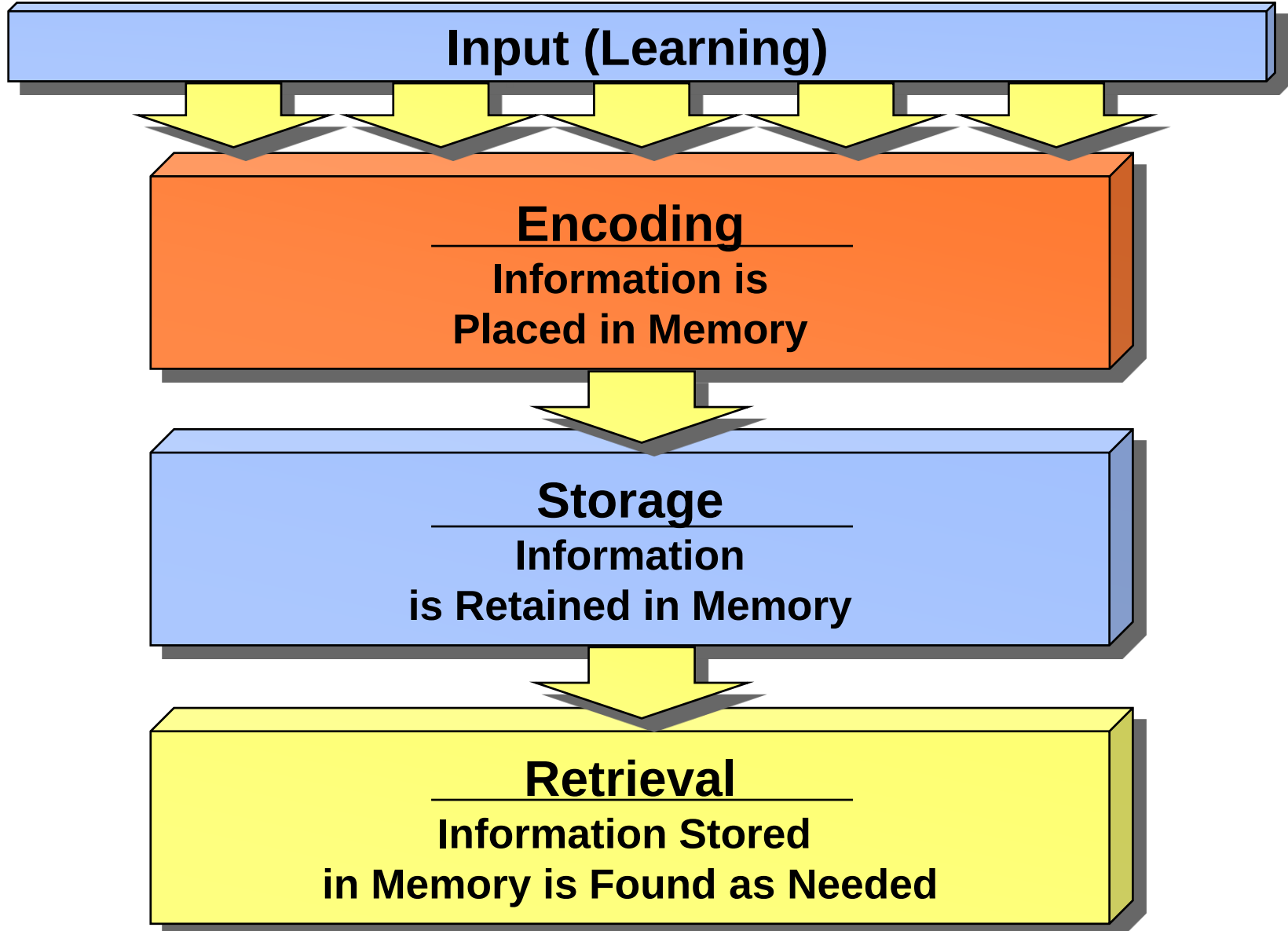
The Memory Process



Encoding Information for Later Retrieval



The Memory Process



Storing Information in Memory

Activation Models of Memory

Short-Term and Long-Term Memory are Interdependent.

Associative Networks

Incoming Information is Organised by Relationships and Stored in Knowledge Structures.

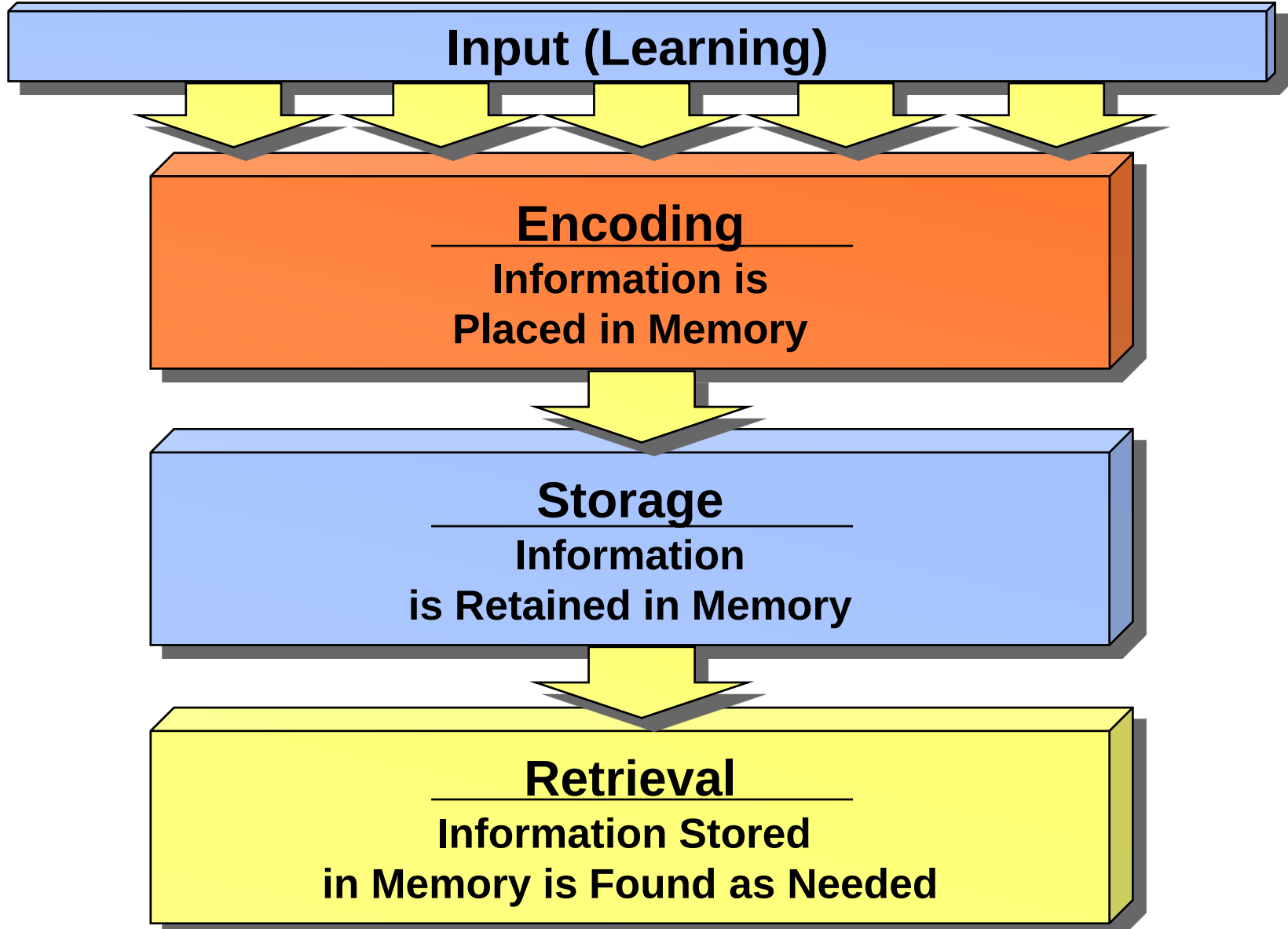
Spreading Activation

Allows Consumers to Shift Back and Forth Between Levels of Meaning such as Brands.

Levels of Knowledge

Knowledge is Coded to Produce Meaning Concepts, then Propositions, then Schemas.

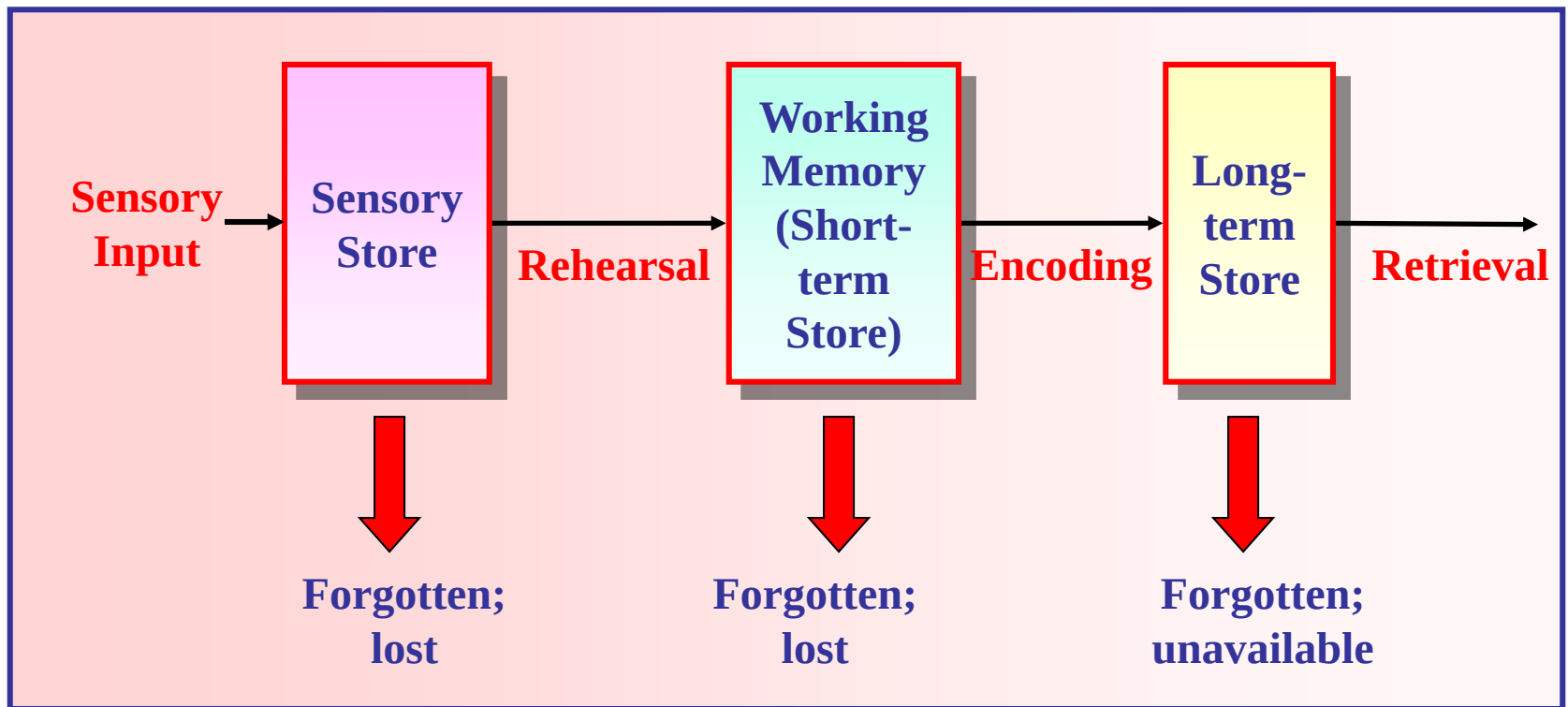
The Memory Process



Information Retrieval, Extinction & Forgetting

- **Information Retrieval:** Sifting through memory to activate stored information.
- **Forgetting:** When knowledge recedes into the mind's unconscious recesses and cannot be recalled.
- **Retroactive Interference:** When recent learning interferes with recall of previous learning.
- **Proactive Interference:** When prior learning interferes with recall of recent learning.

Information Processing and Memory Stores Revisited

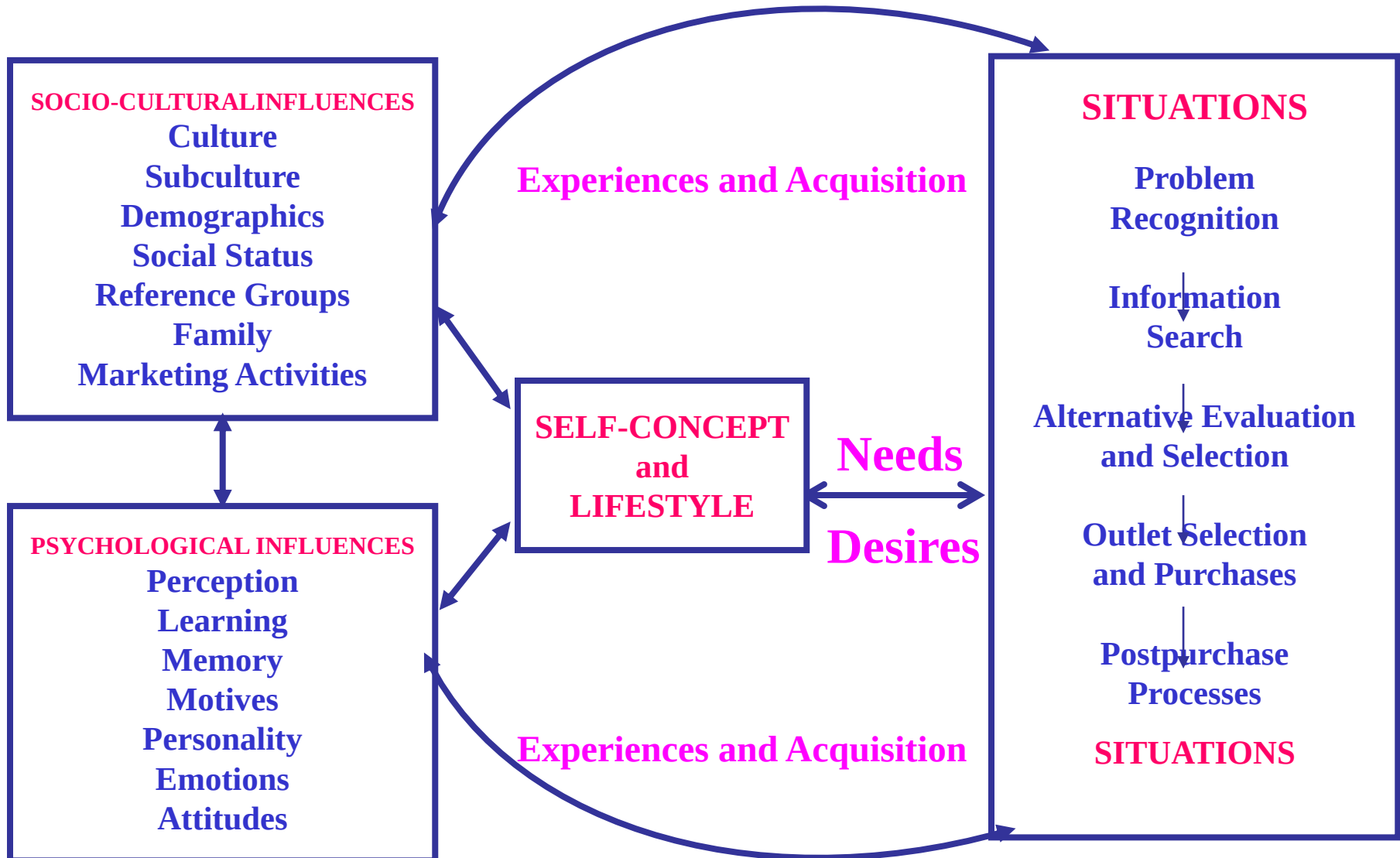


Session 4: Lecture Outline

Consumers As Individual

- **Motivation**
- **Involvement**
- **Emotion**

Overall Model of Consumer Behaviour



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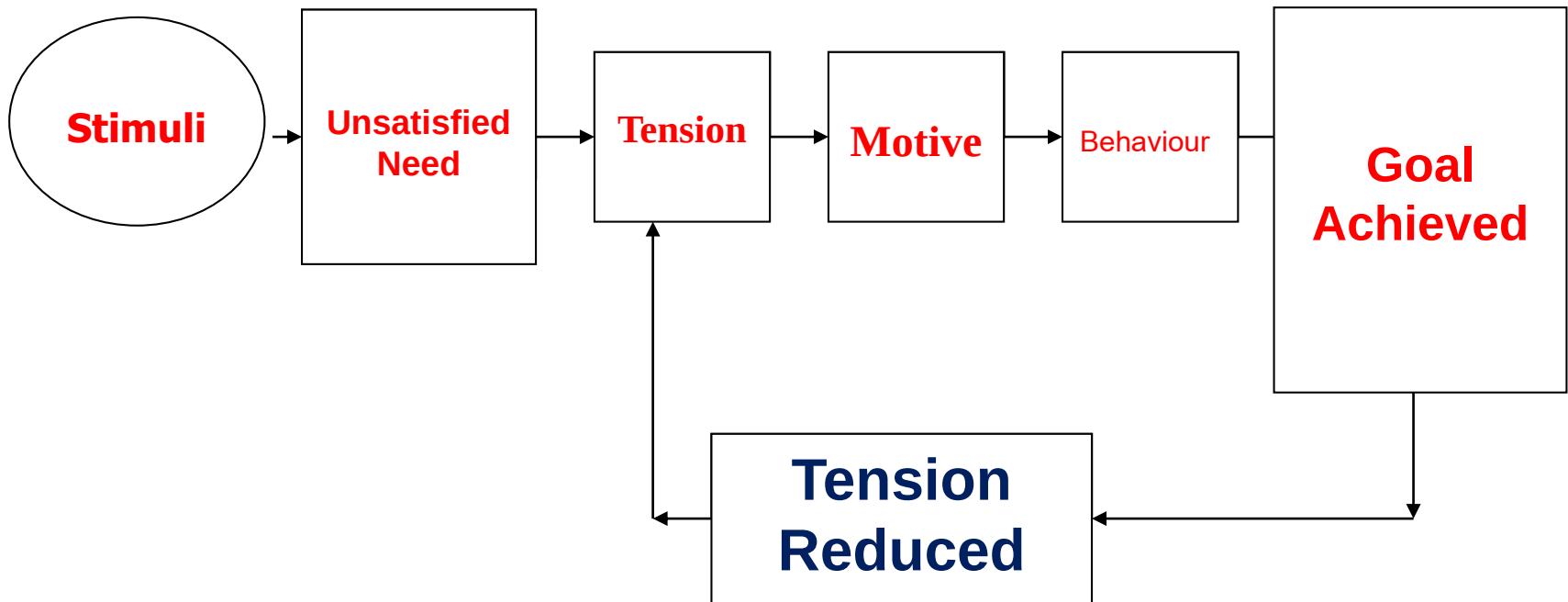
What Is Motivation?

- **A state in which bodily energy is mobilised and directed in a selective fashion toward desirable goals.**
- **Two conditions for a motivated state:**
 - **Arousal**
 - **Direction**

Motivation refers to the processes that cause people to behave as they do.

- Once a need is aroused, a state of tension exists that drives the consumer to attempt to reduce or eliminate the need.
- Needs can be:
 - **Utilitarian:** a desire to achieve some functional or practical benefit.
 - **Hedonic:** an experiential need, involving emotional responses or fantasies.

Motivation Model



Elements of Motivation

Four elements of motivation:

- **Needs:** Internal forces that prompt behaviour toward goal-oriented behaviour.
- **Motives:** A state of tension that pushes the individual to act.
- **Goals:** The sought after objective of motivation.
- **Desires:** Passions that involve longing and wishing for something.

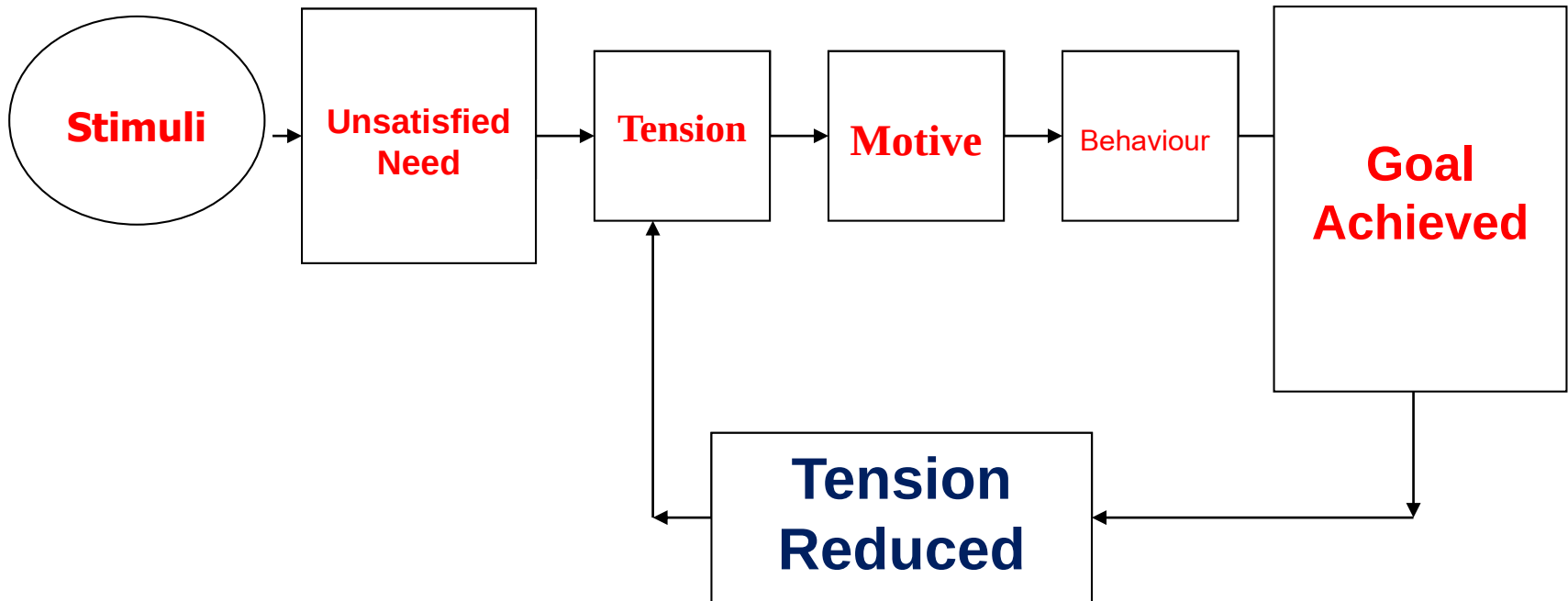
Classifying Consumer Motivations

- **Conscious Vs. Unconscious**
- **High Vs. Low Urgency**
- **Positive Vs. Negative Polarity**
- **Intrinsic Vs. Extrinsic**
- **Rational Vs. Emotional**

Theories of Motivation

- **Instinct Theories:** Suggest that behaviour is innate
- **Drive Theories:** Suggest that behaviour reflects one's effort to restore physical or psychological equilibrium
- **Expectancy Theories:** Suggest that behaviour may be according to our expectation toward the behaviour
- **Arousal Theories:** Suggest that we often seek stimulation and display arousal-seeking behaviour
- **Cognitive Theories:** Suggest that behaviour is a rational act undertaken by intelligent, information-processing individual

Motivation Model



Need Theories

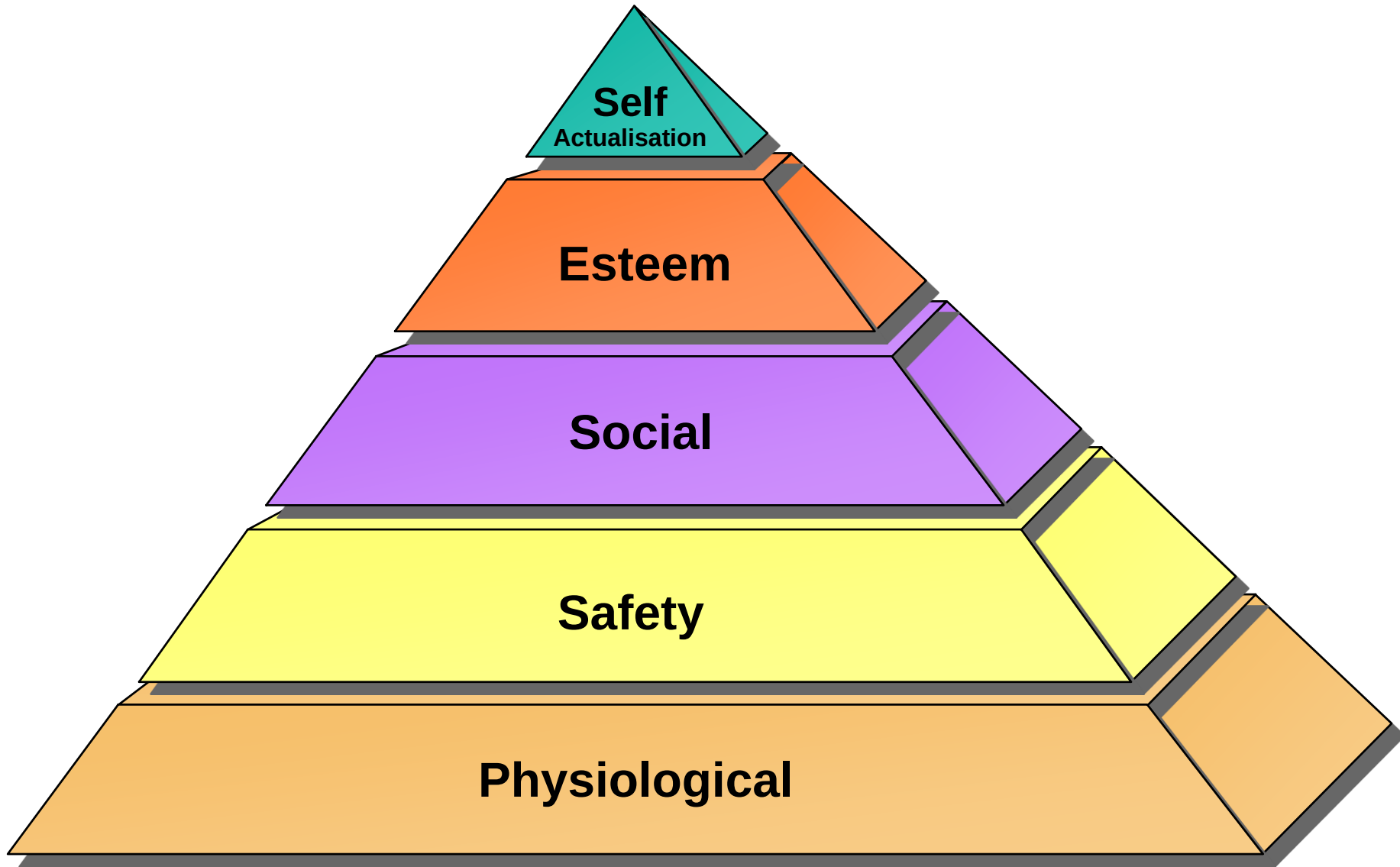
- **Maslow's Hierarchy of Needs**

- Basic needs are ranked in a hierarchy.
- Higher-order needs arise and motivate us only after lower-order needs are satisfied.

- **Social Motivation Theories**

- Murray's instrumental motives (such as harm avoidance).
- McClelland's trio of needs (power, affiliation, and achievement).
- McGuire's internal (nonsocial) and external (social) needs.

Maslow's Hierarchy of Needs



Need Theories

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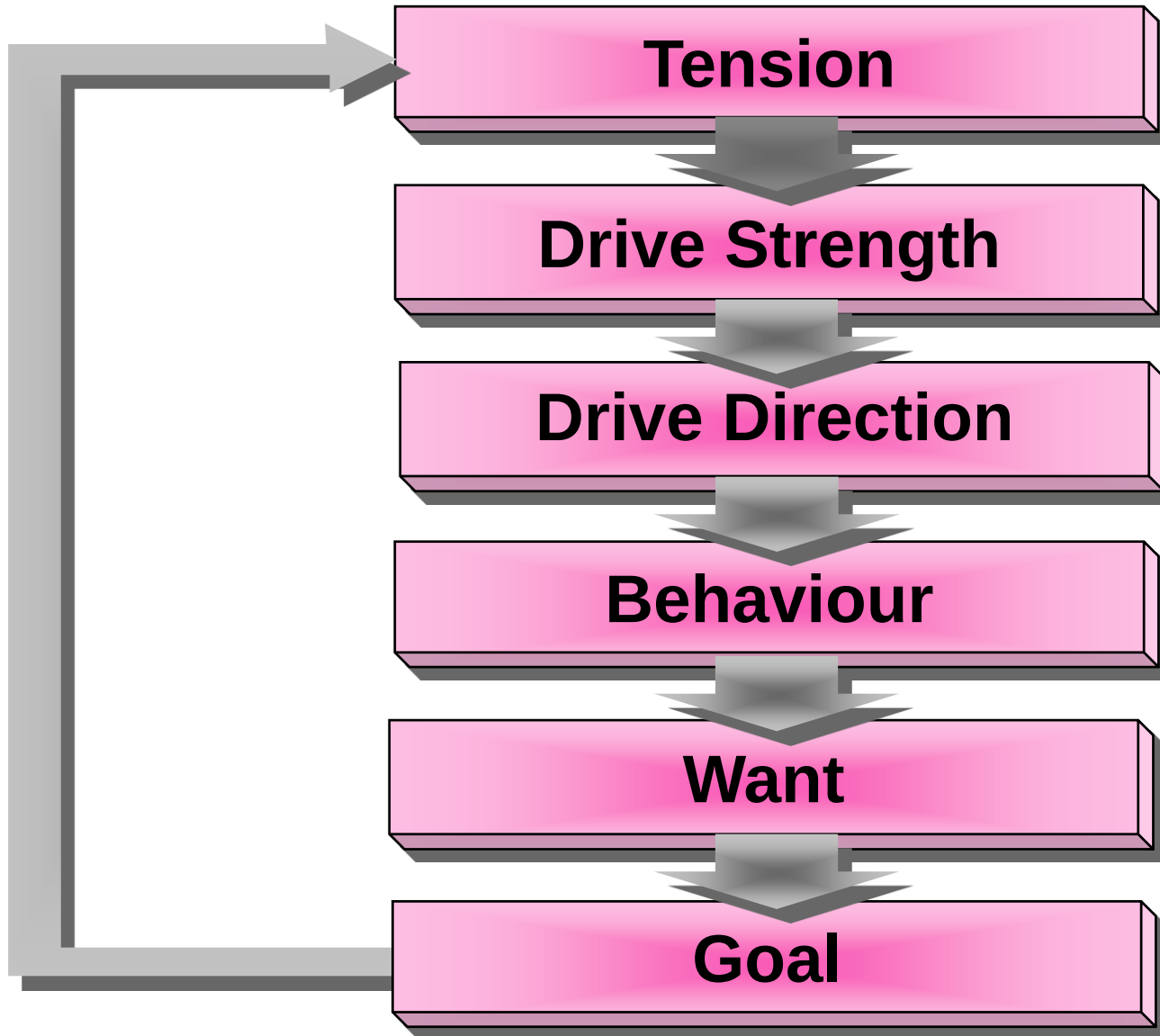
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McGuire's Psychological Motives

- **Need for Consistency**
- **Need for Novelty**
- **Need for Independence**
- **Need for Modeling**
- **Need for Self-Expression**
- **Need for Ego-Defense**
- **Need for Reinforcement**

Tension Elimination



Motivational Strength

The Degree to Which a Person is Willing to Expend Energy to Reach One Goal as Opposed to Another.

Biological Vs. Learned Needs

Drive Theory

Focuses on Biological Needs that Produce Unpleasant States of Arousal, i.e. Hunger.

Homeostasis: Behavior Which Tries to Reduce or Eliminate This Unpleasant State and Return to Balance.

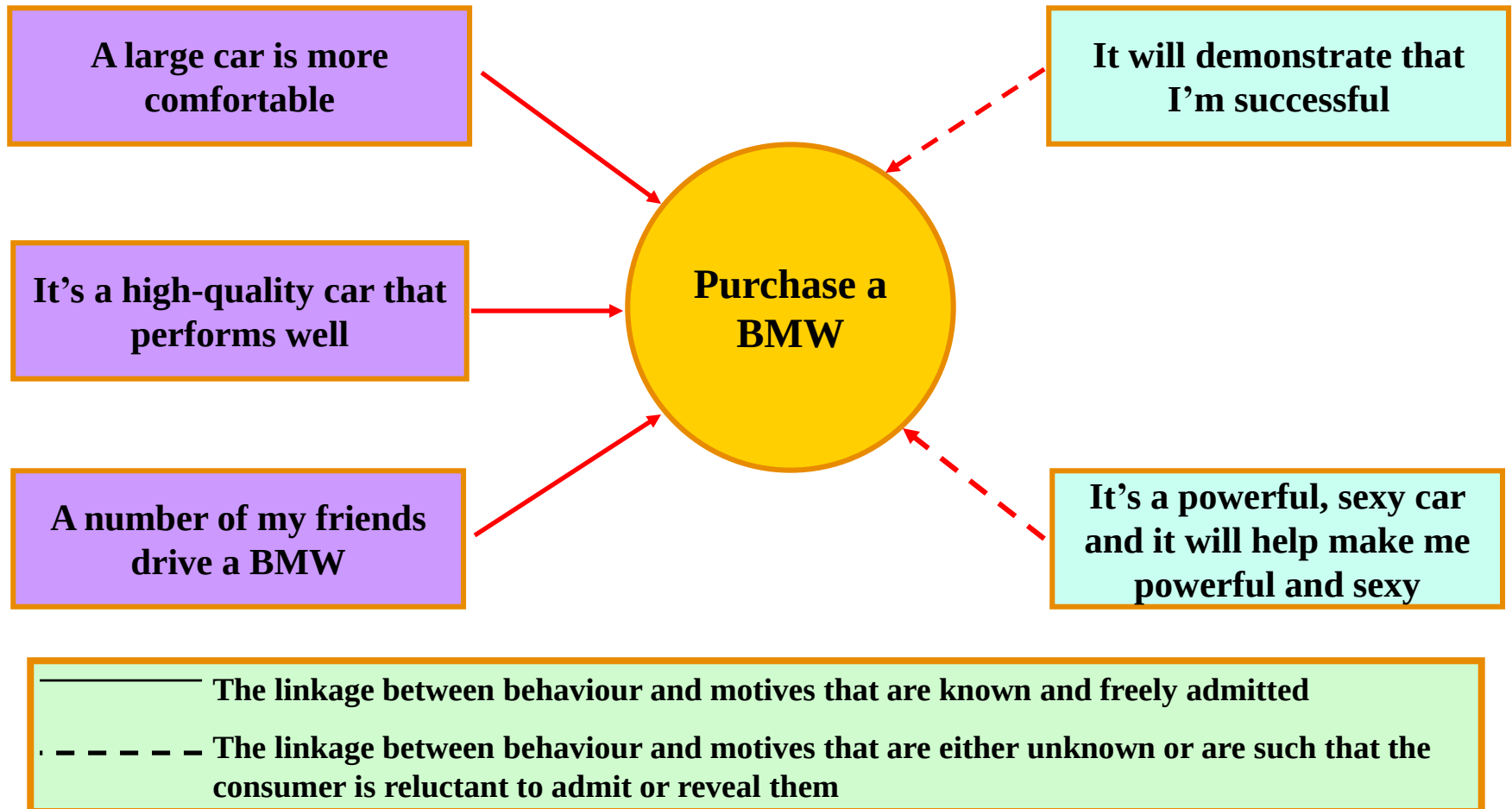
Expectancy Theory

Behaviour is Largely Pulled by Expectations of Achieving Desirable Outcomes - Positive Incentives - Rather Than Pushed From Within.

