

CONSUMER PSYCHOLOGY

HOW HUMANS THINK, FEEL, AND ACT
IN THE MARKETPLACE



5E

CONSUMER BEHAVIOR

AVERY . KOZINETS . MITTAL . RAGHUBIR . WOODSIDE

MYCBBOOK

MyCBBook.com

OPEN MENTIS

OpenMentis.COM

CONSUMER BEHAVIOR

CONSUMER PSYCHOLOGY

How Humans Think, Feel, and Act in the Marketplace

Jill Avery

Harvard University

Robert V. Kozinets

York University

Banwari Mittal

Northern Kentucky University

Priya Raghubir

New York University

Arch G. Woodside

Boston College

OPEN MENTIS

5e

IT IS IN THE HUMAN
PSYCHE THAT CONSUMERS
WILL FOREVER SEEK
NOVEL PRODUCTS AND
EXPERIENCES.

TO CRAFT THESE
PRODUCTS AND
EXPERIENCES MARKETERS
MUST UNDERTAND
THIS CONSUMER PSYCHE
UP CLOSE AND PERSONAL.

A BOOK ON CONSUMER PSYCHOLOGY/
CONSUMER BEHAVIOR—ANY BOOK—
IS A MIX OF SCIENCE AND ART,
PROSE AND POETRY,
THE MELODY OF THE MERCHANDISE
AND THE CHATTER OF CONSUMERS
INSIDE THE STORE.
AS SUCH IT IS MEANT TO BE
DEVOURED AT LEISURE.
ALL IT TAKES IS A
CURIOUS MIND.

CONSUMER BEHAVIOR CONSUMER PSYCHOLOGY

How Humans Think, Feel, and Act in the Marketplace

Jill Avery, Robert V. Kozinets, Banwari Mittal
Priya Raghubir, and Arch G. Woodside

5th Edition

Author credits and responsibilities for content are limited as follows:

Jill Avery: p. 467-471; Robert Kozinets: p. 459-466;

Priya Raghubir: 449-453, Arch Woodside: 454-458.

Editorial Consultants: Dr. Roxanne Kent-Drury, Maria Tenaglia-Webster,
Julia Colterjohn, and Shirley T. Undicimo

Design Team: Andrew Curtis, Brad Dee, Nabanita Ghoshal

COPYRIGHT © 2021, 2017, 2013, 2010, 2007 by Open Mentis. All rights reserved.

No part of this work may be reproduced or transmitted in any form or by any means, electronic, mechanical, or physical, without the prior written permission of Open Mentis Publishing Company. For permissions, write: Open Mentis, 42362 Cooper Road, Cincinnati, OH 45242-0362, or permissions@openmentis.com.

Library of Congress Control Number: 2009936020

ISBN-13: 978-1-7359839-0-5

0 9 8 7 6 5 4 3 2 1



OpenMentis.COM

DEDICATION

To You, Dear Reader
For choosing to come along, as we explore
and illuminate the world of consumers.
Enjoy the journey!

OPEN MENTIS

MY CB
BOOK
.COM

PREFACE

In *Content*, we tried to match the best of the books in the discipline, and there are quite a few of them.

In *prose style*, we departed from the norm: we chose a non-textbookish style—so it may engage the student more.

As examples, we chose marketplace happenings and consumer stories from current times as well as those of historical significance whose lessons remain timeless.

We began this experiment in reimagining a textbook back in 2006. With your feedback, we iterate each edition for more enjoyable reading.

Now, we await your judgment on 5e.

Authors & Editors

FOR INTERNATIONAL READERS

We have included examples from diverse nations.

There is no denying, however, that the book is centered on North America.

All of the concepts are applicable worldwide, of course.

One silverlining of missing local context maybe that students can be tasked to use the opportunity to learn by identifying local examples of the concepts.

Students will learn if they find the local application to be similar. They will learn even more if they find it to be dissimilar. Arguably, true learning comes more from that which is different from the already-familiar. Tell us if your experience differs.

We will value your opinion on 5e.

Authors & Editors



ACKNOWLEDGMENTS

- 1** To hundreds of CB scholars and researchers, whose labors and insights have produced the body of knowledge this book ventures to paraphrase and explain.
- 2** To authors of all CB textbooks—Del Hawkins, Wayne Hoyer, Leslie Kanuk, Frank Kardes, Debbie MacInnis, Paul Miniard, David Mothersbaugh, Jerry Olsen, J. Paul Peter, Linda Price, Leon Schiffman, Jagdish Sheth, Michael Solomon, among others—who blazed the path this book now follows.
- 3** To CB educators at various schools, whose professional reviews of the manuscript improved it exponentially, and whose enthusiasm for its distinctions sustained the book's resolve.
- 4** To CB professors and students who embraced our earlier editions—faults and all, and who, with their nurturing feedback helped us improve this book.
- 5** To the organizations (see photo and content credits) who have generously shared valuable images and information included in the book.
- 6** To our professional colleagues around the world, who, over the years, have supported our modest academic endeavor in knowledge dissemination. It is to their collective goodwill that we owe the desire and drive to offer this book.

TO YOU ALL, OUR SINCERE GRATITUDE.

BRIEF CONTENTS

<p>1</p> <p>Hello, CB</p> <p>Welcome to the Fascinating World of Consumers</p> <p>2</p>	<p>2</p> <p>Motivation</p> <p>Consumer Motivation, Emotion, and Involvement</p> <p>30</p>	<p>3</p> <p>Perception</p> <p>Consumer Perceptions and Sensory Marketing</p> <p>52</p>	<p>4</p> <p>Learning</p> <p>Consumer Learning, Memory, and Nostalgia</p> <p>80</p>	<p>5</p> <p>Identity</p> <p>Consumer Values, Personality, Self-Concept and Lifestyles</p> <p>106</p>
<p>6</p> <p>Attitudes</p> <p>Consumer Attitudes: Know-Feel-Do Models</p> <p>142</p>	<p>7</p> <p>Persuasion</p> <p>Molding Consumer Attitudes Across Involvement</p> <p>162</p>	<p>8</p> <p>Culture</p> <p>Consumers' Culture and Meaning Transfer</p> <p>182</p>	<p>9</p> <p>Referents</p> <p>Reference Groups & Opinion Leaders</p> <p>214</p>	<p>10</p> <p>Decisions</p> <p>Consumer Decision Making: Rational and Emotional</p> <p>236</p>
<p>11</p> <p>Satisfaction</p> <p>Post-Choice Experience: Doubt, Satisfaction, Loyalty</p> <p>274</p>	<p>12</p> <p>Shopping</p> <p>Consumer Store Choice, Loyalty, Impulsivity</p> <p>292</p>	<p>13</p> <p>Age/Sex/Family</p> <p>Gender, Age, and Family in Consumer Behavior</p> <p>312</p>	<p>14</p> <p>Ethnicity/Class</p> <p>Ethnic and Class Identity in Consumer Behavior</p> <p>342</p>	<p>15</p> <p>Fandom</p> <p>Consumer Relationships with Brands</p> <p>374</p>
<p>16</p> <p>Ethics</p> <p>Marketers, Public Policy, Consumer Conscience</p> <p>402</p>	<p>Epilogue</p> <p>Crafting Responsive Market Offerings</p> <p>426</p>	<p>Symbolic Consumer Behavior</p> <p>Post-Modern Consumption</p> <p>434</p>	<p>RESOURCES</p> <p>Researching the Consumer 468</p> <p>Segmenting Consumers 472</p> <p>Cases and Experiences 485</p>	

SPECIAL TOPICS

<p>1. Psych Meets Econ</p> <p>Why Consumers Can't Count Their Money</p> <p>449</p>	<p>2. Searching Proper Pleasure</p> <p>Life Stories via Brands</p> <p>454</p>	<p>3. Netnography</p> <p>Inside the Online Coffee Communities</p> <p>459</p>	<p>4. Gender Bender</p> <p>Brand Hijacks and Consumer revolt</p> <p>467</p>	<p>Glossary 534</p> <p>Index 551</p> <p>Photo Credits 554</p> <p>About Authors 558</p>
---	--	---	--	--

CONTENTS

1

HELLO, CB

Welcome to the Fascinating World of Consumers

Where Offerings and Hopes Meet

2

INTRODUCTION

3

WE ARE CONSUMERS—24-7!

