LECTURE OUTLINE FOR

MKTG 35035

BUYER BEHAVIOR

Summer III 2010

DR. MARKS

Revised 7/14/2010

Introduction to Consumer Behavior

I. Overview of the course

A. Syllabus and Course Expectations (see http://www.personal.kent.edu/~lmarks/
and Vista 8).

II. Consumers in the Context of the Marketing Environment

III. Consumers in the Context of Marketing Strategy (Segmentation & Target Marketing)

IV. The Marketing System

Consumers in the Context of The Marketing Concept

VI. The Brand's Positioning

V. A "Simple" Example of the Various Aspects of a Common Product

Contrasting Models of Human and Consumer Behavior

Models of Human Behavior and Consumer Behavior--
A Foundation for Studying Consumer Behavior

I. Introduction

    A. Everyone has implicit theories.

        1. Examples

II. What is a "theory?"
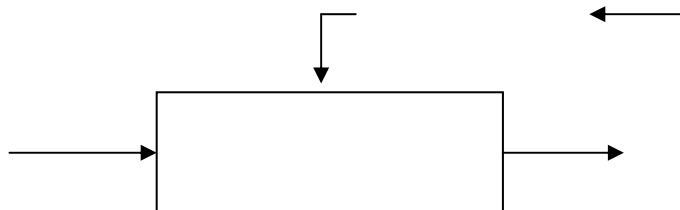
    A. Definition

        1. THEORY is a belief about the world and its phenomena

        2. Examples

        3. Implicit vs. Scientific

        4. Why do we need theories?

B. Models

  1. A MODEL is a replica of the phenomena it attempts to explain.

  2. A simplified representation of reality.

      a. Examples

III. Traditional (Contrasting) Models of Human Behavior that Influence Consumer Behavior Theory (see Exhibit 1.2)

  A. Marshallian Economic Theory

  1. Sees people as making choices and purchases on the basis of
      (a)   and (b)

  2. Historical Antecedents

      a. Adam Smith (1776)

      b. Jeremy Bentham (1780)

      c. Alfred Marshall (1890)

         i.

         ii.

  3. Four Basic Assumptions:

      a.

b.

c.

d.

4. Marketing Applications

5. Remarks

B. Conditioned Learning (see text p. 55-56)

1. Classical Conditioning (Stimulus-Response or S-R theory)

a. Associated with

b. Original Investigation

c. Involuntary Association between stimuli and a physiological and/or emotional response.

d. The response is not voluntary, nor self-controlled.

e. There is no reward for the behavior.

f. Marketing Applications

2. Operant Conditioning (Instrumental learning, trial-and-error learning, respondent-reinforcement learning)

      a. Associated with

      b. Example

      c. The frequency of a behavior is modified by the consequences of the behavior.

      d. Requires conscious effort and reward.

      e. Marketing Examples

C. Freudian Psychoanalytic Model (see text p. 104-105)

    1. Learning theorists said all behaviors are acquired through experience; Freud disagreed.

      a. People are

    2. Two principles governing human behavior

      a. Pleasure Principle

b. Reality Principle

c. These principles are in CONFLICT!

3. The psyche develops three components to handle the conflict:

a.

b.

c.

4. Urges can cause problems:

5. Five Stages of Psychosexual Development

a.

b.

c.

d.

e.

6. Freudian theory is a theory of conflict and unconscious motivation.

   a. Examples

7. Marketing Applications

8. Motivation Research

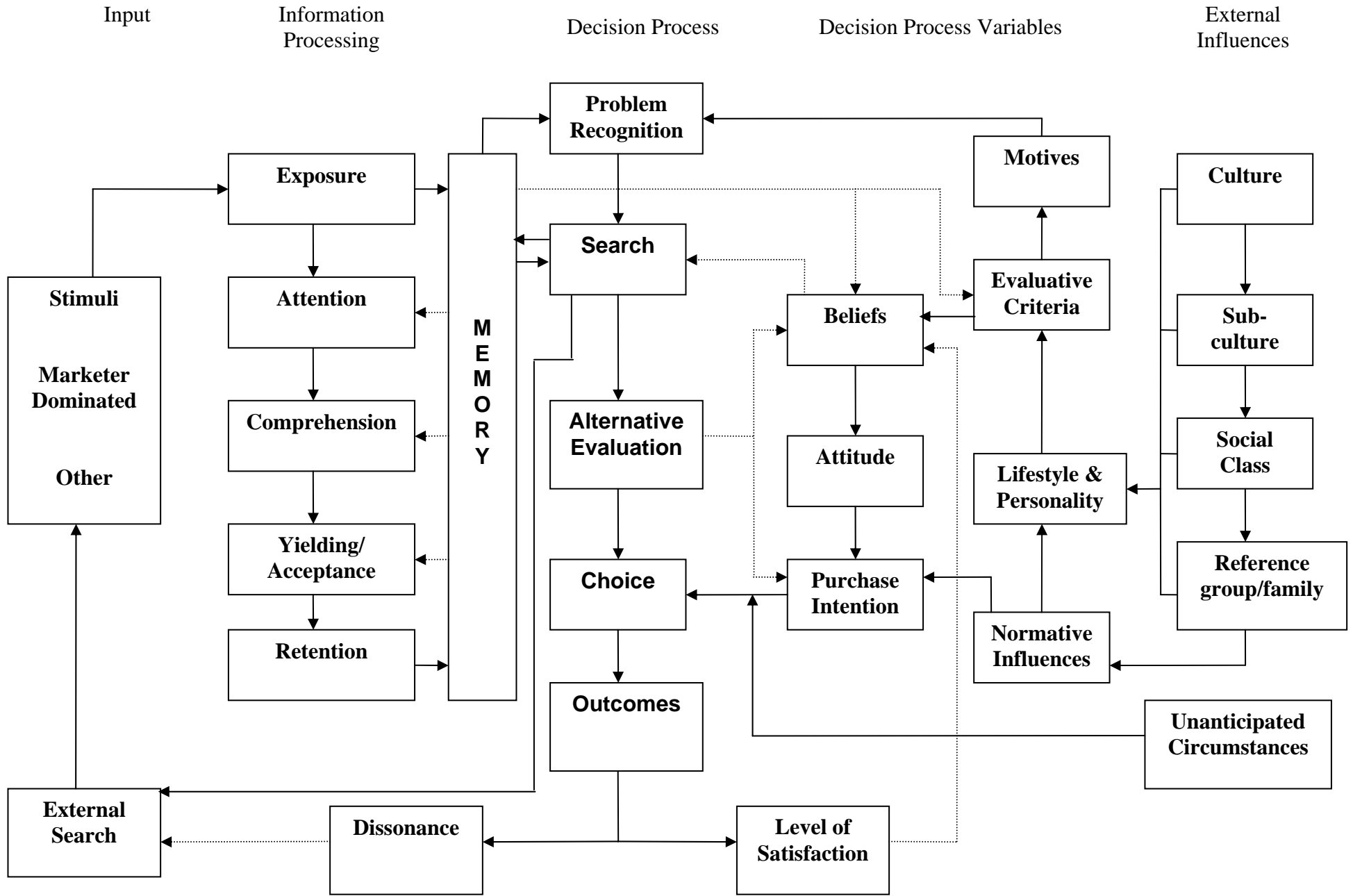D. The Veblenian Social-Psychological Model

   1. Thorstein Veblen

      a. Humans are SOCIAL ANIMALS

b. Economic consumption is motivated by social reasons (e.g., prestige) rather than by intrinsic needs or by satisfaction. Called this "   ".

c. Marketing Applications

III. The Engle, Kollat, and Blackwell Model of Consumer Behavior

Adapted from the Engle, Kollat, and Blackwell Model of Consumer Behavior

Input Information Processing Decision Process Decision Process Variables External Influences

Problem Recognition

Exposure

Motives

Culture

Stimuli

Attention

MEMORY

Search

Evaluative Criteria

Sub-culture

Marketer Dominated

Beliefs

Comprehension

Other

Alternative Evaluation

Attitude

Social Class

Lifestyle & Personality

Yielding/ Acceptance

Choice

Purchase Intention

Reference group/family

Retention

Normative Influences

Outcomes

Unanticipated Circumstances

External Search

Dissonance

Level of Satisfaction

Consumer Behavior Research

I. Introduction

   A. Definition

      1. Consumer behavior research is the systematic gathering, recording, and analyzing of data about consumers.

   B. Significance to Marketers

      1. The Marketing Concept

         a. The goal of a marketing oriented company is to:

   C. Some Problems/Criticisms

II. Consumer Research Strategies depend on:

   A. Goals of Consumer Research

      1. Exploratory Research

         a. Consumer Suggestions

b. Focus Groups

2. Conclusive Research

B. Types of Data Used

1. Secondary data

2. Primary data

C. Research Time Frames

1. Cross Sectional

2. Longitudinal

III. General Types of Measures Used in Consumer Research

    A. Demographic Measures (WHO)

       1.

           a.

           b.

           c.

           d.

    B. Consumer Activity Measures (WHAT/WHERE)

1.

           a.

           b.

           c.

           d.

           e.

           f.

    C. Cognitive Measures (WHY)

       1. Motivation Research

a. Products have images or personalities, and consumers tend to

b. Ernest Dichter was the originator of motivation research.

D. Measuring Motives Today

1. Word-Association Tests/Sentence Completion Tests/
   Story Completion Tests

Examples:

2. Thematic Apperception Test (TAT)

a.

b.

c.

d.

i.

ii.

iii.
iv.

3. Cartoon Tests -- see text, page 108 and link to
http://www.personal.kent.edu/~lmarks/ConsumerBehavior/TAT.pdf

     a.

     b.

     c.

     d.

     e.

4. Depth Interviewing

5. Focus Group Interviews

6. SOCIAL MEDIA GROUPS as a source of understanding Consumers' Needs

E. Limitations of Motivation Research

F. Attitude Measurement Scales

1. Likert (summated) scales for more, link to
http://www.personal.kent.edu/~lmarks/ConsumerBehavior/Research.doc

    a. Develop a list of favorable and unfavorable statements.

    b. Select a range of agreement-disagreement responses (e.g., Strongly agree, agree, undecided, disagree, strongly disagree).

    c. Pre-test to determine the most relevant statements.

    d. Administer scales to subjects.

    e. Calculate the summated score for each subject.

2. Semantic differential, link to
http://www.personal.kent.edu/~lmarks/ConsumerBehavior/Research.doc

    a. Use pairs of bipolar adjectives as ends of a seven-point continuum.

    b. Subjects respond giving the answer, which most closely represents their attitude toward the topic.

    c. Graphs and profiles are developed.

G. Information Processing Measures

  1. The perspective

  2. Investigates processes such as search, attention, decision making, etc.

  3. Verbal protocols--thinking out loud

  4. Eye-movement analysis

  5. Information Monitoring/Information Display Boards

6. Free Elicitation

7. Laddering

…and why do we care about all of this??

Market Segmentation and Targeting

I. The Market

   A. Definition
      1. A MARKET is the set of all actual and potential buyers of a product.

   B. Implications of the definition (MAD)

      1.

      2.

      3.

II. Population, Buying Units, Submarkets, or Segments

III. Basic Strategies for Dealing with Markets

   A. Undifferentiated Marketing (   )

   B. Differentiated Marketing

C. Concentrated or Niche Marketing

D. "Atomization" (or Mass Customization)

IV. Bases for Segmenting Markets

Industrial vs. Consumer

A. Based on consumer characteristics or attributes

1. Geographic Segmentation

a.

b.

c.

d.

2. Demographic Segmentation

3. Psychographic Segmentation

a.

b.

c.

B. Based on specific consumption-related behaviors

1. Purchase occasion

2. Benefit (need) segmentation

3. Volume

4. Brand purchasing--Brand Loyalty

5. Media Exposure Habits

C. Segmenting Business Markets
   1. Size of the account

   2. Growth potential

   3. Benefits sought

   4. Usage Situation

   5. SIC codes

D. Target Marketing Requires Segmentation

   1. Segmentation is the identification of submarkets of the total market that might merit separate products and/or marketing mixes.

   2. Target marketing is the act of selecting one or more of the market segments and developing a product and marketing mix strategy to reach each one.

E. Benefits of Target Marketing

   1.

   2.

3.

V. Determining Useful and Meaningful Market Segments

   A. Four Major Criteria for a Useful Segment

      1.

      2.

      3.

      4.