Motivation: Socially-constructed?

- **Human motivation**
 - The interaction between events and things in the social world and interpretations of those events and things in people's minds.
- **Consumers' perceptions of social and cultural situations shape their desires and goals for action.**

Latent and Manifest Motives In a Purchase Situation



Motivational Conflict

- **Situations where multiple contradictory needs simultaneously act upon an individual.**
- **Lewin's 3 types of motivational conflict:**



Buy a new car

Approach-Approach

Go on an extended vacation



Buy a new house

Approach-Avoidance

Incur a huge mortgage



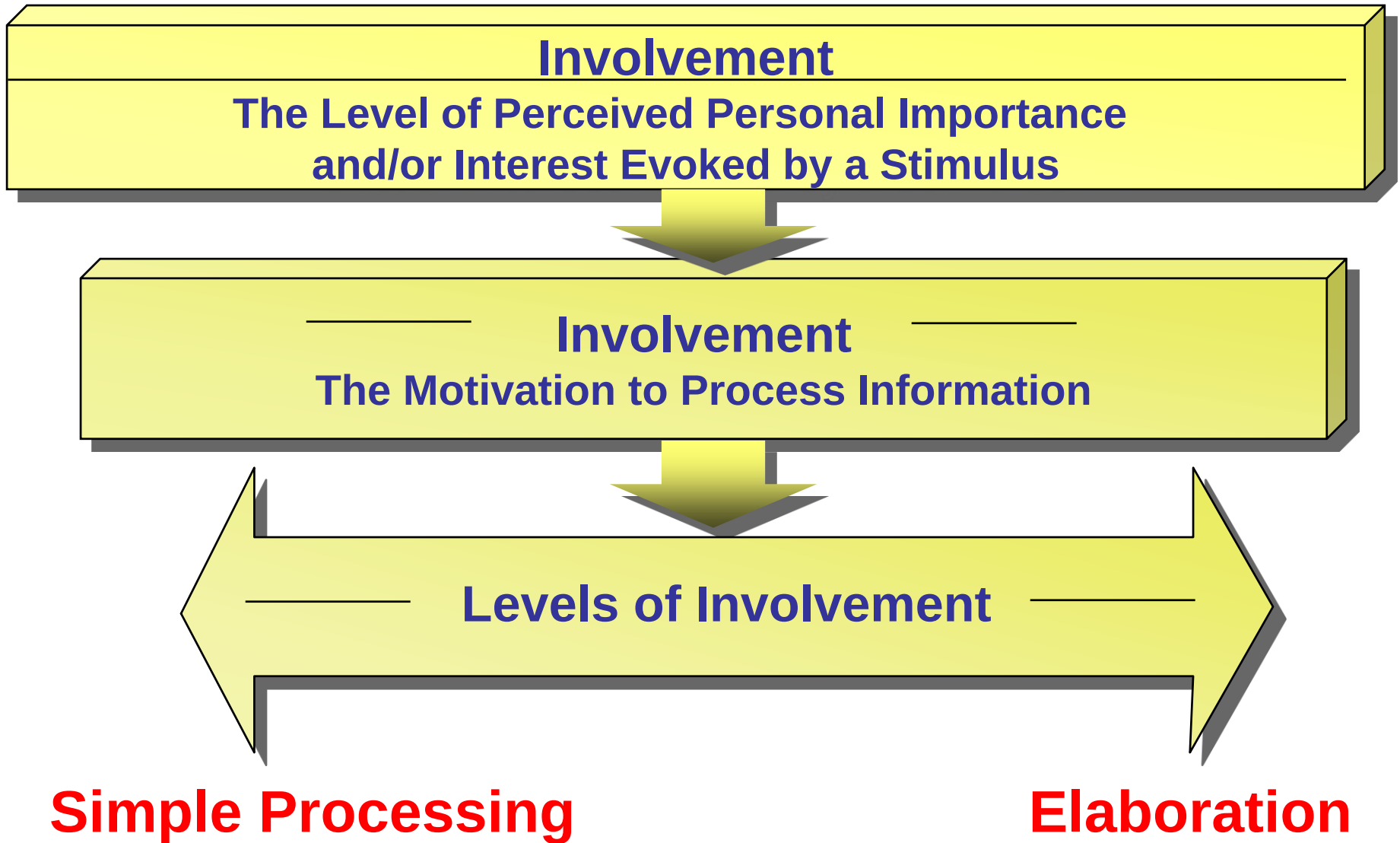
Surrender your driver's license for speeding

Avoidance-Avoidance

Pay B 400 to keep your license



Consumer Involvement



Consumer Involvement

- **Cognitive involvement**
 - involvement that includes heightened thinking and processing of information about the goal object.
- **Affective involvement**
 - involvement that includes heightened feelings and emotional energy.
- **Enduring involvement**
 - represents the long-term interest that a consumer has in a product class.
- **Situational involvement**
 - temporary interest in a purchase or consumption process.

The Many Faces of Involvement

Product

Related to a Consumer's
Level of Interest in
a Particular
Product.

Message-Response

Refers to a Consumer's
Interest in Processing
Marketing
Communications.

Ego-Involvement

Refers to the Importance
of a Product to a
Consumer's
Self-Concept.

Marketing Implications of Different Levels of Involvement

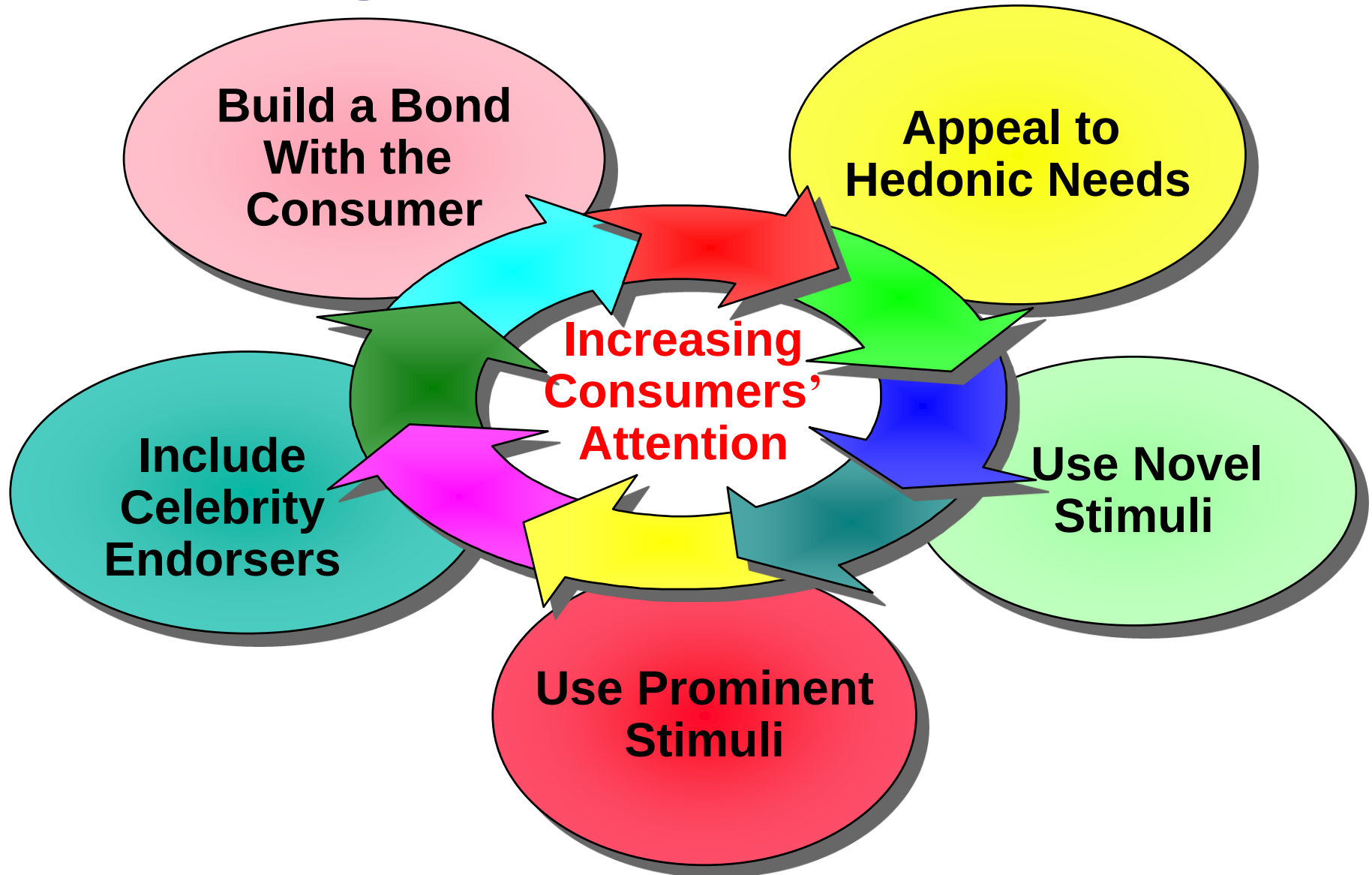
High-Involvement Purchase and Consumption

- Complex purchase process by highly involved consumers
- Attention is increased and more importance is attached to the stimulus object.

■ Low-Involvement Purchase and Consumption

- Minimal decision making for low-involvement products
- Attention is low and less importance is attached to the stimulus object

Strategies to Increase Involvement



Low-Involvement Marketing Strategies

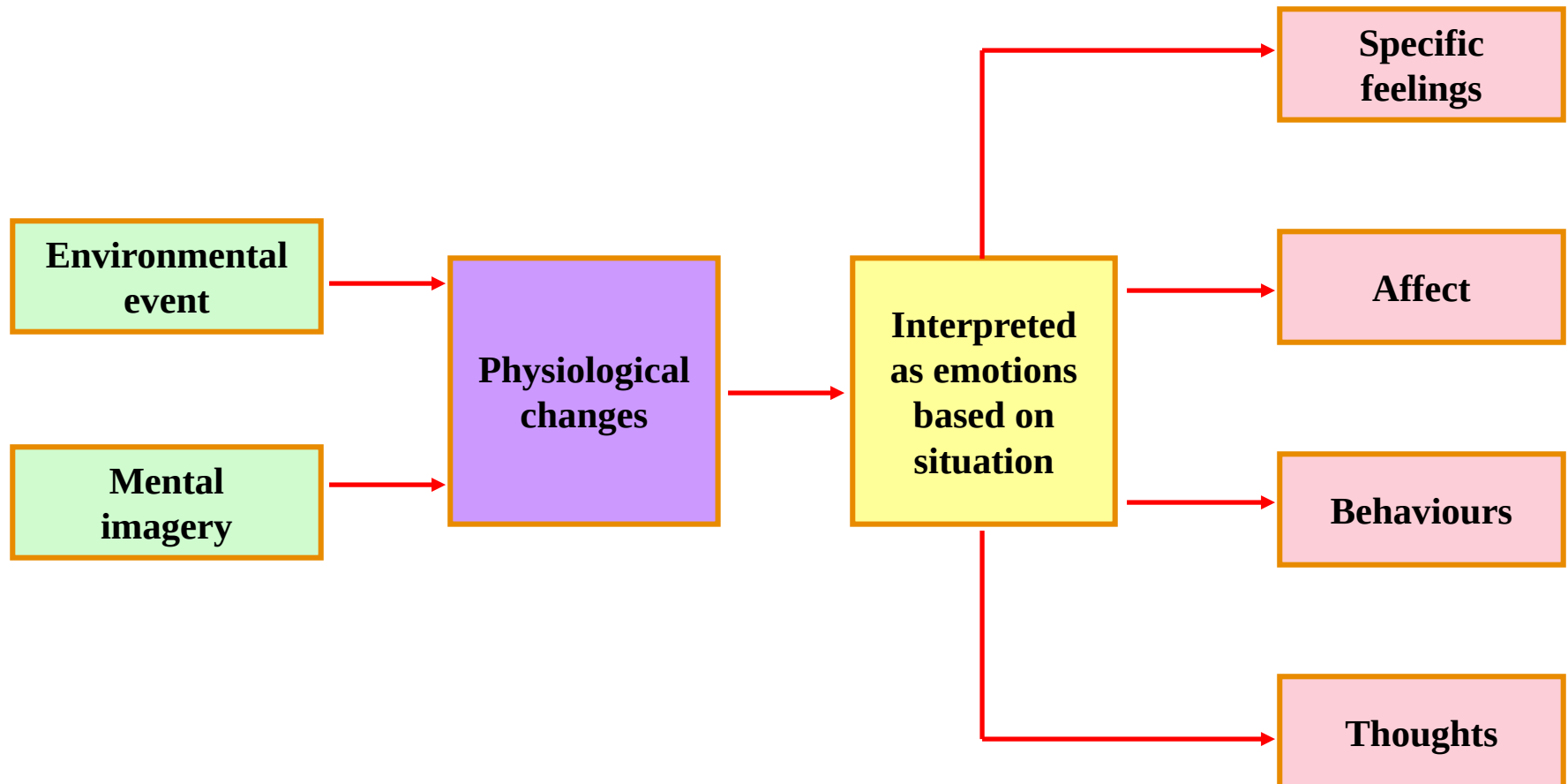
Strategies that increase consumers' involvement with a product or brand over a short period or for longer period

- Use creative marketing strategies, such as effective advertising or product usage campaigns
- Link low-involvement products with high-involvement issues
- Adapt the advertising medium to the product category.
- Promote the product in a high-involvement medium (e.g., the Web) instead of a low-involvement medium (e.g., radio)
- Use extensive distribution networks, clever in-store displays.

Emotions

- **Emotions:** Feeling states such as joy, love, sorrow, fear, and anger.
- **Significance to consumer behavior:**
 - A product's emotional value represents a major part of the appeal in product acquisition.
 - Stirring consumers' emotions is a powerful promotional strategy.

Nature of Emotions



Emotion Versus Mood

- **Mood:** A temporary feeling state or frame of mind as in being in a good or bad mood.
- **Significance to consumer behaviour:**
 - Mood influences whether or not we shop
 - Mood influences the way we respond to shopping environments and cues.
 - Mood influences consumers' flexibility.



Emotion-Related Concepts

■ Bonding

- Involve connecting the consumer and the product through an emotional tie.
- Consider the connection: Individuals, red roses, and love.

■ Expression of Emotions

- Bodily and facial expressions serve as social signals of a person's emotions.

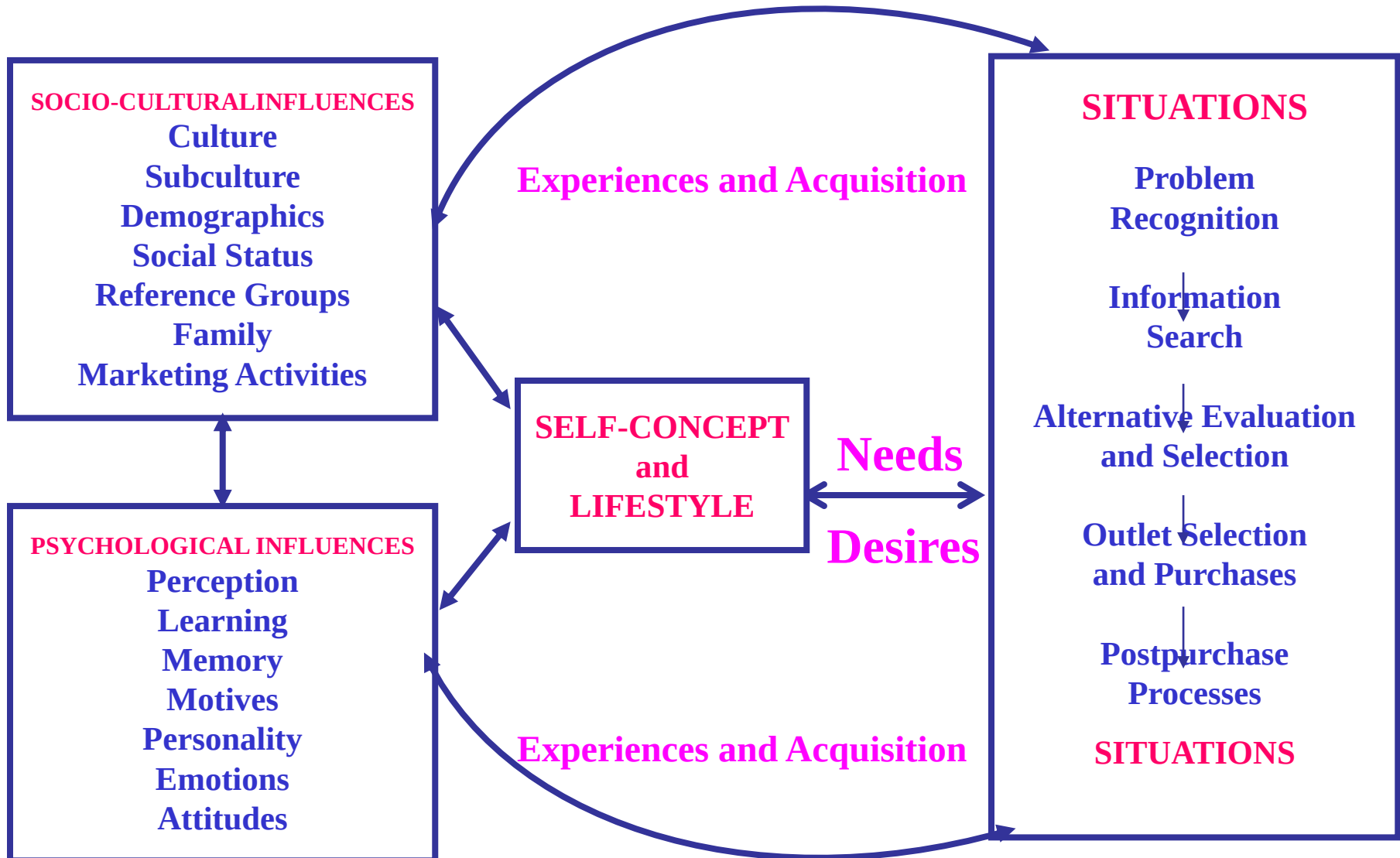
Consumer Fun & Fantasies

Session 5: Lecture Outline

Consumers As Individual

- **Attitudes**
- **Attitude Change**

Overall Model of Consumer Behaviour



Adapted from "Consumer Behavior: Building Marketing Strategy" by Hawkins, Best and Coney

Overview

- **Consumers make choices every day.**
- **Some brand choices consumers make are relatively simple; in other situations, consumers make brand choices that require extensive information search and difficult choices.**
- **Attitudes are key internal factors that shape individual consumer choices.**

Consumer Attitudes and Attitude Models

■ **Attitude**

- a way to summarise consumers thoughts, feelings, and actions.

■ **Attitude models**

- provide a description of how consumer information processing, including cognitions and emotions, influence consumer choice processes.

What Are Attitudes?

- **Learned predispositions to respond in a consistent manner to a given object**
- **This definition reveals that attitudes are:**
 - **Learned**
 - **Consistent**
 - **Responsive**

Attitude Components

- **Cognition**

- the beliefs a consumer has about an attitude object

- **Affect**

- the way a consumer feels about an attitude object

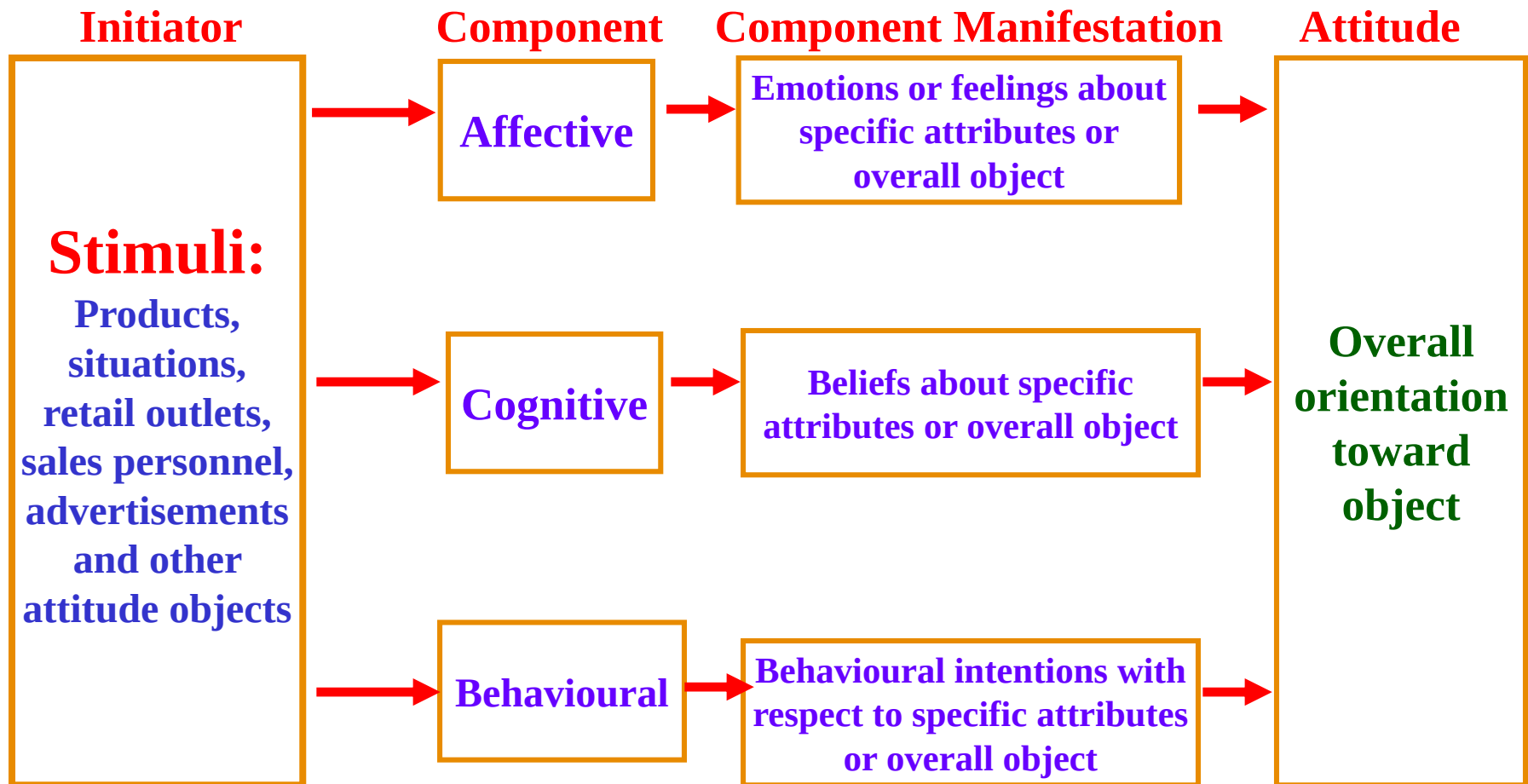
- **Behaviour**

- the person's intentions to do something with regard to an attitude object

Cognition VS. Affection

Can we think
without feeling, or
feel without thinking?

Attitude Components and Manifestations



Dimensions of Attitudes

- **Valence:** An attraction or repulsion felt toward an attitude object.
- **Intensity:** The magnitude of one's feelings toward an attitude object.
- **Centrality:** Closeness of the attitude to one's core values and beliefs.

Sources of Attitudes

- **Personal Experience with Objects**
- **Social Interaction**
- **Exposure to Media**

The Functions of Attitudes

Functional theory of attitudes – *help consumers cope with their environments.*

- **Utilitarian Function**
- **Ego-defensive Function**
- **Value-expressive Function**
- **Knowledge Function**
- **Social-adjustment Function**

Basic Attitude Perspectives



- **The Traditional Model**
- **The Multi-attribute model**
- **The Theory of Reasoned Action**
- **Theories of Goal Pursuit and Trying**

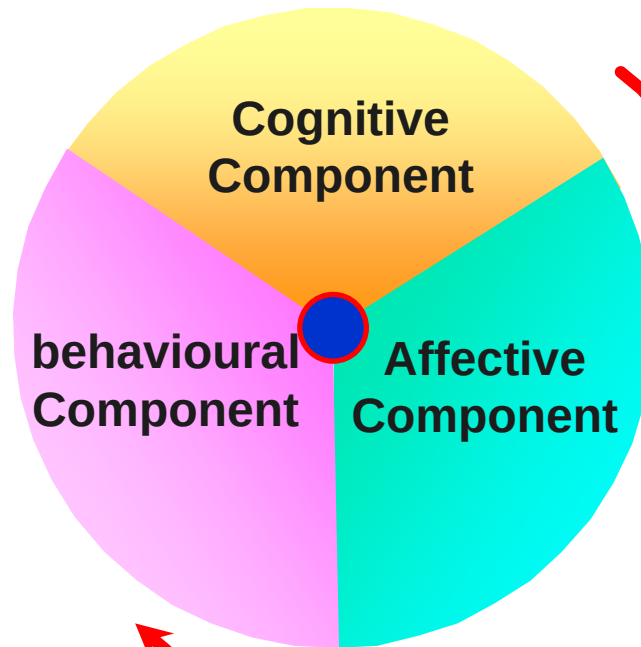
The Traditional Model of Attitudes

Cognitive Component

What we think we know about an attitude object

Behavioural Component

Our action tendency toward an attitude object



Leads to

Affective Component

Our positive or negative reaction to an attitude object

Leads to

But...

- **Can cognition lead to affection then behaviour?**
- **Can affection lead to cognition then behaviour?**
- **Can behaviour lead to cognition then affection?**
- **Can behaviour lead to affection then cognition?**

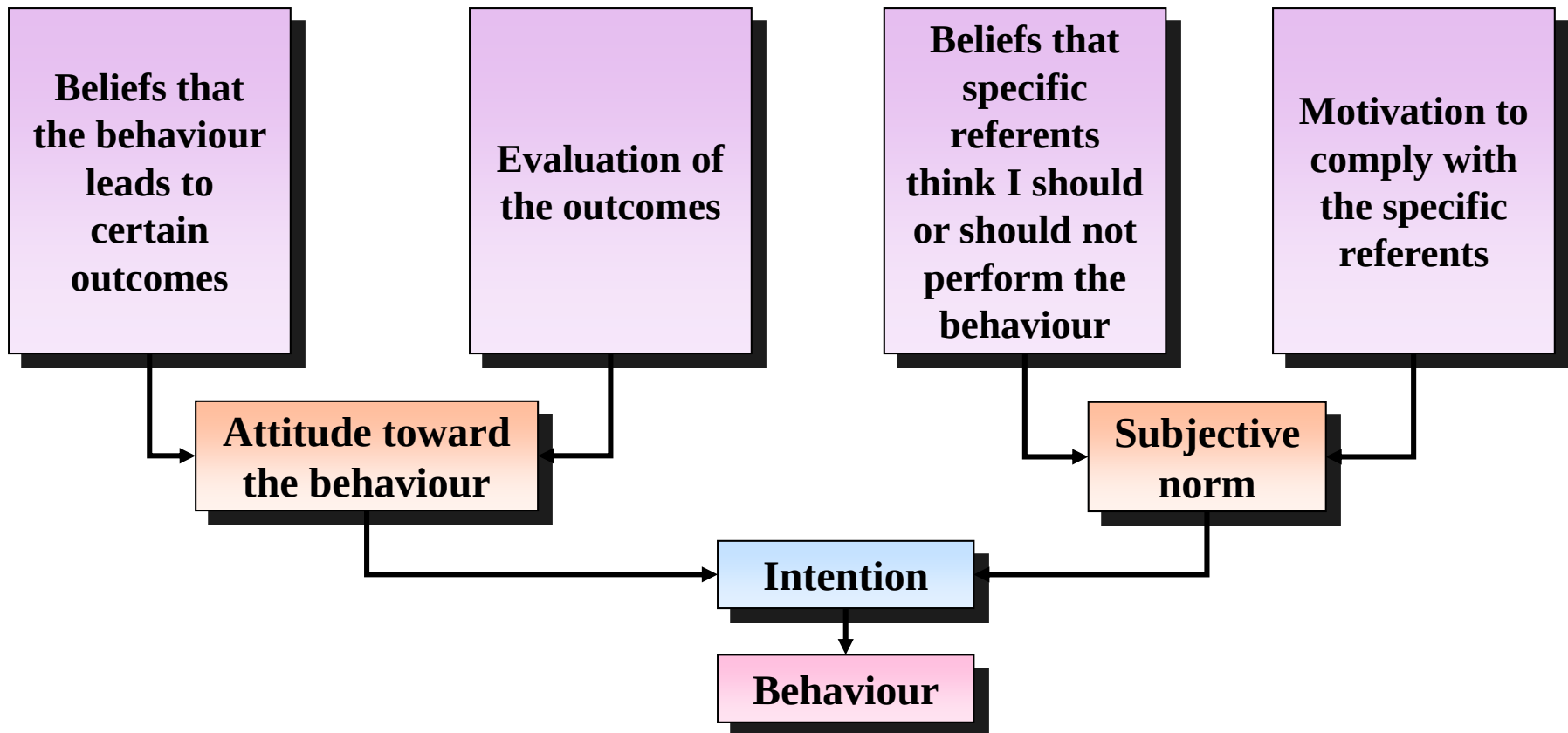
The Multi-Attribute Model of Attitudes

- **An attitude object can have a number of attributes that differ in importance to the same person.**
- **Attitude is a function of**
 - **Attitudes on each attribute**
 - **Importance of each attribute**

The Theory of Reasoned Action

- Behaviour is determined by a person's intention to behave.
- According to this view, behaviour is influenced by two factors:
 - **Attitude-toward-the-behaviour:** One's overall appraisal of an act.
 - **Subjective Norms:** One's beliefs regarding significant others' reaction to the behaviour.

