

INTRODUCTION

The story of this picture vividly shows a revealing truth about the workings of the human mind: It has a way of seeing things that may or may not be reality. Perception is about how our minds see things. It does not matter what a marketer says a product is or will do. It doesn't even matter in reality what a product is. What matters is how consumers perceive it.

One of the most famous stories about the monumental power of consumer perception in the annals of marketing is this. The year was 1985. In April of that year, the Coca Cola Company launched "New Coke"—a sweeter concoction than its old product, which the company chose to withdraw from the market completely. The change was intended to take market share away from rival Pepsi. In blind taste tests, consumers had always rated Pepsi higher than Coke, and it was based on these research findings that the company's product development scientists had concocted a new formula. The result was New Coke. Just to be sure, prior to the launch of New Coke, the company had again conducted consumer taste tests, and, in these tests, consumers had consistently rated the new formula not only better than its old Coke but also better than Pepsi.

So it was with great fanfare that the company launched the new product. Within days, however, there was a groundswell of consumer protest. Whereas a lot of consumers were just angry with the company for taking away something they had been used to drinking for decades, many of them found that the New Coke just did not taste as good. When the blind taste tests were repeated, the results were the same as before but with a twist: consumers pointed to the drink that tasted better, but they thought they had selected the old Coke. When told that the drink they had picked was actually New Coke, they argued that they were probably confused or that the plastic cups must have made the drinks taste different. The fact was, they insisted, the old Coke definitely tasted better. And that is why they said they would not buy New Coke.

Six weeks later, the company had to bring back the old Coke, under the name Coke Classic. And even two years later, the old Coke continued to outdo New Coke in sales—about 8 to 1. Such is the power of perceptions. Of things big and small. In our lives as humans and as consumers.

Perception is fundamental to us as humans. It is also the first and inevitable response consumers experience every time they face the marketplace, a marketplace filled with an amazing array of alluring products, all shouting out to be noticed, admired, and chosen. That fundamental response, perception, is the topic of this chapter.

We begin this chapter by defining perception, shaping your perception of the word *perception* itself, if you will. If someone were to ask why you perceive something the way you do, you would likely answer, "Because that is the way that thing is." We will explain how that is only half true, and we will tell you about the factors that make up the other half and influence your perceptions. We will then unravel the mystery of perceptual distortion, accounting for biases that distort your perception of reality, everyday.

Since perception influences our way of looking at the world, it affects virtually every instance of consumer behavior in the marketplace. We bring this point home by highlighting the role of perceptions in five domains of consumer behavior: (i) the psychophysics of consumer price perceptions, (ii) country-of-origin effects, (iii) brand image and brand extensions, (iv) perceptual maps and positioning, and (v) sensory marketing.

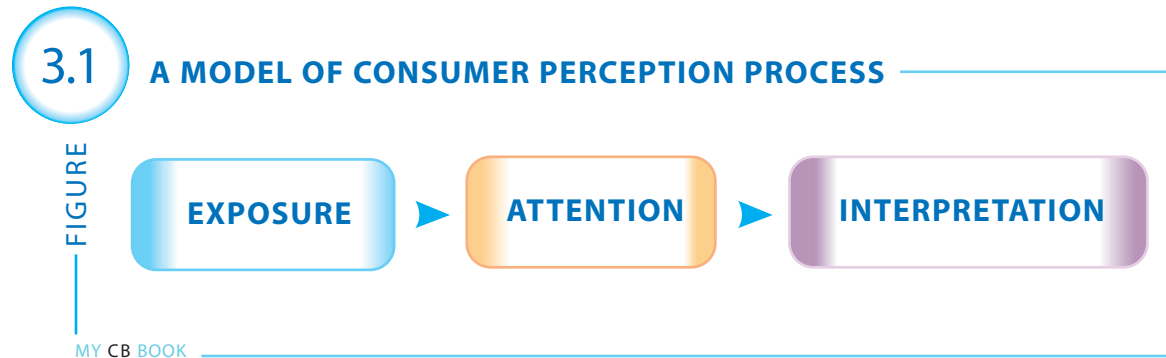


Red wine? White wine? In the bottle and in the glass. Perceptual distortion aplenty

THE PERCEPTION PROCESS

Perception is a basic, fundamental, and inescapable process of the human mind. "Basic" in that anytime we encounter anything—absolutely anything whatsoever—our minds must first perceive it before they can do anything else with it. "Fundamental" in that the perception we form of a thing plays a central role in whatever we do with that thing subsequently. "Inescapable" or inevitable in that we can't stop it and we can't control it. Just how do our minds do that? Let us define our terms first.