VI. The Process of Segmentation
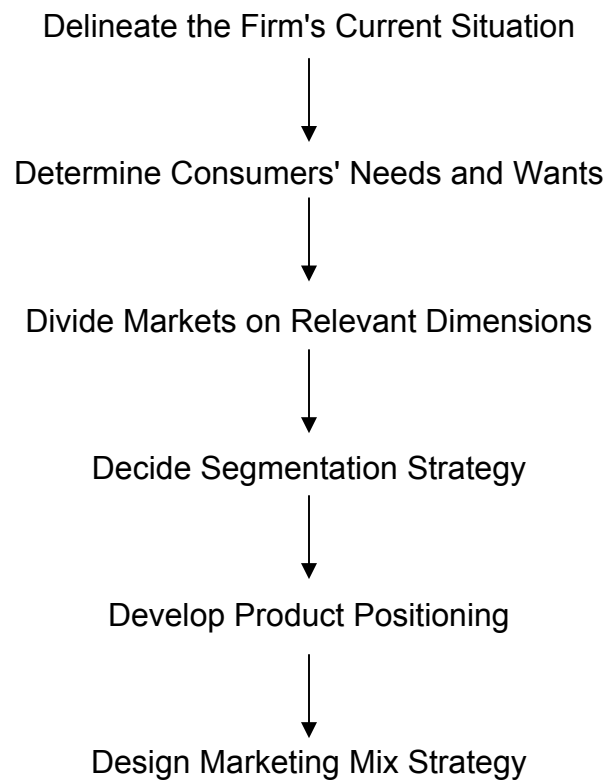
   A. Choosing a Segmentation Scheme

      1,

      2,

   B. Selecting a Target Market

      1,

2,

C. Develop a Marketing Strategy for the Segment

VII. A Model of the Market Segmentation Process

Delineate the Firm's Current Situation

↓

Determine Consumers' Needs and Wants

↓

Divide Markets on Relevant Dimensions

↓

Decide Segmentation Strategy

↓

Develop Product Positioning

↓

Design Marketing Mix Strategy

D. Is It a "GOOD" Segment?

1. Is it Measurable?

2. Is it Meaningful?

2. Can it be Reached?

Market Segmentation and Psychographics

I. Introduction

    A. Demographics

        1. A standard fixture in marketing research.

II. Psychographics

    A. Concerns states of mind and measure:

        1. Activities, Interests, and Opinions

        2. Needs, Values, Attitudes, Personality Traits

        3. Beliefs and Intentions

        4. In other word, they measure

    B. Marketers facilitate the expression of consumers' lifestyles

    C. The relationship between psychographics and lifestyle

III. Techniques of Lifestyle Segmentation

    A. Three Areas of Interest

        1.

        2.

        3.

        4. Known as

    B. How is it done?

        1. For large scale project, survey questionnaires are mailed to a nationwide consumer panel

        2. Questionnaires typically get:

          a. traditional demographic information

          b. average usage rates

          c. media habits

          d. respondents' activities, interests, and opinions

        3. Details

          a.

          b.

          Example:

IV. Applications of Lifestyle Segmentation

    A. Segmentation Based on General Lifestyle Characteristics

        1. The Needham, Harper, and Steers study.

Some Representative General Lifestyle Statements

Price shopping and bargain hunting
--I usually look for the lowest possible prices when I shop.
--I shop a lot for "specials."

Influence of others
--My friends or neighbors usually give me pretty good advice on what brands to buy.
--I often see out the advice of my friends regarding what to buy.

Housekeeping
--I keep my house very neat and clean.
--I like to polish windows.
--If you want your floors waxed properly, you have to do it by hand.

Leisure and Entertainment
--I have a very active social life.
--I like ballet.
--I enjoy listening to classical music.
--I enjoy going to concerts.
--I enjoy going though an art gallery.

Family, women's role, man's role
--Looking attractive is important in keeping your husband.
--I take care of the money and pay the bills.
--My major hobby is my family.
--When children need to be punished, the father should do it.

Self-concept
--I like to work with my hands.
--I am more independent than most people.
--I think I have a lot of personal ability.

U.S. Society
--The bigger businesses get, the less they care about the little people.
--Government should control prices and profits.
--Both men and women are learning to do lots of things that used to be the sole privilege of the opposite sex.

The questions are accompanied by a Likert-type agree-disagree scale. For example:

I shop a lot for "specials."

Disagree _____ _____ _____ _____ _____ _____ _____ Agree

Psychographic Profiles for Men

Herman, the retiring homebody (26%)
Past his prime. Attitudes and opinion have set. Resistant to change. Old fashioned and conservative--
"motherhood and apple pie." Attitudes of young people today are disturbing. Cannot affect change.
Withdrawn into his own home and its surroundings. Lives a measured life; goes to church, watches his diet,
live frugally. Longs for the good old days.

Scott, the successful professional (21%)
Has everything going for him. Well educated, cosmopolitan, father of young family, established in chosen
profession.
Fast paced, active life. Getting ahead in the world.
Lives in urban center and likes culture, learning opportunities, and people.
Enjoys sports, out of door and keeps physically fit.
Happy with life and comfortable in this life style.

Fred, the frustrated factory worker (19%)
Young, married young, has a family already.
No plans for college, but if he did he had to shelve them to support his family.
Blue collar worker having trouble making ends meet.
Discontent with life, big business, government, society.
Escapes in movies, fantasies of foreign lands and cabins by quiet lakes.
Likes to be attractive to women, has an active libido, likes to see himself as a bit of a player.

Dale, the devoted family man (17%)
Wholesome guy with preference for county living. Blue collar worker with high school education.
Father of a relatively large family. Prefers tradition marriage.
Home and neighborhood are central to his life.
Easy going guy; lives an uncomplicated life.
Not worried or skeptical. Relaxed and casual living.
Happy, trusting person who takes things as they are.

Ben, the self-made businessman (17%)
Epitomy of a self made man. Not born wealthy, without higher education.
Hard work and shrewd risk taking built a decent life.
Has seen the system work; work hard and play by the rules to succeed.
Does not condone fringe groups or "freeloaders."
Embraces conservative ideology and champions business interests.
Traditionalist at home.
Gregarious and enjoys giving and attending parties.

Psychographic Profiles for Women

Thelma, the old-fashioned traditionalist (25%)
Lives a good life. Devote wife and mother.
Lived by traditional values. Does not condone contemporary sexual activity or political liberalism.
Children are gone, but life centers around the kitchen.
Attends church every week.
Lacks higher education so does not care for arts or cultural activities.
Likes TV.

Mildred, the militant mother (20%)
Married young and had kids early. Now is unhappy.
Having trouble making ends meet on husband's blue collar salary.
Frustrated and rebels against the system.
Escapes in TV shows and movies.
Like heavy rock and soul music.
Read "escapist" magazines (e.g., Star)

Candice, the chic suburbanite (20%)
Urbane women. Well educated and genteel.
Prime mover, active in club affairs, works on community projects.
Socializing is important.
A doer, interested in sports, outdoors, politics, and current affairs.
Life is hectic, lived at a fast clip.
Voracious reader, but does not like TV.

Cathy, the contented housewife (18%)
Epitomizes simplicity. Life is untangled. Married to worker in the middle of the socioeconomic scale.
Lives with family in small town.
Devoted to family.
Tranquil, relaxed pace.
Does not like news or news-type programs.
Enjoys wholesome family entertainment.

Eleanor, the elegant socialite (17%)
Woman with style. Lives in the city because she wants to.
Likes economic and social aspects of big city.
Confident on-the-go woman.
Fashion-conscious and dresses well.
A woman with panache.
Financially secure so not a careful shopper.
Shops for quality and style, not price.
Cosmopolitan and has traveled abroad or wants to.

2. Marketing Applications

3. VALS--SRI

a. The acronym

b. The studies

c. The VALS I typology

Integrateds (2%)

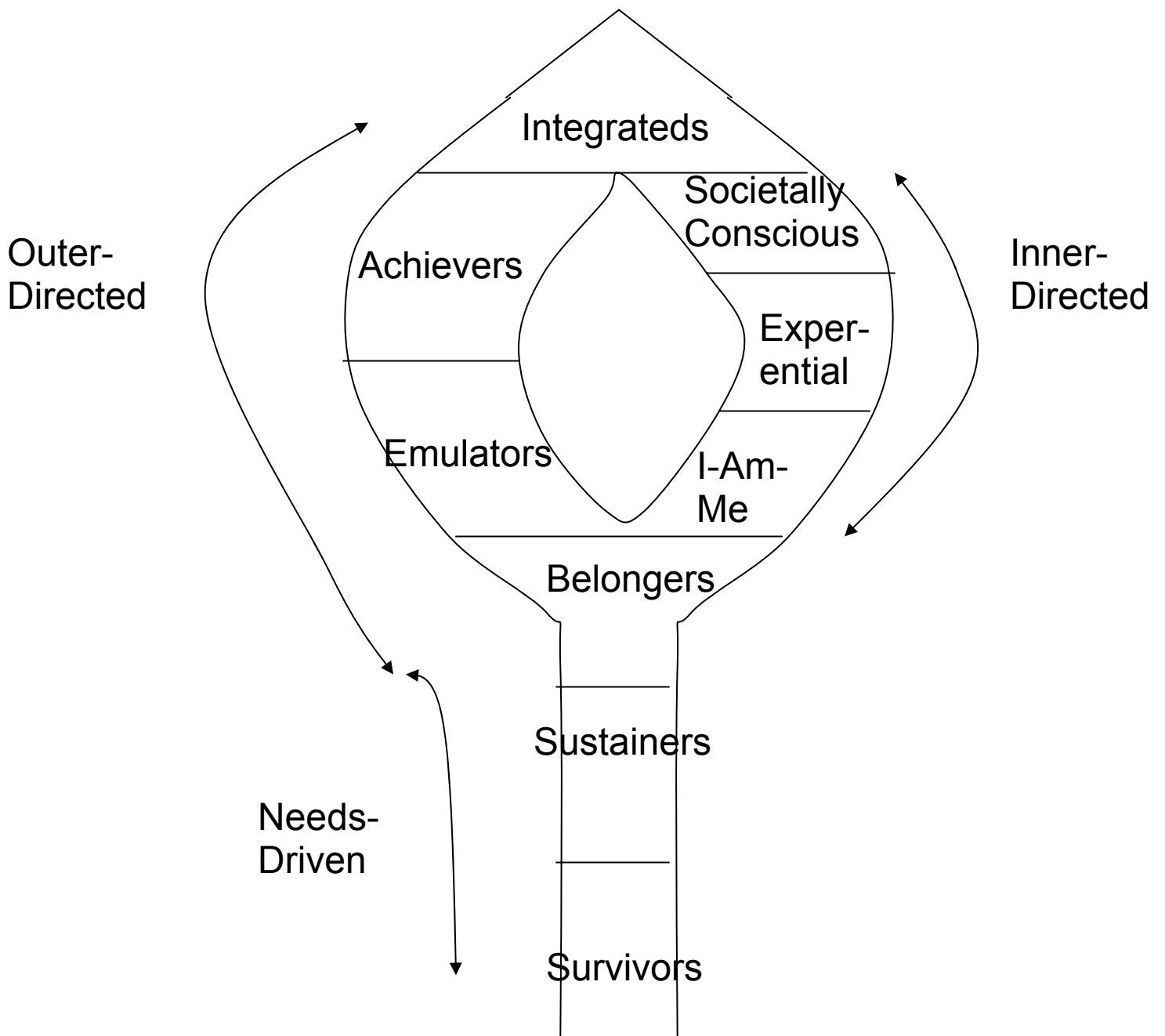Societally Conscious (8%)
Experientials (7%)
I-Am-Me (5%)

Achievers (22%)
Emulators (10%)
Belongers (35%)
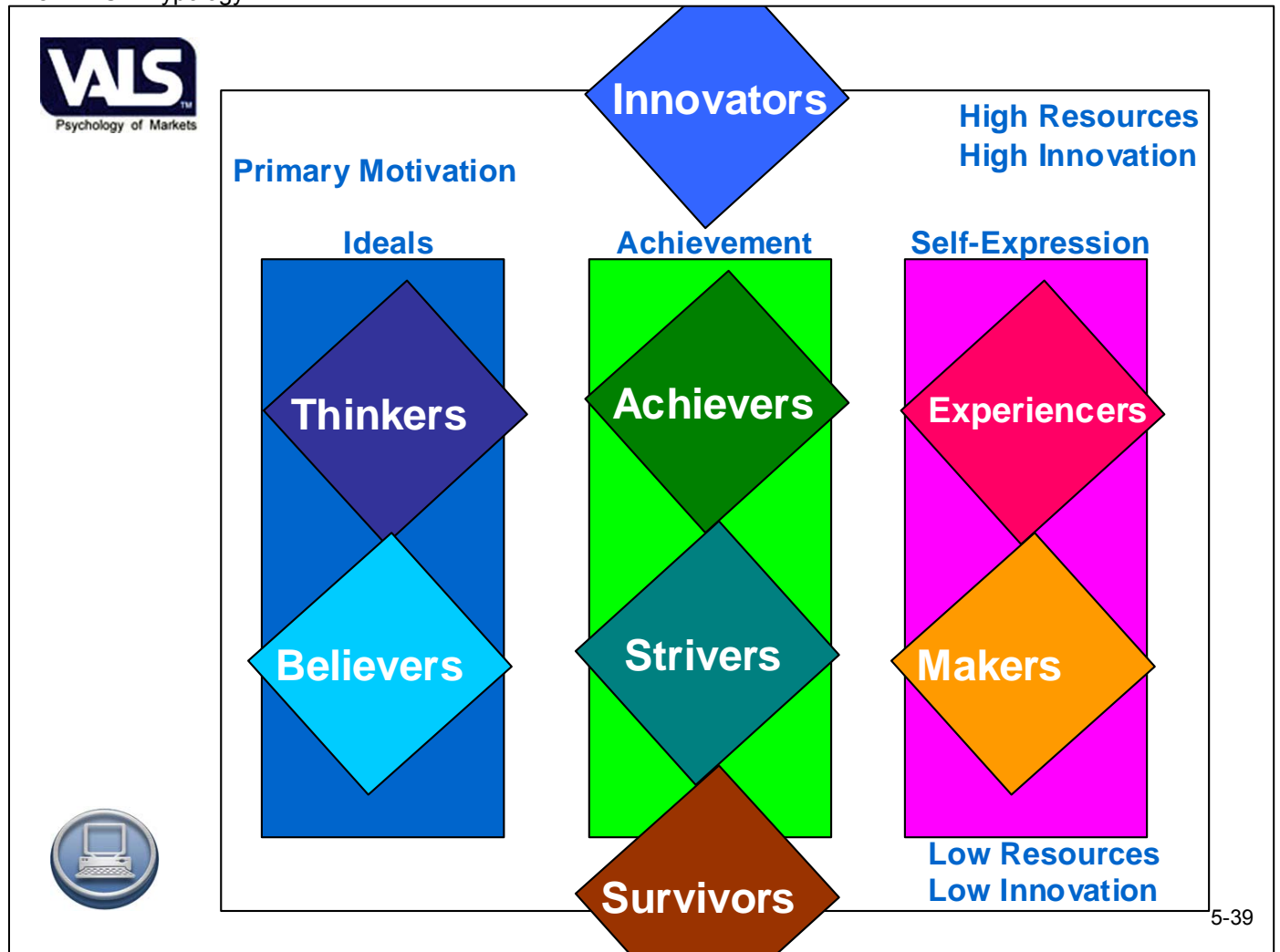
Sustainers (7%)
Survivors (4%)