A Simplified Version of the Theory of Reasoned Action



Theories of Goal Pursuit and Trying

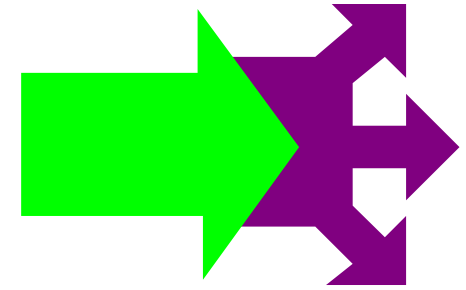
- **Uncertainty of goal achievement reduces behaviour to a mere trying to achieve a goal.**
- **Trying is influenced by:**
 - **Attitudes toward the consequences of succeeding to achieve.**
 - **Attitudes toward the consequences of failing to achieve.**
 - **Attitudes toward the process of goal achievement.**

Issues in Attitude Formation

- **How attitudes are learned**
- **Sources of influence on attitude formation**
- **Personality factors**

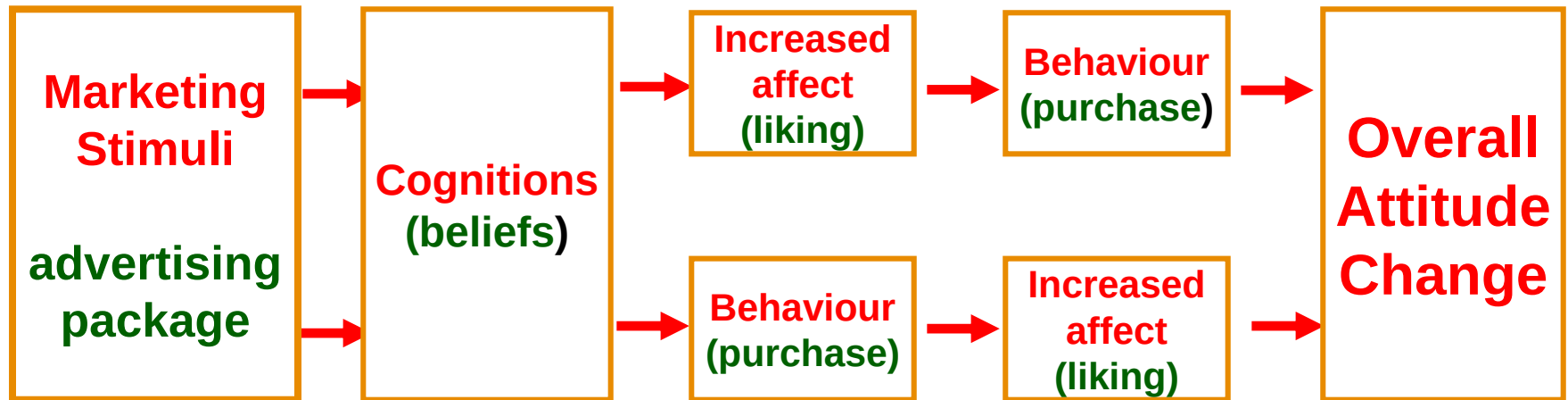


Strategies of Attitude Change

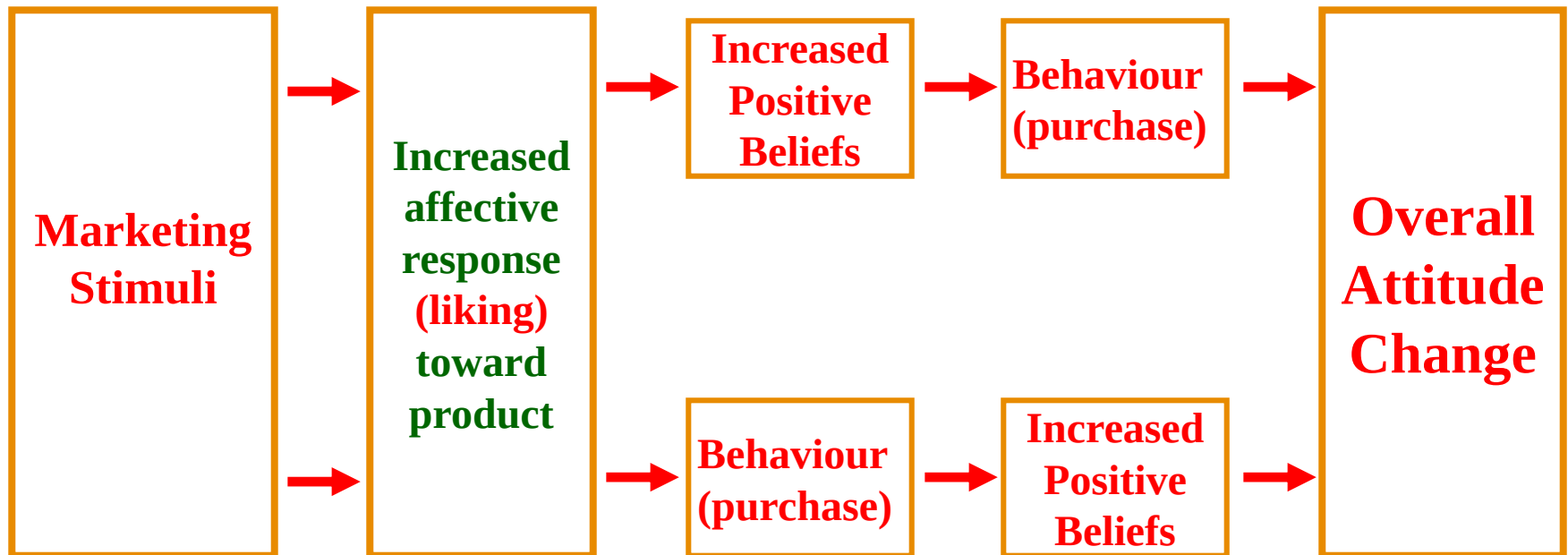


- **Changing the Basic Motivational Function**
- **Associating the Product With a Special Group, Event, or Cause**
- **Resolving Two Conflicting Attitudes**
- **Altering Components of the Multi-attribute Model**
- **Changing Beliefs About Competitors' Brands**

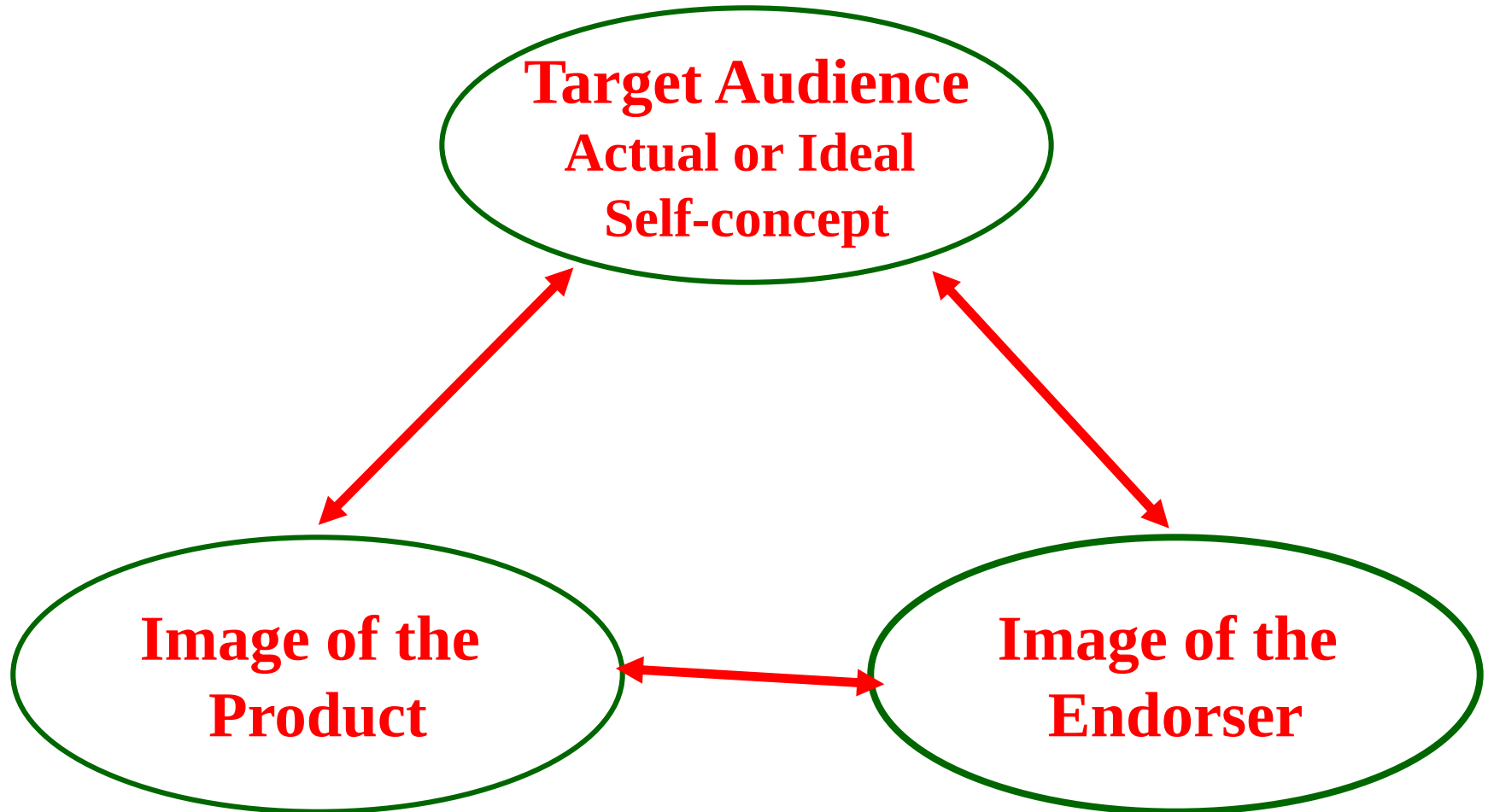
Attitude Change Strategy Focusing on Cognitions



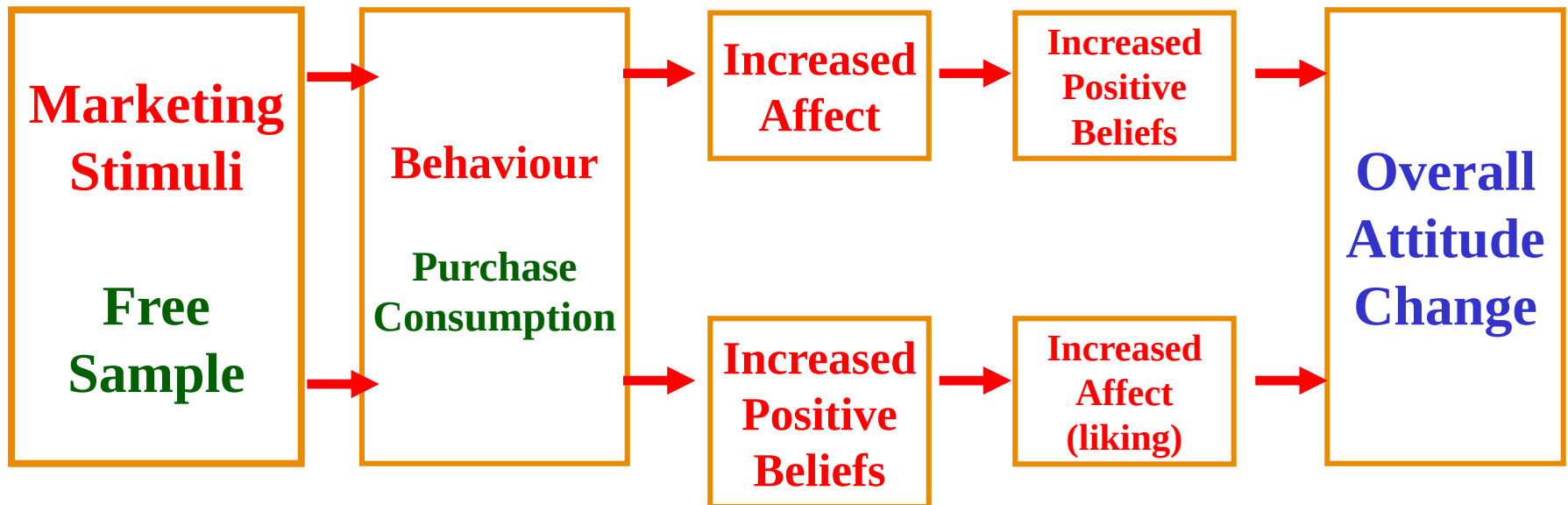
Attitude Change Strategy Focusing on Affect



Matching Endorser with Product and Target Audience



Attitude Change Strategy Focusing on Behaviour



Approaches to Achieving Attitude Change

- **Two frequently employed approaches are:**
 - **Cognitive Consistency Theories**
 - **Information-Processing Theories**



The Cognitive Consistency Approach

- **Cognitive Consistency**
 - We strive to maintain congruity between our beliefs, emotions, and behaviour.
- **Cognitive Dissonance**
 - Inconsistencies between our beliefs and behaviour cause psychological tension.
- **To change consumers' attitudes, a cognitive dissonance state is created by marketers.**

Information-Processing: Attitude Change Strategies

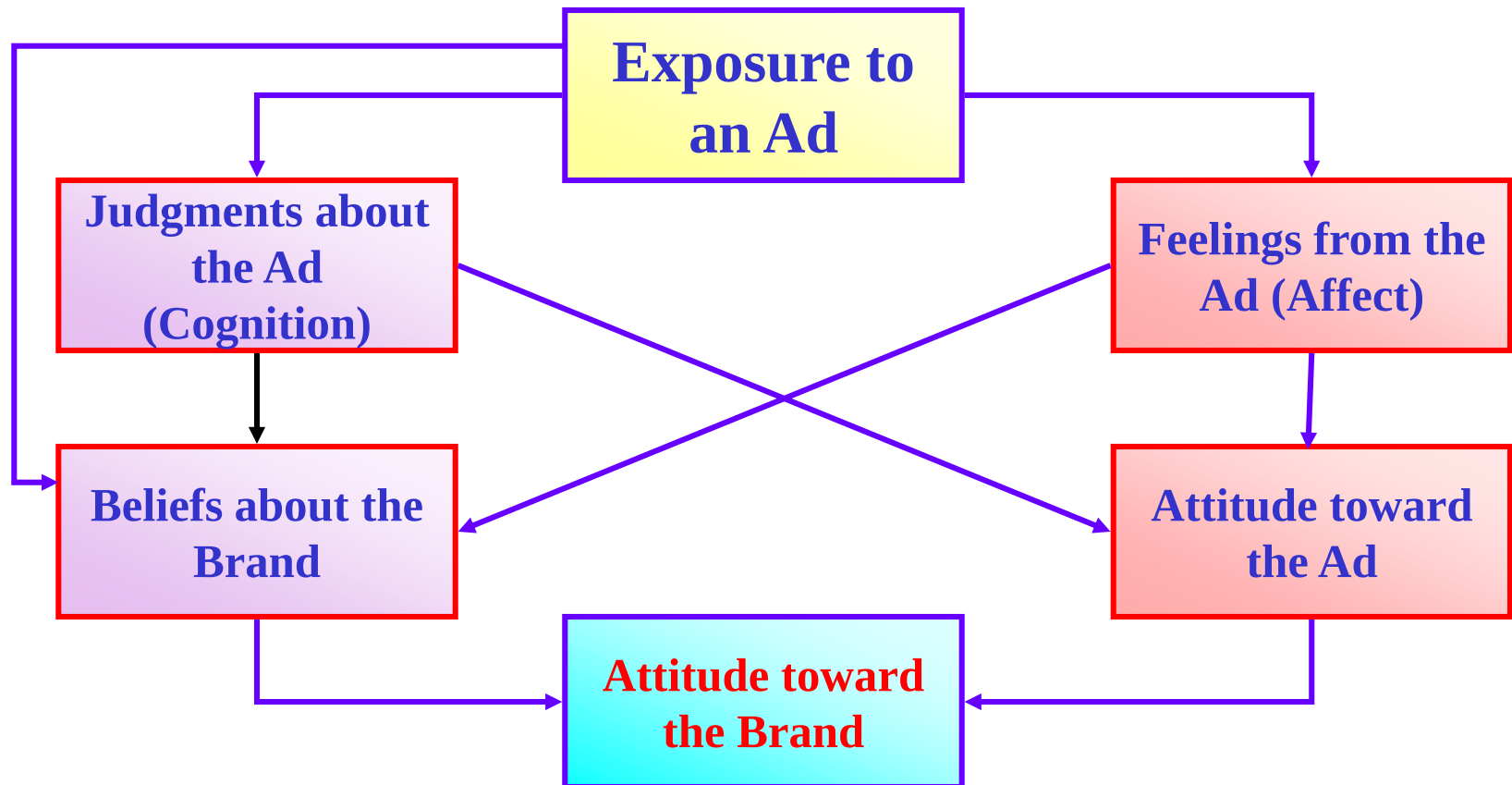
Add Information...

- **Making comparisons against competition**
- **Emphasising brand attributes**
- **Adding new attributes**
- **Providing knowledge of alternatives or consequences**
- **Changing the relative value of attributes**

Attitude-Toward-the-Ad Models

- **Focus on advertising's influence on attitude toward a product**
- **Attitude is a function of**
 - **attitude-toward-the-ad**
 - **attitude toward the product's attributes**

A Conception of the Relationship among Elements in an Attitude-toward-the-Ad Model

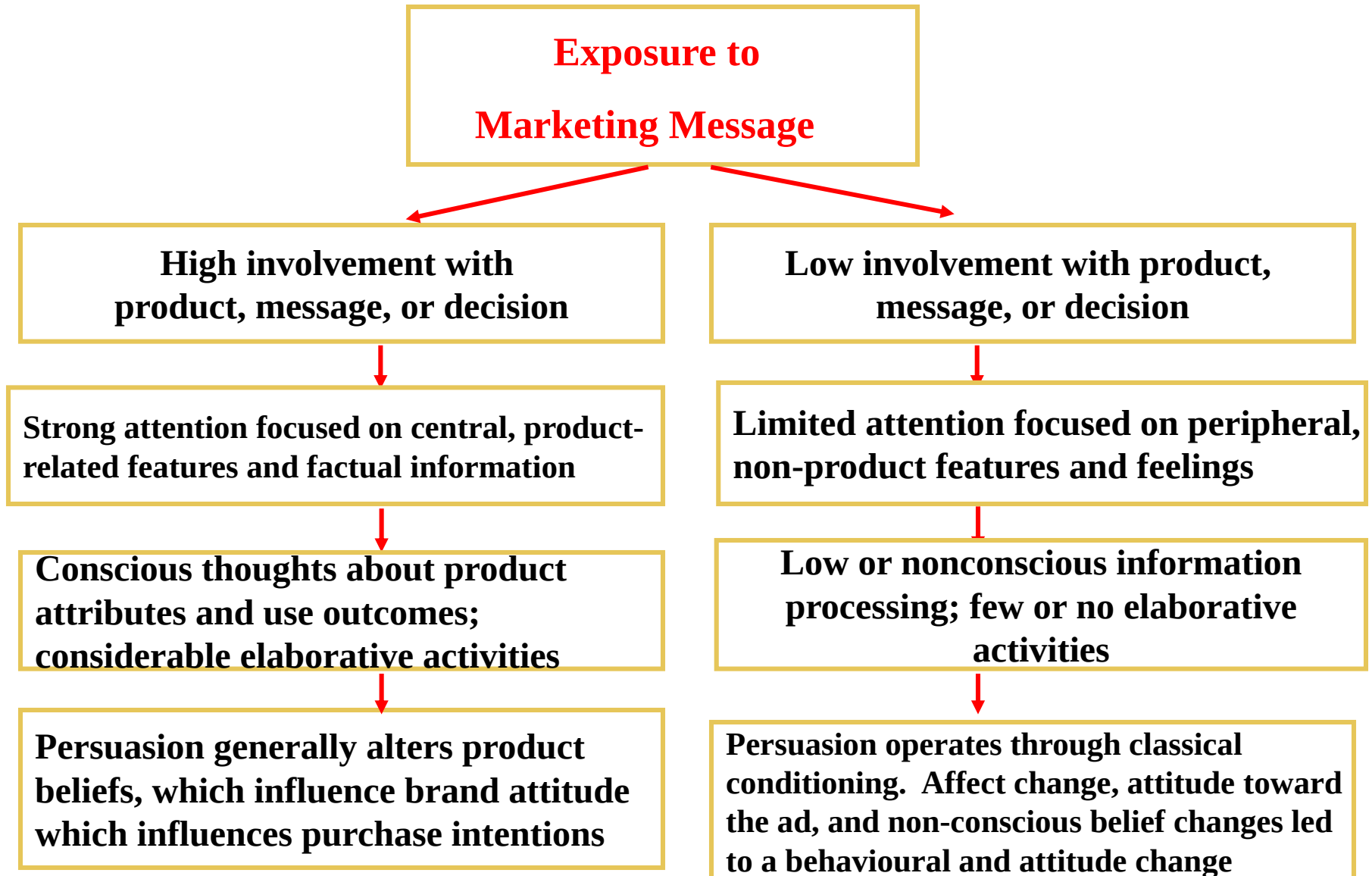


Consumer Reactions to Attitude-Change Strategies

The Elaboration-Likelihood Model

- **The degree to which we elaborate on a message depends on its relevance to us.**
- **Two routes to persuasion:**
 - **The Central Route:** Consumers under high involvement conditions diligently process message information.
 - **The Peripheral Route:** Consumers under low involvement conditions act as cognitive misers.

ELABORATION LIKELIHOOD MODEL

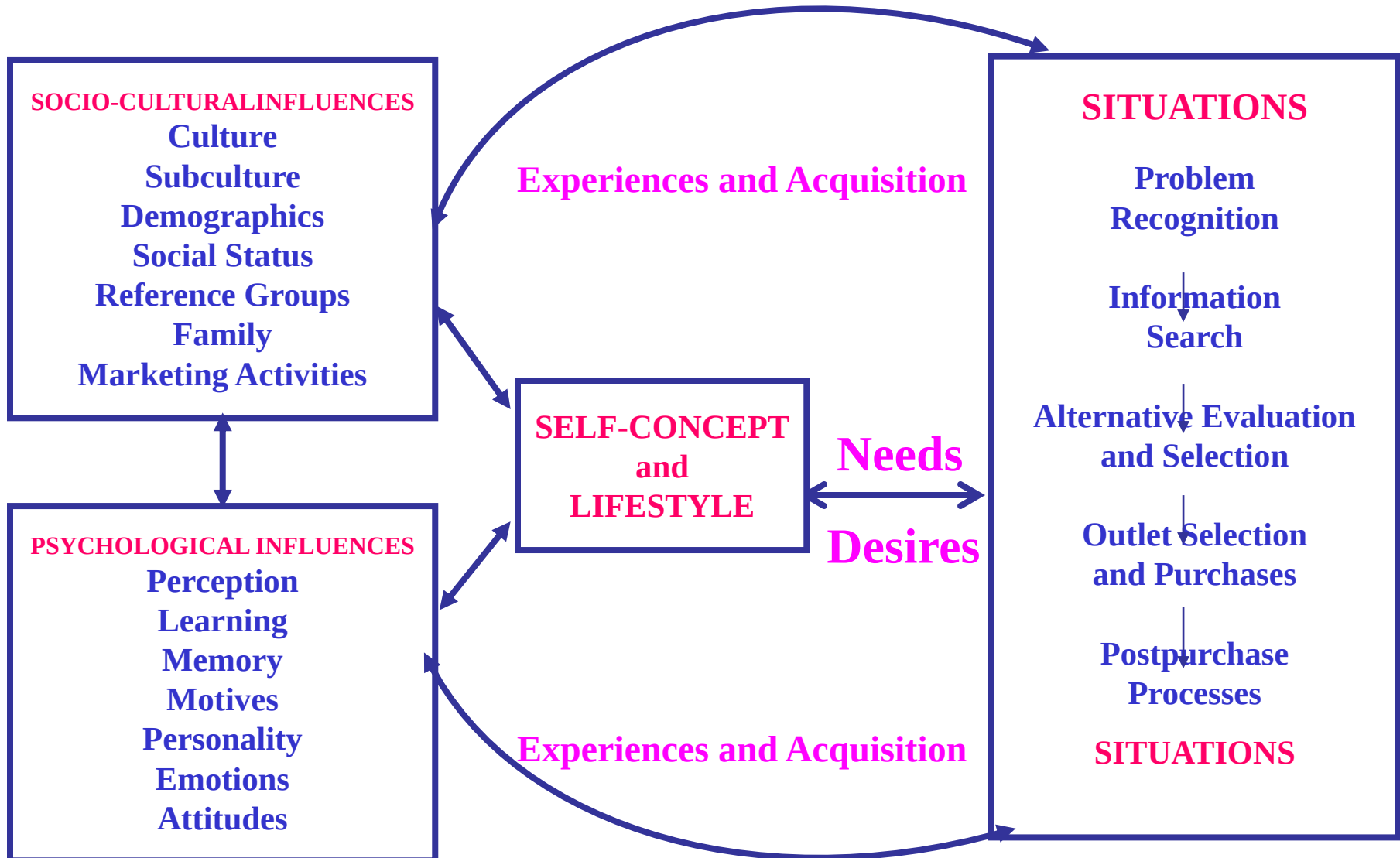


Session 6: Lecture Outline

Consumers As Individual

- **The Self: The Traditional View**
- **The Self: An Alternative View**
- **Personality**

Overall Model of Consumer Behaviour



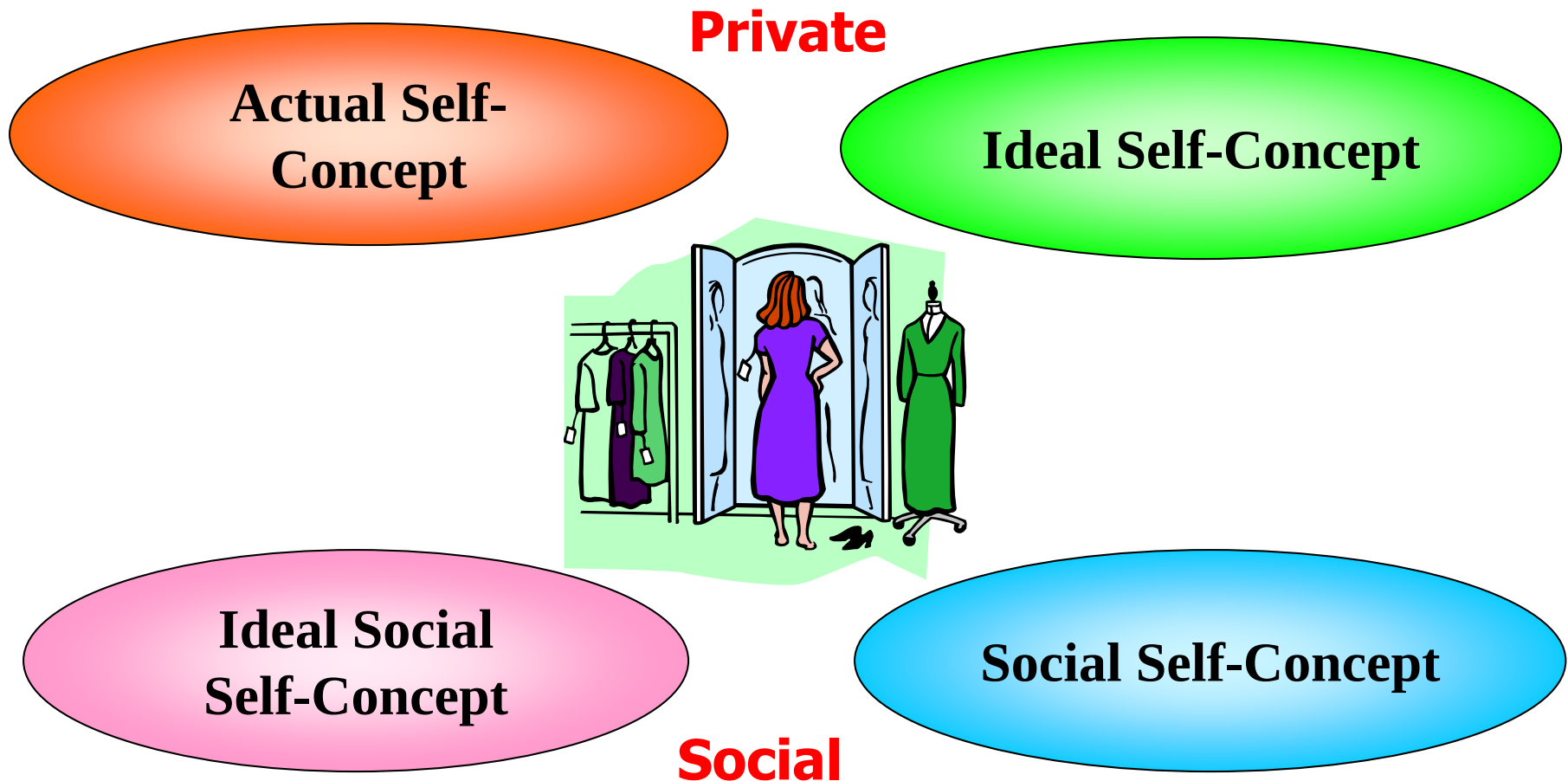
Adapted from "Consumer Behavior: Building Marketing Strategy" by Hawkins, Best and Coney

Self-Concept: The Traditional View

The Self-Concept

- **The sum total of an individual's beliefs and feelings about him or herself.**
- **Actual Self vs. Ideal Self**
- **Private Self vs. Social Self**

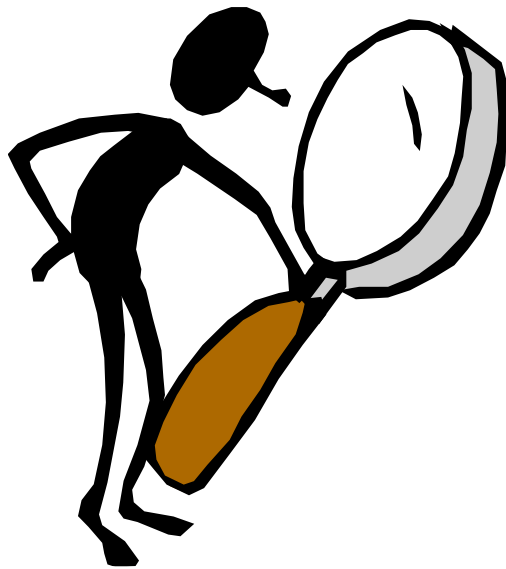
Different Self-Concepts



Interactive Sources of Selfhood

- **Significant Others**
 - individuals with whom we interact in various kinds of role relations, are crucial in the formation of our self.
- **Materials and Objects**
 - the physical environment that we rely on for survival and the technologies that support and mediate our social relations affect the development of our self.
- **Ideas, Beliefs and Values**
 - ideology and religious beliefs influence the way we perceive and respond to our social and physical environment

Self Concept



- ***Intrapersonal Processes***
 - including information processing, affect and motivation
- ***Interpersonal Processes***
 - including social perception, choice of situation, partner, interaction strategy and reaction to feedback

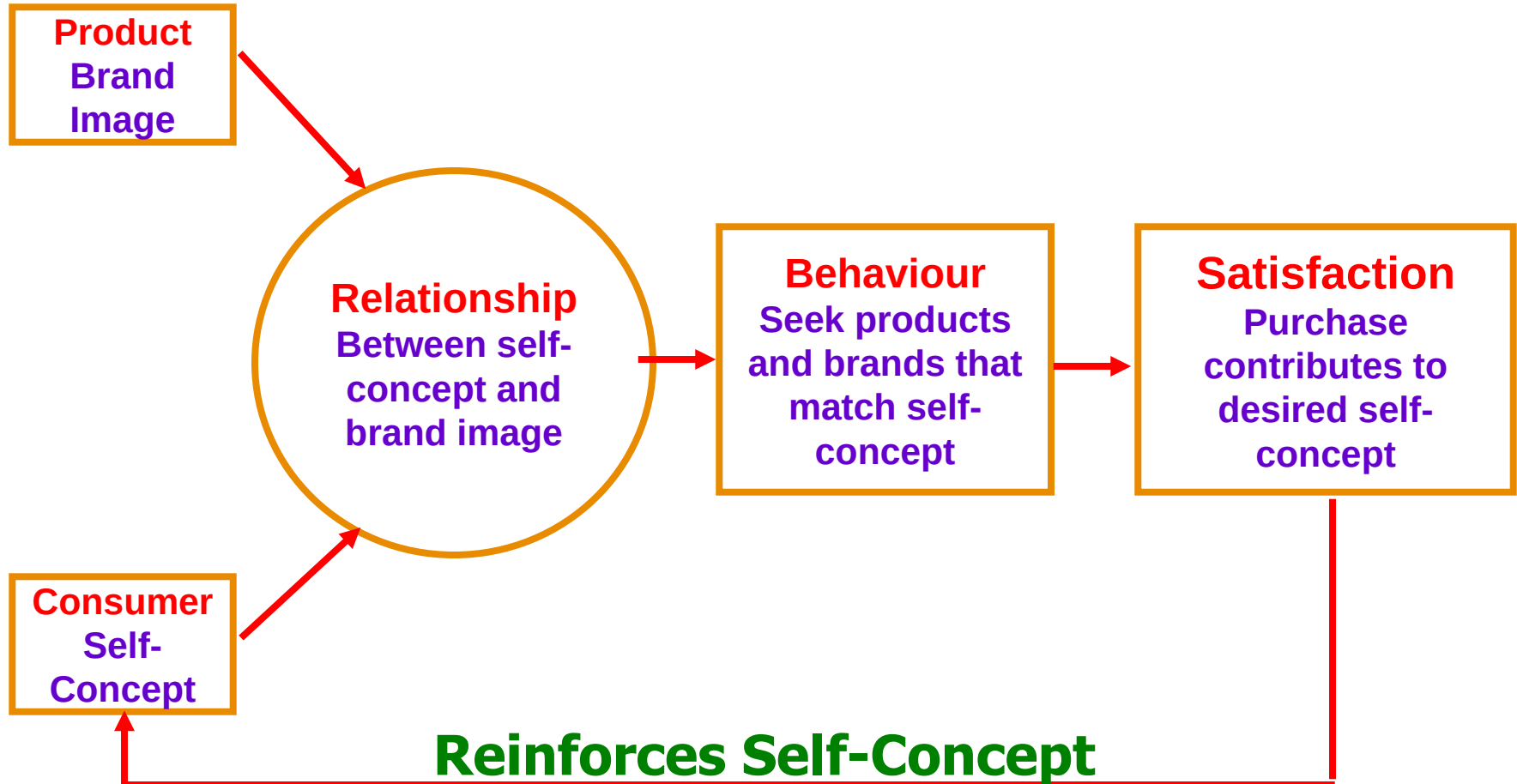
Consumption and Self-Concept

- **Self-Concept Congruence Models** predict that products will be chosen when their attributes match some aspect of the self.
 - **Ideal-self** : more relevant for highly expressive social products.
 - **Actual-self**: more relevant for everyday, functional products.

Image congruence hypothesis

Self-concept is enhanced through the transfer of socially accepted meanings of the product or brand to oneself.

The Relationship between Self-Concept and Brand Image



Self-Concept is Changeable

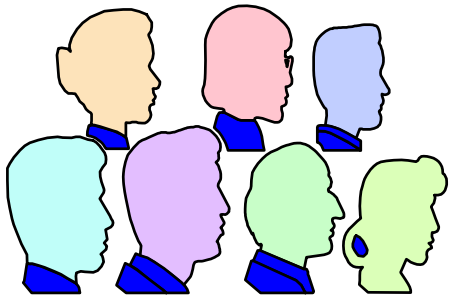
- **Self-concept is flexible and changeable**
- **Consumers' self-concepts are especially dynamic during certain role transitions**
- **Role transitions and self-esteem**
 - *the degree to which people have a positive attitude towards themselves*
- **Role transitions are marked by changes in consumption patterns**

The Self:

An Alternative View

The Self: An Alternative View

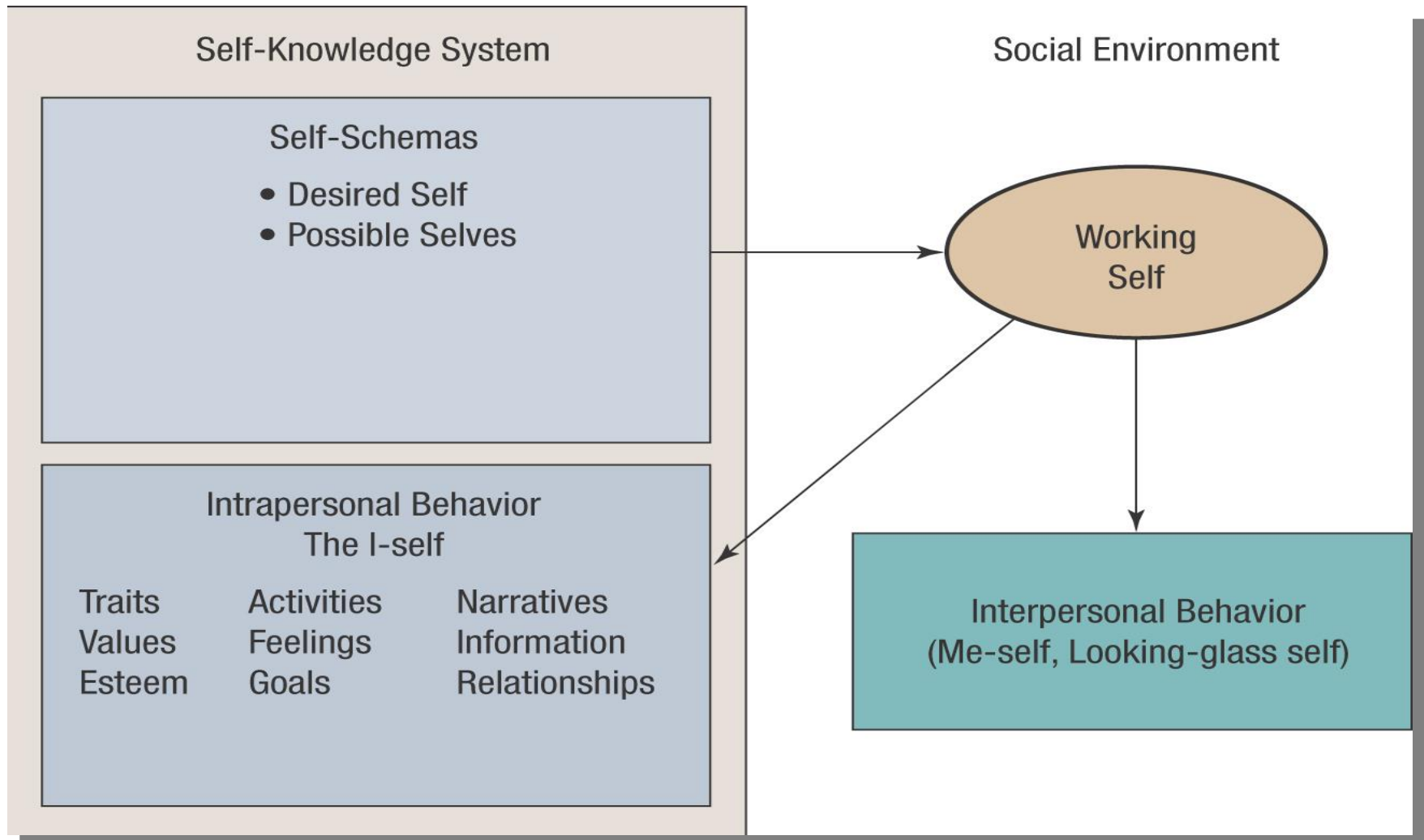
- **Does the self exist?**
- **If so, is it single or multiple?**
- **Is it constant or changeable?**
- **Is it to discover or to create?**
- **????????????????????????????????**



The Self...