4

CONSUMERS ARE FASCINATING

5

Dear Diary—Here is My Consumer Behavior

5

FIVE VISIONS OF THE CONSUMER

6

Consumer as Problem Solver

6

Consumer as Economic Creature

6

Consumer as Computer

6

Consumer as Shopper

6

Consumer as Reveler

7

WHAT IS CONSUMER BEHAVIOR?

Needs and Wants

8

A Need is Not a Product. A Product is not a Need.

9

EXCHANGE, RESOURCES, AND VALUE

11

—Three Essentials of Consumer Behavior

DOES MARKETING CREATE CONSUMER NEEDS?

14

The Tattoo is Already Inside You

15

SEEING THE FUTURE FIRST—

MEETING CONSUMERS' LATENT NEEDS

16

Marketing Is All About Satisfying A Consumer Need

16

CREATING CONSUMER VALUE—

THE SUPREME PURPOSE OF BUSINESS

18

CONSUMER BEHAVIOR AS A FIELD OF STUDY

19

CONSUMERS: SAME AND DIFFERENT

20

SEGMENTATION

21

A QUICK TOUR OF THE BOOK

22

WHO SHOULD STUDY CONSUMER BEHAVIOR?

24

An Experiential Journey

25

SUMMARY

26

Review+Rewind

Think+Apply

Practice+Experience

In The Manager's Shoes

Case: Air Stockings

27

Researching the Consumer

28

Market Segmentation

29

2

MOTIVATION

Consumer Motivation, Emotion, and Involvement

The Fire That Lights Within

30

INTRODUCTION

31

CONSUMER MOTIVATION

31

The Fundamental Inner Force

What About Needs and Wants?

32

Innate versus Learned Needs

37

What Our Bodies Need

33

What Our Mind Needs

33

Approach-Avoid Motive Conflict

34

MASLOW'S MODEL OF HIERARCHY OF NEEDS

36

Humans Live for Bread and Then More

How the Hierarchy Works

37

The Storm Inside the Pyramid

Beyond Maslow—Murray's Needs

38

UNCONSCIOUS CONSUMPTION MOTIVES

39

The Bliss of Not Knowing Why We Buy

RESEARCHING CONSUMER MOTIVES

41

Raising Peek-a-boo to an Art Form

UNCOVERING HIDDEN MOTIVES

41

Mason Haire's Projective Technique

43

CONSUMER EMOTIONS

44

LUST, LOVE, AND LONGING

Measuring Emotions

45

FOUR BRAND EMOTIONS

45

CONSUMER MOODS

46

Almost Emotional

HEDONIC CONSUMPTION

48

What Maslow Missed

CONSUMER INVOLVEMENT

49

A Yardstick for All of Our Actions

MEASURING CONSUMER INVOLVEMENT

49

SUMMARY

50

Review+Rewind

Think+Apply

Practice+Experience

In The Manager's Shoes

CONTENTS

INSIDE THE CONSUMER'S MIND PART II

3

PERCEPTION

Consumer Perception, Biases, and Sensory Marketing

The Only Reality That Matters

INTRODUCTION	53
THE PERCEPTION PROCESS	54
THREE STEP PROCESS MODEL	54
EXPOSURE	56
ATTENTION	56
Voluntary and Involuntary Attention	56
INTERPRETATION	57
FACTORS THAT SHAPE PERCEPTION	58
STIMULUS CHARACTERISTICS	58
THE CONTEXT	60
CONSUMER CHARACTERISTICS	60
PERCEPTUAL BIASES	62
<i>Or Why We Don't See How Things Are</i>	
SELECTIVE EXPOSURE	62
<i>Avoiding Seeing Things</i>	
SELECTIVE ATTENTION	62
<i>Avoiding Taking a Note of Things</i>	
SELECTIVE INTERPRETATION	62
<i>Avoiding Knowing the Inconvenient Truth</i>	
PERCEPTUAL FRAMES	64
PERCEPTUAL THRESHOLD	64
SUBLIMINAL PERCEPTION	65
<i>The Folklore of Sneaky Marketing</i>	
PERCEPTUAL ORGANIZATION	66
<i>Bringing Order to the Chaos of Liff</i>	
GESTALT, FIGURE-GROUND, CLOSURE	66
MARKETING APPLICATIONS	67
PSYCHOLOGY OF PRICE PERCEPTION	67
REFERENCE PRICE	67
COUNTRY-OF-ORIGIN EFFECTS	68
PERCEPTUAL MAPS AND POSITIONING	68
BRAND IMAGE AND BRAND EXTENSIONS	71
SENSORY MARKETING	72
<i>Alluring You Through the Senses</i>	

SUMMARY	78
Review+Rewind	Think+Apply
Practice+Experience	In The Manager's Shoes

4

LEARNING

Consumer Learning, Memory, and Nostalgia

From Classical to Cognitive

INTRODUCTION	81
Consumer Learning: Defined	81
FOUR MODELS OF CONSUMER LEARNING	82
<i>Or How The Dog, Pigeon, Monkey, And Computer Get It</i>	
CLASSICAL CONDITIONING	82
INSTRUMENTAL LEARNING	84
MODELING	85
COGNITIVE LEARNING	85
STIMULUS GENERALIZATION AND DISCRIMINATION	88
<i>A Shortcut For Every Season</i>	
CONSUMER INFORMATION PROCESSING	89
MEMORY AND REMEMBERING	
<i>Inside The Supercomputer</i>	
HOW CONSUMER MEMORY WORKS	89
How Do STM And LTM Talk To Each Other?	90
Repetition	91
Mnemonics	92
Elaboration	92
INFORMATION STRUCTURE	93
Associative Network	93
Episodic and Semantic Memories	94
REMEMBERING THE INFORMATION	94
Transferring Back from LTM To STM	
Recognition and Recall	
HOW CONSUMERS ORGANIZE INFORMATION	96
IN THEIR MINDS	96
CONSUMER ADOPTION OF PRODUCT	
INNOVATIONS	100
<i>The Ultimate Learning Experience</i>	
DESIRABLE CHARACTERISTICS OF INNOVATIONS	100
<i>Or What Makes An Innovation Hot</i>	
CONSUMER NOSTALGIA	102
<i>Down Memory Lane: Nostalgia and the Pleasures of Consuming the Past</i>	
MARKETING WITH NOSTALGIA	103
SUMMARY	104
Review+Rewind	Think+Apply
Practice+Experience	In The Manager's Shoes