Integrateds

Societally
Conscious

Outer-
Directed

Achievers

Inner-
Directed

Exper-
ential

Emulators

I-Am-
Me

Belongers

Sustainers

Needs-
Driven

Survivors

The VALS I typology

d. The VALS II typology

Basic Theme	Principled		Status		Action	
Typology Size	Believers 16%	Fulfilleds 11%	Strivers 13%	Achievers 13%	Makers 13%	Experienced 12%
Lifestyles	Concrete Beliefs, Comfortable, Predictable, Church-oriented, Conservative, Like to read	Satisfied, Comfortable, Value and order, Happy, Well-Informed	Aware of Others, Motivated, Want status and power, Impulsive, Money= success	Career and Work oriented, Seek recognition, Image Conscious, Want to assert individuality	Self sufficient, Value physical aspect of work and fun, "Do it yourselfers"	Energetic, Enthusiastic, Seek new experiences, Like sports and outdoors and social activities
Demographics						
Average AGE	58 (older Belongers)	48	34	36	30	26
Income (1989)	$21,000	$38,000	$25,000	$50,000	$23,000	$19,000
Education	High School	College	< College	College	High School	In College
Occupation	Homemaker or Retired		Clerical, Blue Collar Worker	White Collar	Blue Collar	Entry level white collar and crafts
Family	Married or widowed	Married, kids gone or in school	Single or married with kids	Married (both work) with kids	Married with kids	Single, never married

Innovators

High Resources
High Innovation

Primary Motivation

Ideals   **Achievement**   **Self-Expression**

Thinkers

Achievers

Experiencers

Believers

Strivers

Makers

Survivors

Low Resources
Low Innovation

5-39

4. Marketing Applications

B. Based on Product-specific Lifestyle Characteristics

1. The questions

2. Examples

C. Profiling Consumers Based on General Lifestyle Characteristics

D. Profiling Consumers Based on Product-specific Lifestyle Characteristics

E. Lifestyle Segmentation and the Marketing Mix

    1. New Product Development

    2. Developing Promotion Strategies and Positioning Products

F. Segmenting Consumer Markets

1. Based on Consumer Characteristics
    c. Psychographic Segmentation

i. VALS/VALS2

http://www.strategicbusinessinsights.com/vals/presurvey.shtml

ii. PRIZM

http://www.clusterbigip1.claritas.com/MyBestSegments/Default.jsp?ID=20
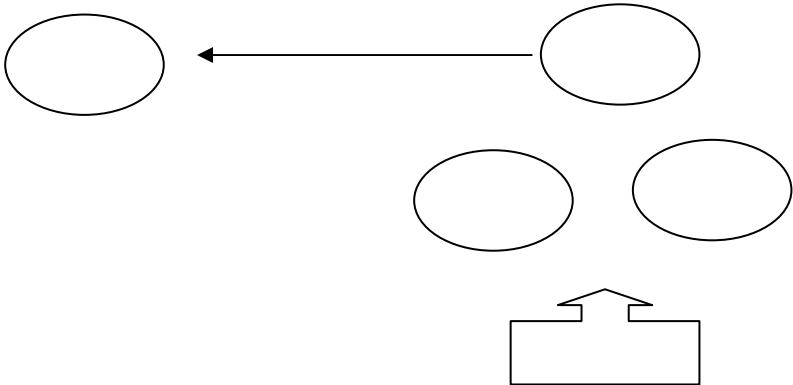
Cultural Influences on Consumer Behavior

I. Overview

   A. Cultural Determinism--Thorstein Veblen

      1.

      2.

      3.

      4.

   5.

II. Definitions of Culture

      A. Linton--The configuration of learned behavior and results of behavior whose component elements are shared and transmitted by members of society.

      B. Kroeber and Parsons--The transmitted and created content of patterns of values, ideas and other symbolic meaning systems as factors in the shaping of human behavior and the artifacts produced through behavior.

      C. Ulman--A system of solutions to unlearned [problems] as well as learned problems and their solutions; all of which are acquired by members of a recognized group and shared by them.

      D. Engel, Blackwell, and Kollat--The complex of values, ideas, attitudes, and other meaningful symbols, created by people to shape human behavior and the artifacts of that behavior, transmitted from one generation to the next.

      E. Intergenerational Value Transmission (also see Exhibit 8.7)
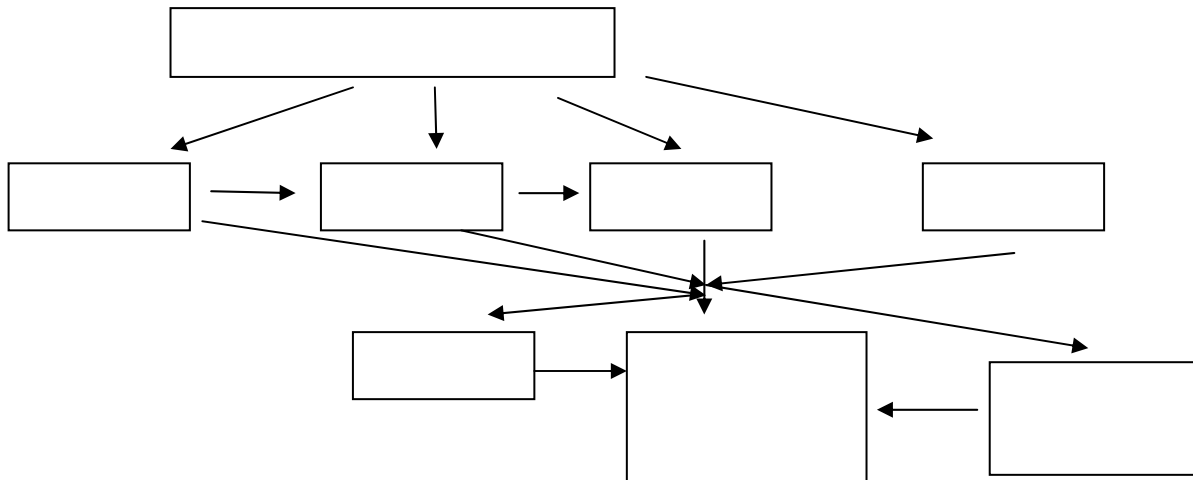
      F. Comments

III. Common Characteristics of Culture

    A. Culture Guides Action

    B. Culture Sets Standards

Cultural Norms
Rules that specifies the appropriate behavior in a a given situation within a specific culture.
Cultural Sanction
Penalty associated with performing a non-gratifying or culturally inconsistent behavior

    C. Culture is a Learned Set of Responses

    D. Culture is Value-ladened

    E. Culture Facilitates Problem Solving

    F. Culture is Human-made

    G. Culture is Cumulative and Adaptive

IV. Origins of Culture and Cultural Differences

   A. Adjust to each other and environment.

   B. Environmental effects.

V. How Cultural Transitions Occur

   A. Continuous Changes

   B. Discontinuous

VI. Cultural Classifications

   A. Linton--

        1. Material Artifacts

        2. Kinetic Aspects

        3. Psychological Aspects

    B. Robertson

        1. Distributive Aspects

        2. Organizational Aspects

        3. Normative Aspects

VII. Strategic Analysis of Cross-cultural Markets

    A.

B.

C.

D.

E.

VIII. The Colonel Comes to Japan

An example using Robertson's framework

	Price	Promotion	Product	Place
Distributive				
Age distribution				
Income levels				
Education				
Organizational				
Religion				
Family				
Government				
Normative				
Attitudes				
Norms of Behavior				

Subcultural Influences on Consumer Behavior

I. Introduction

II. Definition

A. A subculture is a segment of a culture that shares distinguishing patterns of behavior.

B. Features to Stress

i.

ii.

C. Reason for Interest

D. Culture can be viewed as being "hierarchical" (Exhibit 8.2)

III. Types of Subcultures

    A. Subcultures Based on Race

        1. Major Types

        2. Demographics

        3. Product Usage

        4. Media Usage

        5. Example of Repositioning a Product

    B. Subculture Based on Nationality

        1. Types

        2. Demographics

3. Product Usage

4. Media Usage

Lifestyle Differences Among Black Females Age 18-49

Segment	Size	Age	Income	Basic Attitude
Conservative Traditionalist	32%	Older	Higher	View sex, drugs, and liquor as steps to degeneration.
Fashion Conscious	31%	Younger	Lower	Liberated in ideas about sex, liquor, and drugs; likes new hairstyles; dresses for fashion not comfort.
Independent	16%	Middle	Much Higher	Outgoing and on the way up. Financially secure and independent. Likes suburbs.
Girl-Next-Door	12%	Younger	Much Lower	Strong moral values. Likes baking as much as trying new hairstyles.
Conservative Thinker	9%	Older	Much Lower	Shop for sales. Disapprove of installment purchases. Feel men should rule the households while women take care of it.

Social Class and Consumer Behavior

I. Introduction

II. What is Social Class?

A. Engle, Kollat, and Blackwell--Social class are relatively permanent and homogeneous divisions in a society into which individuals or families sharing similar values, lifestyles, interests and behavior can be categorized.

So….

B. The Concept of Social Status

1.

2.

3.

C. W. Lloyd Warner--A social class is a group of people whom other members of the community see as equal to one another in social prestige.

II. Why Do Social Classes Exist?

A.

B.

C.

D.

E.

….Social Classes help the diverse elements of a society to operate as an integrated unit.

Is social class an important factor in the U.S.?

IV. Social Class in America

A. A reality

B. Factors Obscuring the Recognition of Social Class

1.

2.

3.

4.

The "KEY" is:

5.

     i.

     ii.

     iii.

C. A Pragmatic Approach

1.

2.

3.

V. Determinants/Indicators of Social Class

A.

B.

C.

D.

E.

F.

VI. Measurement of Social Class

A. Reputational

B. Sociometric

C. Subjective

Example: 185. A. If you were asked to use one of four names for your social class, which would you say you belong in: the lower class, the working class, the middle class, or the upper class?
http://www.norc.org/GSS+Website/Browse+GSS+Variables/Subject+Index/

D. Objective

    1. Hollingshead's Index of Social Position (ISP).

    2. Warner's Index of Status Characteristics (ISC).

       B. Four Factors

         i.

         ii.

         iii.

         iv.

Indicators of Social Class in the U.S.--Based on Warner's ISC

Indicators

Social Class	% of U.S. Population	Occupations	Income Source	House Type	Dwelling Area
U-U	5--1.0	Investments, Civic Work	Inherited Wealth	Family Mansions	OlderAffluent Areas
L-U	1.5 – 2.0	Professionals, Corporations	Salary, Dividends	New Mansions	Newer Affluent Areas
U-M	10--12	Professionals, Businessmen	Salary	New Colonial	Better Suburbs
L-M	25-35	White Collar Workers	Salary	Tract Houses	Suburbs
U-L	35-45	Blue Collar Workers	Wages	Older Frame Houses	Areas of the Central City
L-L	20-35	Laborers, Janitors, etc.	Wages	Tenements	Slums

NOTE: Generalizations, NOT complete descriptions of Social Class.

VII. Social Class Influences on Consumer Behavior

1.

2.

3.

4.

5.

6.

7.

Examples of Positioning Retail Establishments using Social Class

Social and Reference Group Influence

I. Introduction

   A. Examples of the Power of Social Influence

      1.

      2.

      3.

      4.

II. The Role of Social Power

   A. Types of Social Power (see Exhibit 9.1)
      1.

      2.

      3.

      4.

      5.

B. Social Groups

      1. Socialization is the process by which a person strives to acquire the value systems, norms, and the required behavior patterns of the social unit of which he/she is a part.

C. Definitions of Groups

    1. Criteria:

      a.

      b.

D. Types of Groups

    1. Primary Group
        a.

        b.

        c.

    2. Secondary Group

III. Reference Groups

   A. Comparative Reference Group

   B. Status (Aspiration) Reference Group

   C. Normative Reference Group

   D. General Reference Group = a group with which one wants to be associated, and whose beliefs, attitudes, and behaviors the person will seek to emulate.

IV. How Reference Groups Influence Our Social Behavior

   A. Compliance

      Homans→Social Exchange Theory

   B. Identification

C. Internalization

V. Reference Group Theory and Marketing

    A. Areas Influenced:
        1.

        2.