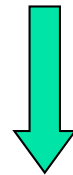
- **is multifaceted**
- **is dependent on situations and motives**
- **is malleable and dynamic**
- **is socially-constructed**

A Dynamic Model of Self-Concept



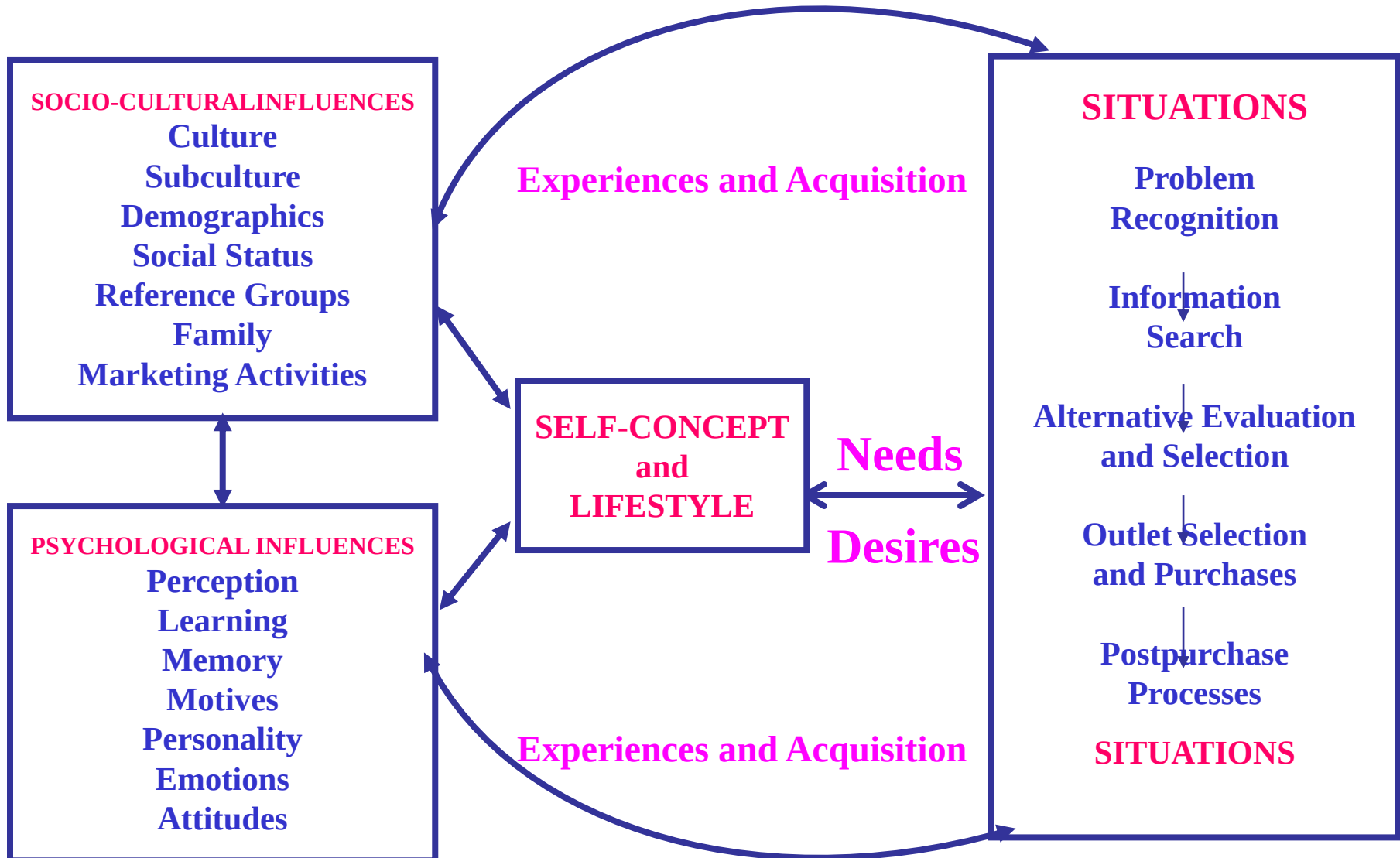
Eastern Views of The Self

The Self in Buddhism



Anatta?

Overall Model of Consumer Behaviour



Adapted from "Consumer Behavior: Building Marketing Strategy" by Hawkins, Best and Coney

Personality

Personality is an individual's characteristic response tendencies across similar situations.

Personality Theories

- **Freud's Psychoanalytic Theory**
- **Theory of Personality Traits**
- **Theory of Personality Values**

Freud's Psychoanalytic Theory

- **Three Elements:**
 - **Id: Pleasure Principle/Temptation**
 - **Superego: Conscience (Societal Rules)/Virtue**
 - **Ego: Reality Principle/Referee**
- **Applications in Marketing:**
 - **The Sexuality of Products**

Personality Theories

- **Freud's Psychoanalytic Theory**
- **Theory of Personality Traits**
- **Theory of Personality Values**

Examples of Cattell's Personality Traits

- **Reserved**
- **Shy**
- **Humble**
- **Emotional**
- **Sober/Serious**
- **Practical**
- **Conservative**
- **Relaxed**
- **Outgoing**
- **Assertive**
- **Happy-go-lucky**
- **Tender-minded**
- **Tough-minded**
- **Imaginative**
- **Group dependent**
- **etc.**



Openness



Conscientiousness



Extraversion



Agreeableness

**The
Big Five
Personality
Traits**



Neuroticism

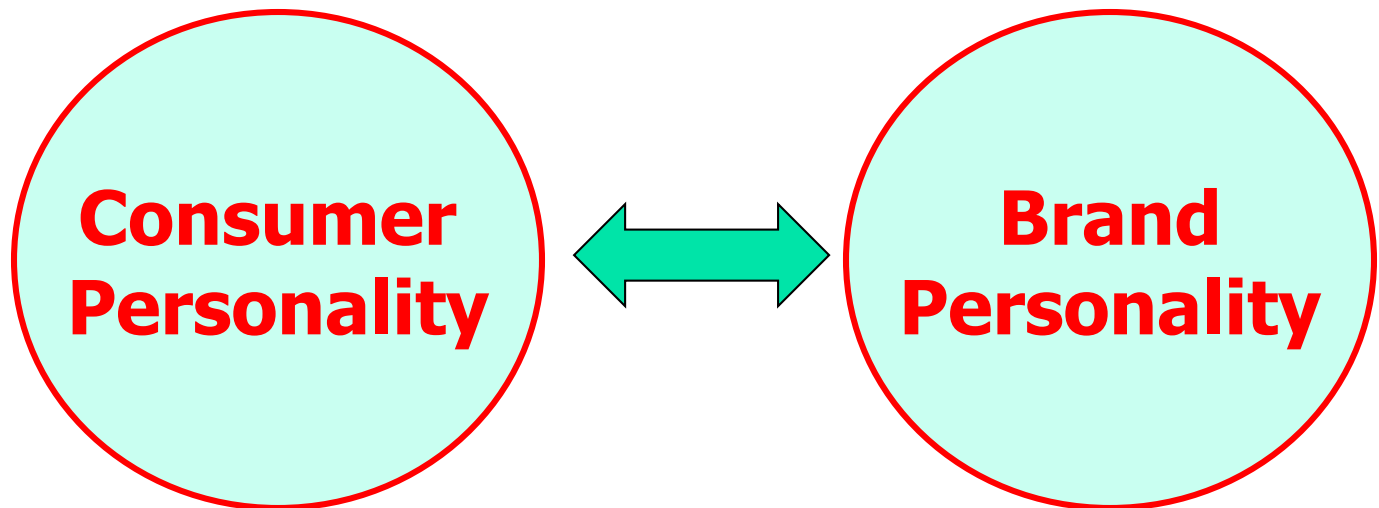
Personality Theories

- **Freud's Psychoanalytic Theory**
- **Theory of Personality Traits**
- **Theory of Personality Values**

Theory of Personality Values

- **Theoretical Personality**
- **Economic Personality**
- **Social Personality**
- **Political Personality**
- **Aesthetic Personality**
- **Religious Personality**

Applications in Marketing

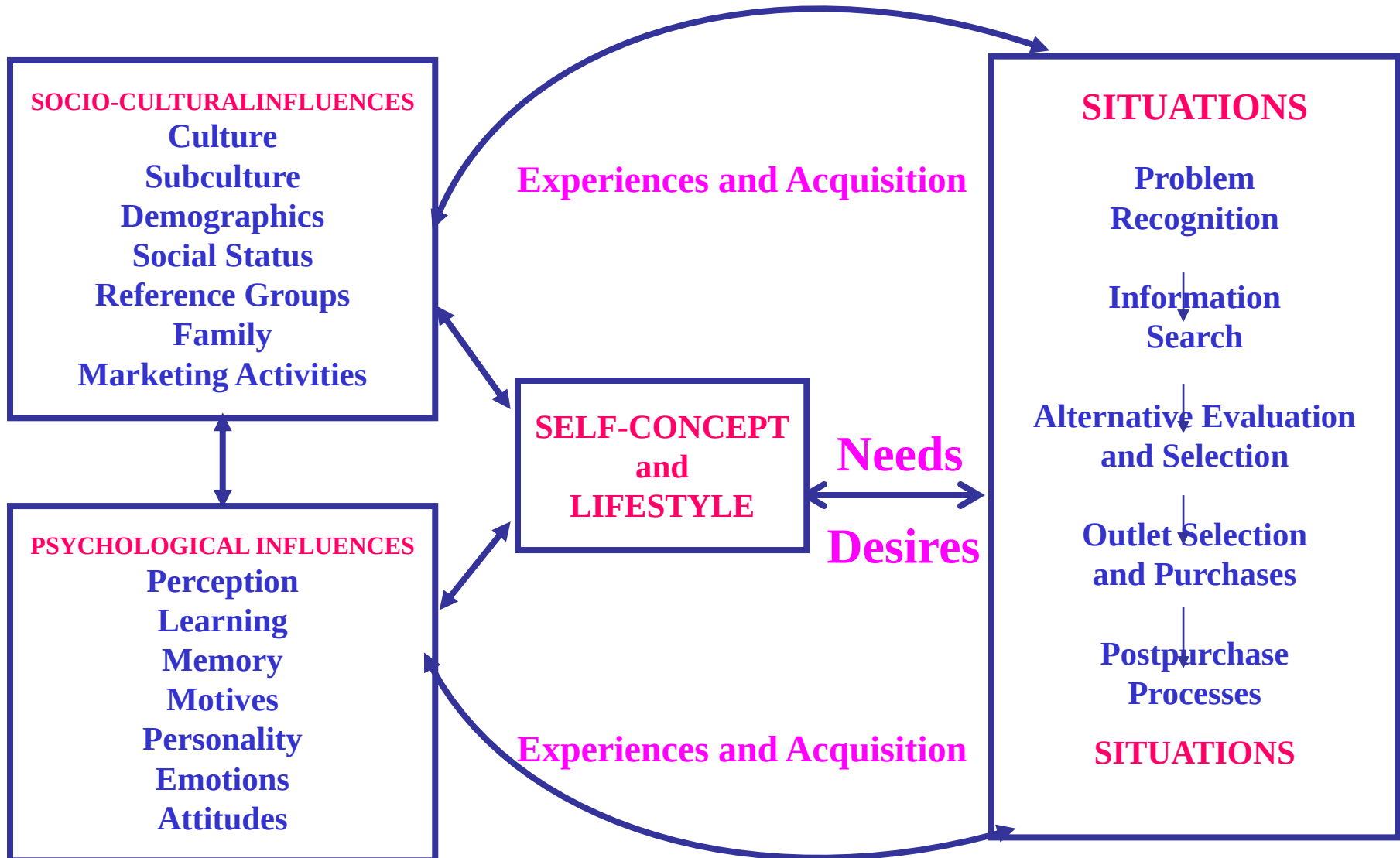


Session 7: Lecture Outline

Consumers As Individual

- Lifestyle
- Values
- The Self and Symbolic Consumption

Overall Model of Consumer Behaviour



Adapted from "Consumer Behavior: Building Marketing Strategy" by Hawkins, Best and Coney

Lifestyle

Lifestyle refers to a pattern of consumption reflecting a person's choices of how he or she spends time and money.

Lifestyle and the Consumption Process

Lifestyle Determinants

- **Demographics**
- **Subculture**
- **Social class**
- **Motives**
- **Personality**
- **Emotions**
- **Values**
- **Family Life Cycle**
- **Culture**
- **Past Experiences**



Lifestyle

How we live

- **Activities**
- **Interests**
- **Like/dislikes**
- **Attitudes**
- **Consumption**
- **Expectations**
- **Feelings**



Impact on Behaviour

Purchases

- **How**
- **When**
- **Where**
- **What**
- **With whom**
- **Consumption**
- **Where**
- **With whom**
- **How**
- **When**
- **What**

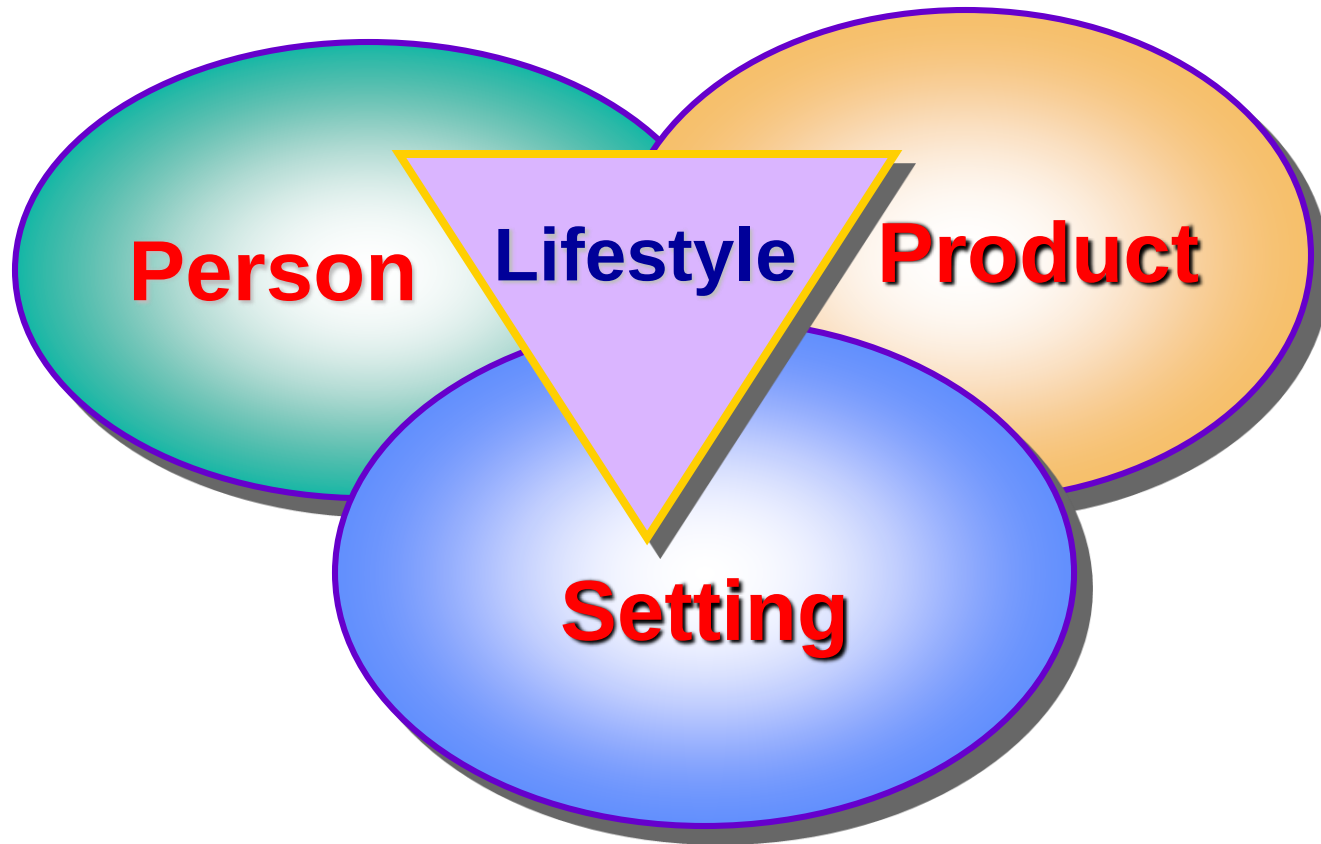
Lifestyle

- **Lifestyles as Identities**
 - Lifestyles are statements about who one is in society and who one is not.
 - Each person adds their own individuality to a chosen **lifestyle**.
- **Products Being Consumed Are the Building Blocks of Lifestyles**
 - Consumers often choose products, services, and activities over others because they are associated with a certain lifestyle.

Product Constellations

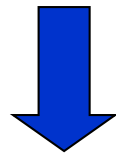
- **Lifestyle**
 - *pattern of behaviour that reflects consumption of interrelated product constellations*
- **Product constellations**
 - *clusters of complementary products, specific brands, and/or consumption activities*
- **Product constellations can be matched with demographic and media preferences to improve targeting**

People, Products, and Settings are Combined to Express a Certain Consumption Style.



Lifestyle: An Alternative View

- **If the self is multiple, what about the lifestyle?**
- **Protean Lifestyles?**



**An Executive by Weekday,
A Biker by Weekend!!**

Lifestyle Theories

- **AIO's**
- **VALS - The Values and Lifestyle System**

AIO's

- **Activities**
- **Interests**
- **Opinions**

Lifestyle Theories

- **AIO's**
- **VALS - The Values and Lifestyle System**

Values

- A **belief** that some condition is preferable to its opposite.
- Every culture has a set of values that it imparts to its members called **Core Values**.
- The process of learning the beliefs and behaviours endorsed by one's own culture is **Enculturation**.
- **Acculturation** is the process of learning the value system and behaviours of another culture.

Applications of Values to Consumer Behaviour

- **Research has tended to classify values as being:**
 - Cultural such as security or happiness,
 - Consumption-specific such as convenient shopping or prompt service,
 - Product-specific such as ease of use or durability.
- **The Rokeach Value Survey identified:**
 - Terminal Values - desired end-states that apply to many cultures,
 - Instrumental Values - composed of actions needed to achieve these terminal values.

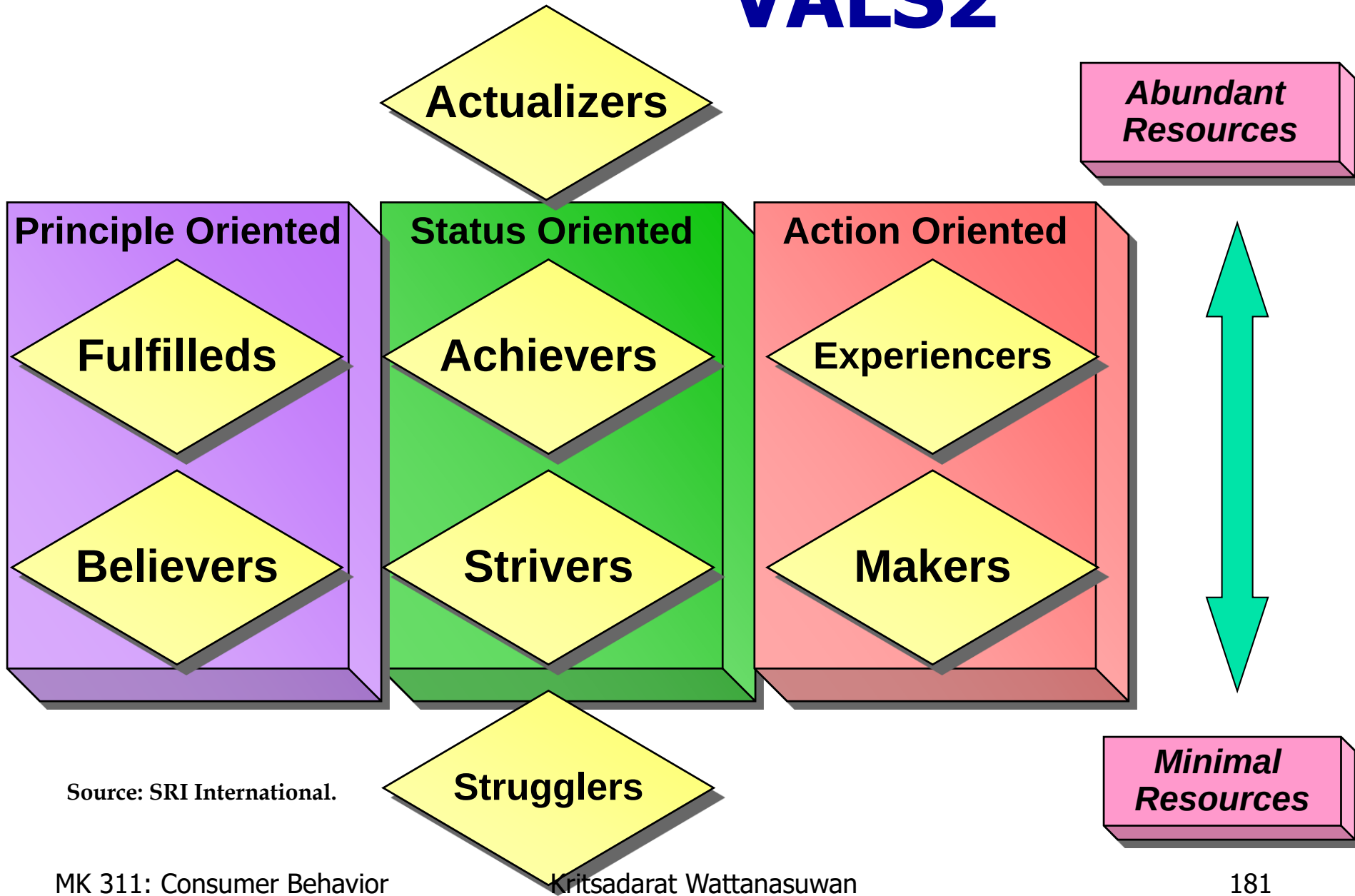
Values and Lifestyles Systems

- **VALS 1**
 - partitions market into 9 groups based on Maslow's hierarchy of needs
- **VALS 2**
 - classifies people into segments based on their control of resources and three aspects of their basic motivational self-orientation: principles, status, action
- **Japan VALS**

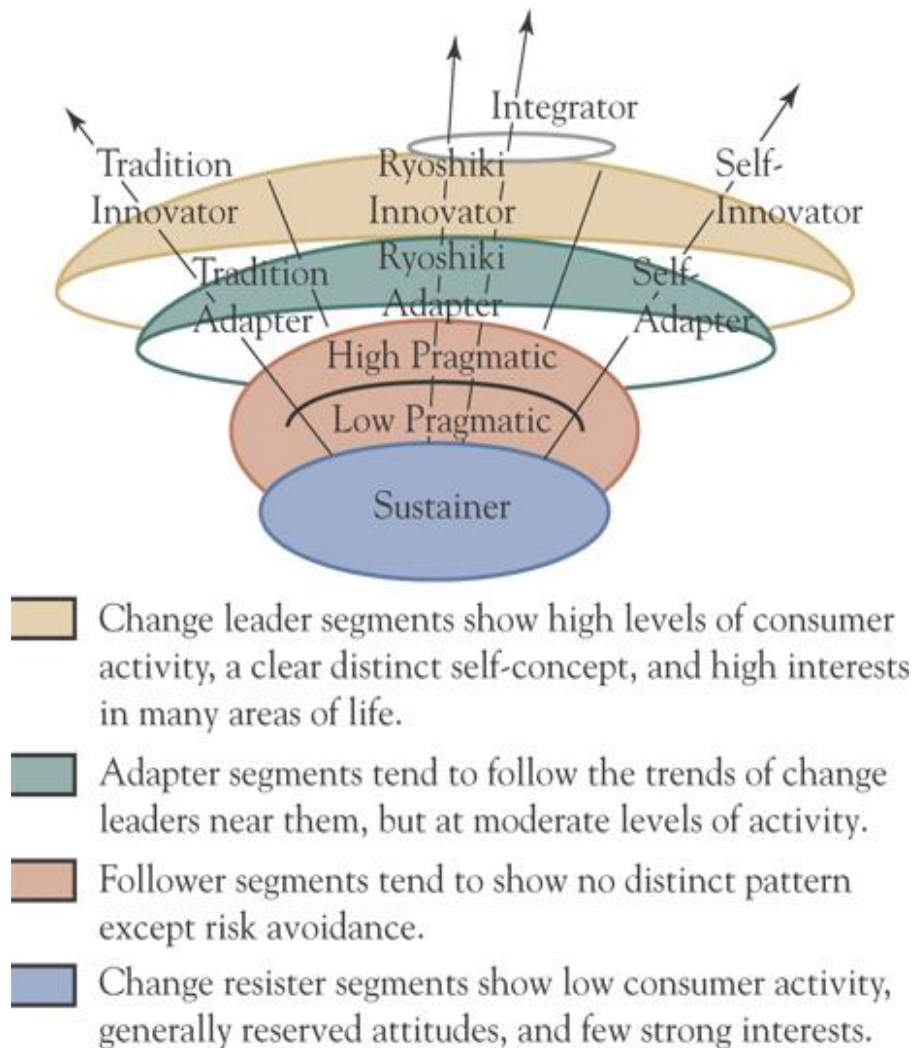
VALS 1

- **The Needy**
 - Survivors
 - Sustainers
- **Outer-Directed Orientation**
 - Belongers
 - Emulators
 - Achievers
- **Inner-Directed Orientation**
 - I Am Me
 - Experiential
 - Societally Conscious
 - Integrated

VALS2



Japan VALS Segments



Values and Lifestyles Systems

- **LOVs (List of Values)**
 - assesses adaptation to various roles through fulfillment of values such as self-respect, sense of belonging, excitement, etc.
- **Cohort Analysis**
 - understanding power of cohorts

International Lifestyle Segments

- **Global Scan measures a wide variety of attitude and consumer values, media use, and buying patterns primarily of Triad and Pacific Rim countries and assigns them to five segments**
 - **adapters**
 - **traditionals**
 - **pressureds**
 - **achievers**
 - **strivers**

Five Thai Consumer Types

Source: Euromonitor International

- **Undaunted Striver**
- **Impulsive Spender**
- **Secure Traditionalist**
- **Empowered Activist**
- **Inspired Adventurer**

Shifting Lifestyles

- **Lifestyle trends are triggered by major demographic (women entering workforce) and attitudinal shifts (growing organic food consumption)**
- **Lifestyle trends affect industries as well as products and services**
- **Lifestyle can be personified by a single person (e.g., Add Carabao)**

What about the Thai Values?

Thai Values Clusters

Source: Komin 1991

- **Ego Orientation**
- **Grateful Relationship Orientation**
- **Smooth Interpersonal Relationship Orientation**
- **Flexibility and Adjustment O.**
- **Religio-psychical O.**

Thai Values Clusters (cont.)

- **Education and Competence O.**
- **Interdependence O.**
- **Fun-pleasure O.**
- **Achievement-task O.**

The Self Revisited

Consumers As Social Beings

- **The Self & Symbolic Consumption in Consumer Culture**
- **Appropriation of Consumption Symbolism**
- **Possession and the Extended Self**

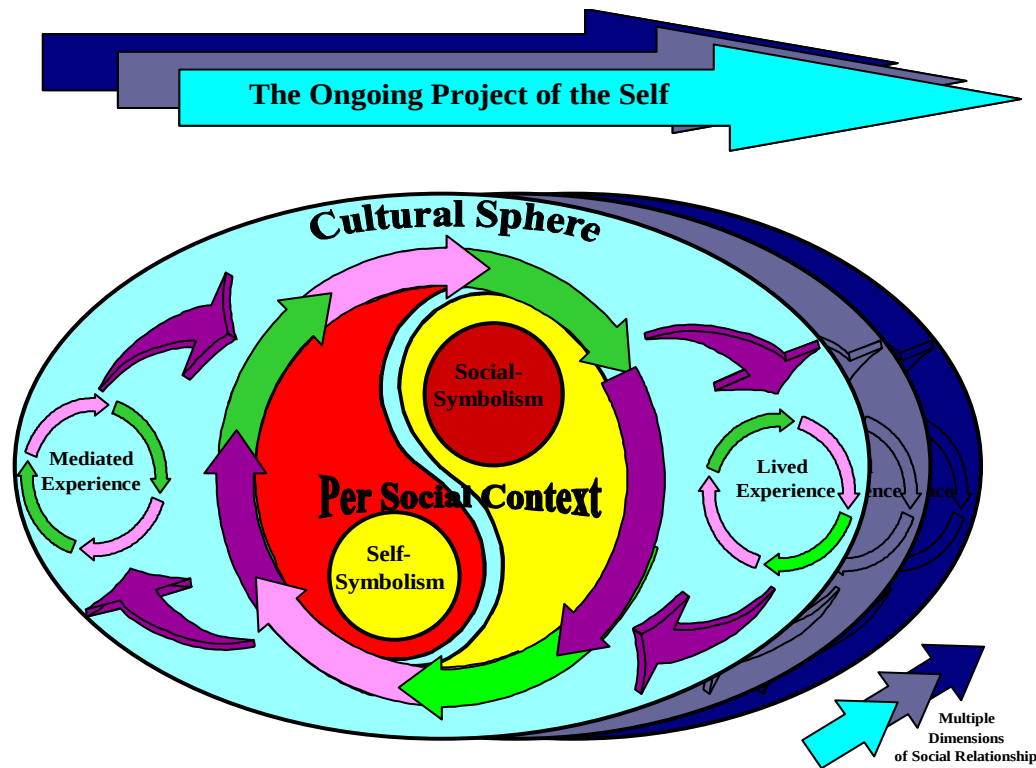
The Self and Symbolic Consumption

Having, Doing and Being

- *To Have is To Be.*
- *To Have is To Belong.*
- *Not to Have is To Be.*
- *To Have is To Enslaved ?*

Brands as Symbolic Resources for Identity Construction

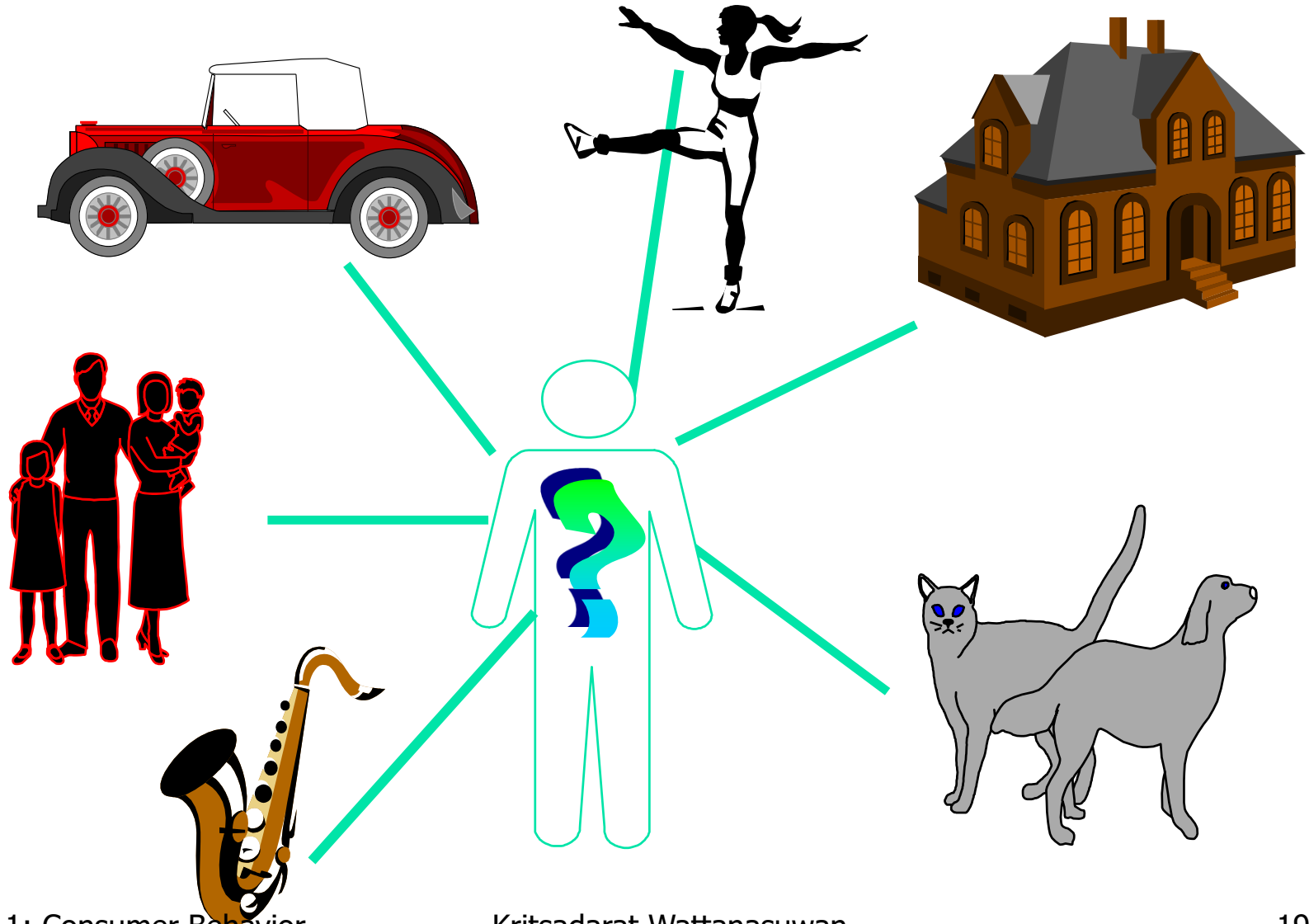
Meaning Appropriation in Consumer Culture



Consumption Symbolism and the Harmonising Self
(Wattanasuwan 2000)