CONTENTS

PART II INSIDE THE CONSUMER'S MIND

5

IDENTITY

Consumer Values, Personality, and Self-Concepts

The Reality of Our Multiple selves

106

INTRODUCTION	107	PSYCHOGRAPHICS	124
CONSUMER VALUES	107	PSYCHOGRAPHICS DEFINED	126
FIVE SELECTED PERSONAL VALUES	108	LIFESTYLE DEFINED	126
LINKING PRODUCT ATTRIBUTES TO CONSUMER VALUES	110	<i>Bohemians, Soccer Moms, and Others Consumer Types</i>	
Means-End Chains	110	PSYCHOGRAPHICS—LIFESTYLES BY NUMBERS	126
CONSUMER PERSONALITY	111	MEASURING LIFESTYLES	126
FREUDIAN THEORY	112	ACTIVITIES, INTERESTS, AND OPINIONS	
<i>Is Your Id Misbehavin'?</i>		PSYCHOGRAPHIC SEGMENTATION	126
DEFENSE MECHANISMS	112	<i>Adventures in Dissecting the Consumer</i>	
TRAIT THEORY	113	VALUES AND LIFESTYLES (VALS)	128
<i>Your Uniqueness Is What Your Personality Is</i>		MARKETING BY LIFESTYLES	129
SELECTED CONSUMER PERSONALITY TRAITS	114	A. Products By Lifestyles	130
SELECTED CONSUMER PERSONALITY TRAITS		B. Selling Product Constellations	130
Innovativeness	114	B. Brand Alliances	130
Variety Seeker	114	C. Positioning By Lifestyle	130
Uniqueness Seeker	115		
Vanity	115	MATERIALISM VS. VOLUNTARY SIMPLICITY	132
Need for Cognition	116	<i>The Yin and Yang of Consumption</i>	
Materialism	116	STATUS CONSUMPTION	132
THE INFLUENCE OF PERSONALITY ON CONSUMER BEHAVIOR	117	GEODEMOGRAPHICS	134
SELF-CONCEPT	118	PRIZM	134
Our Multiple and Extended Selves		Bohemians	134
COMPONENTS OF SELF-CONCEPT	120	Urban Achievers	135
Body, Values & Character, Competence and Success, Social Roles, and Personality Traits		Product usage variations across prizm clusters	136
THE EXTENDED SELF AND POSSESSIONS	121	OUR EXTENDED SELVES IN A DIGITAL WORLD	138
<i>Personality or Self-Concept—Which Do Consumers Consume?</i>	123		
		SUMMARY	141
		Review+Rewind	Think+Apply
		Practice+Experience	In The Manager's Shoes



CONTENTS

PART II INSIDE THE CONSUMER'S MIND

6

ATTITUDES

Consumer Attitude: Know-Feel-Do Models

Knowing What to Want and What to Shun **142**

INTRODUCTION 143

ATTITUDE: DEFINITION 144
PREDISPOSITION 144

Pregnant with Meaning

MEASURING CONSUMER ATTITUDES 145

THE ABC MODEL OF ATTITUDE 146

BELIEFS 146

—*What Do You Know About Me?*

AFFECT 147

—*Do You Love Me Or Not?*

CONATION 147

—*So Do You Have Any Intentions To Buy Me?*

HIERARCHIES IN ATTITUDE 148

Low Involvement Hierarchy 148

MARKETING IMPLICATION OF ATTITUDE HIERARCHY 149

Consistency among Think, Feel, and Do 150

FOUR FUNCTIONS OF ATTITUDE 150

Why Should We Hold Attitudes At All?

MULTIATTRIBUTE MODELS OF ATTITUDE

AND BEHAVIOR: TOVA, TORA, TOTA 152

THEORY OF REASONED ACTION (TORA) 152

SHAPING CONSUMER ATTITUDES 154

How May I Persuade Thee?

COGNITIVE ROUTE TO ATTITUDE MOLDING 154

I am going to convince you

AFFECTIVE ROUTE TO ATTITUDE MOLDING 154

I am going to charm you

CONATIVE ROUTE TO ATTITUDE MOLDING 155

I am going to induce you

CB 2.0 FISHBEIN'S EXTENDED MODEL 157

TOVA AND TOTA: MODELS FOR

COMPLEX ATTITUDES 158

SUMMARY 160

Review+Rewind

Think+Apply

Practice+Experience

In The Manager's Shoes

7

PERSUASION

Molding Consumer Attitudes

Managing Marketing Communications

The Art of Persuasion **162**

INTRODUCTION 163

ATTITUDE CHANGE: SEVEN THEORIES 164

—*When You Care Versus When You Don't*

1. INVOLVEMENT AND THINK-FEEL

GRID FOR ATTITUDE CHANGE 164

2. MOLDING ATTITUDES THROUGH

MULTIATTRIBUTE MODELS 165

3. ELABORATION LIKELIHOOD MODEL

Central and Peripheral Routes 167

4. HEIDER'S BALANCE THEORY 168

5. ATTRIBUTION THEORY 169

6. SELF-PERCEPTION THEORY 170

7. ACTIVE VERSUS PASSIVE AUDIENCE THEORY 171

HOW LOW INVOLVEMENT ADVERTISING WORKS 172

Attitude Toward the Ad 172

APPEAL TYPES 173

The Anatomy of an Ad

Emotional Versus Rational Appeals 173

Humor Appeals 174

Fear Appeal 174

Sexual Appeals 175

Two-sided Appeals 176

Comparative Advertising 176

SOURCE CREDIBILITY 177

MATCH UP HYPOTHESIS 178

PERSUASION IN INTERPERSONAL SELLING 179

Getting Customers to Like You

SUMMARY 180

Review+Rewind

Think+Apply

Practice+Experience

In The Manager's Shoes

CONTENTS

PART III CONSUMERS' ENVIRONMENT

8

CULTURE

Consumers' Culture and Meaning Transfer

Our Shared Code for Living **182**

INTRODUCTION 183

CULTURE: DEFINITION 183

The Blueprint For Everyday Living

ELEMENTS OF CULTURE

184 *The Rich Contents of the Treasure Box*

GETTING CULTURE—HOW DO WE LEARN IT? 184

HIGH, LOW, FOLK, POP CULTURE 186

CHARACTERISTICS OF CULTURE 187

CULTURAL VALUES 188

The Foundation of Culture

CORE WESTERN VALUES 188

EAST VERSUS WEST 189

FIVE UNIVERSAL CULTURAL VALUE TRAITS 189

What Tells Societies Apart

INDIVIDUALISM VERSUS COLLECTIVISM 189

HIGH CONTEXT VERSUS LOW CONTEXT 189

POWER DISTANCE 190

UNCERTAINTY AVOIDANCE 190

MASCULINITY VERSUS FEMININITY 191

CULTURAL PRACTICES: RITUALS, CUSTOMS, AND MYTHS 192

THE DEEPER FUNCTIONS OF RITUALISTIC CULTURAL PRACTICES 194

CULTURAL PRACTICES AND MARKETING 196

SYMBOLIC FUNCTIONS OF CULTURE 197

CROSSING CULTURES: MARKETING BLUNDERS 197

CULTURAL ETHNOCENTRISM 198

THE SILENT LANGUAGE OF CULTURE 199

POSTMODERN GLOBAL CULTURE: MYTH OR REALITY 201

GIFT EXCHANGE: A CULTURAL ANALYSIS 202

OUR CULTURALLY CONSTITUTED WORLD 204

CB2.0 A MODEL OF MEANING PRODUCTION AND CONSUMPTION IN A CULTURE 206

APPENDIX. SELECTED CULTURES FROM AROUND THE WORLD 208

SUMMARY 212

Review+Rewind Think+Apply

Practice+Experience In The Manager's Shoes

9

REFERENTS

Reference Groups, Opinion Leaders, and e-fluentials

Experts, Heroes, Minders, and Connectors **214**

INTRODUCTION 215

REFERENCE GROUPS 215

Limiting Extreme Individuality

PRIMARY VS. SECONDARY GROUPS 216

FORMAL VS. INFORMAL GROUPS 216

MEMBERSHIP VS. SYMBOLIC GROUPS 216

THREE FORMS OF REFERENT INFLUENCE 218

Good to, Love to, Have to

SUSCEPTIBILITY TO INTERPERSONAL INFLUENCE (SIPI) 221

SOCIAL COMPARISON THEORY 222

SOCIAL LOAFING 222

OPINION LEADERS 223

IDENTIFYING OPINION LEADERS 223

INFLUENTIALS 223

E-FLUENTIALS 225

A New Breed of Influentials in the Cyber Age

WHOM CAN FOLLOWERS TRUST— AND WHY

ADVERTISING DOES NOT SUFFICE

BUZZ MARKETING: W-O-M WITH A TWIST 225

RECIPE FOR SUCCESSFUL BUZZ 225

REFERENT INFLUENCE IN THE MARKETPLACE 225

Now You See It, Now You Don't

REFERENT INFLUENCE ON SOCIAL MEDIA 228

SOCIAL PROOF 229

DIFFUSION OF INNOVATIONS 230

OPINION LEADERS AND FOLLOWERS 230

It Takes Many to Diffuse Innovations

THE ADOPTION PROCESS 232

Why Are Imitators Late to the Party?