        3.

        4.

        5.

    B. Attribution Theory

    C. Product Endorsements

    D. Influence by Product Type

	PUBLIC GOOD			
N E C E S S I T Y	Brand Choice / Product Choice	Strong influence on Brand Choice for Public Good	Strong influence on Brand Choice for Public Good		**L U X U R Y**
	Weak influence on Product Choice for Necessity	**PUBLIC NECESSITY** Weak reference group influence on the product selection; strong reference group influence on the brand choice	**PUBLIC LUXURY** Strong reference group influence on the product selection; strong reference group influence on the brand choice	Strong influence on Product Choice for Luxury	
	Weak influence on Product Choice for Necessity	**PRIVATE NECESSITY** Weak reference group influence on the product selection; strong reference group influence on the brand choice	**PRIVATE LUXURY** Strong reference group influence on the product selection; weak reference group influence on the brand choice	Strong influence on Product Choice for Luxury	
		Weak influence on Brand Choice for Private Good	Weak influence on Brand Choice for Private Good		
	PRIVATE GOOD			

When the Good is consumed in PUBLIC view, there is reference group influence on the BRAND choice. Not much influence if the good is consumed in private.

When the Good is a Necessity, there is not much reference group influence on the decision. When it is a "luxury" reference group influence is important.

Also, see Exhibit 9.2 Reference Group Influence on Product Selection

Family Decision Making and Consumer Behavior

I. Introduction

   A. Importance of Influence

   B. Early Influences

      1. Overt Influence

      2. Subtler Influence

   C. Ad Appeals Aimed at Our Past

II. Family Influence

   A. Primary Frame of Reference

      1.

      2.

      3.

4.

5.

III. Definitions

    A. Family of Orientation

    B. Family of Procreation

    C. Nuclear Family

    D. Extended Family

IV. Characteristics of the Family as A Social Group

    A. Leadership

    B. Family Norms

    C. Deviant Behavior and Family Sanctions

V. Roles in Family Decision Making

    A.

    B.

    C.

    D.

    E.

    F. Relating Roles to the Engle and Kollat Model

Role	Stage in the Model
	Search, exposure, attention, reception
	Evaluative Criteria, Alternative Evaluation
	Intention/Choice
	Choice
	Outcomes, Post-purchase Evaluation

VI. Types of Family Decisions

    A. Autonomic

    B. Husband-dominant

    C. Wife-dominant

    D. Syncratic (Joint)

    E. Examples

IV. Parent-Child Influences

    A. The Relationship
      1.

      2.

    B. Parental Yielding

      1.

      2.

      3.

      4.

VII. Conflict In Family Decision Making

    A. Types of Conflict
        1.

        2.

        3.

    B. Conflict Resolution

Goals	Strategy	Implementation
	Delegate	Specialist
CONSENSUS	Budget	Controller
	Problem Solving	Expert Discussion Multiple Purchase
ACCOMMODATION	Persuasion	Irresponsible Critic Masculine/Feminine Ploys Joint Shopping Coercion Coalitions
	Bargaining	Next Purchase Impulse Procrastinate

IX. Family Decision Making and Marketing Strategies

A.

B.

C.

D.

E.

X. Traditional Family Life Cycle (also, see Exhibit 9.6)

1. Bachelor Stage – Young, unmarried

2. Newly Married Couple

3. Full Nest I – Young married couples, child <6

4. Full Nest II – Young married, youngest >6

5. Full Nest III – Older married w/dependent kids

6. Empty Nest I- Older married, no kids at home, head still working

7. Empty Nest II - Older married, no kids at home, head still retired

8. Solitary Survivor I – Older, single, still working

9. Solitary Survivor II – Older, single, retired

Consumer Motivation

I. Introduction

    A. Shackelton Ad

        1. "Men wanted for hazardous journey. Small wages, bitter cold, long months of complete darkness, constant danger, safe return doubtful. Honor and recognition in case of success."

    B. Common Marketing Appeals

II. An Overview of Motivation

    A. Motivation AROUSES behavior
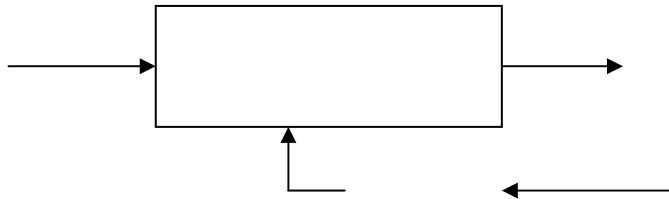
        1.

        2.

        3.

B. Motivation Cannot be Observed

        1.

        2.

    C. Motive Defined

        1. Motive is an inner directed state that MOBILIZES bodily energy and DIRECTS it
in a selective fashion towards GOALS usually located in the external environment.

        2. The "standard definition"--motive is a strong and persistent internal stimulus
around which behavior is organized.

        3. Other terms:

            a.

            b.

c.

4. Need, Goals, and Products

III. Classifying Motives

A. By Origin

1.

2.

B. Bayton's Classification

1.

2.

3.

C. Murray's Social Motives

1.

2.

McGuire's Comprehensive Scheme

4 bipolar categories:

McGuire's Comprehensive Motivation Scheme

		Active		Passive	
		Internal	External	Internal	External
Cognitive	Preservation	1. Consistency	2. Attribution	3. Categorization	4. Objectification
	Growth	5. Autonomy	6. Exploration	7. Matching	8. Utilitarian
Affective	Preservation	9. Tension Reduction	10. Expressive	11. Ego-defensive	12. Reinforcement
	Growth	13. Assertion	14. Affiliation	15. Identification	16. Modeling

E. Maslow's Hierarchy (see Exhibit 5.1)

   1.

   2.

      a.

      b.

      c.

      d.

      e.

IV. Motivational Conflict

   A.

   B.

   C.

Personality and Self Concept

I. Introduction

A. Personality Defined

1. Personality is the tendency an individual has to have consistent responses to environmental stimuli.

B. The Importance of Personality Characteristics

1. Guide to copywriters

2. Basis for Product Positioning

II. Personality Theories

A. Trait Theory (see text p. 105)

1. The most widely used

2. Based on personality inventories

a. The Edwards Personal Preference Schedule (EPPS).

PERSONALITY VARIABLES IN THE EDWARDS PERSONAL PREFERENCE SCHEDULE

ACHIEVEMENT   To rival and surpass other; to do one's best; to desire prestige, accomplishment, ambition, success.

COMPLIANCE   To accept leadership; to following willingly; to let others make decisions; submission; deference; conformity.

ORDER   To have things arranged; to be organized; to be clean; tidiness, neatness, organization.

EXHIBITION   To be the center of attention; to have other notice you; to make an impression on others; vanity and self-dramatization.

AUTONOMY   To seek freedom; to resist influence; to defy authority, and coercion; independence and freedom.

AFFILIATION   To form friendships and associations; to participate in groups; to do things with others; affiliation and companionship.

ANALYSIS   To understand others; to examine motives; to analyze your own behavior; understanding and introspection.

DEPENDENCE   To seek aid; to be helped by others; to be guided and advised; helplessness.

SELF-DEPRECIATION   To feel inferior to others; to accept blame; to accept punishment; masochism and shame.

ASSISTANCE   To help others; to be sympathetic; to protect others; helpfulness and support.

CHANGE   To do new things; to do different things; to change daily routine; variety and novelty.

ENDURANCE   To stick at a task; to work hard at a job; to complete anything undertaken; persistence and toil.

HETERO-SEXUALITY   Willingness to talk about sex; to be attracted to the opposite sex; to go out with the opposite sex; love and desire.

AGGRESSION   To attack, assault, or injure; to belittle, harm, blame, punish; sadism and violence.

3. Applications of Trait Theory

4. Personality Inventories Developed for Marketing

B. Psychoanalytic Theory

1. Review the theory (text pages 104-105)
a.

b.

c.

d.

2. Use in advertising

a.

b.

c.

C. Transactional Analysis
See The International Transactional Analysis Association site at:
http://www.itaa-net.org/

1. Personality Structure

a.

i.

ii.

iii.

b. The Child Ego State

c. The Parent Ego State

d. The Adult Ego State

2. Analysis of Transactions

a. Parallel transaction

b. Crossed transaction

c. Ulterior transaction

3. Marketing Application

a.

b.

D. Social-psychological theory (Neo-Freudian)

1. Alfred Adler

a.

b.

c.

2. Erich Fromm

3. Harry Stack Sullivan

a.

b.

4. Karen Horney

a.

b.

c.

III. Self-concept Theory

Interpersonal Communication

I. Interpersonal Influence

   A. What is Interpersonal Communication?
      The IMPACT of personally shared information on consumers' perceptions,
      attitudes, and behavior

   B. Why is it Important?

II. Important Characteristics

   A.

   B.

   C.

III. Attribution Theory and Social Influence

   A. Causality

   B. Locus of Control

IV. Opinion Leaders

A. Background

B. Measurement

1. Sociometric

2. Key Informant

3. Self-designated Opinion Leader

So, Opinion Leaders are "Consumers who have great influence on the behavior of others relating to product adoption and purchase."

C. Characteristics of Opinion Leaders:

1.

2.

3.

4.

5.

6.

V. The Process of Interpersonal Communication

    A. Two-step Flow Model

    B. Multi-stage Model

VI. Communicator Motivation

    A. Product Involvement

    B. Self-involvement

        1. Gaining Attention

        2. Showing Connoisseurship

3. Feeling like a pioneer

4. Having inside information

5. Suggesting Status

6. Spreading the Gospel

7. Asserting Superiority

C. Other Involvement

D. Message Involvement

E. Confirm Personal Judgment

VII. Listener Motivation

A.

B.

C.

VIII. Stimulating Word-of-Mouth

A.

B.

Ad Examples:

– Shock of Difference, with a purpose

– Heightened Reality

– Invite Consumers to Poke Fun At Us

The Diffusion and Adoption of New Products

I. Introduction

    A. What is Being Diffused?

      1.

      2.

      3.

      4.

      5.

    B. What is Diffusion?

      1. Diffusion is the process by which a new idea, product, practice, etc. is accepted by the aggregate population.

      2. Aspects of interest:

      a.

      b.

    C. What is "innovation?" Three Definitions:

      1. Product-usage based

      a.

      b.

c.

d.
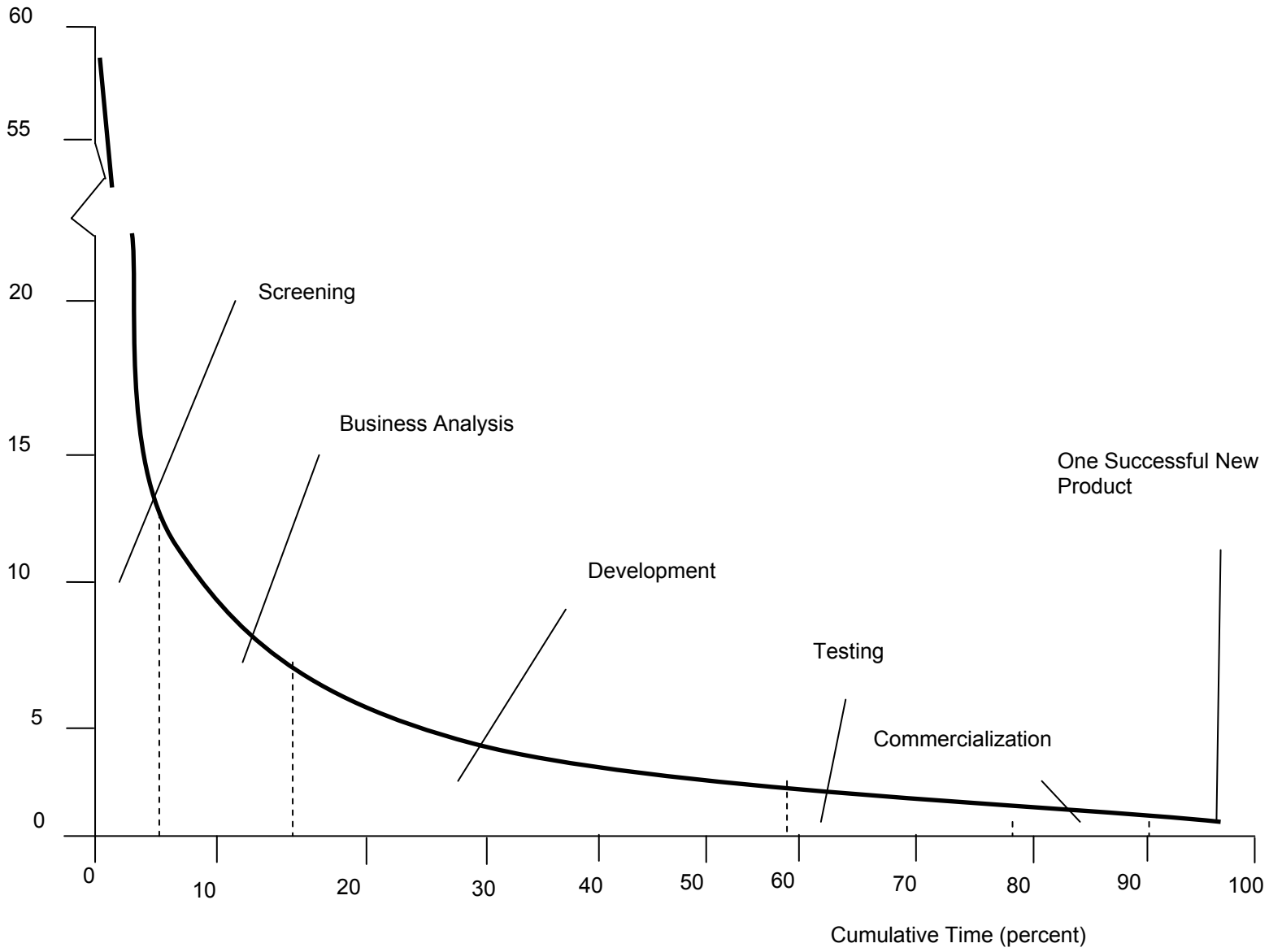
2. Market-penetration based

3. Consumer-perception based

II. Why is the Study of Diffusion Important?

A.