Possessions and the Extended Self

The Extended Self



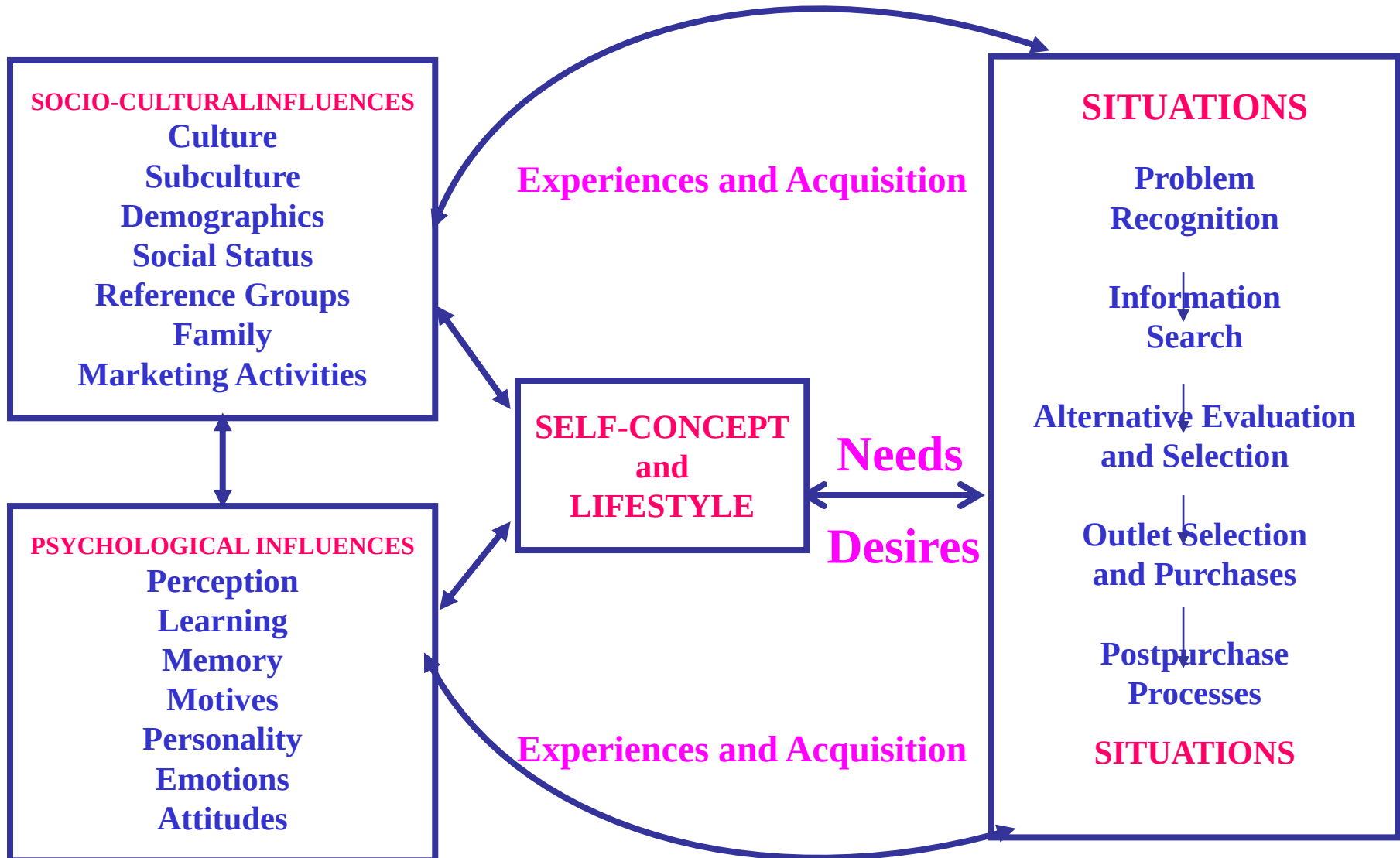
Consumption and Symbolic Immortality

Lecture Outline

Consumers As Social Beings

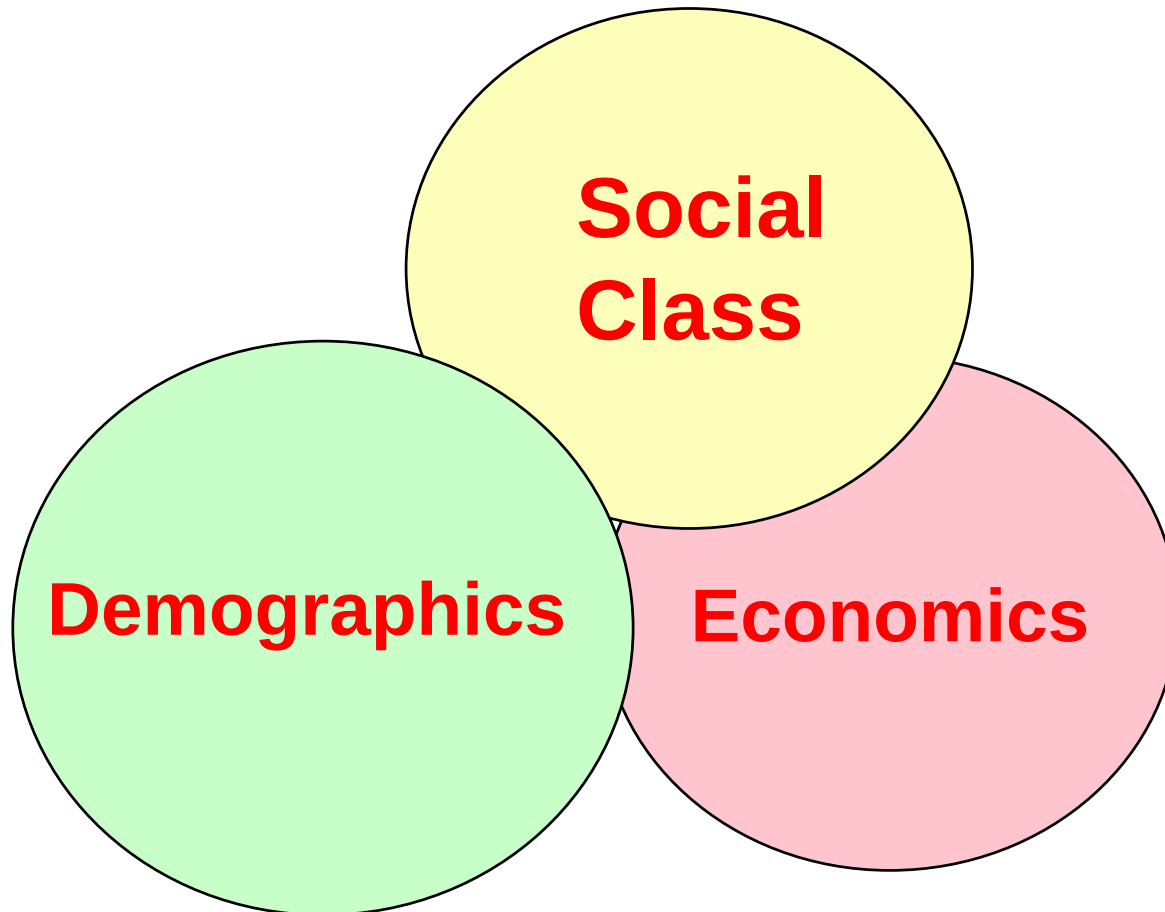
- Social Structure
- Demographics
- Social Class

Overall Model of Consumer Behaviour



Adapted from "Consumer Behavior: Building Marketing Strategy" by Hawkins, Best and Coney

Social Structures



Demographics

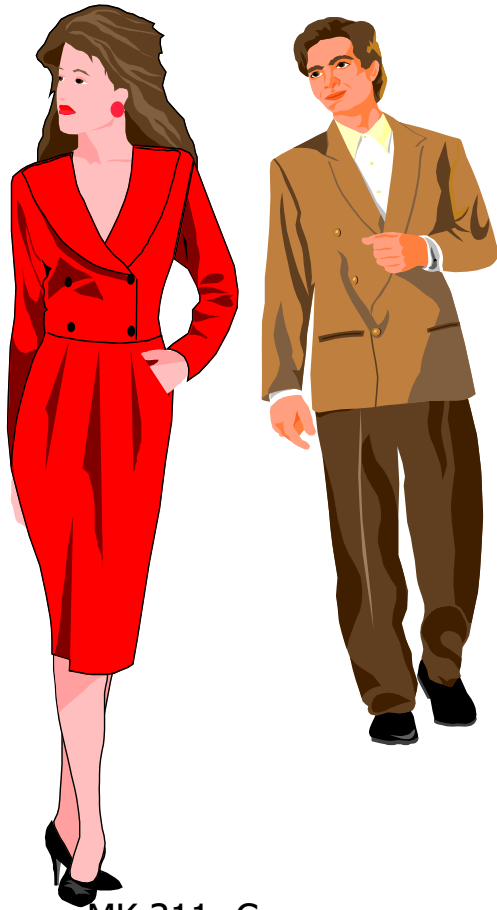
- **Sex/Gender**
- **Sexuality**
- **Age**
- **Income**
- **Education**
- **Occupation**
- **Religion**
- **Ethnicity**

Demographics

**Let's Look at
Demographics
from various
Perspectives**

**Consumer behaviour
is
socio-culturally
constructed.**

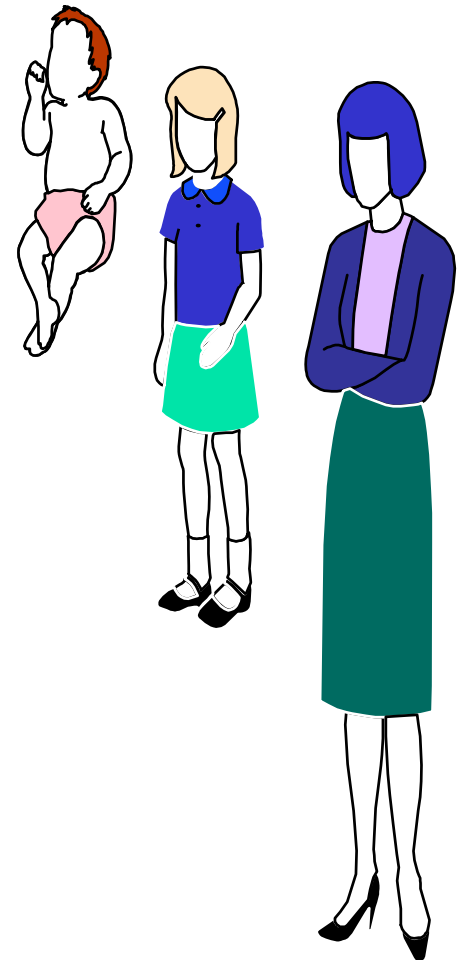
GENDER



- **Biological Sex**
- **Cultural Conceptions of Gender**
- **Cultural Conceptions of Masculinity and Femininity**
- **Gender Bending and Blending**

AGE

- **Life Cycle Stages**
- **Consumer Socialisation**
- **Consumption Choices**
- **Rites of Passage**
- **Chronological vs. Psychological Age**
- **Age cohorts and Shared Values**



RELIGION

- **Source of enduring consumer values**
- **Source of consumption taboos**
- **Emerging field of marketing**
- **Targeting opportunities**
- **Positioning opportunities**

Ethnicity

- *frequent association and identification with common national or cultural origins of a subgroup found within the larger society*

Ethnicity (continued)

■ **Situational Ethnicity**

- when expressions of ethnicity vary with social context

■ **Acculturation**

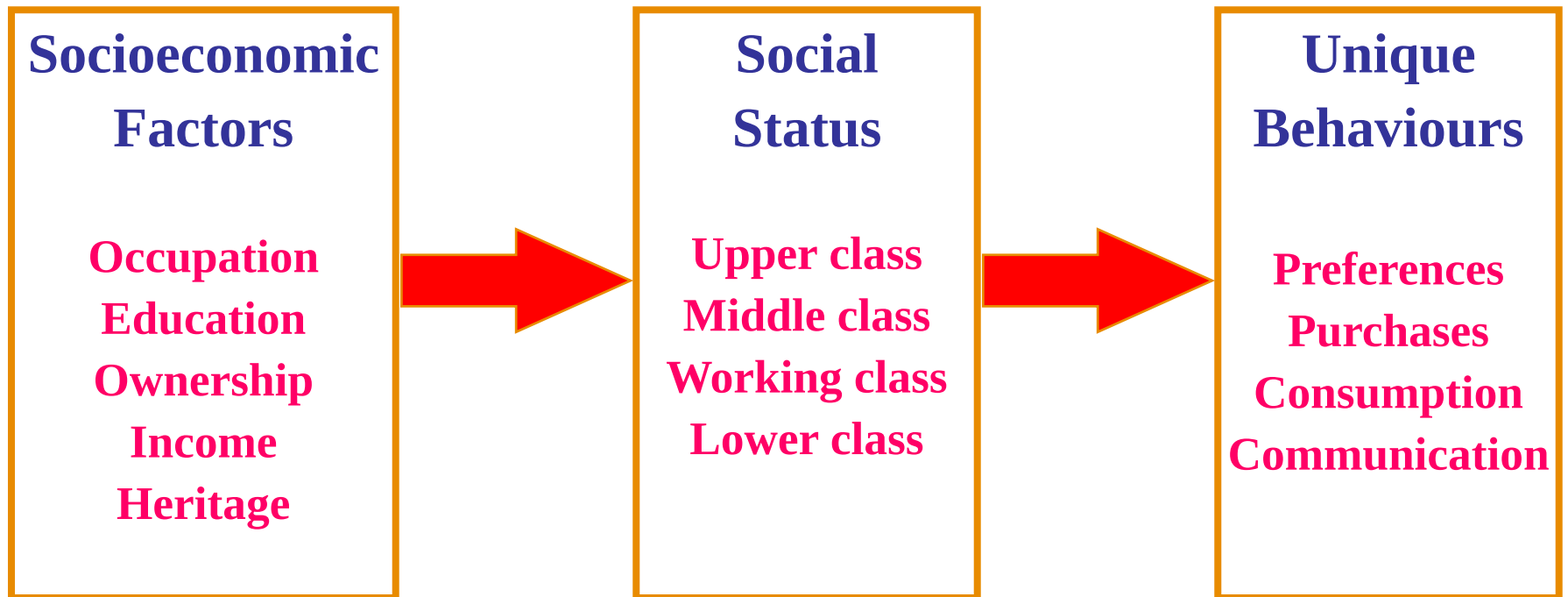
- changes in knowledge, beliefs, values, and behaviours when an individual member of an ethnic group comes into prolonged contact with a dominant culture

Ethnicity (continued)

■ **Assimilation**

- **process of interpretation and fusion in which persons and groups acquire memories, sentiments and attitudes of other persons or groups and, by sharing their experience and history, are incorporated with them in a common culture life**

Social Status Is Derived and Influences Behaviour



Consumer Capitals

- **Economic Capital**

- financial resources, including income

- **Social Capital**

- relationships, organizational memberships and social networks that are often nurtured in schools, jobs, or neighborhoods

- **Cultural capital**

- implicit practical knowledge and skills, access to consumer goods and objects such as fine arts and heirlooms, degrees, diplomas, and memberships in clubs and associations that certify certain qualities to others.

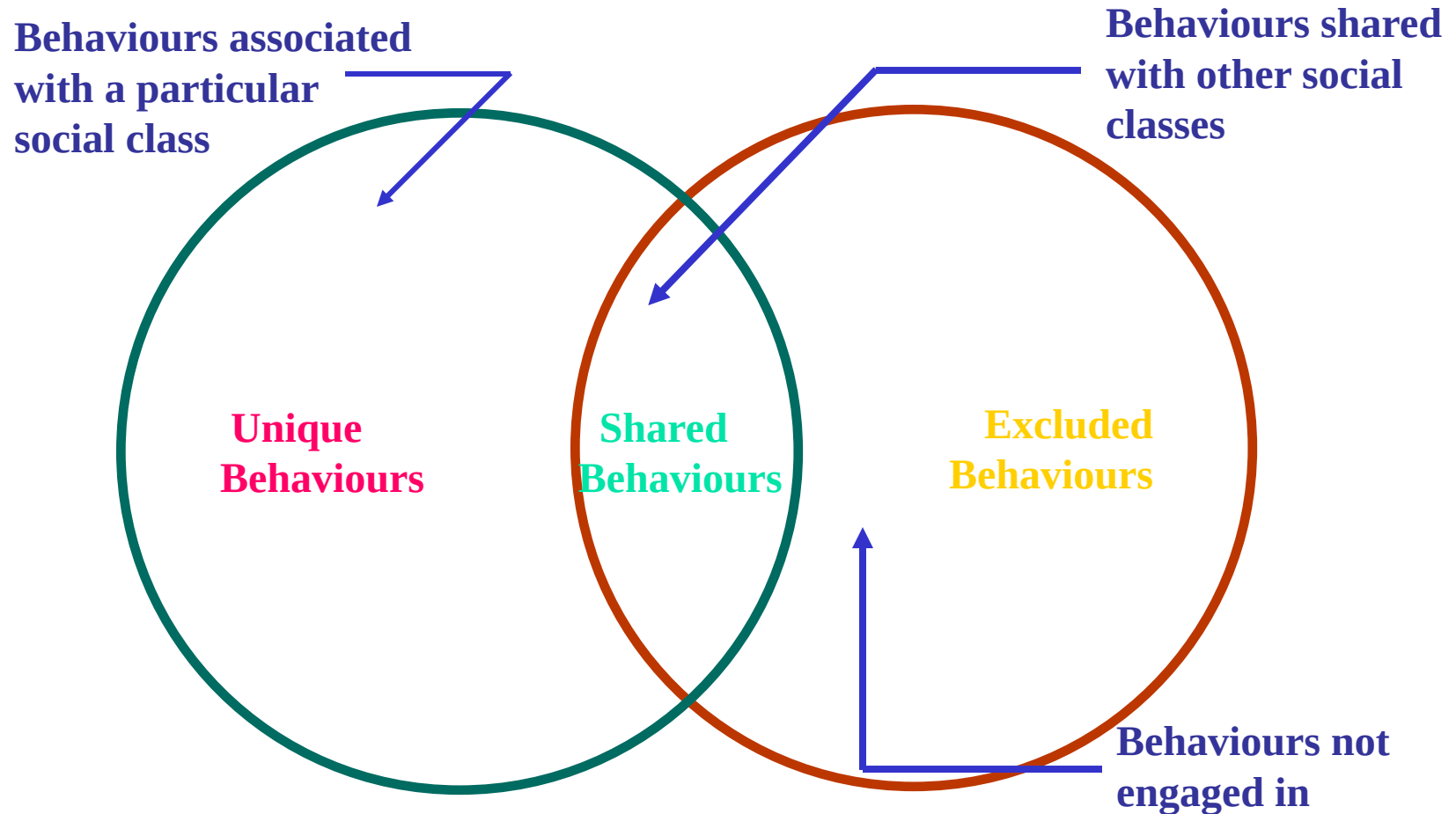
Symbolic Capital

- **Status-oriented Consumption**
 - *behaviour involving competition for symbolic capital often associated with status symbols*
- **Status Symbols**
 - *consumer products, activities, or services that indicate ones position in the class hierarchy*

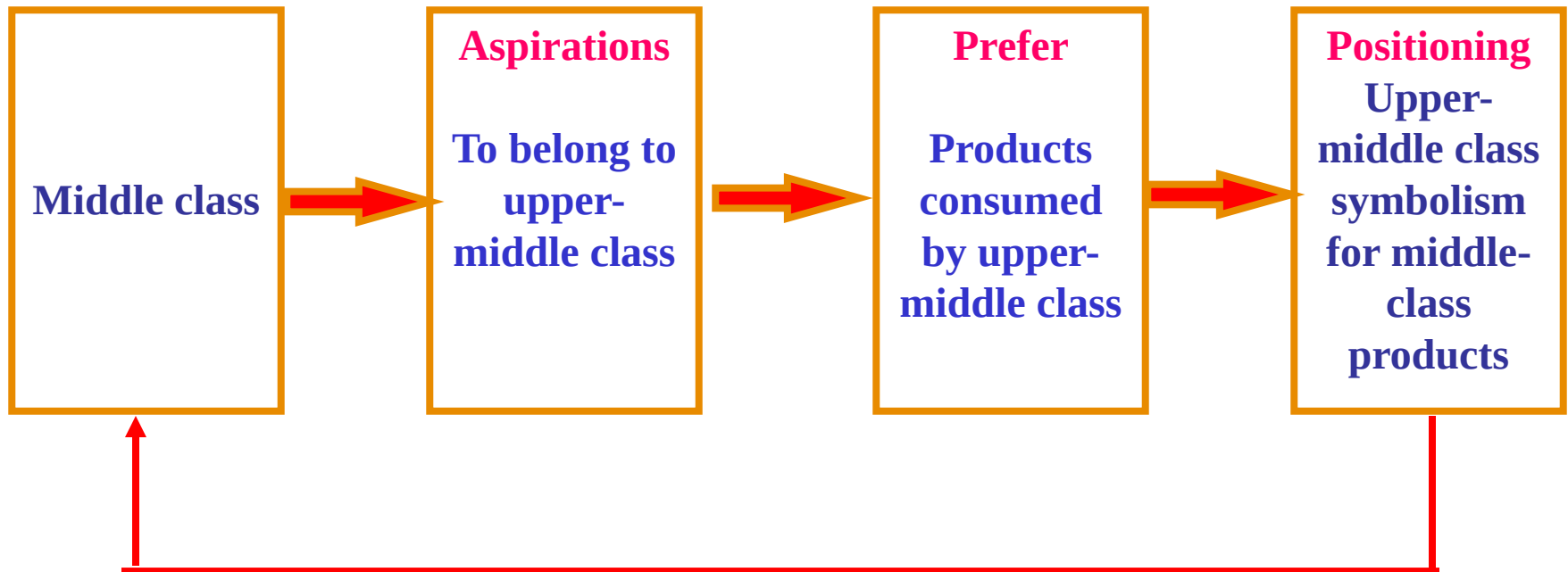
Consumption Patterns and Class-Based Segments

- **Three main class-based segments**
 - **Upper Class**
 - Old Money
 - Nouveau Riche
 - Professional (e.g., CEO)
 - Get Set?
 - **Middle Class**
 - **Working-Class and Under-Class**

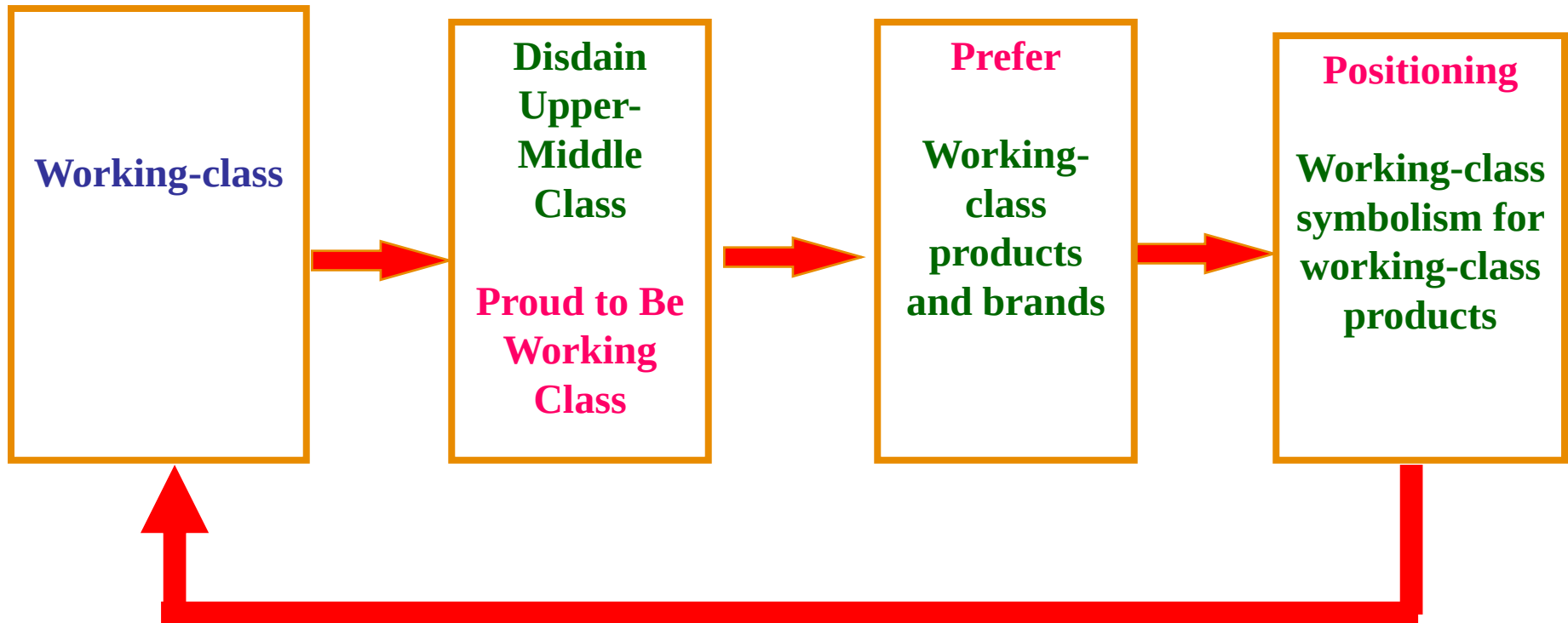
Not All Behaviours within a Social Class Are Unique



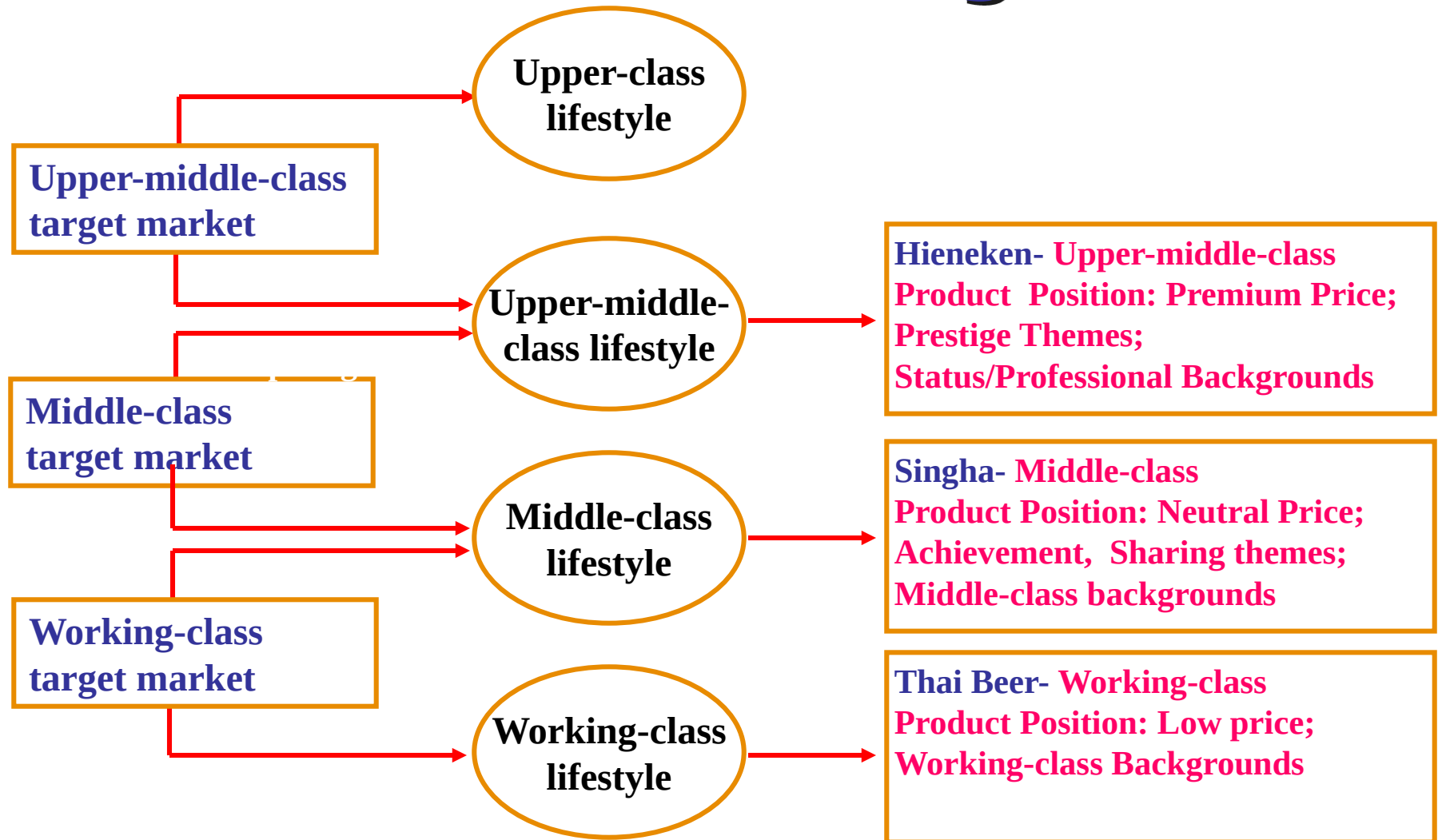
“Upward Pull” Strategy Targeted at Middle Class



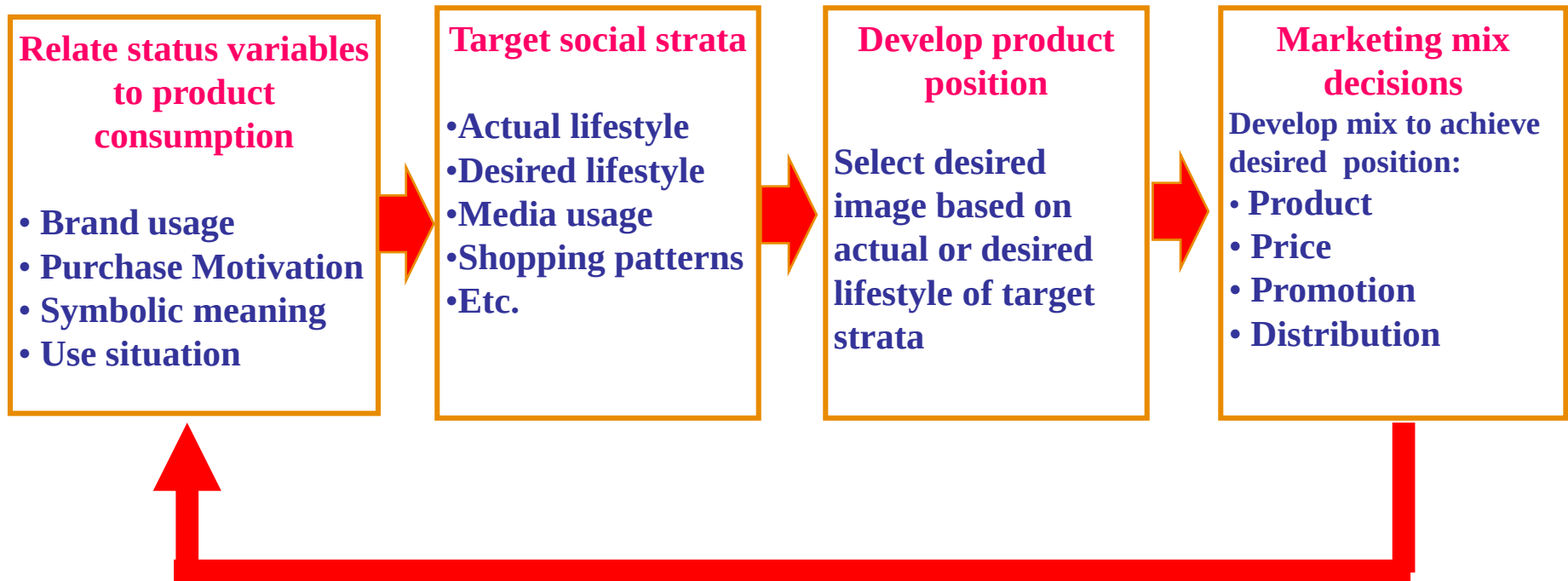
Positioning Within Social Class



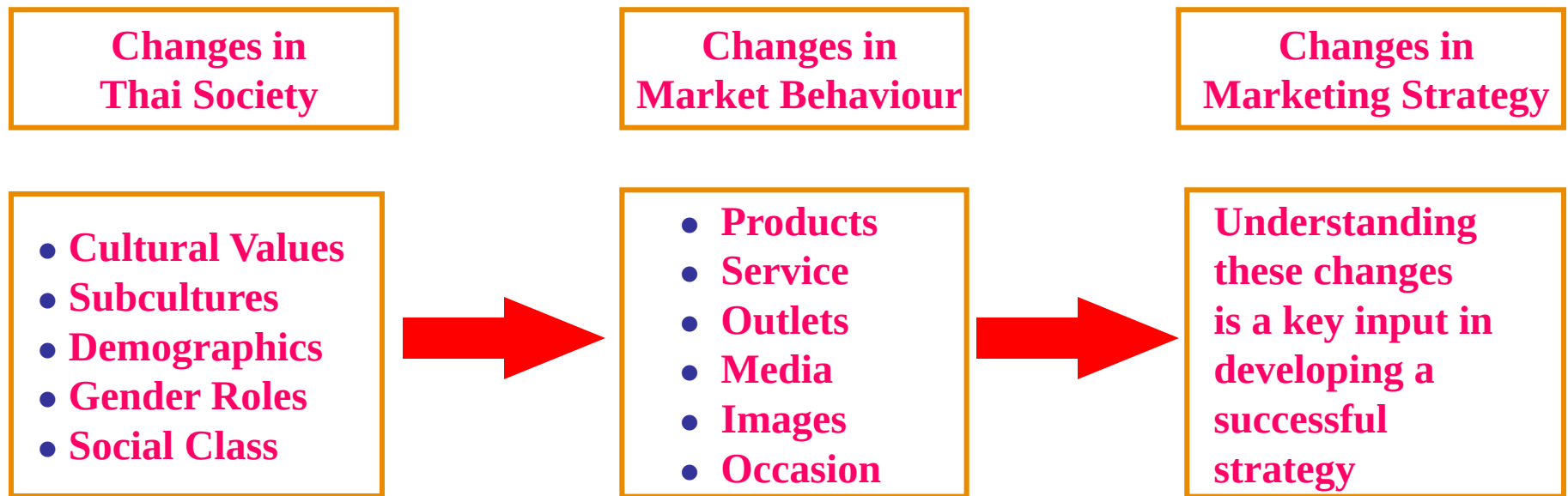
Positioning to Social Class Segments



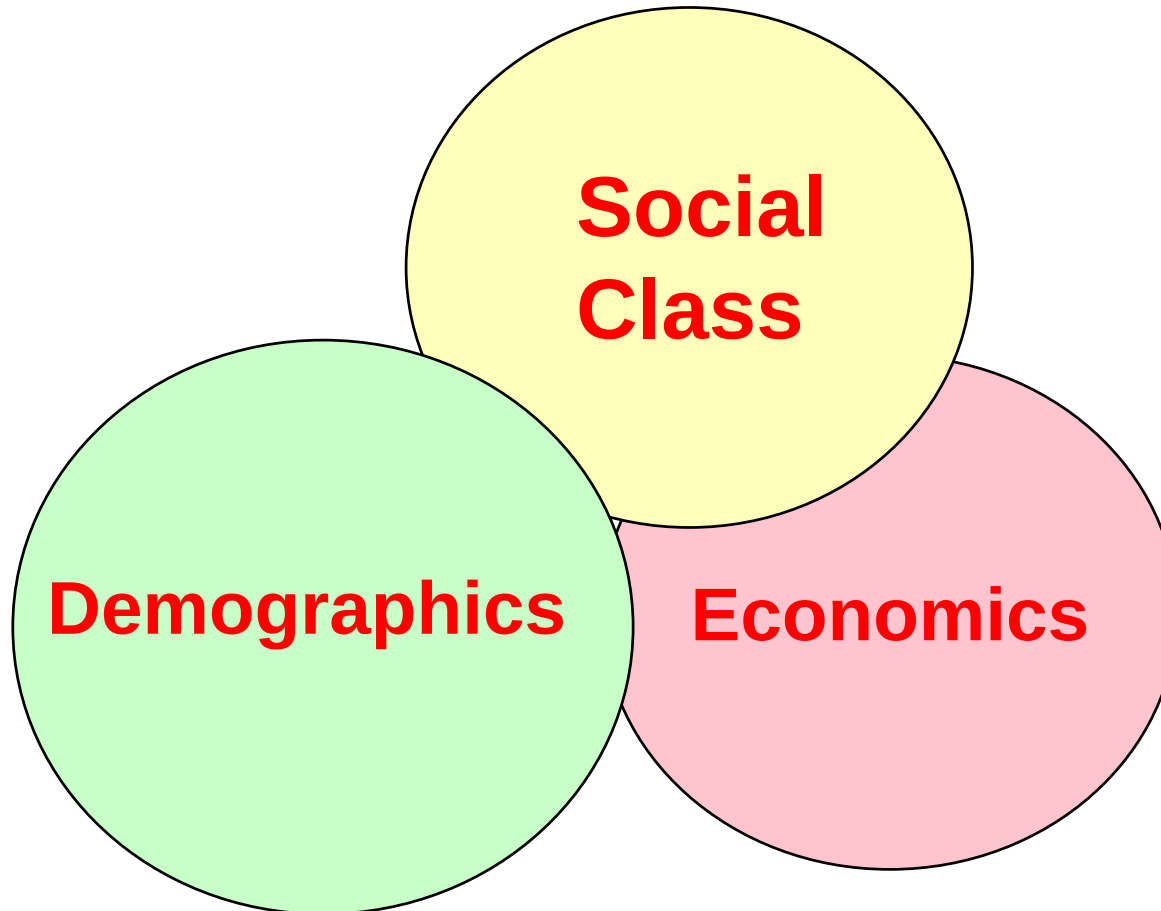
Using Social Stratification to Develop Marketing Strategy