MEDIA AND MARKET CONVERSATIONS 232

TWO-STEP VERSUS MULTI-STEP FLOW

OF COMMUNICATION THEORY 232

SUMMARY 234

Review+Rewind Think+Apply

Practice+Experience In The Manager's Shoes

CONTENTS

PART IV

THE CONSUMER AS CHOOSER AND SHOPPER

10 DECISIONS

Consumer Decision Making —Rational and Emotional

Choosing—It is a Privilege. It is a Hassle.

236

INTRODUCTION	237
THE CONSUMER DECISION PROCESS	238
STEP 1: PROBLEM RECOGNITION	238
<i>Opportunity Knocking</i>	
STEP 2: INFORMATION SEARCH	240
When You Are Unfamiliar/Familiar	
SOURCES OF INFORMATION	242
SEARCH STRATEGIES AND DETERMINANTS	245
DETERMINANTS OF SEARCHING	245
<i>Ignorance is Bliss</i>	
STEP 3: ALTERNATIVE EVALUATION	246
Evaluation Criteria	247
<i>Determinant Attributes</i>	247
DECISION MODELS	247
<i>Beauty Contests and Brand Battles</i>	
THE COMPENSATORY MODEL	247
NONCOMPENSATORY MODELS	248
DECISION HEURISTICS	250
FRAMING EFFECTS ON JUDGMENTS	253
<i>The Case of Glass Half-full or Half-empty</i>	
SATISFICING	254
CHOOSING EXPRESSIVE PRODUCTS?	254
Affective Choice Mode	254
Emotional Choices	254
STEP 4: PURCHASE	255
STEP 5: POST-PURCHASE EXPERIENCE	255
INVOLVEMENT—THE PERVASIVE ARBITER OF CHOICE PROCESSES	256
PARADOX OF CHOICE	258
FOUR TYPES OF DECIDERS	260

APPENDIX 11A. FAMILY DECISION MAKING 264

APPENDIX 11B. BUSINESS BUYING DECISIONS 270

SUMMARY 272

Review+Rewind Think+Apply
Practice+Experience In The Manager's Shoes

11 SATISFACTION

Consumer Post-Choice Experience

Doubt, Satisfaction, Voice, Loyalty

274

INTRODUCTION	275
POST CHOICE EXPERIENCE	275
<i>After the Choice Has Been Made</i>	
DECISION CONFIRMATION	275
Fighting Buyer's Remorse	
EXPERIENCE EVALUATION	276
<i>Consuming Mindlessly</i>	
FREE SAMPLING—DOES IT HELP?	277
THE PSYCHOLOGY OF CONSUMER SATISFACTION	278
<i>Please Stop that Advertising Hype!</i>	
<i>Quality and Satisfaction in Services</i>	279
E-SATISFACTION	281
FIVE FACES OF SATISFACTION	282
<i>From Mere Satisfaction to Extreme Delight</i>	
FUTURE RESPONSE: EXIT, VOICE, OR LOYALTY	285
<i>The Public Chatter about Products</i>	
CONSUMER COMPLAINING	286
<i>Not for the Timid at Heart!</i>	
<i>After the Complaint— Is there Justice?</i>	286
DAMAGE CONTROL	287
<i>The Art of Recovery</i>	
PRODUCT DISPOSAL	288
<i>The High Price of Consuming</i>	
DISPOSAL OF PERSONAL POSSESSIONS.	
CONSUMER INVOLVEMENT—	289
<i>The Supreme Arbiter of Post-Choice Experience</i>	

SUMMARY 290

Review+Rewind Think+Apply
Practice+Experience In The Manager's Shoes

CONTENTS

PART IV THE CONSUMER AS CHOOSER AND SHOPPER

CONSUMERS' DIVERSITY PART V

12 SHOPPING

Consumer As Shopper

Store Choice, Loyalty, and Impulsivity 292

INTRODUCTION 293
A Nation of Shoppers

POP-UP STORES 294

SHOPPING MOTIVES 295
I Am a Shopper but I Don't Have to Buy Anything, Do I?

SHOPPING ORIENTATION 296
—ACQUISITION OR LEISURE

PLANNED, UNPLANNED, AND IMPULSE BUYING 296

A MODEL OF FACTORS THAT MAKE A BROWSER A BUYER 297

STORE DESIGN FOR HEDONISM 297

CONSUMER IMPULSIVITY 298
When You Gotta Have It!

HOW CONSUMERS CHOOSE THEIR STORES 299
It is Not Random At All

A MODEL OF STORE CHOICE PROCESS 299
Battle of the Stores—How They Differentiate 300

NONFOOD SHOPPING 301
Or When Man Does Not Live by Bread Alone

STORE IMAGE AND STORE PERSONALITY 302

CONSUMER LOYALTY TO STORES 303

A MODEL OF STORE BRAND CHOICE 305
Who Buys Store Brands?

MARKETING IMPLICATIONS—
MILKING CONSUMERS' IMPULSIVITY 306
CRAFTING STORE ATMOSPHERICS 306
WINNING CUSTOMER LOYALTY 306

PSYCHOLOGY OF ONLINE SHOPPERS 308

SUMMARY 310

Review+Rewind Think+Apply
Practice+Experience In The Manager's Shoes

13 AGE, SEX, FAMILY

Gender, Age, and Family in Consumer Behavior

Permanent Markers of Our Identity 312

INTRODUCTION 313

GENDER 313

Men Are from Mars, Women Are from Venus

GENDER ROLE IDENTITY CONSUMPTION 314

"Real men don't cry!"

DIFFERENCES IN MEN AND WOMEN AS CONSUMERS 315

MAN OR WOMAN—WHO DECIDES? 316

AGE 318

Why Marketers Want To Know How Old You Are

AGE DISTRIBUTION OF POPULATION 318

The Changing Landscape of the Market

POPULATION PYRAMIDS 320

AGE BASED CONSUMER SEGMENTS 322

BABY BOOMERS 322

Seeking The Fountain Of Eternal Youth

GENERATION X 324

The Coming of Age

GENERATION Y/MILLENNIALS 325

The Generation with a Social Conscience

MARKETING TO MILLENNIALS 327

GENERATION Z 327

The most ethnically diverse

TEENAGERS 328

THE EARLY CONSUMER SOCIALIZATION

MARKETING TO YOUTH 328

CHILDREN 330

Consumers in the making

SENIORS 330

Anything but Sedated

Consuming by Age 331

FAMILIES AND HOUSEHOLDS 332

FAMILY LIFE CYCLE 333

Empty Nesters and other Kinds of Families

CONSUMER SOCIALIZATION OF CHILDREN 336

INTERGENERATIONAL INFLUENCE 338

SUMMARY 340

Review+Rewind Think+Apply
Practice+Experience In The Manager's Shoes

CONTENTS

PART V CONSUMERS' DIVERSITY

CONSUMER RELATIONSHIP WITH THE MARKETPLACE PART VI

14 ETHNICITY AND CLASS

Ethnic Identity in Consumer Behavior

The Third permanent Marker of Our Identity **342**

INTRODUCTION 343

ETHNICITY VS. RACE 343
Multi-ethnic World Cities 344

A PORTRAIT OF VARIOUS ETHNIC GROUPS 347
(Age, Education, Income, Family Structure)