B.

C.

Number of New Ideas

60
55
20
15
10
5
0

Screening

Business Analysis

Development

Testing

Commercialization

One Successful New Product

0   10   20   30   40   50   60   70   80   90   100

Cumulative Time (percent)

Adapted from Booze, Allen, and Hamilton 1965

The Product Life Cycle

Total Market Sales

Innovate, Redesign

D o l l a r s

Total Market Profit

Drop Product

Time

Stage:	Introduction	Growth	Maturity	Decline

Emphasis in Marketing Mix

Promotion	Distribution	Price	Cost Reduction
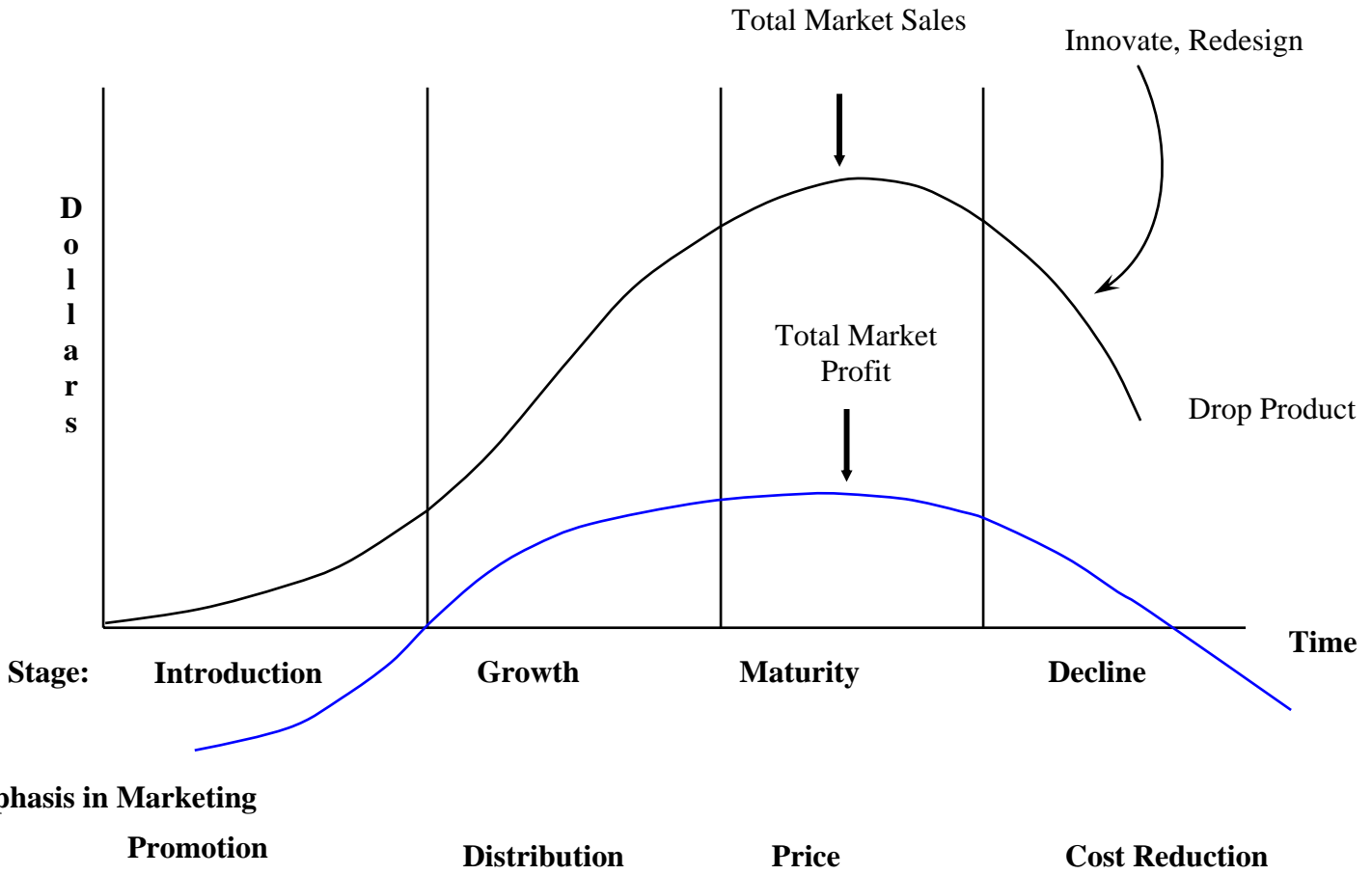
III. The Mechanics of Diffusion

A. Roger's Diffusion Theory (see Exhibit 9.4)

1. The Model

| Innovators 2.5% | Early Adopters 13.5% | Early Majority 34% | Late Majority 34% | Laggards 16% |

Time
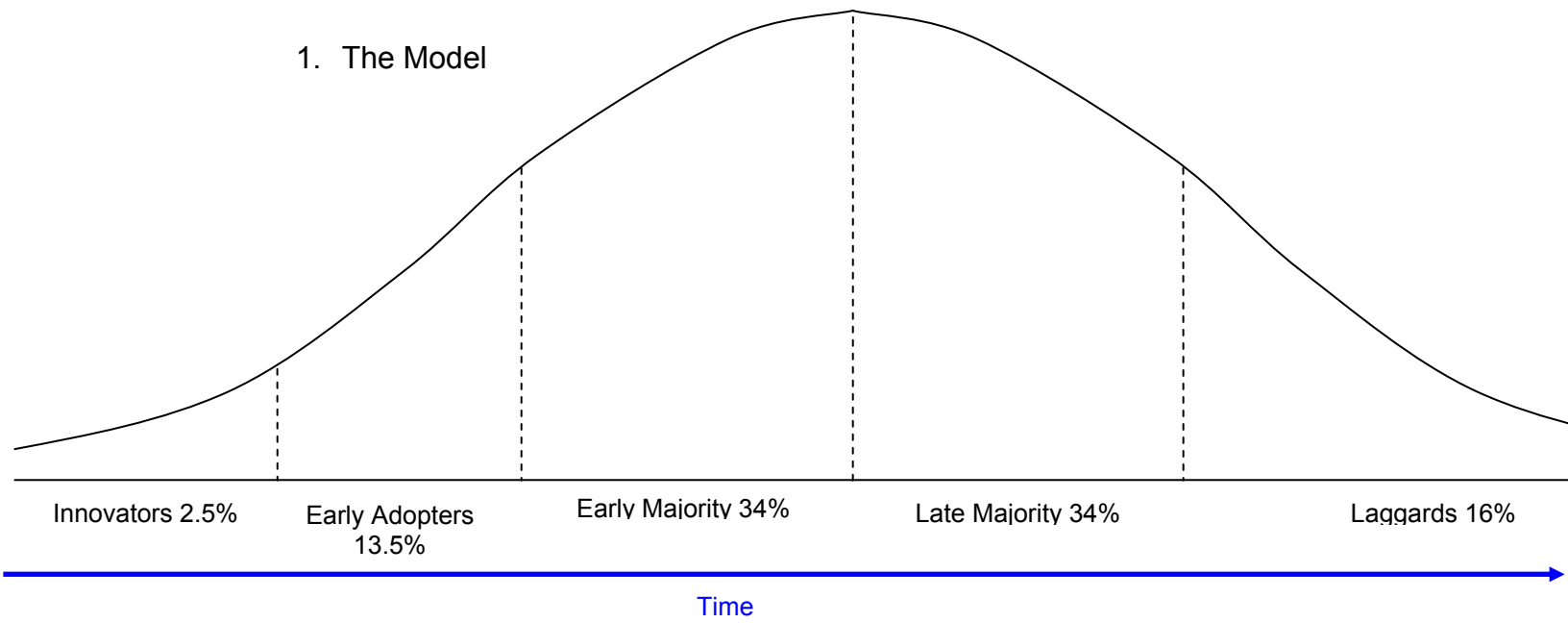
2. How Long?

3. Degree?

4. Insights:

    a.

    b.

    c.

5. Rogers vs. the Two-step Flow Model

6. Diffusion for Marketing

IV. The Rate Of Diffusion

A. Demon--A Marketing Model

1. Predicts rate of diffusion based on Advertising and Promotion.

2. Assumes:
   a.

   b.

   c.

3. The Model

Advertising
Expenditures

Gross
Impressions

Reach and
Frequency

Brand
Awareness

Promotion
Expenditures   Trial   Distribution
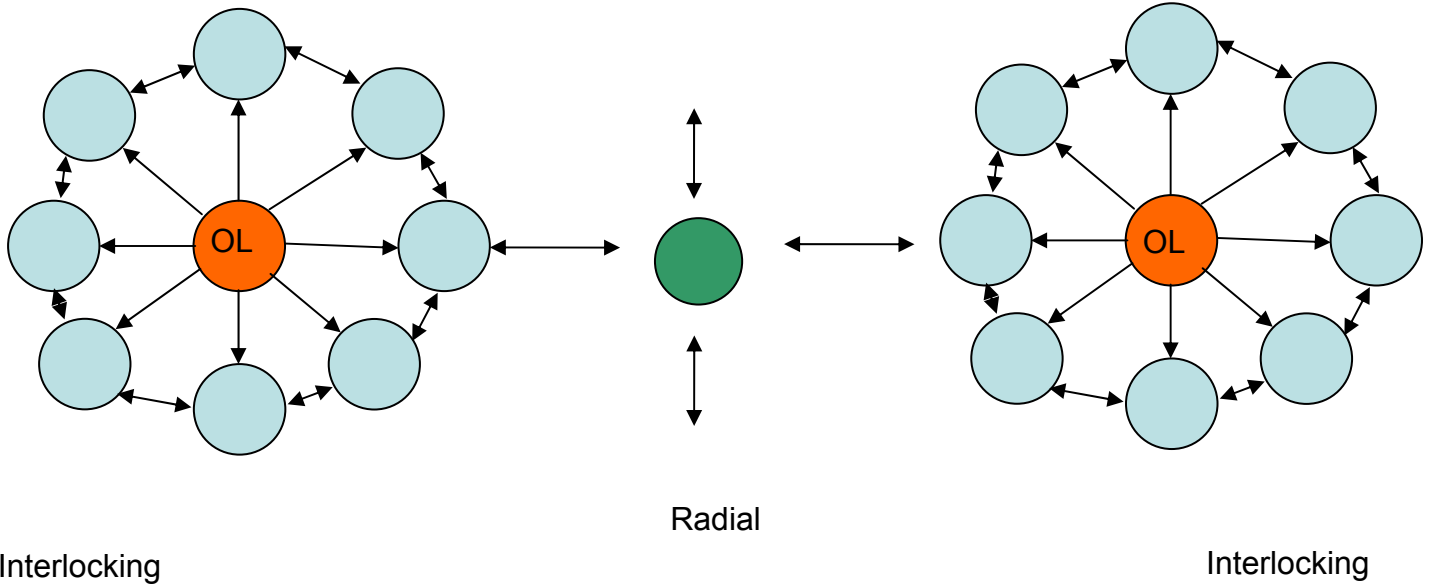
Usage
Rate
Price
Demand