Changes in Society that Affect Marketing Strategy



Social Structures

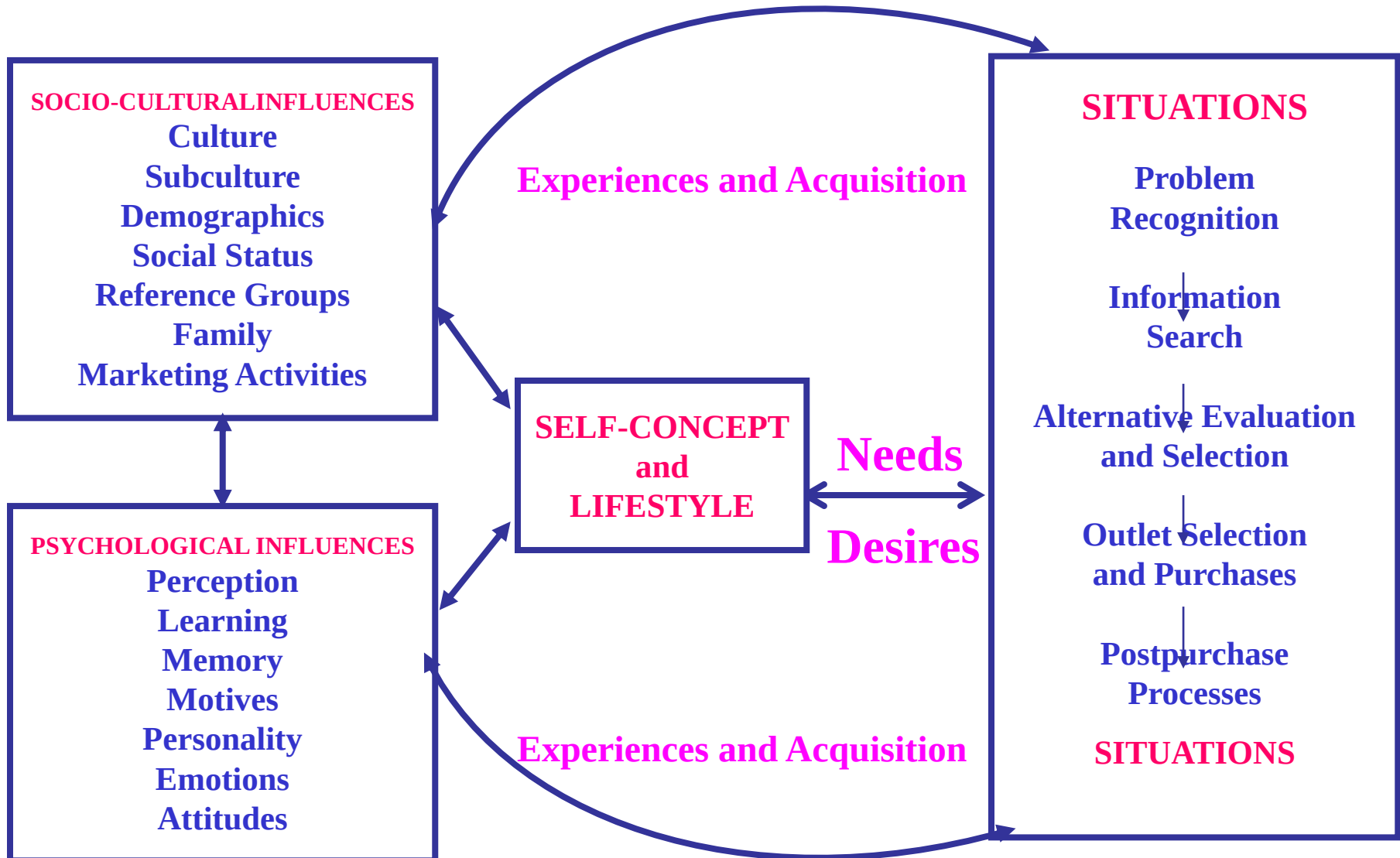


Lecture Outline

Consumers As Social Beings

- Social & Reference Groups
- Family

Overall Model of Consumer Behaviour



Adapted from "Consumer Behavior: Building Marketing Strategy" by Hawkins, Best and Coney

Social Group

A group (or a person) that serves as a point of comparison (or reference) for an individual in the formation of either general or specific values, attitudes, or behaviour.

Meaning and Importance of Groups

- **A Group:** Two or more individuals who share beliefs, have role relationships, and experience interdependent behaviour.
- **Socialisation:** The process by which we develop socially relevant behaviour through interaction with others.
- **Modeling:** Our conscious attempt to emulate others in a group.

Types of Groups

- **Primary Groups:** Intimate groups that meet regularly and communicate face-to-face?.
- **Secondary Groups:** Groups where regular, fact-to-face contact is lacking?.
- **Formal Groups:** Groups with an explicit structure and specified objectives.
- **Informal Groups:** Loosely organised groups where structure is less evident.

Selected Consumer-Related Reference Groups



- **Friendship groups**
- **Shopping groups**
- **Work groups**
- **Virtual groups or communities**
- **Consumer-action groups**

Reference Groups and Their Types

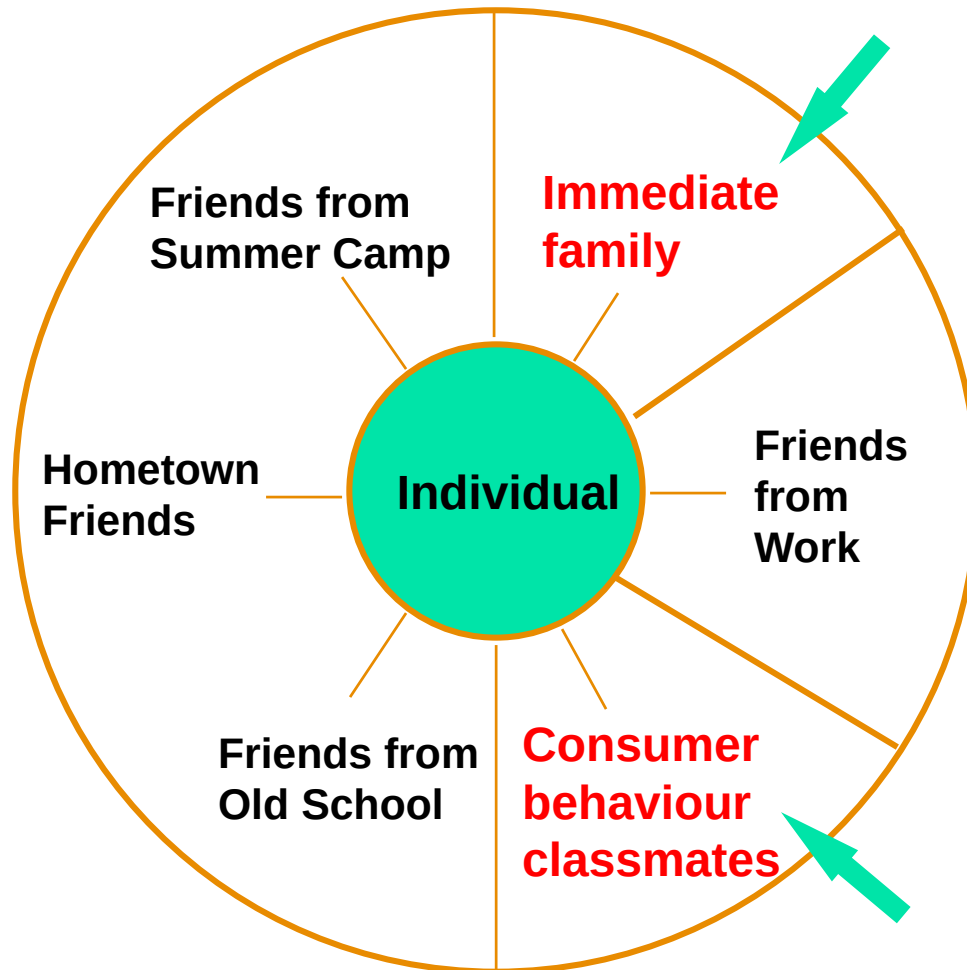
- **Reference groups provide a perspective for evaluating or patterning our own behaviour.**
- **Types of reference groups:**
 - **Membership:** Groups in which one qualifies for membership
 - **Aspirational:** Groups which one desires to join but lacks qualifications
 - **Anticipatory:** Groups that one has reasonable expectation of joining
 - **Symbolic:** Groups where chances of joining are remote

Dissociative Reference Groups

Not all groups provide consumers with a positive frame of reference.

- **Types of dissociative reference groups:**
 - **Negative Reference Groups:**
Groups that we avoid association or identification with.
 - **Disclaimant Reference Groups:**
Groups that we may have belonged to, but whose values we now reject.

Reference Groups Change as the Situation Changes



Degrees of Reference Group Influence

Three degrees of group influence are identified:

- **Information**
- **Compliance:** Going along with group mandates to obtain approval.
- **Identification:** Abiding by group mandates to maintain a self-defining relationship with the group.
- **Internalisation:** Accepting group norms and values as one's own.

Factors That Affect Reference Group Influence

- **Information and experience**
- **Credibility, attractiveness, and power of the reference group**
- **Conspicuousness of the product**

Reference Group in Communication Strategy

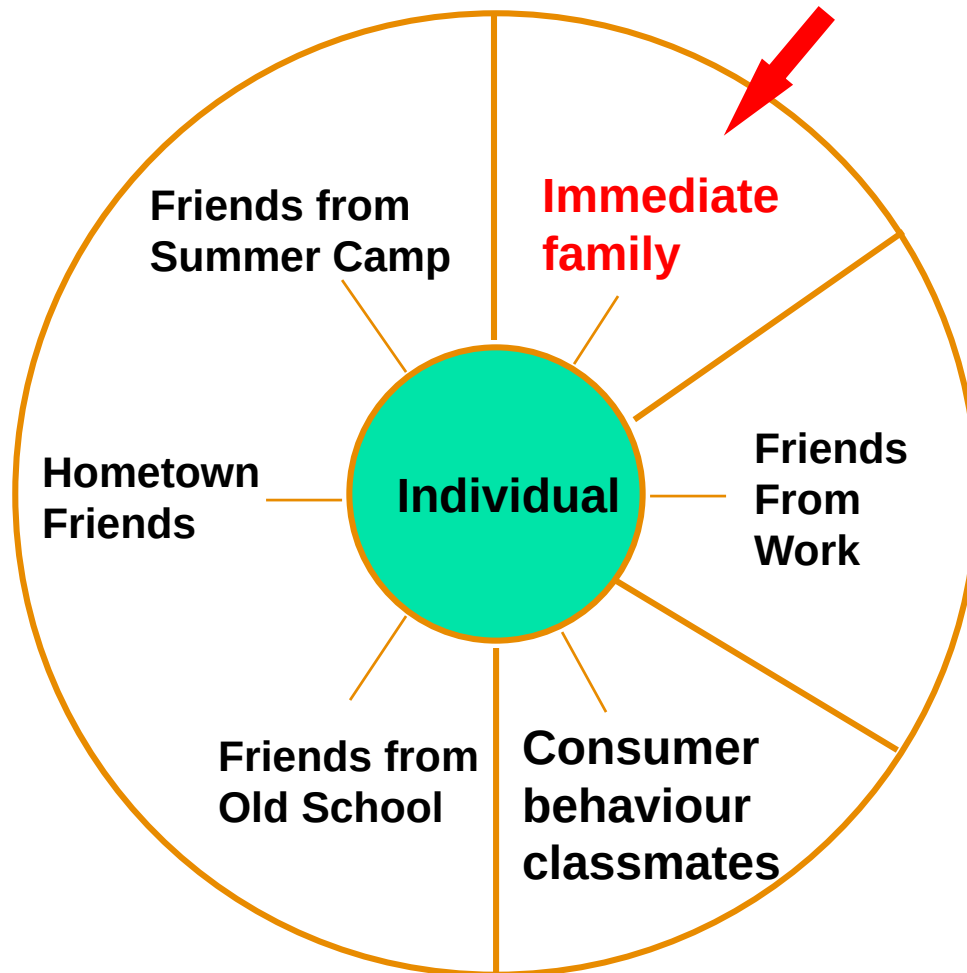
- **Testimonial**
- **Endorsement**
- **Presenter or Spokesperson**
- **Actress/Actor**

Brand & Opinion Leader/ Influencer

Micro Opinion Leaders



Family as Important Reference Groups



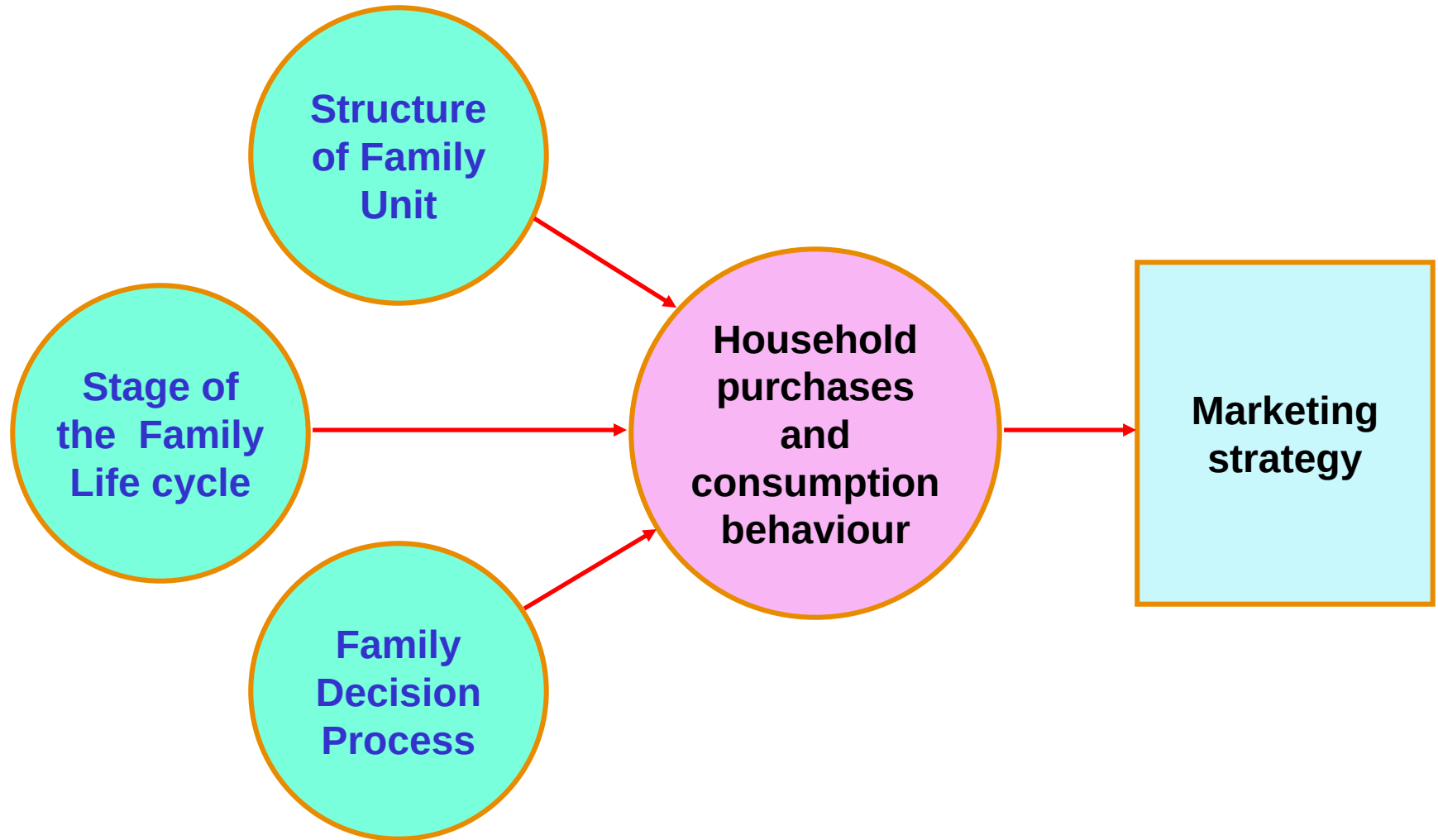
Families and Households

- **Domestic groups comprise a primary, involuntary unit of social life between the individual and the community.**
- **Families comprise individuals related by blood, marriage, adoption, and emotional commitment.**
- **Households are defined as co-resident, activity groups**
 - **Fictive Kin: individuals informally adopted into a household as family members.**

Consumer Socialisation

- **Consumer Socialisation** refers to imparting the values, norms, beliefs, and procedures associated with behaving as competent consumers in a given cultural setting.
 - **Direct socialisation:** parents purposively train children in consumer knowledge
 - **Indirect socialisation:** involves more passive learning through modeling of children's behaviours based on parental models.
 - **Co-shopping:** involves children accompanying parents on shopping trips.

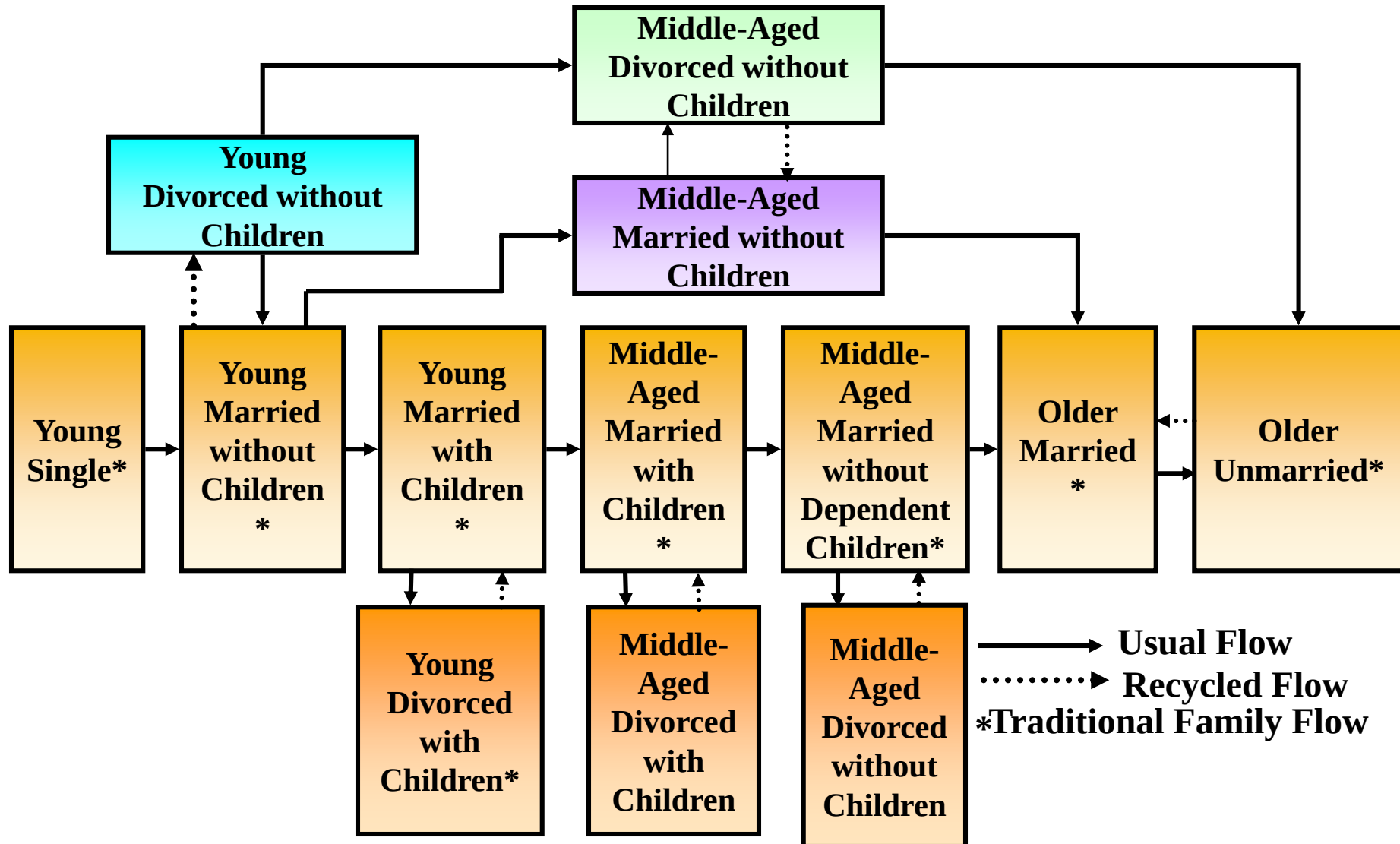
Family Influences Most Consumption Decisions



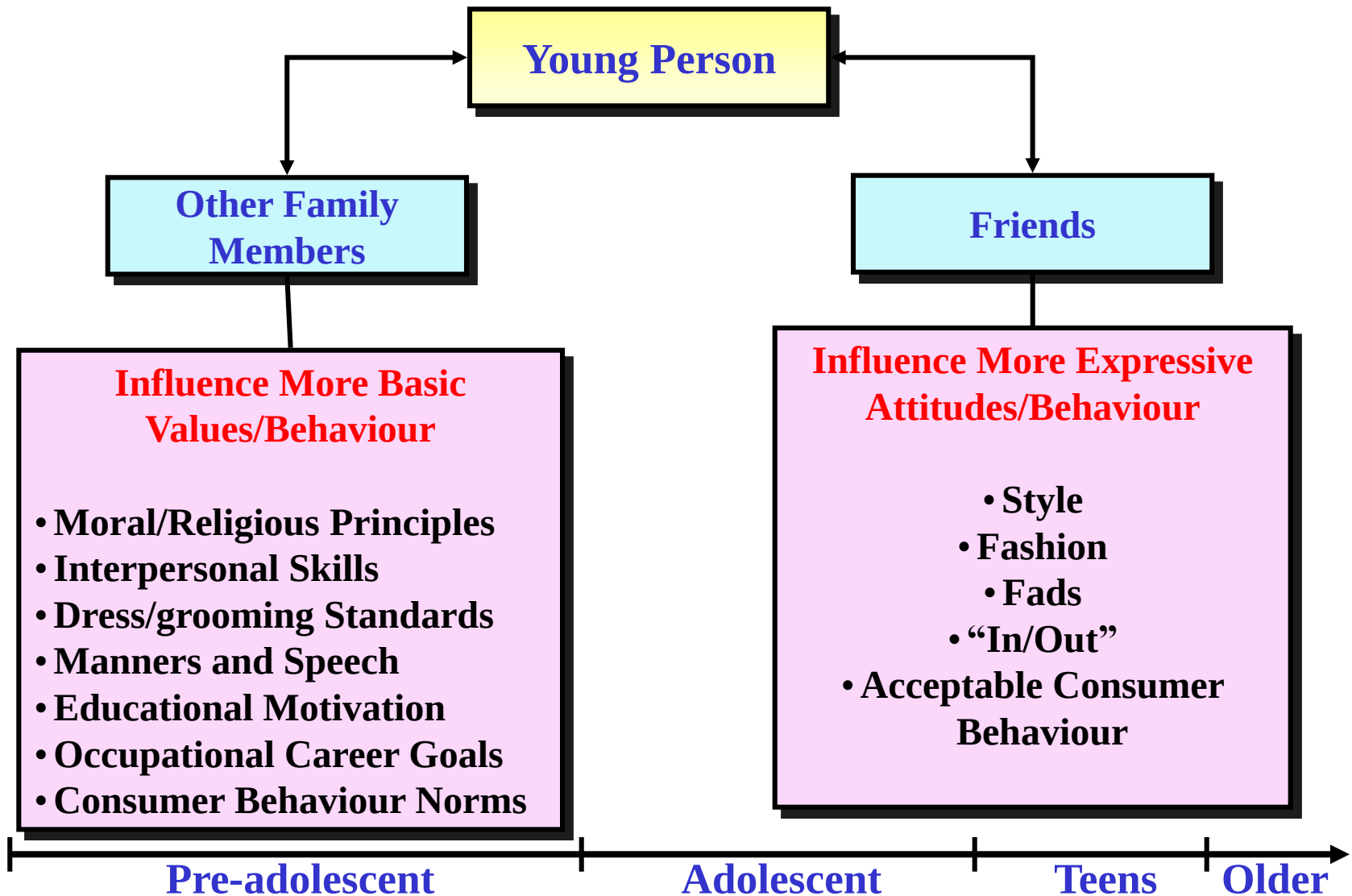
Structure of Family

- **Nuclear family: comprised of a married couple and their children**
- **Extended family: households comprised of multiple generations of family members, or joint households comprising of the families of married adult brothers.**
- **Co-residence and Dwellings:**
 - **significant to marketers because it implies acquisition and maintenance of a home**

A Family life Cycle



A Model of the Socialisation Process

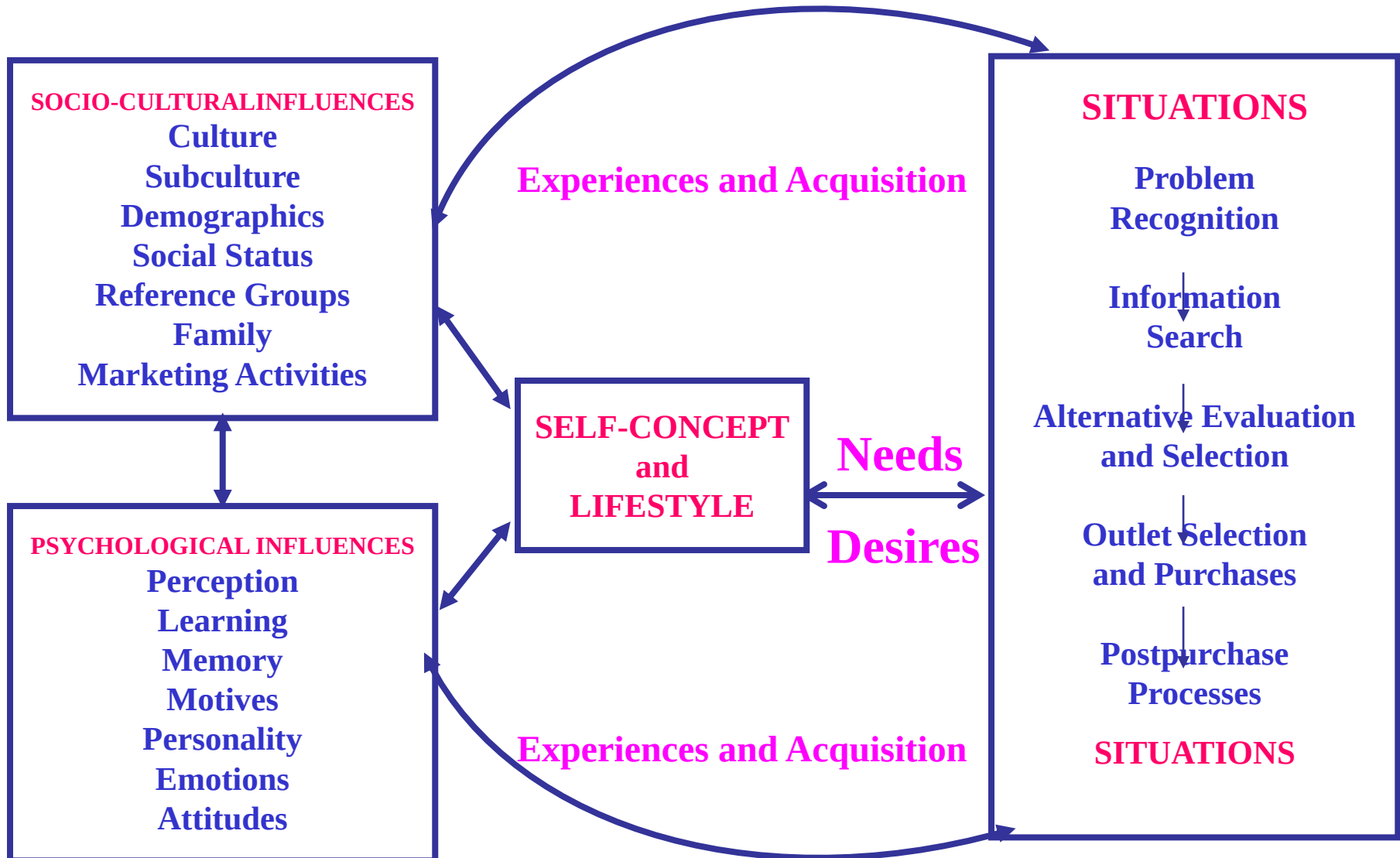


Lecture Outline

Consumers As Social Beings

- Culture & Subculture
- Cultural Changes
- Consumer Culture

Overall Model of Consumer Behaviour



Adapted from "Consumer Behavior: Building Marketing Strategy" by Hawkins, Best and Coney

Culture & Subculture

Society

Beliefs Values

Myth

Social Class

Custom

Meanings

Norms

S

Consumers

Culture

- **What Is Culture?**
- **Why Does Culture Matter?**
- **Components of Culture**
- **Cultural Changes**

Meaning and Nature of Culture

Culture consists of shared blueprints or schemas both for action and for understanding.