CAUCASIANS (NON-HISPANIC WHITES) 349
Inside the Caucasian mind
How Marketers Should Respond

AFRICAN-AMERICANS 350
Successful and Celebrating
How Marketers Should Respond

HISPANICS 352
Building Identity in the Marketplace
How Marketers Should Respond

ASIAN-AMERICANS 355
Values: mainstream at all
How Marketers Should Respond

ETHNIC IDENTITY 360
Charms of Ethnic Diversity 361

RELIGIOUS AFFILIATION 362
MAJOR RELIGIONS OF THE WORLD 363

INCOME AND WEALTH 364
CONSUMER SENTIMENT **365**
Psychology of Poverty 366
Why the Poor Pay More? 367

SOCIAL CLASS 369
Life Beyond Income

SOCIAL MOBILITY AND STATUS DISCORD 370
From Class to Mass—
Pushing Class Boundaries 370
Trend Masstige 371

SUMMARY 372

Review+Rewind Think+Apply
Practice+Experience In The Manager's Shoes

15 FANDOM

Consumer Relationship With Brands

Loyalty, Romance, and Brand Tribes **374**

INTRODUCTION 375

BRAND LOYALTY: THE CONCEPT 375

The Power of Behavior-scans 376
Brand Loyalty as Attitude-Based Behavior 377
So Should You Abandon Behavior Scans?

CONSUMER LOYALTY 377

FOUR FACES OF BRAND LOYALTY 378

A MODEL OF BRAND LOYALTY 379
Or How to Make Julia a Believer

CONSUMER BRAND LOYALTY:
A COMPREHENSIVE MODEL 380

BRAND EQUITY 382
SOURCE OF BRAND EQUITY 383

BRAND PERSONALITY 384

MEASURING BRAND PERSONALITY 385
How Brands Acquire Personality 385

BRAND COOLNESS 387

CONSUMER RELATIONSHIPS WITH BRANDS 388
Meet My Brand—My Buddy and My Alter-ego

A SOCIETY OF CONSUMPTION COMMUNITIES 391

BRAND ATTACHMENT 392

BRANDFESTS 395
Party Time for All Brand Lovers

BRANDFESTS AND BRAND BONDING 395

CONSUMPTION TRIBES 396

FOUR ROLES IN CONSUMPTION COMMUNITIES 397

DEEP INVOLVEMENT—EXTREME BRAND LOVE 398

SUMMARY 400

Review+Rewind Think+Apply
Practice+Experience In The Manager's Shoes



CONTENTS

PART VI CONSUMER RELATIONSHIP WITH THE MARKETPLACE

PART VII CONSUMER-CENTERED MARKETING

16

ETHICS

Marketers, Public Policy, and the Slightly Unethical Consumer

Who Is Watching Whom?

402

INTRODUCTION 403

DECEPTION: ETHICS IN MARKETING 404

SELLING UNSAFE PRODUCTS 404

UNFAIR PRICING 404

MISINFORMATION AND DECEPTION 405

INTRUSION AND OVER-COMMERCIALISM 406

The Ills of Advertising

PUBLIC POLICY AND ITS ROLE IN CONSUMER PROTECTION 408

CONSTRAINING CHOICES 408

MANDATING CHOICES 408

FACILITATIVE INFRASTRUCTURE 409

PROTECTING THE CONSUMER FROM MARKETERS 409

CONSUMER BILL OF RIGHTS 409

REGULATION OF ADVERTISING 409

ADVERTISING TO CHILDREN 411

PROTECTING CONSUMER PRIVACY 411

CONSUMER NEGLIGENCE AND CONSCIENCE 413

THE MENACE OF SHOPLIFTING 414

A MODEL OF SHOPLIFTING BEHAVIOR 414

THE CURSE OF COMPULSIVE BUYING 415

COMPULSIVE CONSUMPTION

FEEDING OUR BODIES BADLY 416

THREE FACTOR MODEL OF OBESITY 417

RECKLESS DRIVING 418

ENVIRONMENTAL ABUSE 419

THREE FACTOR MODEL OF ECOLOGICAL CONSUMPTION 419

THE ENLIGHTENED CONSUMER 422

SUMMARY 424

Review+Rewind Think+Apply

Practice+Experience In The Manager's Shoes

E

EPILOGUE

Marketing Meets the Consumer

Insight, Foresight, and the Marketer Response 426

SEEKING LOVE FROM CONSUMERS 427

SEGMENTATION AND TARGET IDENTIFICATION 428

DEEP CONSUMER PROFILING 429

RESPONSIVE OFFERING PRESENTATION 429

Fashioning 5Ps of Marketing 430

Personalization 431

SUMMARY 433

PART VIII POSTMODERN CONSUMPTION EXPERIENCE

SYC

SYMBOLIC CONSUMPTION

THE ENCHANTED CONSUMER 434

Postmodern Consumption Experience

OBJECTS OF DESIRE

DEEP MEANING IN CONSUMPTION 434

Appropriation of Products 435

Consuming Authenticity 436

Consumption of Body Adornments 438

Consumption of Media Fiction 440

Technology Consumption Experience 442

The Wireless Consumer 444

Virtual Identity 446

Gift Exchange as a Consumer Behavior 447

ST

SPECIAL TOPICS

1. PSYCHOLOGY MEETS ECONOMICS:

Why Consumers Can't Count Their Money Correctly

Priya Raghubir 449

2. CONSUMERS AND PROPER PLEASURE

How Brand Stories Help Consumers Enact Dramas in

Their Lives

Arch G. Woodside 454

3. THE ONLINE LIFE OF COFFEE AFICIONADOS

A Netnography of an Online Consumption Culture

Robert V. Kozinets 459

4. GENDER BENDER BRAND HIJACKS AND

CONSUMER REVOLT

The Porsche Cayenne Story

Jill Avery 467

xvi

CB

CONSUMER PSYCHOLOGY/CONSUMER BEHAVIOR

CONTENTS

RESOURCE 1 RESEARCHING THE CONSUMER 472 SEGMENTATION 482

CASES + Experiential Learning Projects

CASES

Short Descriptions of- Marketplace Happenings

From the classic
*Don't Mess With
Texas to the 2020
Beauty Unaltered*

Case 1	Desigual Loves Your Selfie Obsession	486
Case 2	For the Love of Bread	487
Case 3	Watch This Movie with a Hundred Bikers	488
Case 4	Undie Party in a Store	489
Case 5	Nudie Jeans: The Naked Truth About Denim	490
Case 6	Don't Wear Your Stockings; Spray Them	491
Case 7	Beauty Unaltered: Courtesy of CVS	492
Case 8	Music for Your Pet's Ears	493
Case 9	Don't Breathe... Buy Our Diesels	494
Case 10	Love At First Taste	495
Case 11	A Tale of Two Social Experiments in India	496
Case 12	Selling Victoria's Secret in Saudi Arabia	497
Case 13	A Festival of Love: Courtesy of the Singapore Government	498
Case 14	Water for Her, Water for Him	499
Case 15	Moxy Hotels: Will Millennials Check In?	500
Case 16	How Brands Charm Women	501
Case 17	A Car for Women by Women	502
Case 18	How I Bought My Car	503
Case 19	Lets Talk Race	504
Case 20	Don't Mess With Texas	505
Case 21	Ideals of Beauty: Brazil vs. the USA	506
Case 22	New Food Labels: Make Them Bigger	508
Case 23	How Green Is Your Campus?	510

Social + Digital

From the *Miller Lite's
Unfollow Call to the
Getty Museum's Art
Challenge*

SD 1	Unfollow Us for Free Beer	511
SD 2	A Cool Tiktok Dance	512
SD 3	How Many Ways Can You Serve A Burger?	513
SD 4	When Humble Products Become Bespoke Art	514
SD 5	A Briefcase Like No Other.	515