B. Variables Influencing Product Adoption

1. Perceived Advantage

2. Satisfaction of Needs

3. Compatibility of Use

4. Ease of Use

5. Risk

6. Price

V. The Strength of Weak Ties

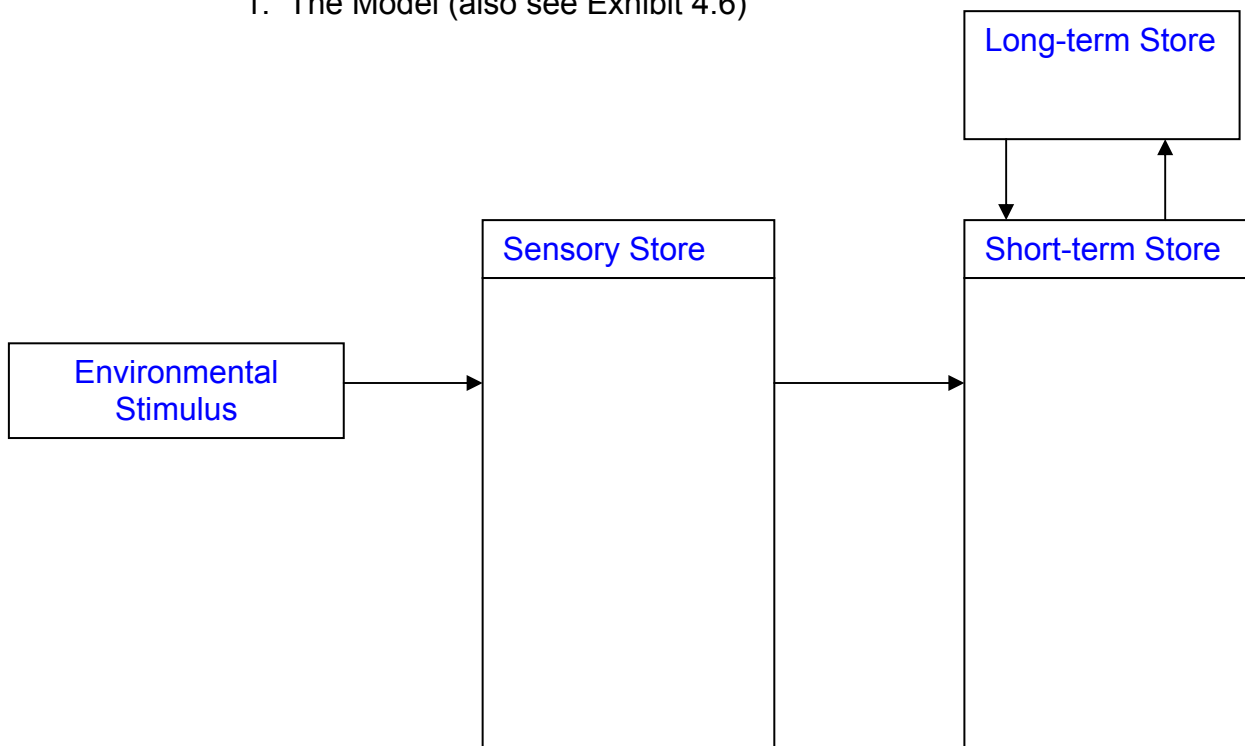Interlocking   Radial   Interlocking

Information Processing and Memory

I. Introduction

II. The Traditional Concept of Memory

    A. Atkinson and Shiffrin Multiple-store Model of Memory (1971)

       1. The Model (also see Exhibit 4.6)

		Long-term Store
Environmental Stimulus	Sensory Store	Short-term Store

    2. The Sequence of Processing

III. Levels of Processing Model (Craik and Lockhart, 1972)

    A. Assumptions:

        1. Humans have

        2. Capacity is

            a.

            b.

IV. The Activation Model (Collins and Loftus, 1975)

    A. Assumptions

1.

2.

V. A Liberal View of Memory

A.

B.

C.

VI. Memory Control Processes

A.

1.

a.

b.

B.

    1.

C.

    1.
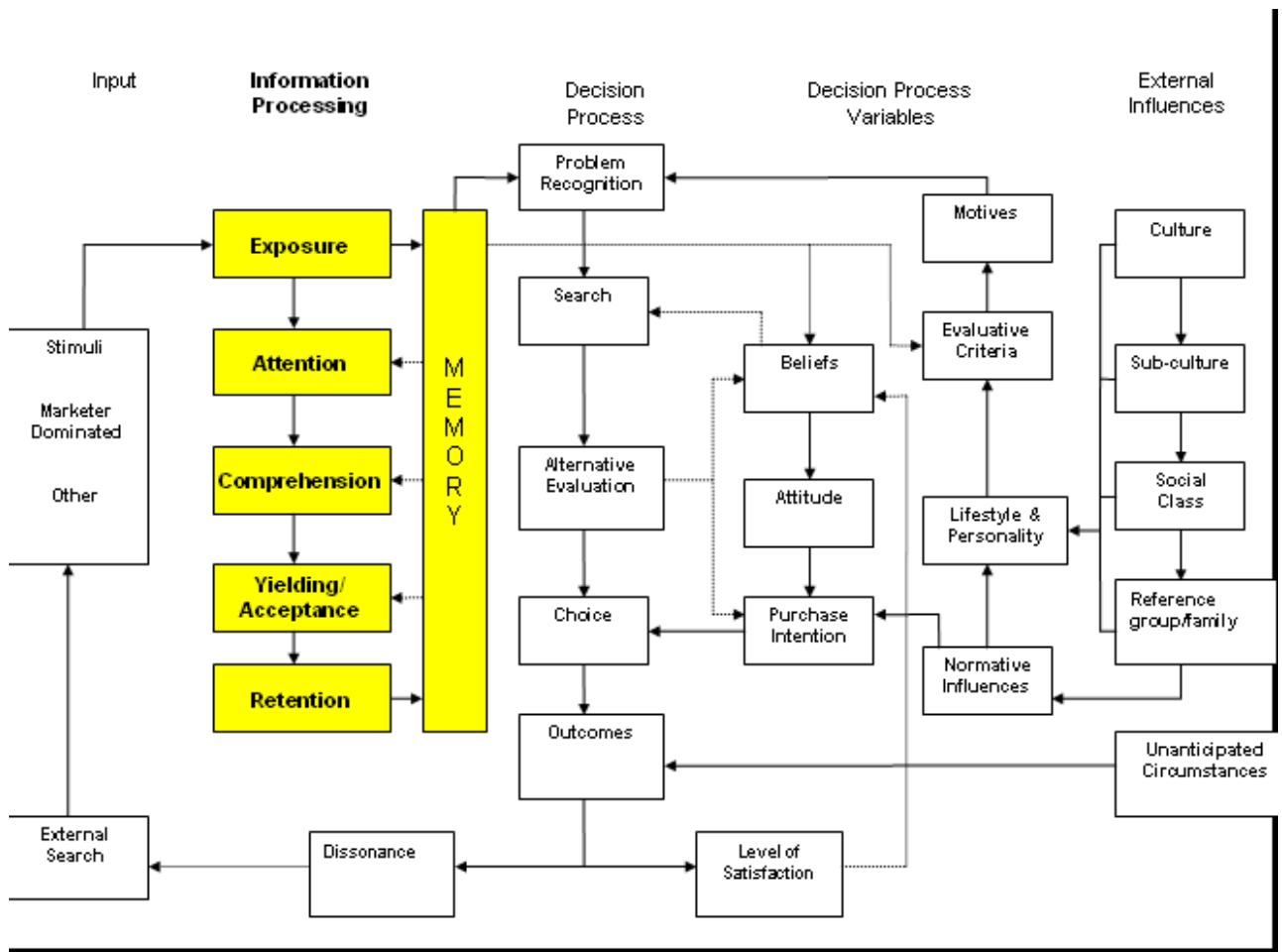
D.

    1.

E.

1.

2.

F.

1.

2.

VII. Stages in Information Processing Under High Involvement

    A.

    B.

       1. The ACTIVE processing of exposed information such that a conscious impression is made.

       2. The "allocation of processing capacity" once exposure occurs

      Factors Affecting Attention:

         a. Stimulus Factors

            i. Stimulus Intensity

            ii. Distinctiveness

            iii. Size

            iv. Position

         b. Personal Factors

            i. Persisting Values

            ii. Present Expectations

            iii. Internal States

    C.

    D.

    E.

Information Processing--Perception

I. Introduction

    A. Importance of Perception

    B. Some Factors Influencing Perception

        i.

        ii.

        iii.

    C. Marketers' Interest in Perception

II. What is Perception?

    A. Physical Stimulation

B. Definition

    1. Perception is a process through which incoming stimuli are given meaning.

    2. Perception is process through which we make sense out of the world

III. Characteristics of Perception

A.

B.

    1.

    2.

       a.

       b.

       c.

3. Selective Perception and Marketing

IV. The Process of Perceptual Categorization

    A. Explained by Principles of Gestalt Psychology

        1.

        2.

        3.

        4.

        5.

    B. Perceptual Categorization and Marketing

        1. Facilitating Perceptual Categorization

2. Surrogate Indicators

3. Sex in Advertising

    i.

    ii.

    iii.

VII. Perception and the Just Noticeable Difference (text pages 48 to 50)

  A. Sensory Input and Sensory Receptors

  B. Threshold Levels

    1. Absolute Threshold

    2. Differential Threshold

    3. The J.N.D.

    4. Weber's Law

  C. Marketing Applications of the J.N.D.

    1.

    2.

    3.

VIII.   Subliminal Perception

    A. Ability to perceive and respond to stimuli that are just below the threshold of consciousness (the absolute threshold).

    B.

       1.
          a.
          b.
          c.
       2.
          a.
          b.
          c.

    C. NO value for marketing
     1.

     2.

     3.

     4.

Consumer Beliefs, Attitudes, and Intentions

I. Introduction

II. Terminology

    A. Attitudes -- A learned predisposition to respond in a consistently favorable OR unfavorable manner in respect to a given object

    B. Cognitions -- Cognitions are BELIEFS

    C. Affect -- Affect refers to the nature of the FEELINGS

    D. Intentions -- refers to BEHAVIORAL INTENTIONS.

    E. Overt Behaviors -- The actual, observable public behavior.

III. Measurement
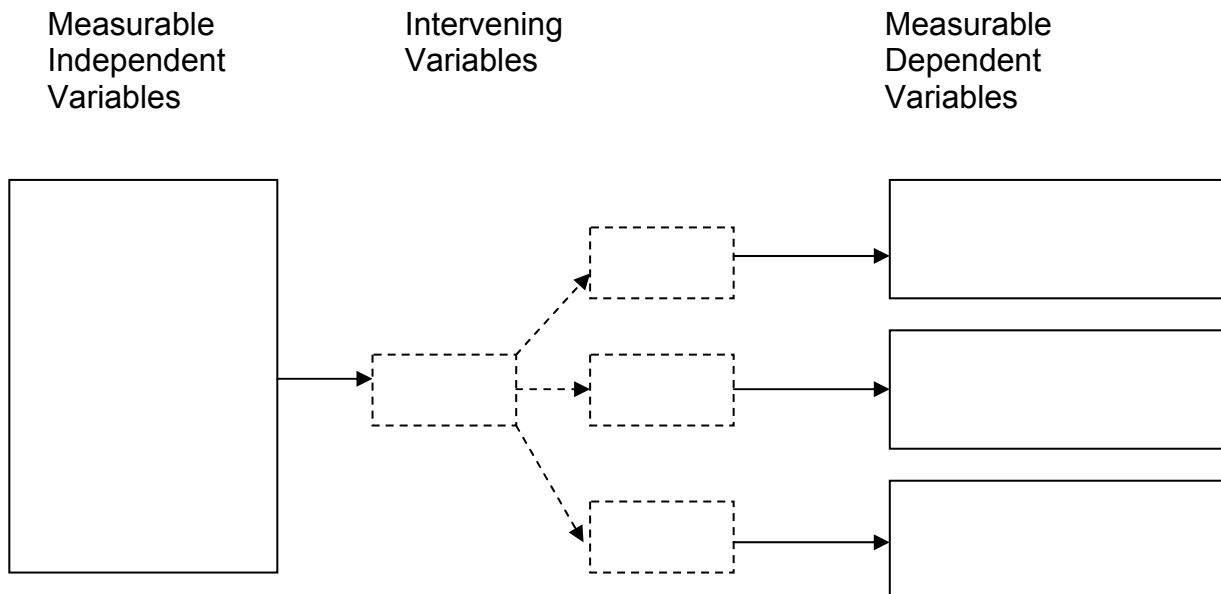
    A. Cognitive

       1.

2.

B. Affect

C. Intentions

D. Overt Behavior

IV. The Traditional Model of Attitudes

A. The Model

Measurable
Independent
Variables

Intervening
Variables

Measurable
Dependent
Variables

B. The Relationship Among the Components

    1.

    2.

C. Problems

    1.

    2.

    3.

  V. The Original Fishbein Model (A Multiattribute Model) --The Attitude-toward-the-object model (text pages 126-129)

A. How it Differs from the Traditional Model

    1.

    2.

    3.