- **Cultural Categories**

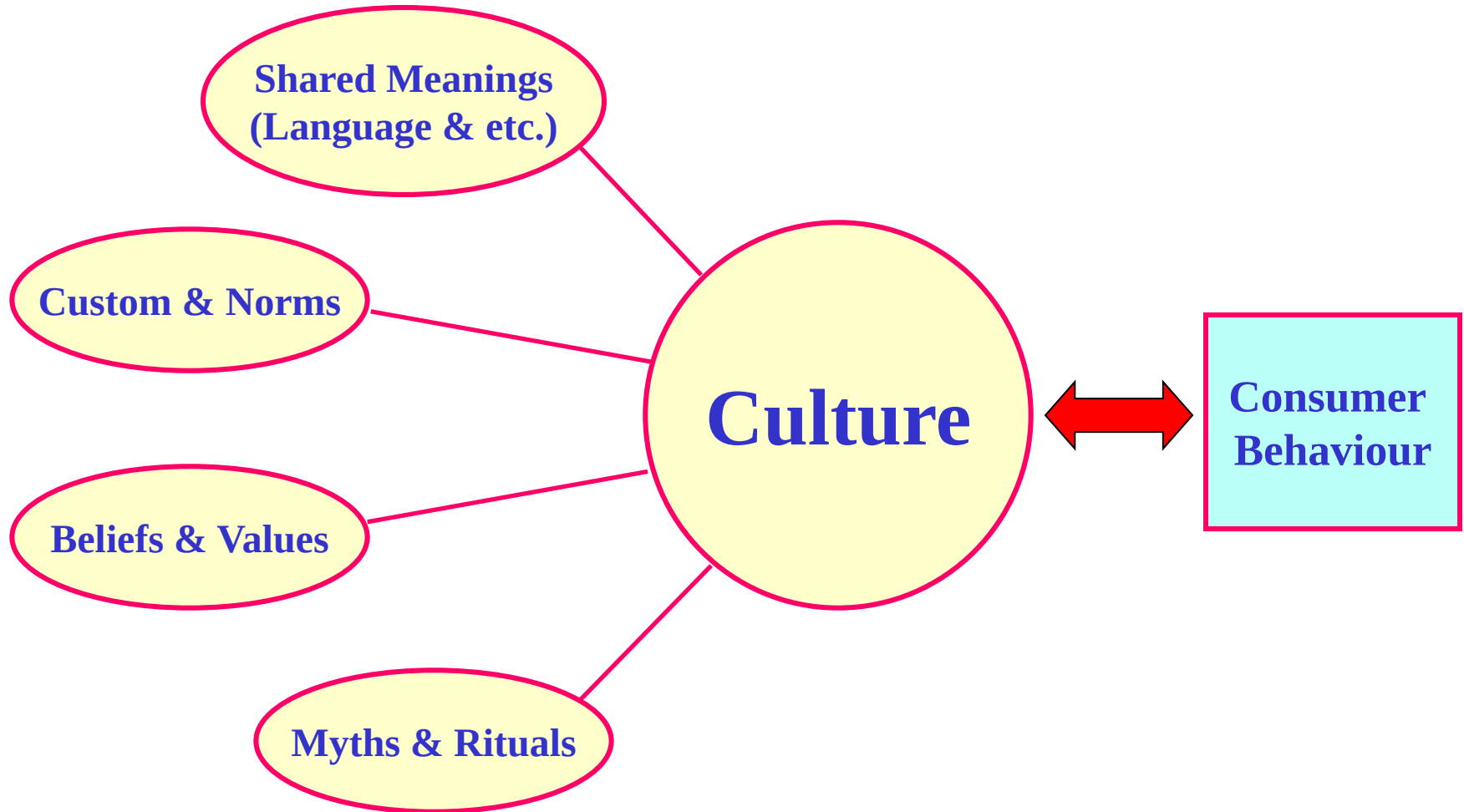
- time, space, nature, and the human community

- **Cultural Principles**

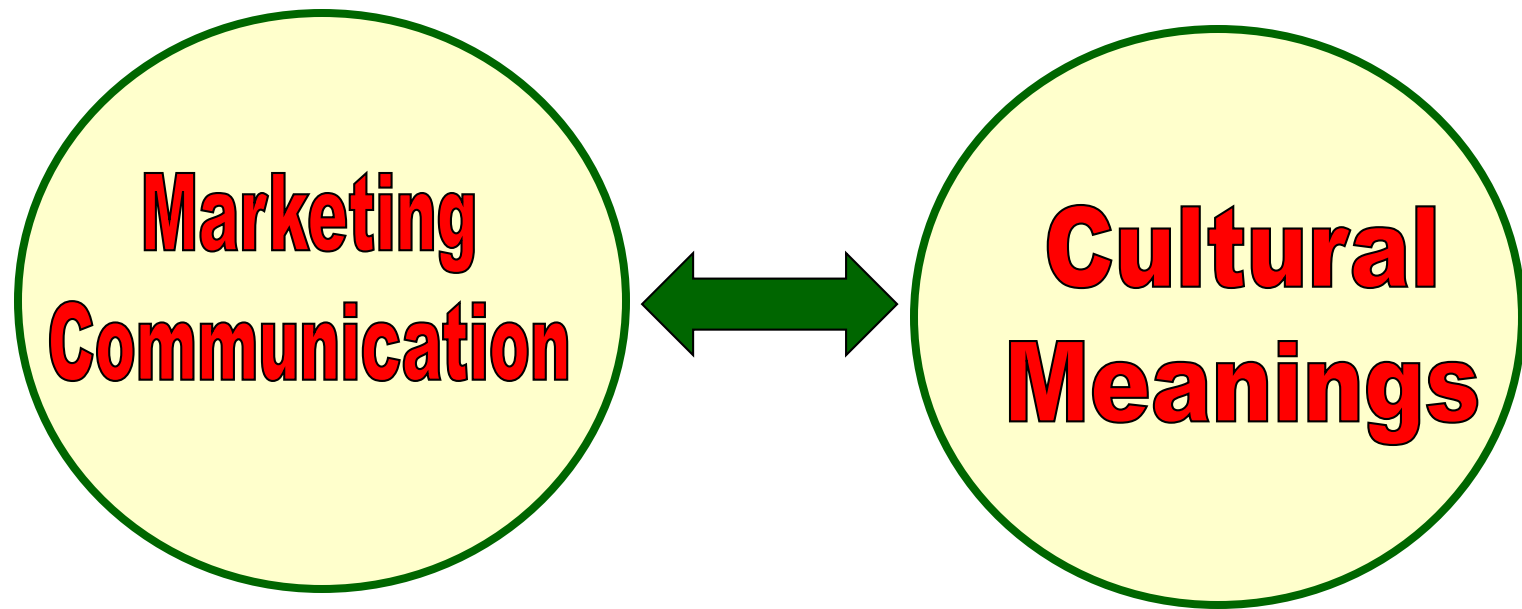
- values, norms, and beliefs that allow things to be grouped into cultural categories, ranked, and interrelated

Marketing challenge: aligning products with cultural blueprints, categories, and principles.

Cultural Factors



Marketing and Cultural Meanings



What if...

**We do not pay
attention at
culture!!**

Cultural Values

- **Cultural values are those shared broadly across a society, values that are conditioned at the society level and reinforced and augmented at successive subcultural levels.**
 - **Instrumental values**
 - shared beliefs about how people should behave and desired end states.
 - **Terminal values**
 - desirable life goals

Cultural Values (continued)

■ Value-Attitude-Behaviour Hierarchy

- abstract values affect midrange attitudes that led to specific consumer behaviours

■ Consumer Ethnocentrism

- preference for one's own system of tastes and preferences over those of another cultural group

- **Conspicuous consumption**
 - acquisition and visibility of “luxury” goods and services to demonstrate one’s ability to afford them
- **Materialism**
 - importance consumer attaches to worldly possessions or consumption-based orientation to happiness seeking

Cultural Myths and Symbols

■ Myth

- a story containing symbolic elements that express shared emotions and cultural values, maintain social order by authorizing a social code

■ Urban Legends

- stories passed by word of mouth that purport to be nearly first hand accounts of real events, but are fictions

■ Cultural Symbols

- objects that represent beliefs and values

Cultural Rituals



- Repetitive behavioural sequences
- Taken-for-granted scripts
- Exhibit arbitrary patterns
- Incorporate values
- Sustain social consensus
- Integrate interpersonal behaviours
- Examples include entry, exit, grooming, support, possession, exchange, divestment

Cultural Rituals (continued)

- **Exchange Rituals**
 - **Holiday gift giving**
 - **Rites of passage**
- **Life cycles of Rituals**
- **Global Consumption of Rituals**

Guidelines for Cultural Awareness

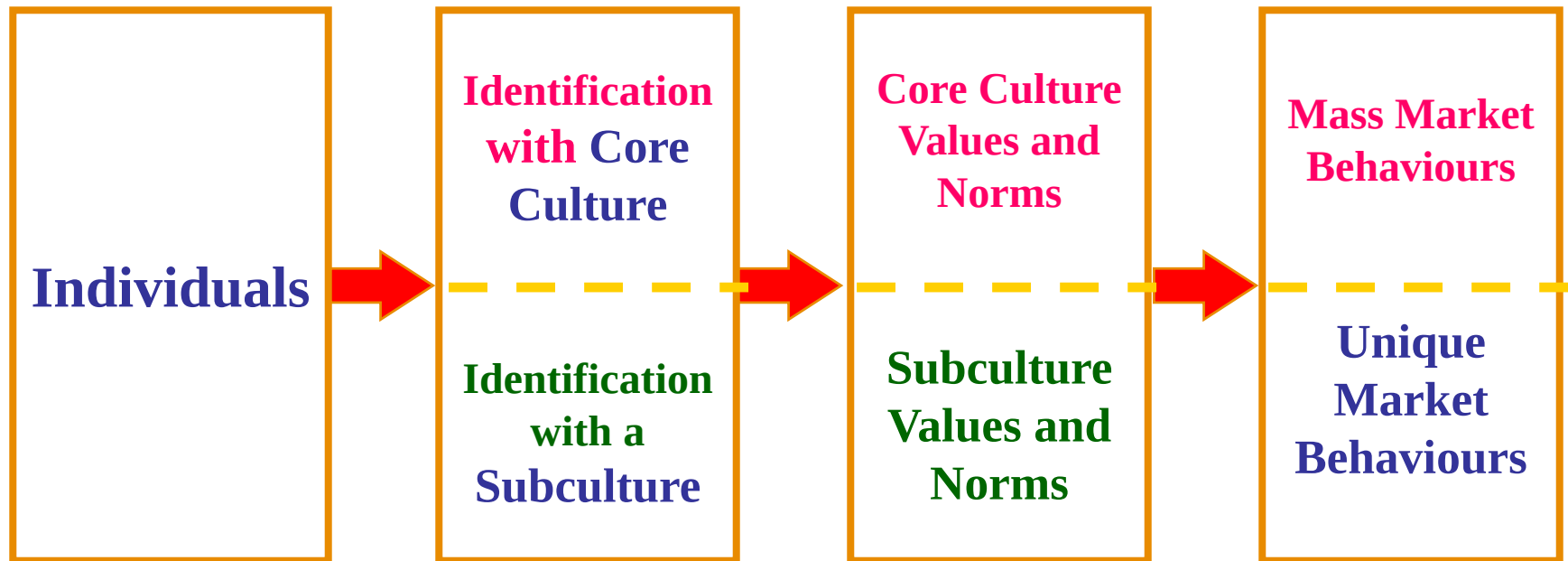
- **Diderot effect**
 - *force that encourages an individual to maintain a cultural consistency in his/her complement of consumer goods*
- **Culture is adaptive and dynamic**
- **Culture is an open system**
 - *it influences and is influenced by changes in their environment*

Cultural Symbols

- **Cultural symbols are shared symbolic meanings.**
- **Culture is reflected in core symbols.**
- **Consumer goods often become core symbols in a culture.**

From Culture to Subculture

Identification with a Subculture Produces Unique Market Behaviours



Consumption and Cultural Changes

- **Consumption Patterns and Preferences**
- **Trends and Changes in Consumer Behaviour**

Consumer Culture:

- **Popular/Media Culture**
- **Body Culture**
- **Globalised Culture**
- **Postmodern Culture**
 - **Fragmented Culture**
 - **Hyperreal Culture**
 - **Aestheticised Culture**

Globalization, Consumer Culture, and Cultural Creolisation

Trends:

- **Global spread of brands and consumption practices**
- **Creolisation**
 - consumption patterns that combine elements of local and foreign consumption traditions
- **Nostalgic Defense**
 - ethnocentric consumer reaction against globalization, rejecting foreign consumption consumption and values

Fragmented Culture

- **Lots of small sub-culture**
- **Against Diderot Effect?**
- **Mix & Match Culture**
- **Fragmented Self**

Consumer Culture and Identities

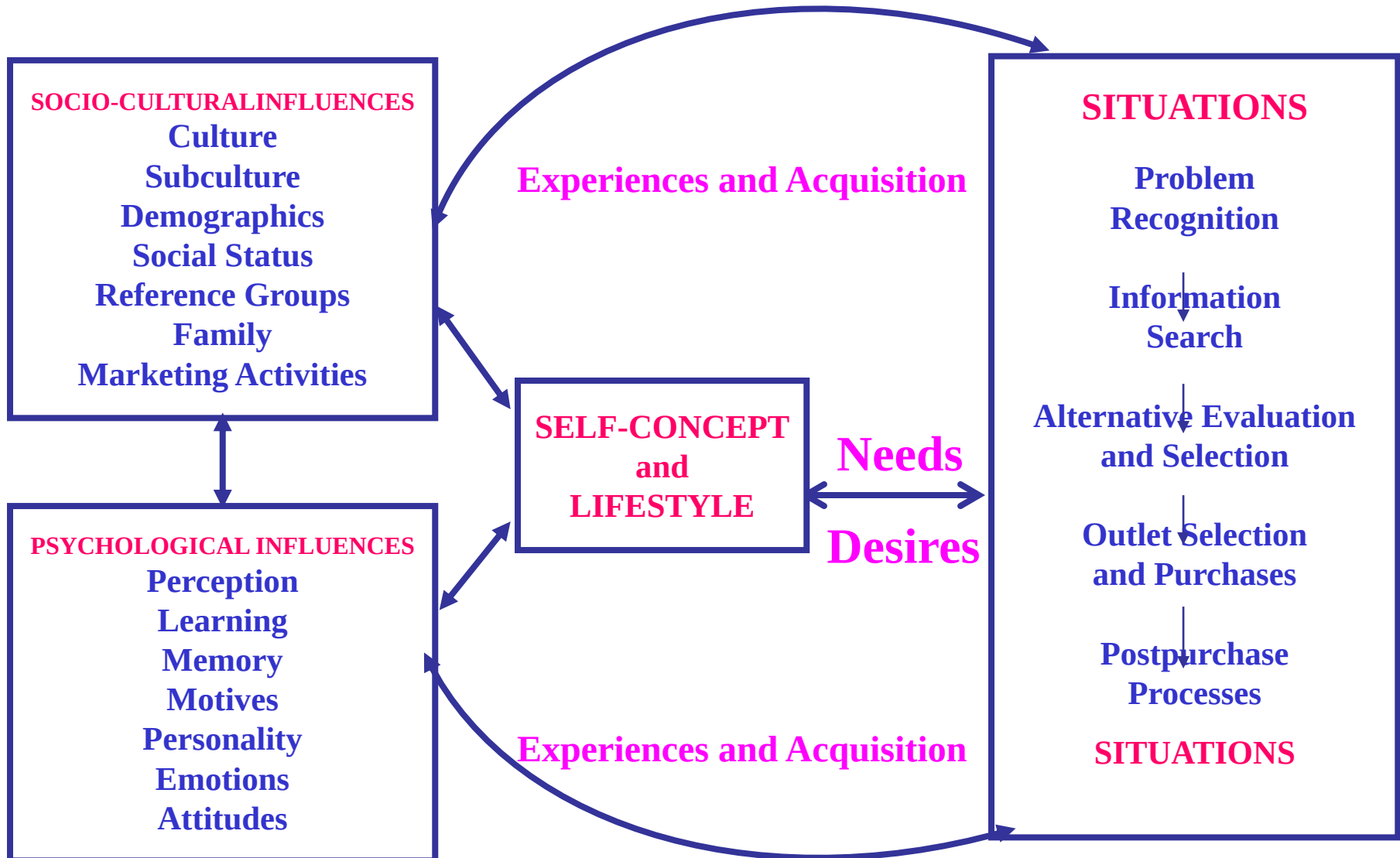
- **Consumer Culture and Gender**
- **Consumer Culture and Sexuality**
- **Consumer Culture and Thainess**
- **Consumer and Social Class**
- **Consumer Culture and ???**

Lecture Outline

Buying Decision Process

- **Individual Decision**

Overall Model of Consumer Behaviour



Adapted from "Consumer Behavior: Building Marketing Strategy" by Hawkins, Best and Coney

Purchases

- **Consumers make many kinds of purchase decisions**
- **The different types of purchase decisions include:**
 - **basic purchase decision**
 - **product category decision**
 - **brand purchase decision**
 - **channel purchase decision**
 - **payment decision**
 - **initial vs. repeat purchase decision**
- **Purchase decisions need not be made in the order indicated above.**



Are **all** purchase processes the same?

- **Vary by Situation**
- **Vary by Product**
- **Vary by Consumer**

Yes, indeed!

All purchases are not the same!

Several factors may affect the buying-decision process:

- **The prospect can withdraw at any stage.**
- **Stages may overlap, and are likely to be of different lengths.**
- **Consumers are often involved in several buying decisions simultaneously.**
- **The consumer's involvement level, the effort exerted, can vary.**

Levels of Consumer Decision Making

Extensive Problem Solving



Limited Problem Solving

Routinised Response Behaviour



The Nature of Situation

- **The Communications Situation:**
The situation in which consumers receive information.
- **The Purchase Situation**
- **The Usage Situation**
- **The Disposition Situation**
- **The Ritual Situation**

Situational Influences

- **Physical Surroundings** -location, décor, sounds, aromas, lighting, crowding..
- **Social Surroundings** - others present/not
- **Temporal Perspectives** - time, day, season, since last purchase, until payday.
- **Task Definitions** - self/gift, work/play
- **Antecedent States** - moods, cash on hand

Problem Recognition

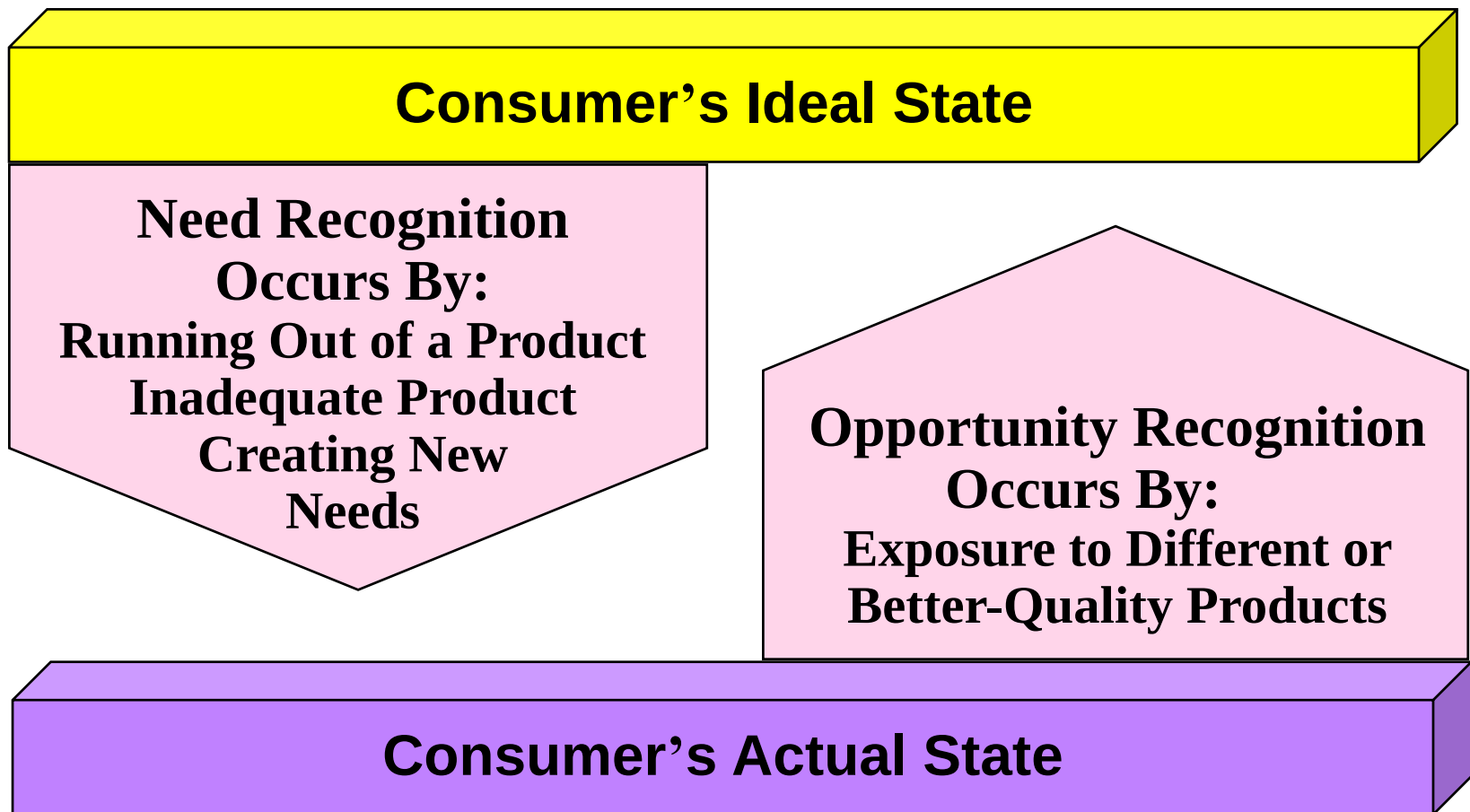
A consumer's incongruity or tension state resulting from variance between an actual and a desired state of affairs.

- **Problem recognition and its associated dissonance trigger behaviour.**

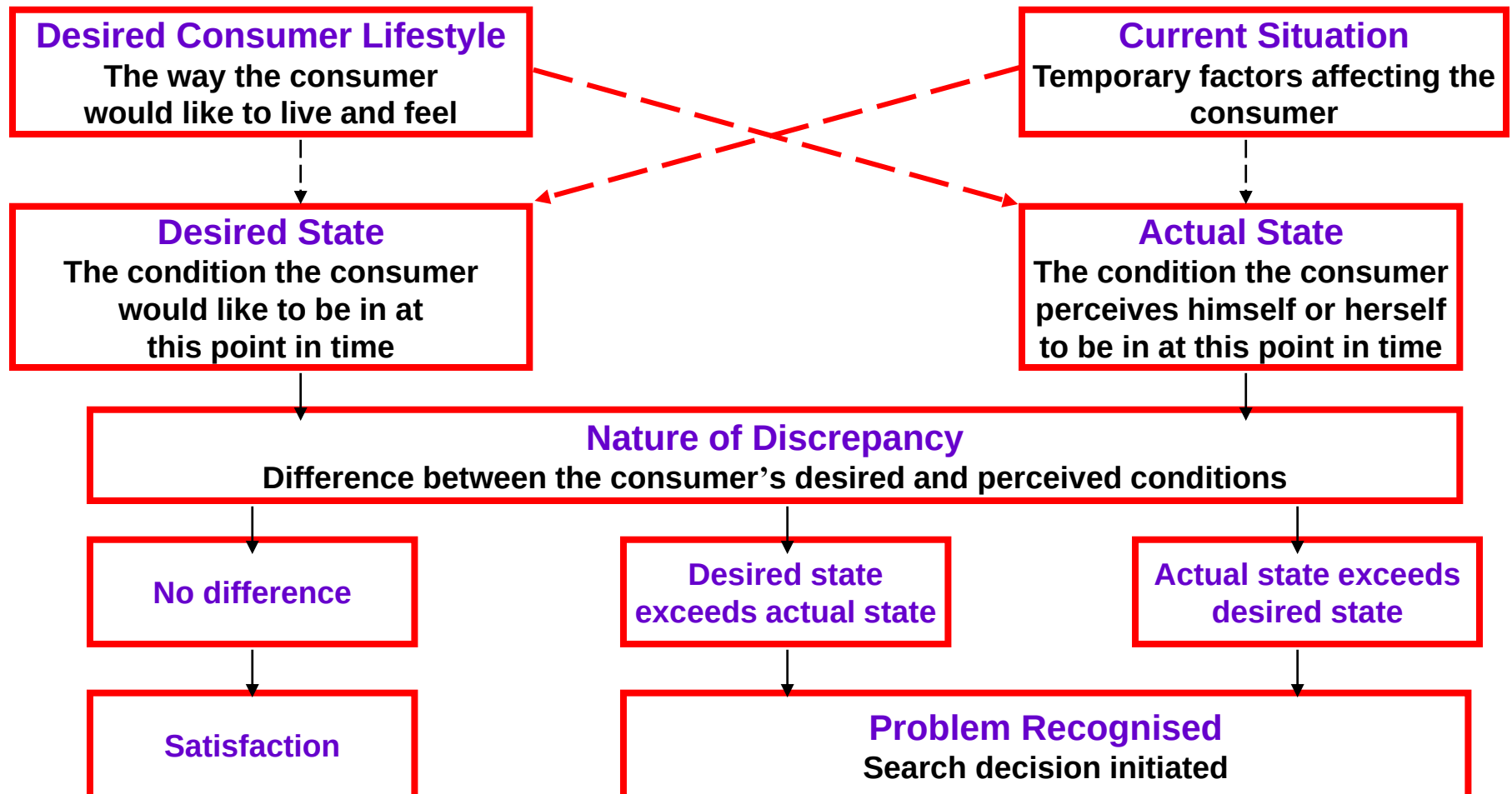


Problem Recognition

Occurs Whenever the Consumer Sees a Significant Difference Between His or Her Current State and Some Desired or Ideal State.



The Process of Problem Recognition



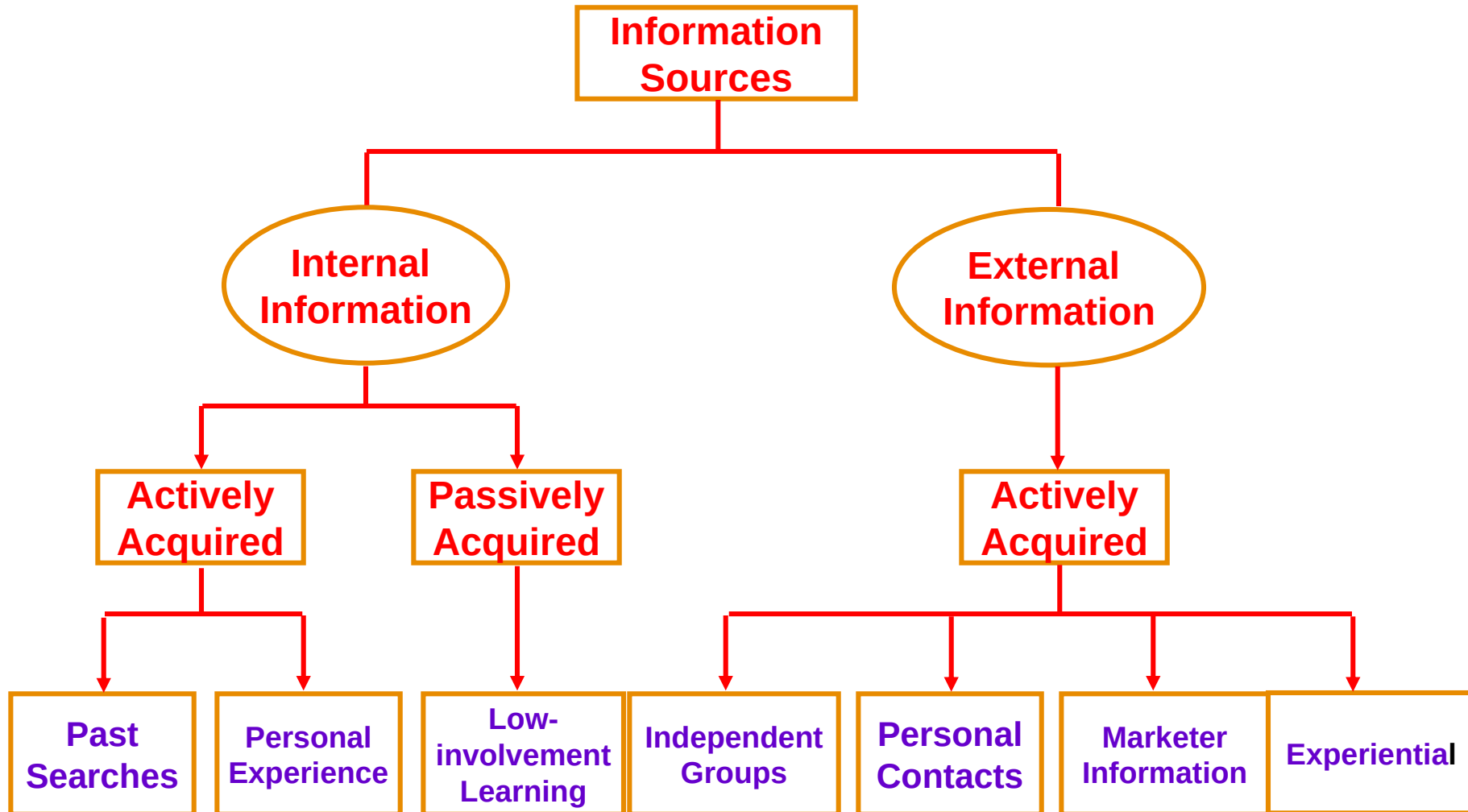
Information Search

Familiarising oneself with courses of action available to solve the problem.

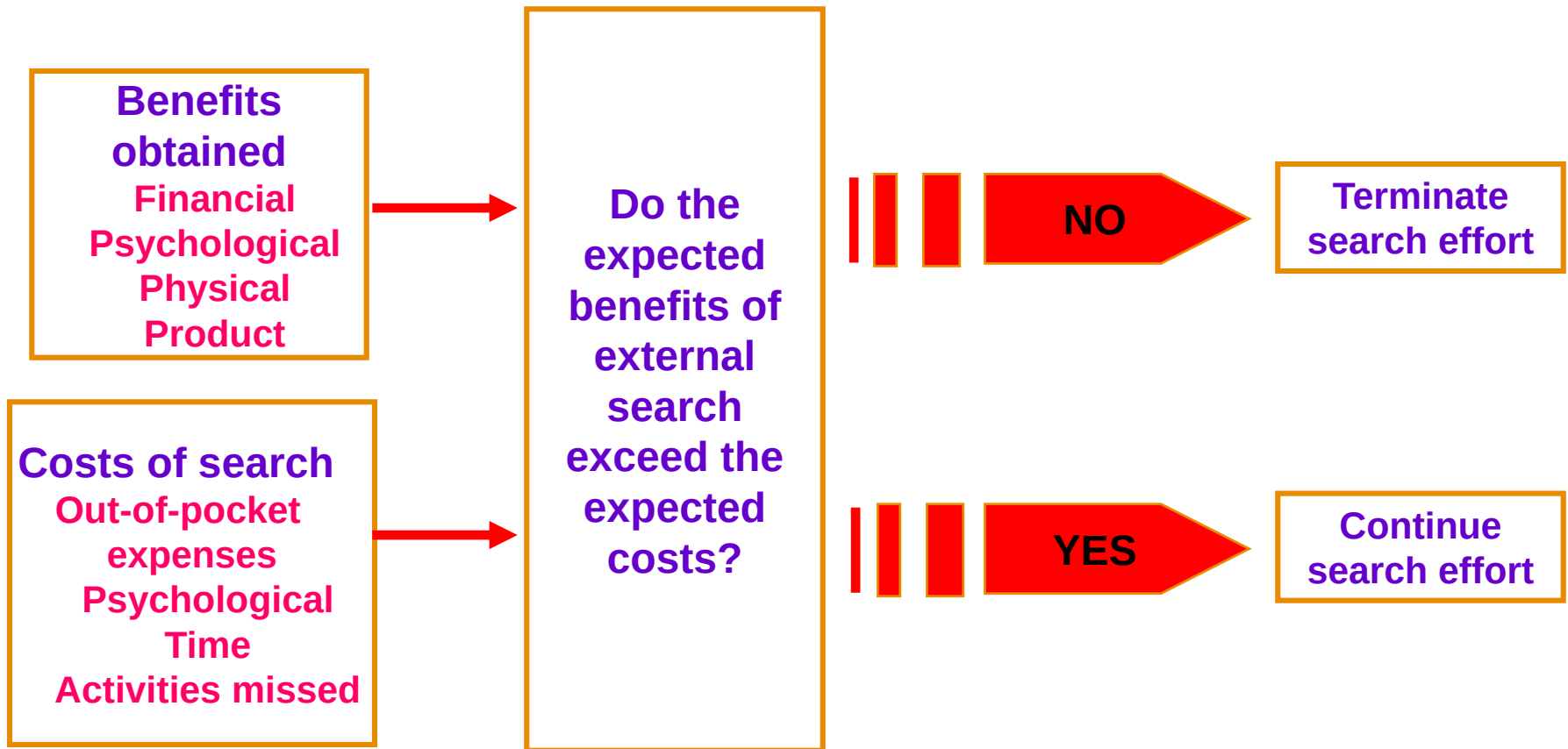
- **Types of search:**
 - **Internal Search:** Retrieving relevant information from memory
 - **External Search:** Seeking information from external sources



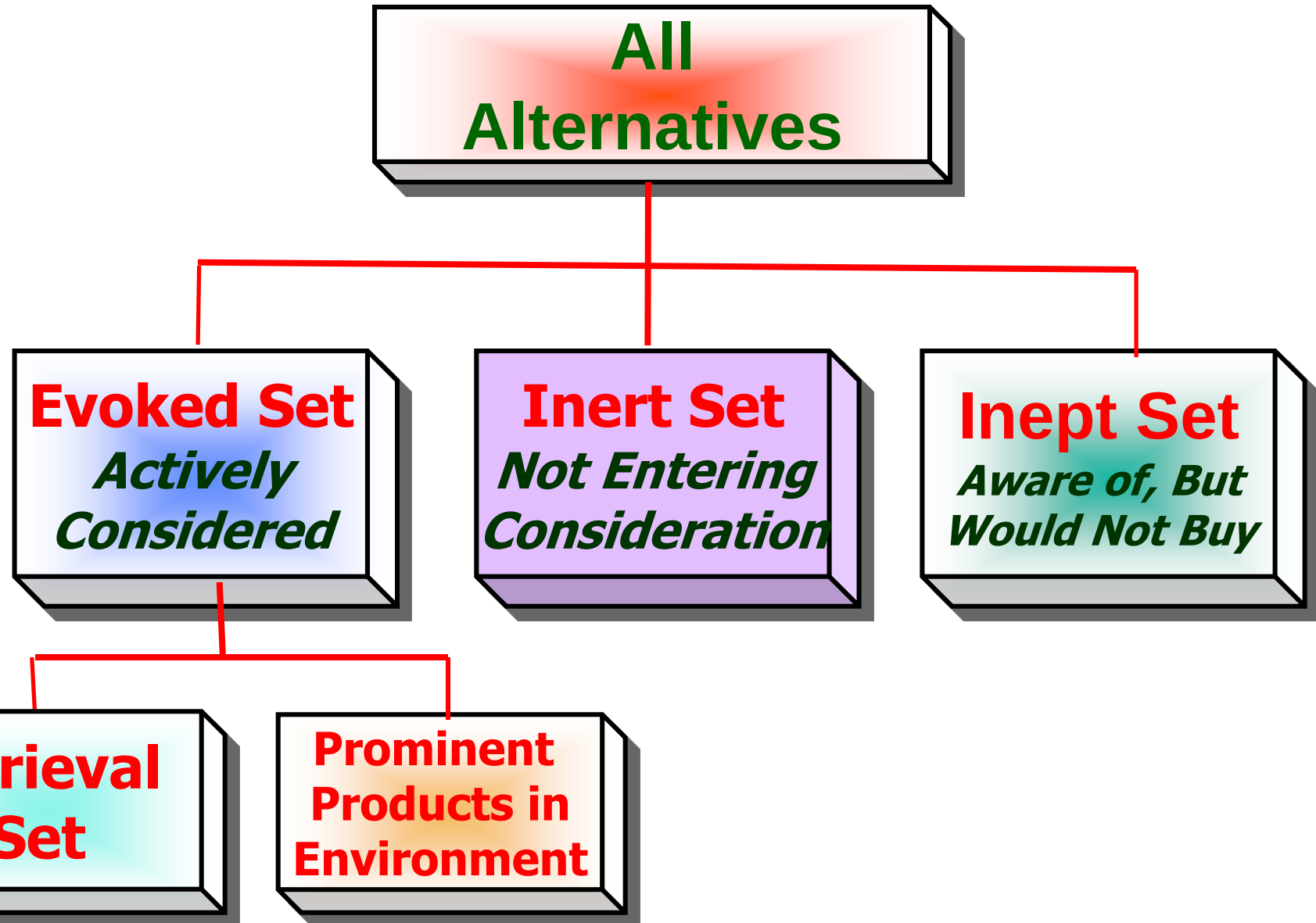
Information Sources for a Purchase Decision