Experiential Learning

Easy Stimuli to Kickstart Your Practice Projects

From Drawing
*Perceptual Maps
to Crafting
Brand
Personalities*

EL 1	Give Your Brand A Personality of Its Own	517
EL 2	When Brands Bring Emotion	518
EL 3	I Obey My Thirst	519
EL 4	The Art of Drawing Perceptual Maps	520
EL 5	Build It and They Will Come	521
EL 6	Getting Consumers to Write Their Autobiographies	522
EL 7	What is Your SELF Made of?	523
EL 8	Listening to My Self-concept	524
EL 9	Measuring Self-Image Brand-Image Congruence	525
EL 10	Going to the Ballgame: Take Your Psychographics With You	526
EL 11	The Psychology of Gift-Giving	527
EL 12	Which Watch Do You Like?	528
EL 13	Give This Doughnut Your Marketing Mojo	529
EL 14	Food and I	530
EL 15	My Mood Water	532
EL 16	Let's Meet Some Millennials	533

RESOURCE 2

GLOSSARY	534	ENDNOTES:
INDEX (SUBJECT)	551	WWW.MYCBBOOK.
PHOTO CREDITS	555	COM/5E/ENDNOTES
ABOUT THE AUTHORS	558	

CONTENTS

SYLLABUS AT A GLANCE

Master Sequence



FEATURES

- » Each chapter is written so as to not require prior reading of the preceding chapters. This frees the reader to read the book in any sequence of one's choosing.
- » **SPECIAL TOPICS** can be read anytime in the sequence. All of them pertain to the "Inside the Consumer's Mind" module. Special Topic 1 provides insights based on "positivist" research; Topics 2, 3, and 4 offer post-modernist perspectives.
- » Cases connect with topics across chapters (more specifics within) and can be interspersed as needed.
- » Resources R1 and R2 also require no knowledge of any prior chapters; however, re-reading them after reading a few chapters will add to your "take away."

SEQUENCE OPTION 2

External Environment and Demographics before Internal Influences



SEQUENCE OPTION 3

Consumer Decision Making before Internal Influences and External Environment



CONTENTS

INTRODUCTION	I	1. Welcome to the Fascinating World of Consumers	2	
INSIDE THE CONSUMER'S MIND	II	2. Consumer Motivation, Emotion, and Involvement	30	
		3. Consumer Perceptions and Sensory Marketing	52	
		4. Consumer Learning, Memory, and Nostalgia	80	
		5. Consumer Values, Personality, and Self-Concept and Psychographics	106	
		6. Consumer Attitude: Know-Feel-Do Models	142	
		7. Molding Consumer Attitudes Across Involvement	162	
		CONSUMERS' CONTEXT	III	8. Consumers' Culture and Meaning Transfer
9. Reference Groups, Opinion Leaders, and e-Fluentials	214			
DECISION MAKING & SHOPPING	IV	10. Consumer Decision Making: Rational and Emotional	236	
		11. Post-Choice Experience: Doubt, Satisfaction, Loyalty	274	
		12. Consumer as Shopper: Store Choice, Loyalty, Impulsivity	292	
CONSUMER DIVERSITY	V	13. Gender, Age, and Family in Consumer Behavior	312	
		14. Consumers' Ethnic, Religious, and Class Identities	342	
CONSUMER RELATIONSHIP WITH THE MARKETPLACE	VI	15. Consumer Relationship With Brands	374	
		16. Marketers, Public Policy, and the Slightly Unethical Consumer	402	
EXECUTION	VII	• Epilogue—Marketer Response to Consumer Behavior	426	
SYMBOLISM	VIII	» SYMBOLIC CONSUMER BEHAVIOR: » <i>The Engaged Consumer—Post-Modern</i>	434	
IMMERSION	IX	• SPECIAL TOPICS: » <i>Psych Meets Economics</i> » <i>Brand Stories and Consumer Life Dramas</i> » <i>Netnography of Coffee Aficionados</i> » <i>Gender Bender Brands</i>	448	
PRACTICE	X	RESOURCES	◇ Researching the Consumer	472
			◇ Market Segmentation	482
			◇ Case Studies—Classic and Romantic	485
		» <i>Glossary</i>	534	
		» <i>Subject Index</i>	551	
		» <i>About the Authors</i>	558	

PARTS

1

WELCOME TO THE FASCINATING WORLD OF CONSUMERS

Where Offerings and Hopes Meet

What Future Consumers Will Wear!



The Hug Shirt™

Imagine you are wearing The Hug Shirt™. And your friend, thousands of miles away, is also wearing one. You wish your friend were with you and you two could hug each other. Now you can, no matter the distance.

The Hug Shirt™ is the world's first (and perhaps the 'only') haptic telecommunications wearable, invented by a London (UK) based tech innovation company named CuteCircuit.



Embedded in the shirt are actuators and sensors that capture the strength and the duration of your hug (imagining your friend, you strike the hugging arms pose); the actuators and sensors in your friend's shirt receive and decode those signals and translate them into the haptic sensation of the hug you just sent them.

Of course, you will need to download an app on your smartphone. The app connects to the shirt via Bluetooth. There are no wires, only smart fabrics, notes the company. And don't worry, the hug doesn't intrude on the recipient unannounced. It first shows up on the recipient's smartphone, just like a text message, and it waits there until your friend is ready to receive it on their shirt. You can buy the shirt from the company's website for £250.00 GBP.

In case all your friends and loved ones are within hugging vicinity already, there are other fascinating wearables you could acquire right now:

- High couture "interactive dresses" worn by the likes of Katy Perry, Kelly Osborne and Nicole Sherzinger. The dresses are embedded with Micro-LEDs that react to your body motions to create luminous decorations.
- Mirror Handbags in luxurious suede with acrylic mirrors and LEDs that light up to display messages and Tweets from your Twitter feed.
- Twinkle T-shirt made out of motion-reactive illuminated organic cotton with a golden sequin appliqué and micro-LEDs that shine through to create amazing animations

Go ahead and explore these wearables of the future at CuteCircuit.com.



Mirror Handbag

*How consumers
get their cool in
the marketplace*

How Consumer Behavior is Defined and What Its Elements are

Five Visions of the Consumer Marketers Should Recognize

Consumer Needs and Wants and How Marketing Shapes Them

Five Resources All Humans Possess and Exchange in the Marketplace

Four Consumption Values Humans Seek in the Marketplace

Four Reader Types to Benefit from This Consumer Behavior Book

1

2

3

4

5

6

TO UNDERSTAND

LEARNING

OBJECTIVES

Introduction

While CuteCircuit is the world's first wearable technology fashion brand founded in 2004, other innovative firms are at work, bringing us diverse applications:

- **Levi's Commuter Trucker Jacket:** Your jacket's cuff has Jacquard Threads (a Google innovation) woven into it. In addition, you wear a flexible snap tag, which syncs with your smartphone. If a phone call comes in, a light on the tag flashes; or haptic feedback will make your arm vibrate. This haptic feedback will tell you, for example, if your Uber is arriving. You can also take calls by touching the sleeve.
- **Samsung** has designed a yarn that collects energy from body movement and powers the battery of sensors, which maybe embedded in our clothing for diverse functionality.
- In the future, clothes will be self-cleaning. Basically, tiny metal devices are attached to cotton fabric and they break down grime when exposed to sunlight. The clothes clean themselves in minutes.
- **Sensoria** socks are embedded with textile pressure sensors that pair with an anklet magnetically attached to the cuff of the sock and then it talks to your cell phone. Together it helps you count the number of steps, speed, calories burned, and poor landing technique. These smart socks are intended to identify injury-prone running styles, and the app will give audio directions to correct your running.
- A June 5, 2020 report from Tufts University informs us of the invention of a biomaterial-based ink that responds to chemicals released from the body in fluids like sweat by changing color. The changing colors will signal our health conditions. The inks can be screen printed onto textiles such as clothes, shoes, or even face masks.