B. The Model

$A_o = \sum b_i e_i$ "Attitude about the object is equal to the sum of beliefs about the object times the evaluation of those beliefs as good or bad"
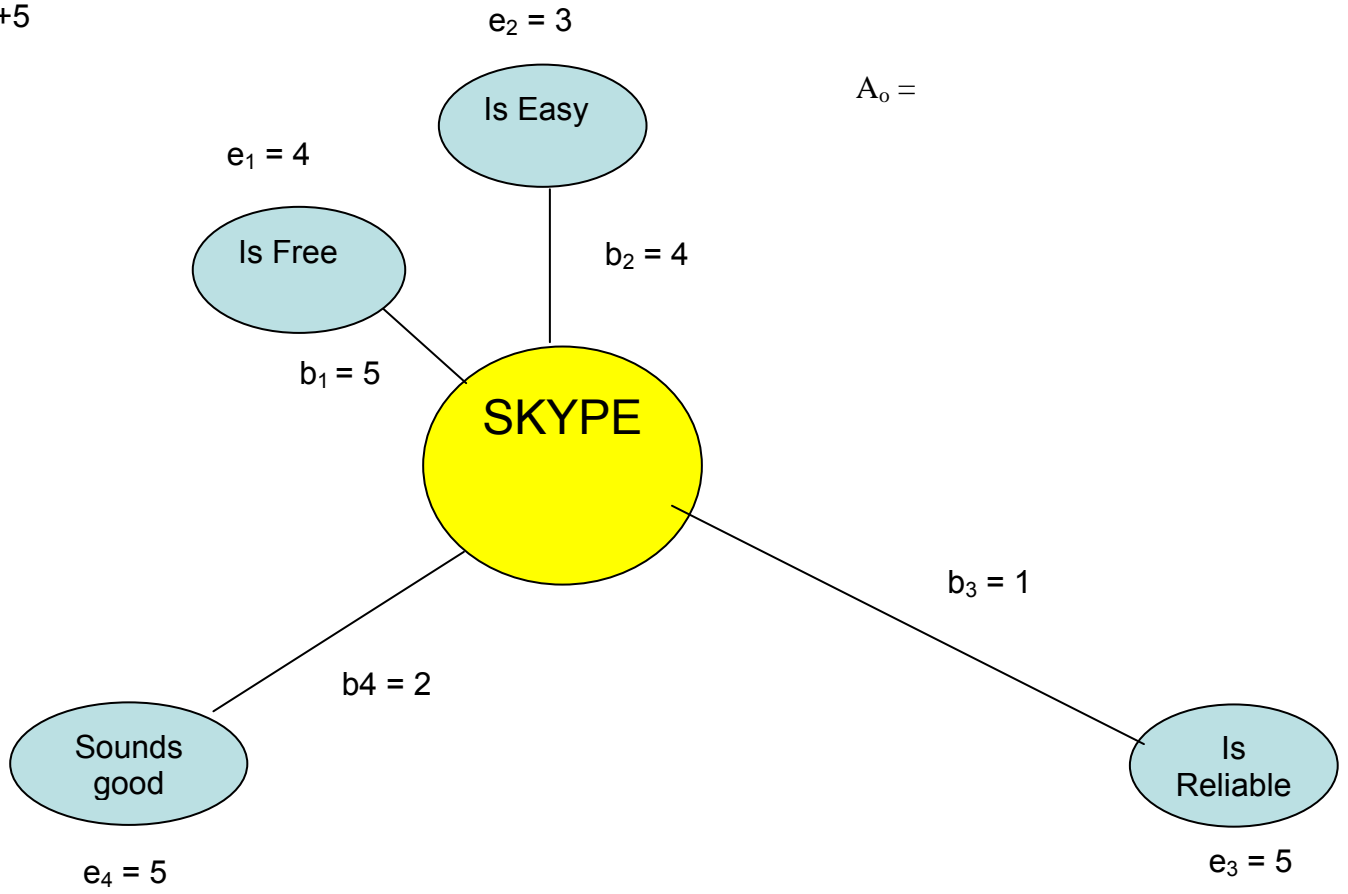
Ao = Attitude toward the object (brand)
bi = belief about the brand's possession of the "ith" attribute
ei = evaluation of the attribute as being good or bad
n = there are a limited number (n) of attributes which the person will consider

e_i = -5 to +5
b_i = -5 to +5

$e_2 = 3$

Is Easy

$e_1 = 4$

$A_o =$

Is Free

$b_2 = 4$

$b_1 = 5$

SKYPE

$b_3 = 1$

$b4 = 2$

Sounds
good

Is
Reliable

$e_4 = 5$

$e_3 = 5$

C. Limitations

    1.

    2.

D. Intentions and Overt Behavior

    1.

    2.

       a.

       b.

       c.

VI. The Extended Fishbein Model = Fishbein's Behavioral Intentions Model = Theory of Reasoned Action (text pages 129-130).
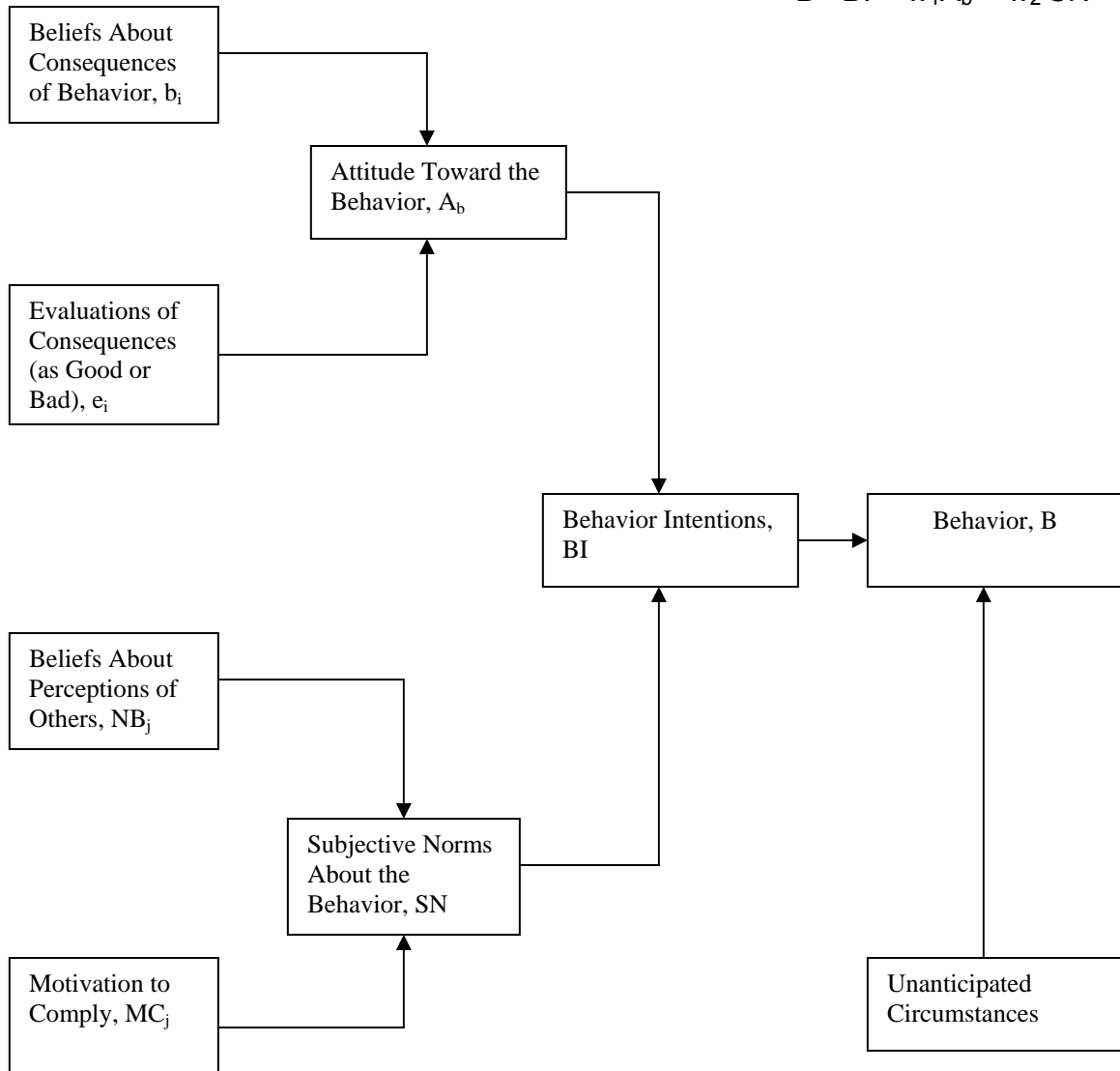

    A. The Model

$$B \cong BI = w_1 A_b + w_2 SN$$

        1. B = Overt Behavior, which is approximately equal to Behavioral Intentions

        2. Ab = Attitude about the BEHAVIOR (e.g., the purchase)

$$A_b = \sum b_i e_i \text{ (beliefs about the consequences of the behavior;}$$

evaluation of those consequences as good or bad)

        3. Subjective Norms $\quad SN = \sum\limits_{j=1}^{m} NB_j \times MC_j$

    4. NB are normative beliefs (what we think others would want us to do) and MC represents our motivation to comply with their wishes

    5. w1 and w2 are the relative "weights" of each of these factors

A Representation of the Behavioral Intentions Model

$$B \approx BI = w_1 A_b + w_2 SN$$

Beliefs About Consequences of Behavior, b_i

Evaluations of Consequences (as Good or Bad), e_i

Attitude Toward the Behavior, A_b

Behavior Intentions, BI

Behavior, B

Beliefs About Perceptions of Others, NB_j

Motivation to Comply, MC_j

Subjective Norms About the Behavior, SN

Unanticipated Circumstances

Logic of the Arithmetic

If buying a brand
Gives you something (+) you want (+) = +
Gives you something (+) you DON'T want (-) = -
Doesn't give you something (-) you want (+) = -
Doesn't give you something (-) you don't want (-) = +

Fishbein's Models of Attitude Toward the Object and Fishbein's Behavioral Intentions Model

Examples of Multiattribute Models of Attitude

Objectives: 1. To introduce you to the use of multiattribute models of attitude by applying it to your own consumer behavior.

2. To have you determine the applicability of a multiattribute model to marketing strategy formation.

Attitude is an intangible abstract construct that has played an important and significant role in the study of human behavior. Recently, the multiattribute model of attitude has become popular in the study of consumer behavior.

Determine your attitude for the following product. First, obtain your ratings for the product's attributes. Second, use the multiattribute model to determine your attitude toward the various brands of the product. Third, determine whether the multiattribute model predicts your preferred brand. Fourth, think about the implications of these results to marketers.

JEANS

1. Use the numbers from the following scale to evaluate each characteristic of jeans.

Extremely Good +3	Moderately Good +2	Slightly Good +1	Neither Good nor Bad 0	Slightly Bad -1	Moderately Bad -2	Extremely Bad -3

Low Price _____

A High Status Brand Name _____

Durability _____

A Comfortable Fit _____

Wide Color Selection _____

Fashionable Styling _____

NOTE: These are the ei scores, telling how "good or bad" each attribute is

2. Use the following scale to how likely it is that each of the brand will possess the characteristics.

Extremely Likely +3	Moderately Likely +2	Slightly Likely +1	Neither Likely nor Unlikely 0	Slightly Unlikely -1	Moderately Unlikely -2	Extremely Unlikely -3

	Levis	GAP	Aeropostale	Calvin Klein	Brand Currently purchased, if not included: _____
Low Price	____	____	____	____	____
High Status	____	____	____	____	____
Durability	____	____	____	____	____
Comfort	____	____	____	____	____
Wide Color Selection	____	____	____	____	____
Fashionable Styling	____	____	____	____	____

NOTE: These are the bi scores, indicate what the consumer believes to be true about each brand

Use the multiattribute model of attitude to compute the attitude score for each brand:

$$A_o = \sum b_i e_i$$

Levis _____ GAP _____ Aeropostale_____ Calvin Klein _____

Brand currently purchased_____

3. Which of the brands of jeans do you prefer? _____
    Which of the brands of jeans does the model predict you prefer? _____
4. What are the marketing implications of your results?

An Example of the Extended Fishbein Model (The Behavioral Intentions Model)

Please use this scale to rate the value of each "characteristic" to you when buying a vacation package.

Extremely Good +3	Moderately Good +2	Slightly Good +1	Neither Good nor Bad 0	Slightly Bad -1	Moderately Bad -2	Extremely Bad -3

Taking a vacation package in July which would:

Increase my social contacts   +3

Provide a restful vacation   +1

Improve my mental attitude   +2   The e_i scores

Be expensive   -2

Make me a more interesting person   +2

Involve difficult language skills   -3

NOTE: Each of the above statements is a CONSEQUENCE of buying the vacation package. So, the respondent is providing you with an evaluation of the consequences as being "good" or "bad."

Please use this scale to indicate how likely it is that buying each trip will give you the results indicated.

Extremely Likely +3	Moderately Likely +2	Slightly Likely +1	Neither Likely nor Unlikely 0	Slightly Unlikely -1	Moderately Unlikely -2	Extremely Unlikely -3

Taking the England/Japan vacation package in July will:

	England Trip	Japan Trip
Increase my social contacts	+2	+2
Provide a restful vacation	+2	+1
Improve my mental attitude	+1	+3
Be expensive	+2	+3
Make me a more interesting person	+1	+3
Involve difficult language skills	-2	+2

The bi scores

NOTE: The respondent is now providing you with an indication of his or her beliefs about the consequences of buying each trip.

Calculate Overall Attitude Toward the Behavior:

$A_b = \Sigma \, b_i e_i$ (beliefs about the consequences of the behavior; evaluation of those consequences as good or bad)

Salient Beliefs about Consequences	Belief Strength		Evaluation Score	Product	
	England Trip	Japan Trip		England Trip	Japan Trip
Taking the England/Japan vacation package in July will:					
increase my social contacts	2	2	3		
provide a restful vacation	2	1	1		
improve my mental attitude	1	3	2		
be expensive	2	3	-2		
make me a more interesting person	1	3	2		
involve difficult language skills	-2	2	-3		

Overall attitude toward buying =

NOTE: The above calculation is the sum of the beliefs about the consequences of buying each trip multiplied by the evaluation of the consequence as good or bad. It gives you the attitude the person has about buying each trip.

Please use this scale to indicate how each person feels about you taking each vacation:

+3 Definitely Should	+2 Probably Should Not	+1 Might Consider Not	0 No Opinion	-1 Might Not	-2 Probably Should	-3 Definitely Should

The July vacation package to:

	England	Japan	
Brother	_____	_____	These are the NBs
Special Friend	_____	_____	
Boss	_____	_____	

How much do you want to do what each person thinks you should do?