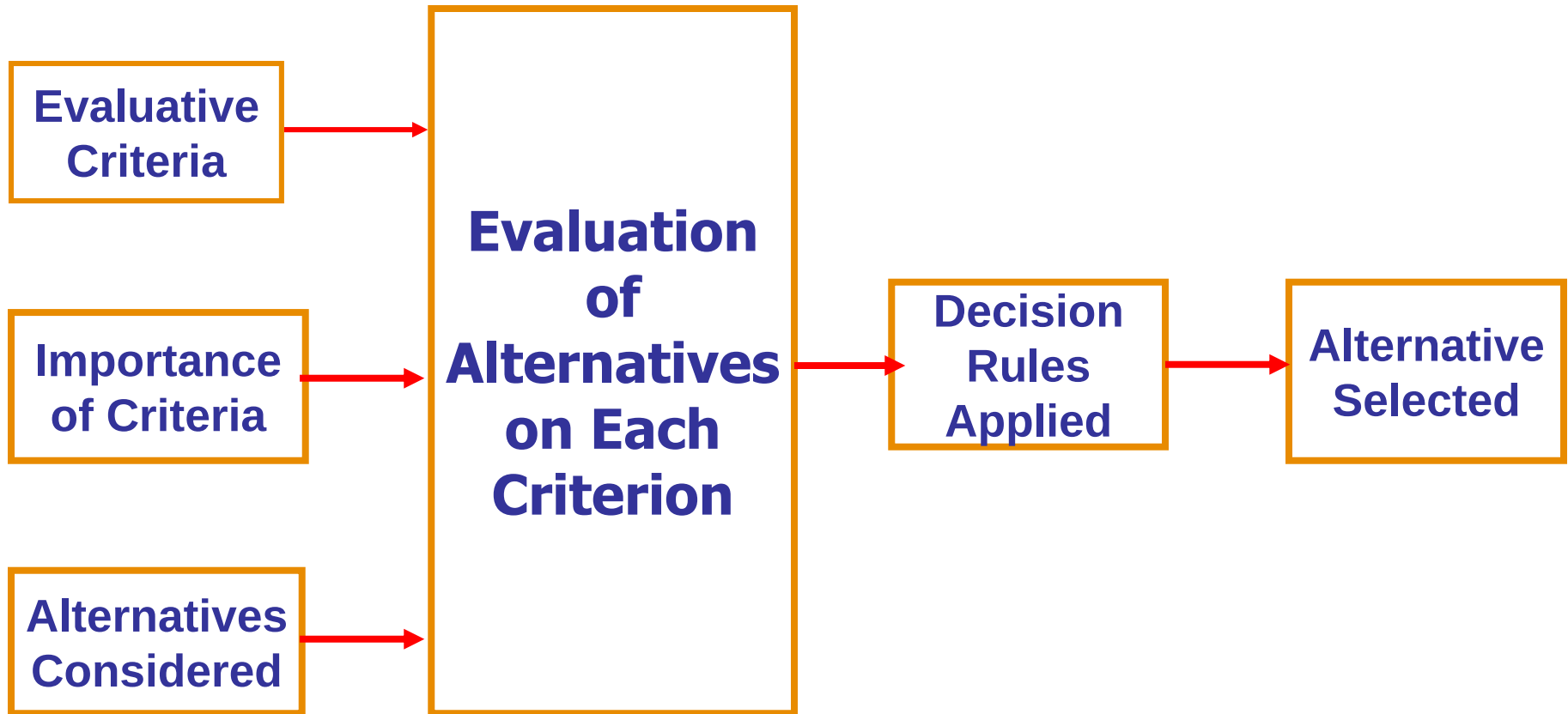
Perceived Costs and Benefits of Consumer Search Guide Search Effect



Evaluation of Alternatives

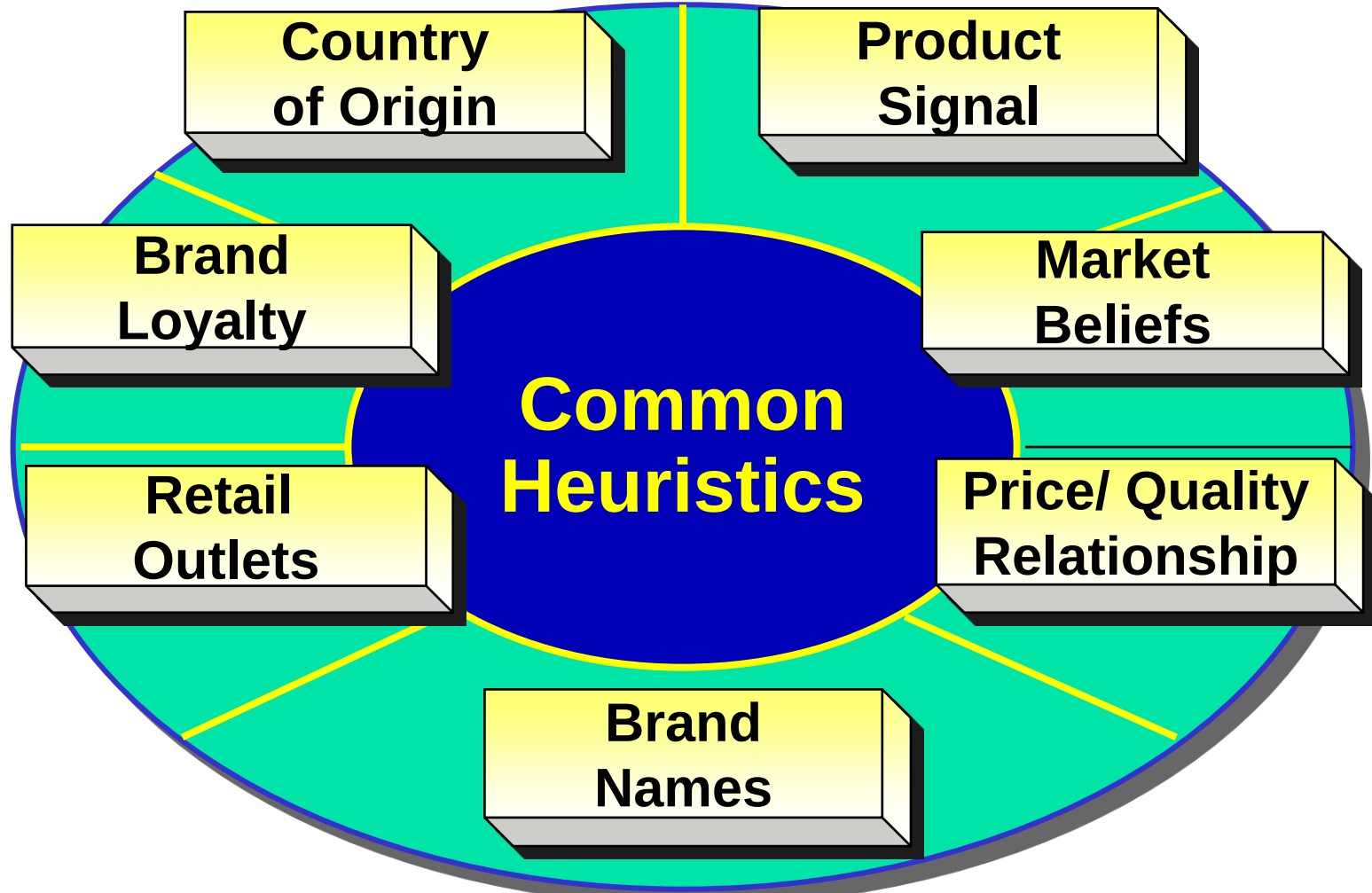


Alternative Evaluation and Selection Process

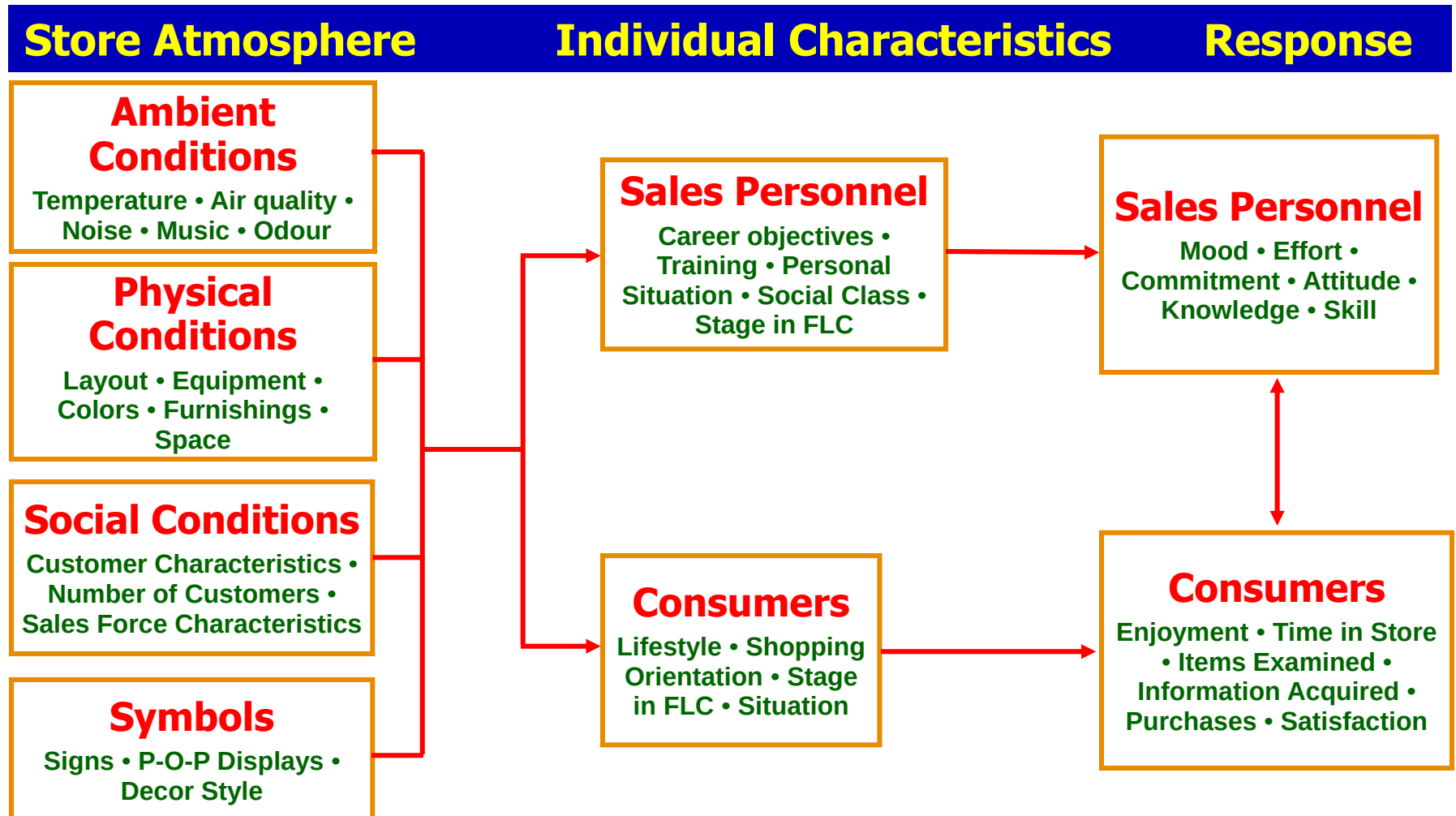


Heuristics

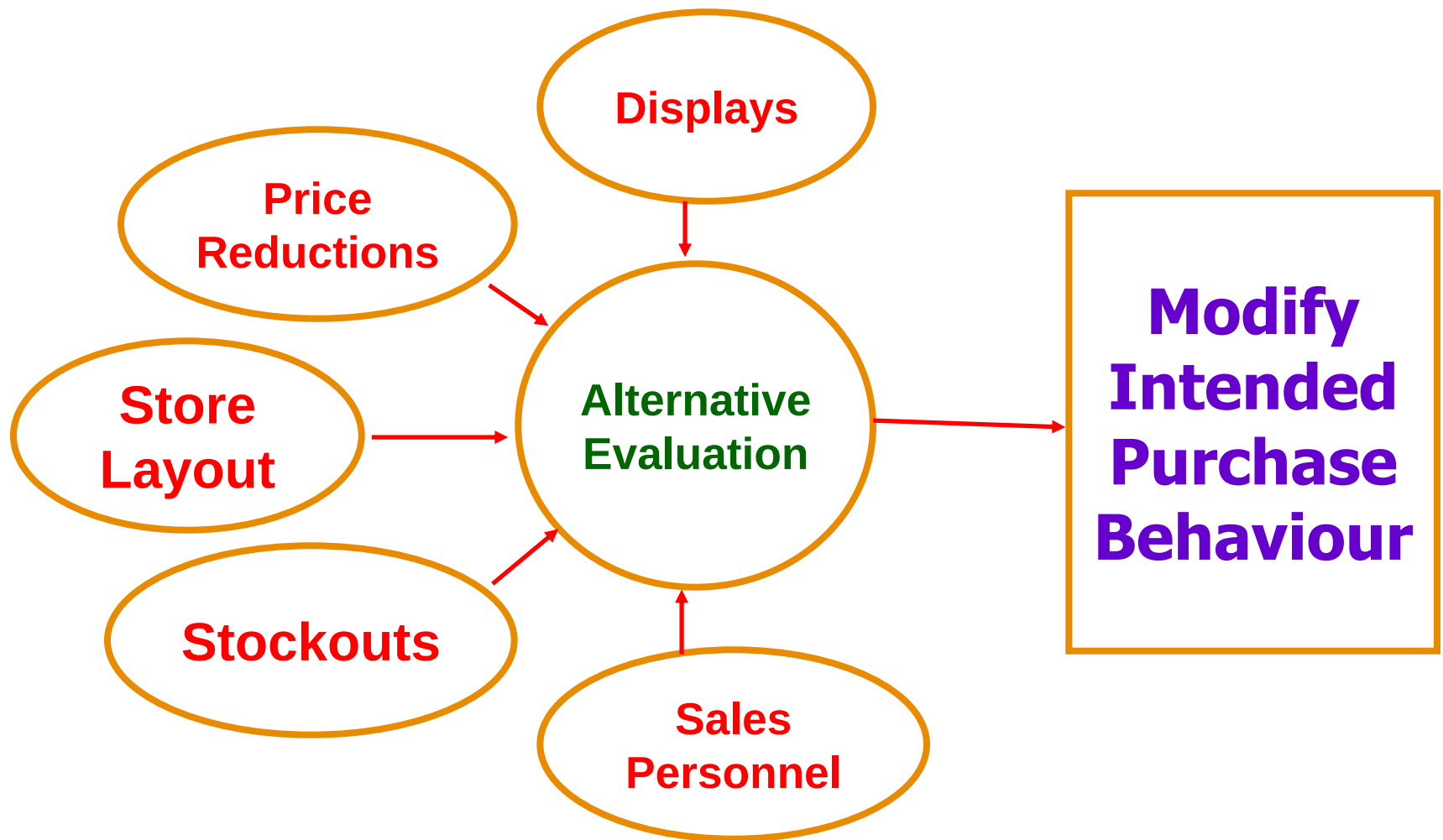
Heuristics are Mental Rules-of-Thumb
That Lead to a Speedy Decision.



Store Atmosphere and Shopper Behaviour



In-Store Influences that Impact Alternative Evaluation and Purchase

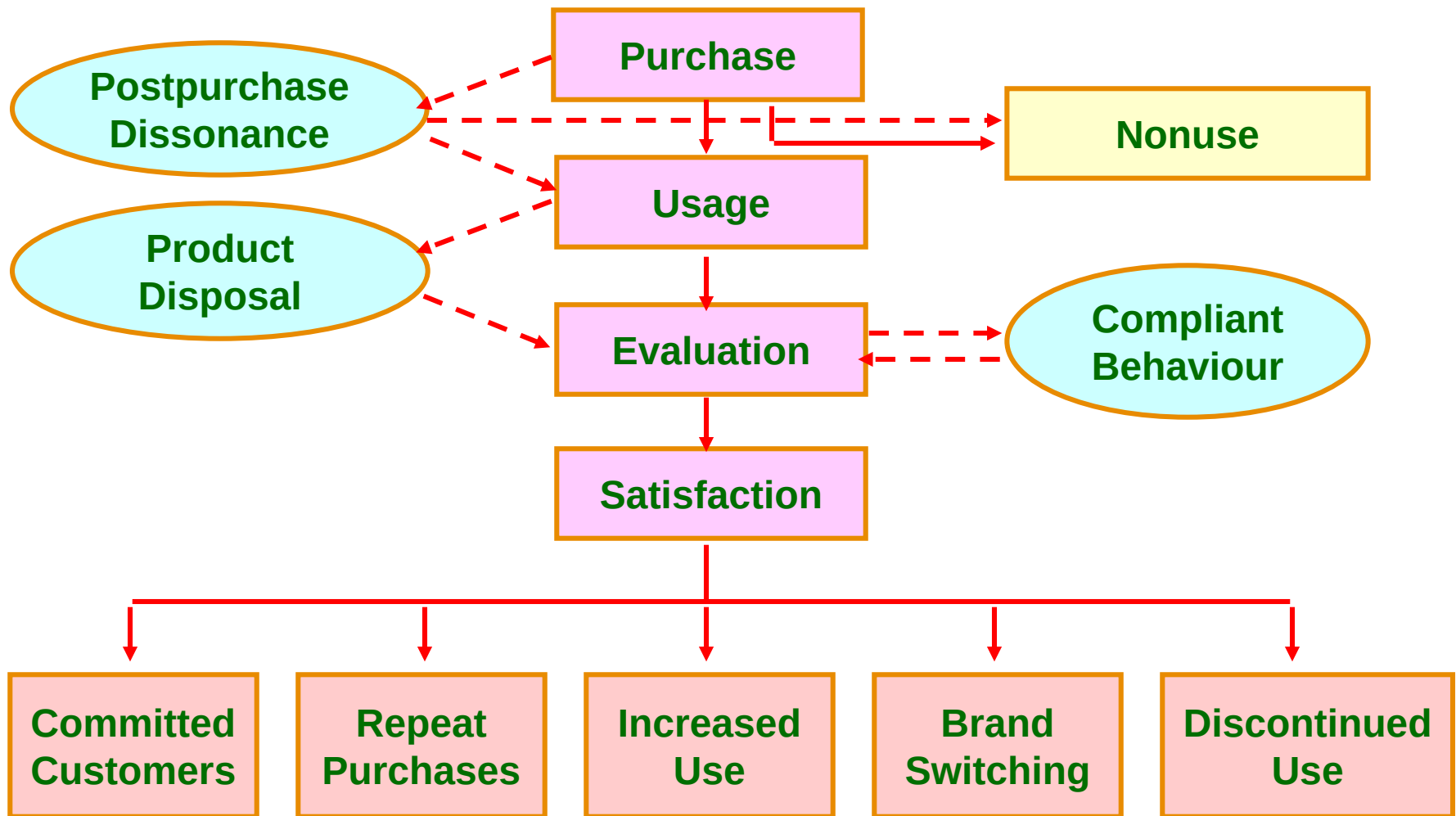


Post-purchase Considerations

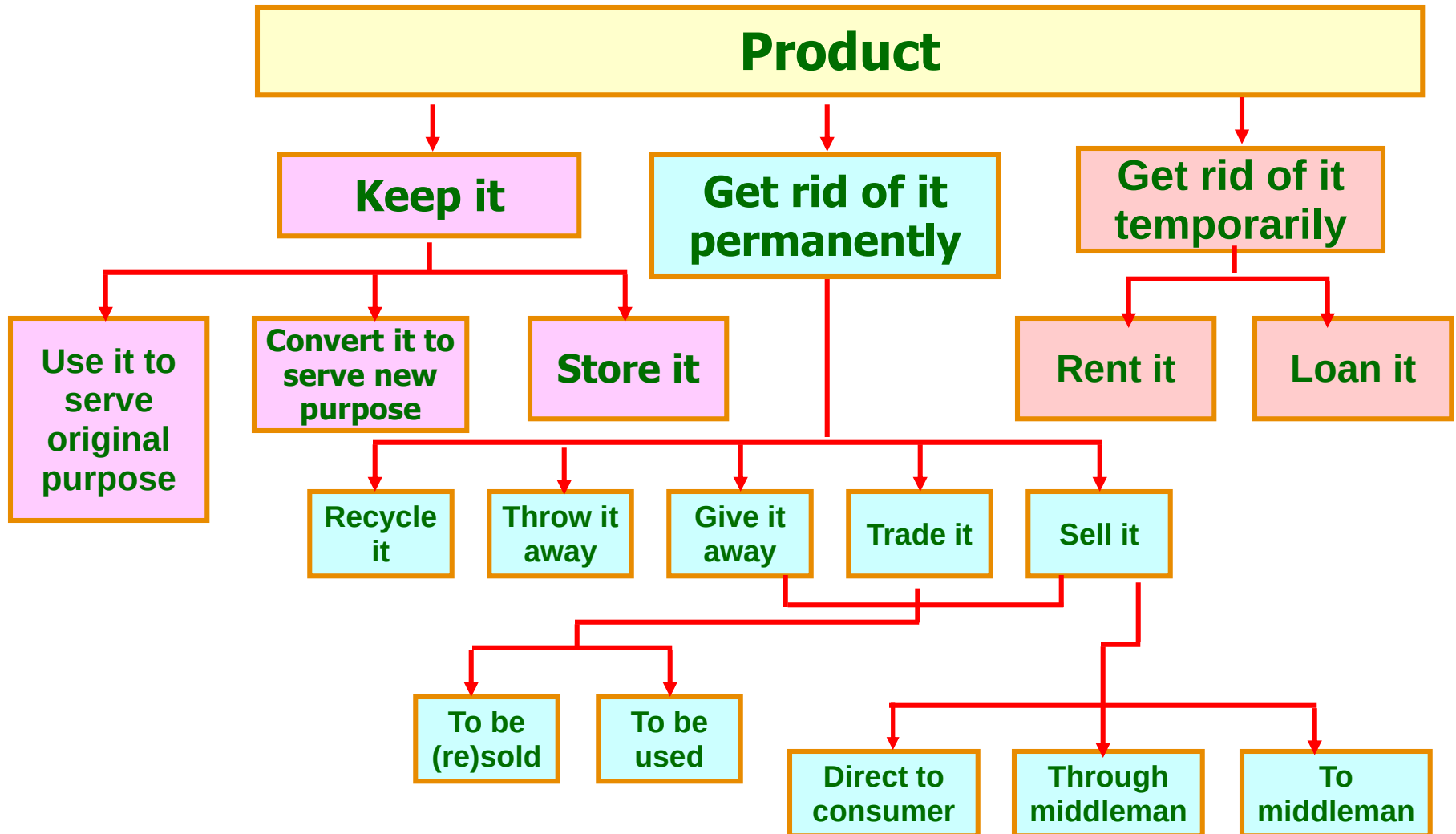
Feelings of satisfaction or dissatisfaction due to product performance are natural outcomes.

- **Distinguish between:**
 - **Instrumental performance:** The utilitarian performance of the product
 - **Expressive Performance:** The social or psychological aspects of the product
- **Satisfaction is a function of expectations rather than of actual product performance.**

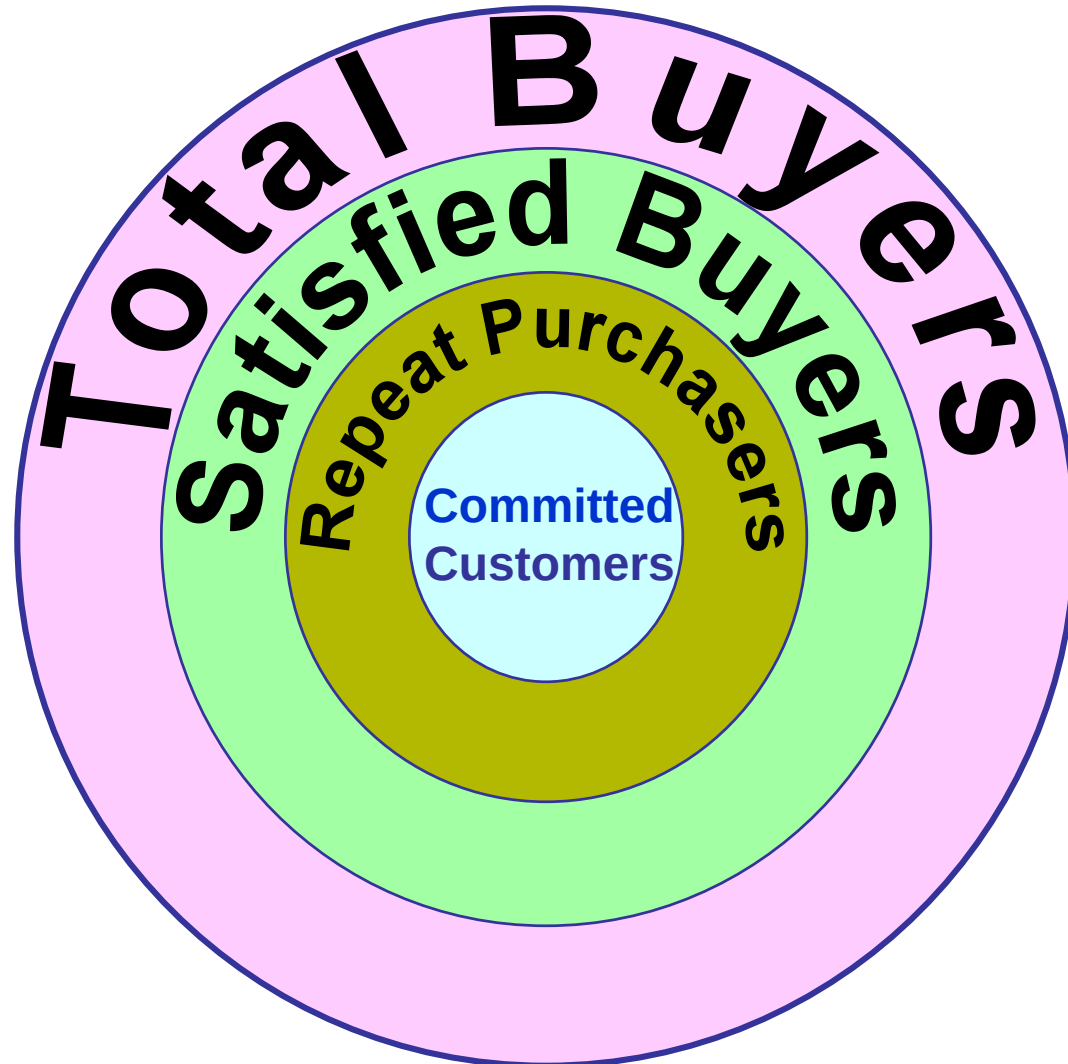
Post-purchase Consumer Behaviour



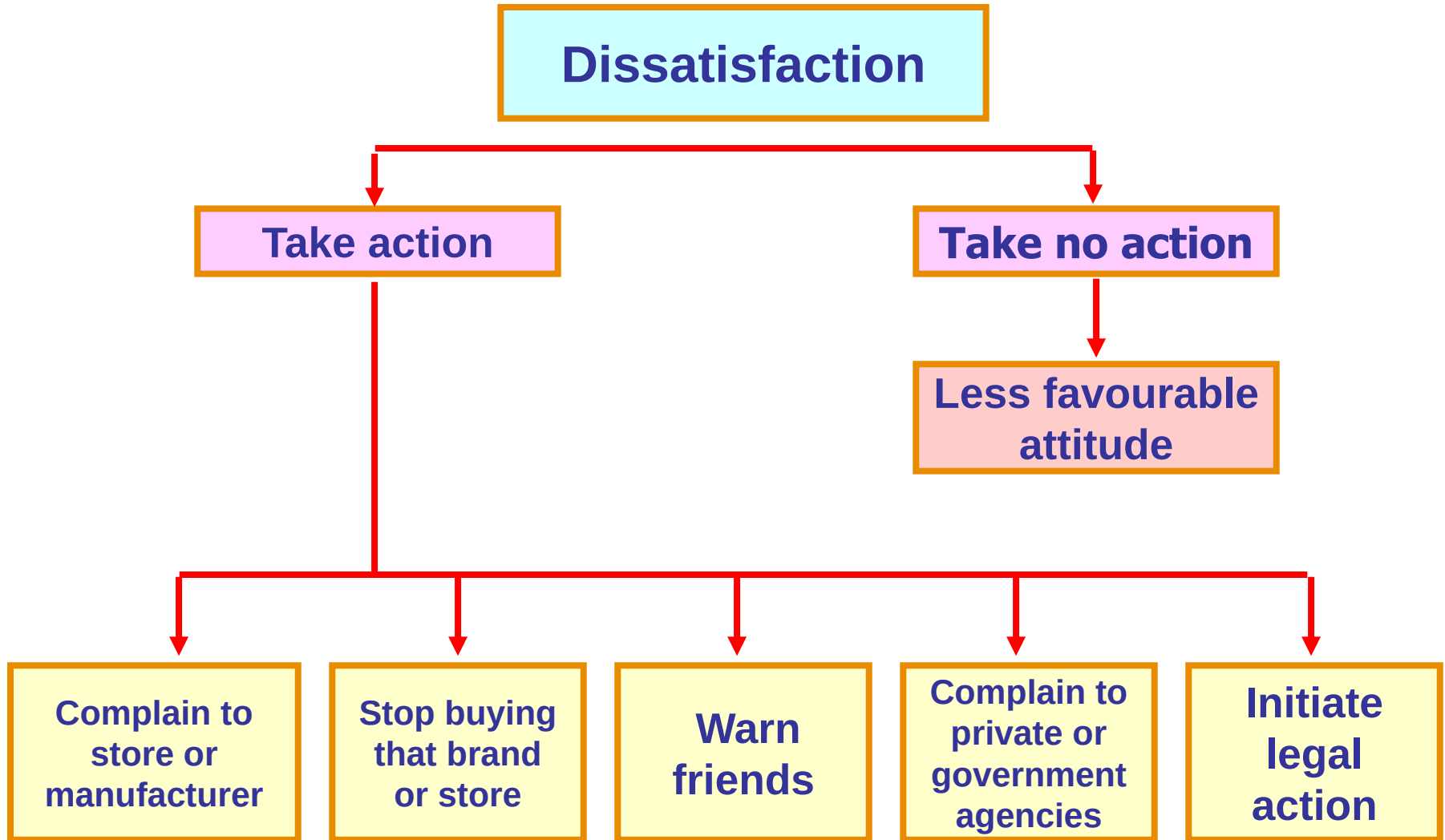
Product Disposition Alternatives



Committed Customers



Dissatisfaction Responses



How do Consumers Judge Satisfaction?

- **Expectations: anticipation or predictions of future events.**
- **Expectancy-Disconfirmation Model of Satisfaction:**
 - **disconfirmation of pre-consumption expectations is the key influence on consumer satisfaction.**
 - **Positive disconfirmation: performances exceed expectations**
 - **negative disconfirmation: expectations are not met**
- **Ceiling floor effect:**
 - **Very high expectations (ceiling) are more likely to result in negative disconfirmation and very low expectations (floor) in positive disconfirmation.**

How do Consumers Judge Satisfaction?

- **Sources of expectations include:**
 - memories of past experiences, word-of-mouth communications, third party information, cultural milieu.
- **Expectations vary in abstractness, complexity, accessibility.**
 - active expectations
 - passive expectations
- **Satisfaction is a process extending across the entire consumption experience.**

Desires as a Satisfaction Standard

- **Desires model of satisfaction**
 - Satisfaction is a function of the consumer's assessment of the degree to which a product meets or exceeds his or her desires, the outcome being called desires congruency
 - **Desires** are levels of products' attributes and benefits that a consumer believes will lead to, or are connected with, higher-level values.

Fairness as a Satisfaction Standard

■ Fairness

- Perceptions of fairness affect consumers' satisfaction
- Homans's rule of justice proclaims parties' rewards in exchanges with others should be proportional to their investments (or losses)
- Three dimensions of fairness and satisfaction/dissatisfaction
 - Distributional fairness
 - procedural fairness
 - interactional fairness

Satisfaction Management

**We need
to manage
our customers'
expectations!**

Understand Consumer Journey/Experience

Zmot

Fmot

Smot

Umot

Moments of Truth in Consumer Journey/Experience

- **The Zero Moment of Truth – Zmot**
 - **Discovery**
- **The First Moment of Truth – Fmot**
 - **Exploration**
- **The Second Moment of Truth – Smot**
 - **Consumption**
- **The Ultimate (Third) Moment of Truth - Umot**
 - **Shared Engagement**

Source: Araujo, 2013

Lecture Outline

- **Group Buying Decision**

Group Buying Decision

- **Purchase Roles**
- **Types of Purchase**
- **Dynamic of Group Decision**

Group Purchase Roles

- **Initiator(s)**
- **Information Gatherer(s)**
- **Influencer(s)**
- **Decision Maker(s)**
- **Purchaser(s)**
- **User(s)**

Types of Purchase

- **New-task Buying** (the most difficult and complex buying situation), which is the first-time purchase of a major product.
- **Straight Rebuy.** This is a routine, low-involvement purchase.
- **Modified Rebuy.** The buying situation is somewhere between the other two in terms of:
 - The time and people involved, the information needed, and the location of buying authority.

Dynamics of Group Decision Making



- **Someone-Dominated**
- **Joint**
 - **Equal**
 - **Syncretism**
- **Autonomic**
 - **Solitary**
 - **Unilateral**

Factors Affecting Purchase Roles

- **Culture & Subculture Determinants**
- **Role Specialisation**
- **Involvement**
- **Personal Characteristics**

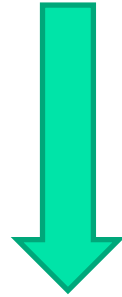
Conflict Resolution

- **Bargaining**
- **Impression Management**
- **Use of Authority**
- **Reasoning**
- **Playing on Emotion**
- **Additional Information**

Session 13: Lecture Outline

- **Dark Side of the Consumer**
- **Consumer Abuse & Critical Marketing**
- **Marketing Ethics & Public Policy**
- **Consumer Research & Ethics**

Impulse Purchases



Consumer's Darkside?

Self-Gifts

- **In self-gifts, consumers give to themselves.**
- **Self-gifting often occurs in in the context of personal accomplishment, distress, or holiday occasion.**
- **Two types of self-gift experiences are reward and therapeutic self-gifts.**
- **Self-gifts are a form of personal, symbolic self-communication.**
- **In terms of outcomes, self-gifting can positively enhance self-concept, consistency, or esteem.**

The Dark Side of Consumer Behaviour

- **Addictive Consumption**
 - Cigarette, Gambling, Internet, etc.
- **Compulsive Consumption**
 - Born to Shop, Shopaholic
- **Illegal Activities**
 - Consumer Theft
 - Consumption of Counterfeit Products
 - Illegal Consumption: Prostituted, Stolen

The Dark Side of Consumer Behaviour

- **Addictive Consumption**
 - **Cigarette, Gambling, Internet, etc.**

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consumers & Marketers

Critical Marketing

- **Customer Satisfaction
VS.**

Customer Seduction?

- **Customer Relationship
VS.**

Customer Captivity?

- **...???**

Marketing Ethics

What is it
anyway?

Public Policy

Do Consumers
Need to Be
Protected?

Consumer Research

- **Traditional View**
- **Alternative View**
 - **Incredulity toward Metanarratives**
 - **Welcoming Pluralism**
 - **Sensitive to the Other**
 - **De-centring Human Subject**

Note

There is no limit to the ways in which the world can be interpreted.

Consumer Research Ethics

- **How far can we go to study consumer behaviour?**
 - **Consumer Privacy**
- **Other Controversial Issues**