The big question now is, as consumers, are we ready to want and seek these new products?



41212 5 299 21



41212 5 139 21

Beyond wearables, consider these wonders of technology: (a) Internet-of-Things (IoT), e.g., Amazon Dash Button, which automatically reorders essentials (e.g., soft drinks, pet food, etc.) or a small device (Lumi by Pampers) that tells parents that the baby diaper needs changing; (b) Augmented Reality (AR)—for example, in a retail store, you can try on the dress in the window even without entering the store (see Chapter 12); and (c) Virtual Reality—wear these headsets and you can take a trip through time to visit ancient Romans; or enter The Void portal (available in many cities in the USA and Canada) and be transported into your favorite film scenes and play your favorite character!

More than the technology behind these products of the future, more than the skills and dedication of the engineers and craftsmen behind them, their utility to consumers will depend on consumer savvy gleaned by the marketers of these products. It is their uncanny ability to get inside the skin of their consumers that will determine whether these products end up satisfying the needs and wants of consumers.

Today, more than ever before, consumers themselves are astonishingly market savvy, with a never-before array of choices. And in our consumerist society, consumers look to the marketplace for heightened gratification of their needs and desires. Born in the age of the Web and the smartphone and immersed deeply in social media, the young and the restless, especially, but even the older and the tranquil, seek products customized and personalized to their tastes, and vetted by their social media peer netizens. They befriend brands that are “cool,” and love the marketers who speak their language. That language is the language of consumer behavior. Every marketer should learn it.

This book seeks to teach that language. In this book, we are going to describe, dissect, and discourse about consumer behavior—human behavior in the world of products. We will study how we think, feel, and act in the marketplace—how we come to see products the way we see them, how we make our choices from the mind-boggling array of goods available, how we buy them and then weave them into the tapestries of our lives; how we consume them to sustain and energize our bodies, feed our minds, and construct our egos and our identities. This is the study of consumer behavior. Welcome to the fascinating world of consumers!

WE ARE CONSUMERS—24-7!

We are all consumers. This much comes as no surprise to us. But what we may not have realized is how much of our waking day we spend being a consumer—and we count not just when we are consuming or when we are buying something. Rather, as we will explain later, we are a consumer any time we are even thinking about acquiring and/or consuming anything. To be sure, we also live at least part of our lives not being consumers—such as when we are conversing with a friend (without using a phone or any other product), or reflecting on our futures, or for that matter, on the future of mankind. But most of the rest of the day is filled with plotting and enacting consumption. At our request, a group of consumers wrote a daily journal. We reproduce one of these journals (see Exhibit 1.1). This journal was quite representative of all those we received in one respect; they all showed the same thing: We are consumers 24-7!



Dear e-Diary—Here is My Consumer Behavior

by Ellen Tibbs

MONDAY

- This morning on the way to work I bought a Sugar Free Red Bull and Special K blueberry breakfast bar.
- I was walking to my car earlier and saw a woman with a new Coach purse. I am getting sick of the one I am carrying now. Once I save up some money I might treat myself and buy one!
- My friend just called and said she had an extra ticket to go to the Shawn Mendes concert in two weeks. I really want to go so I told her I would meet up with her later to pay for the ticket.

TUESDAY

- I got my hair colored at the salon, Madalyn San Tangelo this morning.
- My friend Lindsay and I wanted to eat sushi so I placed a carry out order at Mr. Sushi. We both ordered California Rolls, rice and we split an appetizer.
- I was online today and bought and downloaded music from iTunes. I bought some songs by Jonas Brothers and by Doja Cat.

WEDNESDAY

- I love my car, but I want a new one. I saw a new silver Scion today and want it badly. I called my mom and talked to her about trading my car in for a new car.
- I looked online for a desk for my room. I have a computer and printer, but no work station. I usually sit at my kitchen table or on the floor to do homework and it's getting really annoying. I looked at Pottery Barn, Bova and a couple of random sites, but didn't see anything I liked.

SATURDAY

- I bought an Icee Mango at Panera Bread...
- I went shopping today at Kenwood Mall for something to wear tonight. I went to a couple of stores, but didn't find anything. I went into Forever 21 and was excited when I found a white skirt and black camisole. I was even more excited when I found great accessories to match!

SUNDAY

- I had a headache this morning and was out of Advil so I went to Walgreen's. I bought water and a bottle of Advil gel caplets. In line I grabbed a new tube of Burt's Beeswax and bought that too.
- I had to buy gas again today. I feel like I filled up! I hate buying gas. It is so expensive and is a pain in the butt. The only thing worse than buying it is to know you will have to buy it again in three days!
- I work at J B Fin's on the Levee, so I went shopping on my break. I went to Hollister and PacSun. I didn't find anything I liked. However, I did buy a new belly button ring from the outside vendor.



Ellen Tibbs is a college senior majoring in Business Administration

MY CB BOOK

CONSUMERS ARE FASCINATING

As consumers, we are fascinating. Consider a conversation we recently had with a consumer, Jackie, age 30 (see Exhibit 1.2). We will let that interview speak for itself, and let you decide whether you agree that consumers are indeed fascinating.

When we think of consumers such as Jackie, several images come to mind. Consumers are the browsers in the department store, shoppers in the mall, patrons enjoying a meal in a restaurant, visitors standing in long lines at Disneyland, youngsters flocking to music concerts, and savvy shoppers lining up to grab the door-buster sale items. These and many other visions of the consumer can be aptly grouped into the following five categories:

1. Consumer as Problem-Solver
2. Consumer as Economic Creature
3. Consumer as Computer
4. Consumer as Shopper
5. Consumer as Reveler

FIVE VISIONS OF THE CONSUMER

Consumer as Problem Solver In this vision, consumers are searching for solutions to the needs of daily life, looking for a product or service that will meet those needs in the best possible way. Once they find the “solution product,” they can relax and move on with their lives. The following self-report from a consumer illustrates this ¹:

After I purchased my new pants recently, I spent most of my free time thinking about the shoes I already have. Finally, I decided that I didn't have any shoes to go with my new pants. On Tuesday, I started my search at Payless ShoeSource, but didn't have any luck. I continued my search at Kohl's and DSW but once again I just didn't see what I was looking for. I became very discouraged. I decided that later that evening, my final store to shop would be Shoe Carnival. As soon as I walked in, I saw them, the perfect pair of shoes. They were a little pricey at \$38.99, but with a 10% sale, I bought them. I was very excited and relieved that I had found the shoes I was looking for. (Angie, 22)

Consumer as Economic Creature Consumers are also planners and managers of personal finances; they want to use their money wisely. As such they seek to buy products at the best prices available. This does not mean that they always go for the lowest price (although often they do), but they always want to maximize their utility. As one consumer stated:

My fiancée and I always cut coupons before we go grocery shopping. It always saves us at least \$20 per trip. We both agree that Kroger and Remke are too expensive for our large bi-monthly shopping trips. We prefer to go to Meijer and likely save another \$40 just by going there. Once at Meijer, we aren't too picky about the brands we buy. We can often be seen calculating the per unit price based on the Meijer brand versus the name brand with coupon. On almost everything, the lower per-unit cost always wins. Oddly enough ketchup is the one item that I purchase based on the brand name. (Christopher, 23)

Consumer as Computer We also see consumers reading package labels, checking-off items on a shopping list, pondering information in their heads, looking at ads, making sense of instructions on how to use a product—in other words, sorting out all the information about products and the marketplace. Indeed, our brains act like human computers. This vision can be seen in the following self-report from a couple:

We were in the market for a house. We began by searching the MLS site on the Internet. We searched listings by price, by location, by school district, and by features. Then we found a realtor and let him do the searching. He showed us several houses on the computer within our price range. One house seemed to have all the features but was on a street with no sidewalks, and sidewalks were important to us because we have children. Another house also had everything, but the deck was small; a third house had a large deck but the kitchen was small. We tried to figure how much it would cost to make the deck bigger, and we thought that expanding the kitchen would be very cumbersome. We kept turning in our heads the three houses we liked and their various features, and finally, taking everything into account, we settled on the one with the small deck. (Jenny, 23, and Paul, 24)



Doing
Yoga

Is this person, at this moment, being a CONSUMER?