Not at all 0	Slightly 1	Moderately 2	Strongly 3

Brother	_____	
Special Friend	_____	These are the MCs
Boss	_____	

Calculate Subjective Norms:

Salient Referents	Normative Belief Strength		Motivation to Comply	Product	
	England Trip	Japan Trip		England Trip	Japan Trip
Brother	2	1	1		
Special Friend	-1	2	3		
Boss	1	2	2	_____	_____

Subjective Norm (SN)=

$$SN = \Sigma\ NB_j \times MC_j$$

When people purchase vacation trips, there are two important influences on their decision about what trip to buy. What they think about each trip, and what people who are important to them think. Please divide 100 points between these two factors to indicate their importance in your decision about what trip to buy (e.g., 80-20, 35-65, 50-50, etc.)

My own beliefs _____   Other peoples' beliefs _____

For this exercise, use a weight of .4 for attitude toward the behavior (own beliefs) and .6 for subjective norms (other peoples' beliefs).

Calculate Behavioral Intentions Score:

$$B \approx BI = w_1 Ab + w_2 SN$$

For the England Trip   +
$$= \quad +$$
$$=$$

For the Japan Trip   +
$$= \quad +$$
$$=$$

Changing Beliefs and Attitudes

I. The Function of Attitudes

    A. The Adjustment or Adaptive Function (text p. 174)

        1.

        2.

    B. The Ego Defensive Function

    C. The Value-expressive Function (text p. 175)

    D. The Knowledge Function

        1.

        2.

II. Attitude Change and Marketing (text pages 131-141)

    A. Attitude Change is a Primary Goal.

        1.

B. Ease of Change Depends on

III. Theories of Attitude Change

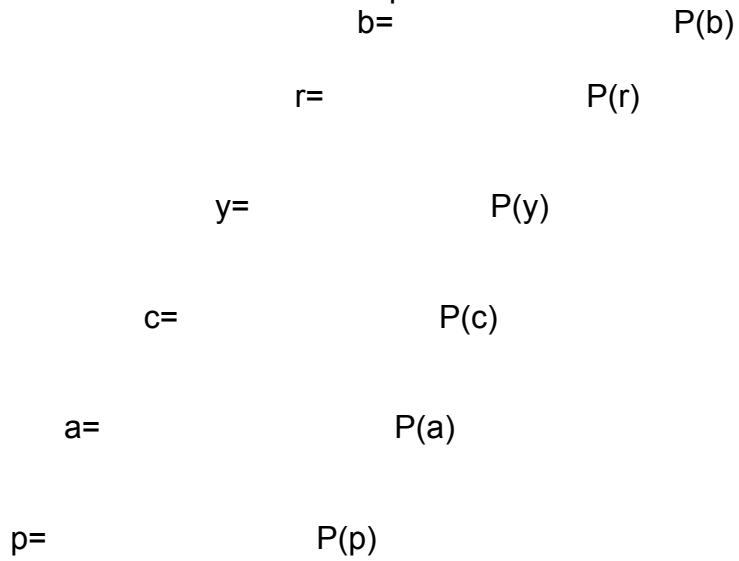
A. Information Processing Theory

1.

2.

3.

4.

a.

b.

c.

d.

5. The Behavioral Steps

b= P(b)

r= P(r)

y= P(y)

c= P(c)

a= P(a)

p= P(p)

6. Limitations

　　1.

$$P(B) = P(p) \times P(a) \times P(c) \times P(y) \times P(r) \times P(b)$$

　　2.

B. Cognitive Consistency Theory
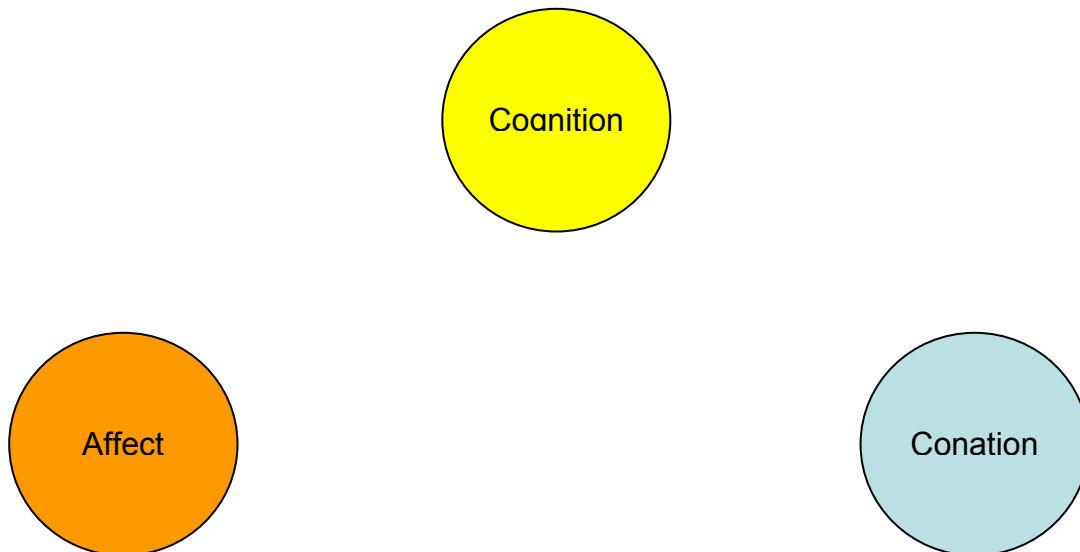
　　1. Three Elements of Attitude

　　2. Inconsistency causes

a. Restoring consistency

   i.

   ii.

3. Creating New Attitudes.

Coanition

Affect

Conation

C. Functional Theory and Attitude Change

1. Adaptive (or Adjustment) Function

   a.

2. Knowledge Function

   a.

3. Value Expressive Function

   a.

4. Ego-defensive Function

   a.

   b.

D. Fishbein's Behavioral Intentions Model and Attitude Change

   1. The model:

   B $\cong$ $BI = w_1(\Sigma\, b_i e_i) + w_2\, (\Sigma NB_j \times MC_j)$

   2.

3.

4.
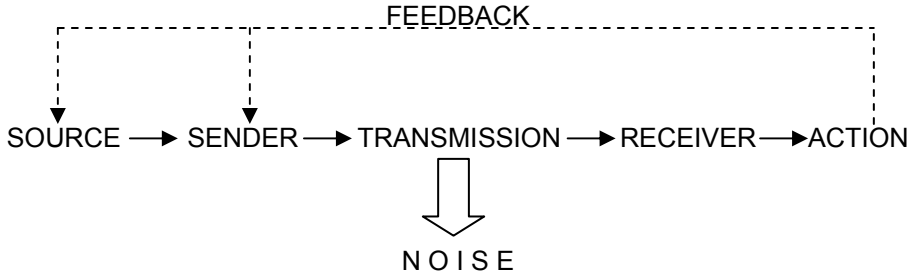
5.

6.

7.

IV. The Communication Process

A.

B.

C.

D.

E.

F.

Communication:

FEEDBACK

SOURCE → SENDER → TRANSMISSION → RECEIVER → ACTION

⬇

N O I S E

Marketing Agency:

| Advertiser | Advertising Agency | Media | Consumer | Consumer |

Marketing Function:

Identify Target Audience   ENCODE the   TRANSMIT   DECODE the   Purchase
Generate Idea   ad message   the message   message
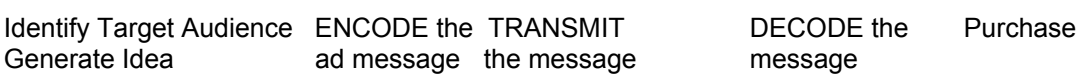
Problem Recognition

I. Problem-solving Theory of Consumer Decision Making

   A. Problem Defined

      1. A problem is a perceived difference between an existing state of affairs and a desired state of affairs.

   B. Consumers Solve Problems

II. The Nature of Consumer Problem Solving

   A. Perceived Difference

   B. Stages

      1. Problem Recognition

      2. Search for a satisfactory solution

      3. Evaluation of alternatives

      4. Purchase decision

      5. Postpurchase satisfaction

C. Problems and Needs

D. Problems and other factors.

III. Sources of Problem Recognition

A. Assortment Depletion

B. Assortment Inadequacies

C. Changing Needs

D. Changing Financial Status

E. Other Acquisitions

Search

I. Introduction

II. Internal Search

    A. Amount of Internal Search

    B. Interruptions of Internal Search

        1.

        2.

        3.

III. External Search

    A. Defined

      1. External search is a motivated and completely voluntary decision to seek new information.

B. Factors Affecting the Amount of External Search

    1. Certainty

        a. Factors Influencing Certainty
           i.

           ii.

           iii.

    3. Importance of the Decision
        a.

        b.

        c.

        d.

        e.

IV. Costs of Information Search

    A.

    B.

    C.

V. Types of External Information

    A.

    B.

    C.

    D.

VI. Measuring External Search

    A. Retrospective Questioning

        1.

        2.

    B. Protocol Records

        1.

        2.

C. Field Observation

D. Starch Scores

http://advertising.wsj.com/research/index.html

Noted
The basic measurement of the Starch method for testing print ads, the "Noted" score represents the percentage of respondents (claimed readers of the issue) who say they saw the ads when they first read or looked into the publication, i.e. claim recognition of the ad.

Associated
A Starch ad readership measurement referring to readers who not only "noted" the advertisement but also saw or read some part of it which clearly indicated the name of the brand or advertiser.

Read Some
A Starch ad readership measurement referring to the readers who read any part of the ad copy.

Read Most
A Starch ad readership measurement referring to the readers who read 50% or more of the copy of a specific advertisement.

High Involvement Decision Making--Alternative Evaluation

I. Introduction

   A. Earlier Stages

   B. Comparing Alternatives

      1.

      2.

II. Types of Decision Rules

   A. Wholistic Models

      1. Affect Referral

         a.

         b.

         c.

         d.

         e.

```
NEW
BALANCE    NIKE    PUMA    REEBOK
```

Evaluative Criteria	Criteria Importance	Puma	Adidas	New Balance	Nike
Fair Price	4	6	4	6	6
Light Weight	2	5	5	2	1
Good Cushion	1	2	5	7	1
Durable Sole	3	4	4	2	5

CRITERIA IMPORTANCE RATING

4=Extremely Important 3=Very Important 2=Somewhat Important 1=Not Very Important

BRAND RATING SCALE

7=Extremely Satisfactory; 6=Very Satisfactory; 5=Satisfactory; 4=Neutral; 3=Somewhat Unsatisfactory; 2=Very Unsatisfactory; 1=Extremely Unsatisfactory

B. Compensatory Models (review p. 241)

1. A form of Linear Compensatory Model

2. Consumers consider several attributes for each alternative

3. The product may have strengths and weaknesses

4. These can "balance," or "offset," or "compensate" for one another

5. Expectancy-Value Model

   a. The Model

      i. $E = w_i v_i + \ldots w_k v_k$, where, i = 1, 2,...,k

        E = Overall Evaluation of Alternative

        w_i = Importance Weight of the ith attribute

        v_i = Alternative's Rating on the ith attribute

      ii. $E = \Sigma w_i v_i$

   b. The calculation:

Puma

Adidas

New Balance

Nike

2. Attribute Adequacy Model

C. Noncompensatory Models (review p. 241)

1. Conjunctive Model

    a.

    b.

    c.

    d. Example

2. Disjunctive Model

    a.

    b.

c. Example

3. Lexicographic Model

a.

b.

c. Example

4. Sequential Elimination Model

a.

b.

c.

d. Example

III. Measuring Evaluative Criteria

A. Direct

B. Indirect

C. Perceptual Mapping (review pages 35-37)

1. Nonmetric Multidimensional Scaling (MDS).

Choice and Its Outcomes

I. Introduction

    A. Attitude does NOT

        1.

        2.

    B. Measuring the Effect of Unanticipated Circumstances

        1. The Judged Influence of Extraneous Events

    What effect on your church attendance would weekend guests who did not attend church regularly have?

    a) The event would almost certainly NOT influence my behavior.

    b) The event PROBABLY WOULD NOT influence my behavior.

    c) The event PROBABLY WOULD influence by behavior.

    d) The event ALMOST CERTAINLY WOULD influence my behavior.

C. Overcoming the Effects of Unanticipated Circumstances

II. Postpurchase Evaluation

    A. Satisfaction

        1. Related to

        2. Example

        3. Defined

            a. Satisfaction is an evaluation that the chosen alternative is consistent with prior beliefs with respect to that alternative.

        4. Results

    B. Dissatisfaction

        1. Defined

            a. Dissatisfaction is the degree of disparity expectations and perceived product performance.
            b. Results

Example: Outsourcing & Customer Satisfaction Results:

C. Post-decision Dissonance

1. Post-choice doubt motivated by:

   a.

   b.

2.

3. Factors Increasing Dissonance

   a.

   b.

   c.

d.

e.

4. Reducing Dissonance

a.

b.

c.

D. Contrast Theory
Unmet expectations (dissatisfaction) will be magnified in the consumer's mind!

E. The Expectations Paradox
    1. You create a successful business
    2. Competition enters to steal your customers
    3. You react with a "better offering"
    4. Consumers come to expect the better offering as the standard
    5. Competition comes back in again
    6. You up the ante – but can you sustain it?

F. The Expectations Paradox – The "cure"
    1. Understand the expectations of first-time and experienced customers
    2. NEVER "promise anything" just to get the order.
    3. ALWAYS deliver on the expectations you create in your communications.
    4. Enhance your product or service in a PLANNED manner.
    5. Decide on the limits of your enhancements at the current price point