Perception is the process by which the human mind becomes aware of and interprets a stimulus. The process has three steps: *exposure*, *attention*, and *interpretation*. (See Figure 3.1.)



EXPOSURE

The Face-off with the Consumer

Exposure means that a stimulus comes within the reach of one or more of our five senses: seeing, hearing, smelling, touching, and tasting. A **stimulus** is any object or event in the external environment. Exposure determines whether a stimulus even has the opportunity to be sensed by the consumer. If you advertised Pocket God on a country music station, and if your target consumers—mostly teenagers—didn't listen to country music stations, then the commercial would not have gained exposure with your target audience. If you advertised NDMX golf balls in *Vogue* or *Vanity Fair*, for example, then again you would most likely miss your target audience. Thus, proper choice of message delivery media is the most crucial and first step. A wrong choice can cause the first step itself to fail. No face-off with the consumer occurs, and, consequently, no perception is created.

Zippering and Zapping

Consumers often avoid commercials, sometimes by attending to other tasks and sometimes by switching channels, a process called **zapping**. And when consumers watch prerecorded programs (such as via Tivo), they fast-forward through the commercials, a process called **zippering**. To get past these commercial-avoidance habits of consumers, marketers must make their ads vivid (more on vividness later). And in terms of media choice, two (relatively) new options can do wonders in getting exposure: product placement and ambient advertising.

Product Placement

Product placement is the tactic of embedding the product in media content, such as featuring a product being used naturally by actors in a TV movie.

Product placement, if done adroitly, works wonders. In the James Bond films, Jaguar XKR is featured, and in the American film that spoofs James Bond, *Austin Powers*, actor Mike Myers endorses Shaguar (Jaguar). In the year 2002, when *Austin Powers* was playing in theaters, sales of Jaguar rose sharply in America.¹



Ambient Advertising

Ambient advertising refers to the placement of advertisements or other product-related stimuli right in the midst of the consumers' natural environment. Outdoor billboards technically qualify as ambient media, but they are a traditional medium that the consumer has learned to ignore. So these days, ambient advertising appears in such varied places as airport lounges, public restrooms, even sidewalks; and on a variety of other objects, e.g., shopping bags, coffee cups, and theater tickets. But merely taking over these new sites to broadcast the brand messages only clutters and contaminates the consumer's

Insert image of either of these

natural environment. The real power of ambient media is to use them in a manner that (a) integrates the brand into the environment, (b) adds to the consumer experience of that environment, and (c) creates consumer engagement with the brand. Some creative marketers are doing just that. A few recent examples:²

Japan An innovative marketer had mowed a big strip of grass in the middle of a field; at the end of the “shaven” pathway stood a giant razor against a billboard with a single word inscribed on it: Bic. (Bic is a brand of shaving razors)

Amsterdam At a bus stop, sit on the bench and the adjacent screen panel will display your weight. At the bottom of the screen is the brand logo, Fitness First (an International Chain of Health Clubs).

London, U.K. In the middle of a sidewalk, an inverted bottle (about 1 foot in diameter) is suspended in mid-air, with thick pink liquid pouring out, making a big splash on the ground. All dried up. Apparently, it is the dried-up liquid column that is supporting the bottle in mid-air. That bottle contained Rimmel Quick Dry Nail Polish!



ATTENTION

Breaking Through the Noise

Choosing the right advertising medium can give your product exposure to the consumer. But getting exposure does not mean you will also get the consumer's attention. Or even awareness. For example, if you are in a classroom, all the other students have exposure to you, and you have exposure to them, but this doesn't imply you will have noticed each one of them. At the end of the class period, you will walk out without even being aware of some of them. Exposure yes, awareness no, and attention, definitely not.

Now let us take a marketing example. Suppose you are selling Lucozade Energy Drink, and you placed an ad in the X'mas 2012 issue of, say, *Hello*. Lisa, your typical target consumer for this product, is flipping through this magazine. She comes to the page that features your ad, but she flips past it too. Your ad failed to get Lisa's attention. Again, exposure yes, attention definitely not.

Attention can be defined as allocation of mental processing capacity. When attention is given, the mind focuses on a stimulus, ready and willing to process further information from that stimulus. Getting attention is a major concern for marketers because most consumers face a flood of stimuli. For a stimulus even to be noticed, it has to make its presence felt to one of our five senses. Thus, it should somehow “catch” our eyes, ears, or nose, or leave a taste on our tongue, or feel different on our skin (touch). On one or more of these five sensory characteristics, it should stand apart from the surrounding environment. That is, it should be vivid. **Vividness** refers to a stimulus' intensity and distinctness. Vivid sensory characteristics include bright colors, loud noises, strong aromas, strong tastes, or very rough or very silky textures. The key element required for producing the vividness effect is **contrast**—a stimulus' distinct difference from its environment or background. For an example, see inset (MOCCA: Get Doused in Art).



While Lisa missed the Lucozade ad, she did stop to notice when she came to a page featuring Fleuvog shoes. Do you know why? Vividness. The colors (black body frame behind a red shoe) and image are so stunning that they can't be missed even by the peripheral vision of a reader cursorily browsing the magazine. Lisa made a mental note to check it out later at Fluevog.com.

Voluntary and Involuntary Attention

Actually, attention comes in two forms: *voluntary* and *involuntary*. **Voluntary attention** is attention given by choice—the consumer chooses to pay attention. **Involuntary attention** is forced on the consumer.² It is an intrusion. Now, it is the case that, initially, all advertising must catch involuntary attention; i.e., the attention the advertising catches is of the involuntary sort, at least initially. This is because the consumer seldom proactively seeks an advertisement. Lisa was just turning the pages of *Hello*; she was not looking for shoes. The Fluevog ad had to intrude upon her attention. It did so by being vivid.

If consumers find an ad to be relevant, then they will pay voluntary attention. That initially involuntary attention turns into voluntary attention. Lisa of course decided to pay the Fluevog ad voluntary attention. Consequently, she noticed, to her delight, that inscribed within the body frame is the phrase “Listen to Me!”

Marketing Implications

All advertising (all marketing stimuli, for that matter) must necessarily first get involuntary attention. But with our lives so over-cluttered with stuff to do and with so many stimuli from so many directions vying for our attention, consumer attention these days has become a scarce commodity. Some have called the present times *the attention economy*.³

To survive in this attention-scarce economy, marketers must constantly reinvent new ways to gain exposure and attention. Commercial speech now shows up in strange places—on floor mats in fitness gyms, on TV screens in Wal-Mart, on mini video screens mounted on shopping carts, and as place-based ads on cell phone screens—called **contextual advertising**. Beyond the ever-expanding media presence, clever message execution also influences consumer attention. Perhaps one of the cleverest recent examples of a “no fail attention getter” advertising is from Zelnorm®—yes, those exposed tummies used as billboards for marker pen-inscribed words like “Abdominal Pain,” “Bloating,” and whatever else those tummies might be suffering from.

This particular execution for Zelnorm® has a rare quality worth emulating that all students and practitioners of advertising must note: Anyone can get attention (by doing totally outrageous things, for example—remember the Paris Hilton Car Wash for the Carl’s Jr. burger chain?). The creative challenge is to get attention in a manner so that the attention “prop” is also the message.

INTERPRETATION

The Curse of Extreme Creativity

The third and final step in the perception process, **interpretation** is the process and outcome of understanding the meaning of a stimulus. When you see an abstract painting, and you understand it to be a cubist style of art by Picasso depicting three musicians, you have interpreted the painting.

When you first saw a can of 911 Smart Energy Drink on a store shelf, you wondered if 911 had anything to do with the September 11 World Trade Center tragedy. Then you read the label that says that it is a drink made by a nutritional scientist in Switzerland. So you made a mental note to try it sometime. You interpreted this new stimulus properly.

A recent ad from Budweiser depicted some idle young men who phoned each other simply to ask and reply with a one-word slang contraction, “Wasssup.” In a later version,

MOCCA: GET DOUSED IN ART

Toronto, Canada. The Museum of Contemporary Canadian Art (MOCCA), in October 2011, ran ads on bus shelters showing a man walking his dog, a woman pushing a shopping cart in a parking lot, and a man mowing his lawn (three different ads)—ordinary everyday situations except that these persons were drenched in pink paint! The headline read: *Get Contemporary*. The big idea was this: “The paint is like the art experience that sticks with you” (statement by Josh Day, the art director behind the campaign).



(Source: MOCCA press release, October 5, 2011)