Consumer as Shopper This is the familiar image of consumers, coming out of a store, loaded with shopping bags in both hands. Inside the store, they are totally taken in by the vast merchandise, enchanted by all that is on display, theirs to have if they like, but to enjoy the sight anyway. Stores and marketplaces are the proverbial Alice's Wonderland for the consumer as a shopper. As one of our research respondents put it:

I shop all the time. Days, evenings, weekdays, weekends. Whenever I can get out. I shop at department

“I Obey My Thirst!”

We intercepted Jackie Cooper, a 30-year old male, walking with a shopping bag in hand, in the Kenwood Mall, Cincinnati. Our interviewer was Pamela Ryckman, a junior marketing student, who conducted the interview as part of her class project.

- Q.** Excuse me sir, would you mind answering a few questions for my class project?
- A.** Sure, you can ask me anything.
- Q.** Great, thank you. (Pointing at the shopping bag) What did you buy today?
- A.** I just bought this new fly Fubu jersey. It is uh, blue and yellow, double zero on the back. It’s phat.¹
- Q.** How do you buy your clothing?
- A.** You know, whatever looks good. Stay away from stripes though.
- Q.** Why?
- A.** Oh, it could make you look bulky, you know.
- Q.** What kind of clothes do you buy?
- A.** Well, I have a lot of Nike. My favorite is Fubu, you know. I also got Sean-John. That is the only kind of stuff I buy.
- Q.** Why do you like these brands? What do you look for when you buy clothes?
- A.** Its gotta be comfortable. I have to be able to move in it, or play ball in it, and still go to the clubs ... comfortable but still nice.
- Q.** Do you go on spending sprees?
- A.** Nah, I try to keep my platinum bill on the D.L.²
- Q.** Are you happy with the way you buy clothes?
- A.** Yeah, I got my own system. Hasn’t failed me yet.
- Q.** Do you like shopping for clothes?
- A.** Clothes shopping? Yes, I like it. I love it. You know, I gotta keep my threads on top of the game.
- Q.** Is choosing clothes a problem for you?
- A.** Nah, I usually just try whatever catches my eye and I just buy it. I go in, do my business, and then I’m out. ... I am like flash ... you know flashin’ in, flashin’ out. Bling blingin’!
- Q.** What role does clothing play in your life?
- A.** See, I look at clothing like it’s a part of me. It’s like people be lookin’ at my clothes. It is like they’re seein’ into my soul. You know what I mean? That’s why I dress the way I dress.

1. Pretty hot and tempting; 2. Down-low



Jackie Cooper,
Makeup artist, Cincinnati, USA

- Q.** Do you pay attention to clothes advertising?
- A.** Nah, I just buy what I like; I will not bow to any sponsor. I buy what I want. I’m like Sprite—I obey my thirst. That is the way it is.

INTERVIEWER: Ok. Thank you for your time.

MY CB BOOK

stores and just as much at boutique shops. And I shop online—my favorite site is Overstock.com. I shop for sales and I shop for rare merchandise. If I am getting bored I will go to the mall. In fact if I don’t go shopping for 2 or 3 days at a stretch, I begin to feel depressed. I buy very carefully, after full deliberation, but I browse a lot and I window-shop a lot. The mall is a place I couldn’t live without. You could say I was born to shop. (Christy, 22)

Consumer as Reveler Finally, we all have visions of consumers just having a good time—at a restaurant, a rock concert, a beach resort on spring break—enjoying life with all the wonderful things the marketplace has to offer. Below are two excerpts from consumer interviews.

I am really big into smelling good. I spend hundreds of dollars on top name cologne. I feel that appearance and smell at first are what make the man what he is. I can be running to the grocery store and I put on cologne. (Chad, 22)

I love attending a live concert. Rap, country, rock, gospel, alternative—I love them all. My favorite band is Dave Matthews—I have got all 14 of their CDs and two live concert DVDs! (Joe, 23)

Here we have a snapshot of a group of consumers (see facing page). When it comes to consumers as revelers, a picture does speak a thousand words!

All of these visions are true. They exist not only in different consumers, but also sometimes in the same consumer. Thus, we are economic creatures at times, watching every penny; at other times, we just want to experience, just want to be revelers, with money as no object. Sometimes, we are assessing a product and soaking up all the information, with our internal computer drives whirring. A consumer is indeed multi-faceted. And our study will cover all these facets.

Now, we are ready to begin our formal study of consumer behavior.

WHAT IS CONSUMER BEHAVIOR?

We define **consumer behavior** as the set of mental and physical activities undertaken by consumers to acquire and to consume products so as to fulfill their needs and wants.

Our definition of consumer behavior has several elements worth noting. Let us discuss these one by one.

Mental and Physical Activities First, consumer behavior includes both mental and physical activities. **Mental activities** are acts of the mind, and they relate to what we think, feel, and know about products. **Physical activities** are, in contrast, acts of the human body, and they relate to what we do physically to acquire and to consume products.

When you are contemplating buying a product, even dreaming about it, you are engaging in a mental activity. You are also engaging in a mental activity when you are mulling over a product's benefits and risks; making sense of an advertisement; trying to remember the price of a product in the store you previously visited; trying to recall what Dr. Oz said the other day, on his TV show, about the benefits of eating chia seeds; or just wondering if a three-buttoned suit jacket will be good to wear to a forthcoming job interview, or if, instead, you should stick to the more conservative two-buttoned jacket.

Physical activities include visiting stores, clipping coupons, talking to salespeople, test-driving a car, placing an item in the shopping cart, abandoning a shopping cart, and saving empty cartons for later recycling. Physical activities entailed in actual consumption are also included—such as preparation to consume (e.g., setting the table, blotting grease from pizzas and fries, etc.), consumption situations (e.g., choosing takeout or dining in, using a cell phone while driving), consumption rituals (e.g., a makeup regimen), or routine trivial behaviors (e.g., TV channel flipping). Indeed, it is by observing consumer inconveniences and improvisations during product use that marketers often conceive of new products and tailor their communications. Some activities are hybrids—both physical and mental—such as reading *Consumer Reports* or product labels.

It should be noted that the mental and physical activities we study under consumer behavior are not limited to specific acts of buying and using products. Rather, they include activities that the consumer undertakes in preparation for and prior to the actual buying act, and they also include activities that continue long after a product is actually consumed or used. When a consumer hears a friend praising a product and makes a mental note to try it some time in the future, this preparatory activity is part of consumer behavior. Likewise, if a few months after using a product, the consumer suddenly recalls the experience of using that product and chuckles about it, enjoying the memory of past consumption, then that post-use mental activity is also consumer behavior.

Product Second, we use the term *product* broadly, to refer to any physical or nonphysical product or service that offers some benefit to the consumer, including a place, a person, or an idea offered for exchange. Thus, not only are physical products such as cars, shirts, and golf clubs included, but so too are services such as a fitness club, a college education, a TV program, and a “breakup letter service”—more on that later. Also included are places such as vacation destinations, outlet malls, or video arcades. And persons, such as political candidates seeking your votes are included. And, finally, ideas are included, such as vegetarianism or promoting mask wearing. The important point here is that casting your

Just wondering if a three-button suit jacket will be proper is also Consumer Behavior.



vote for a candidate is just as good an example of consumer behavior as is buying a brand of toothpaste; so is visiting a museum, choosing a college, downloading the Calm app, and then on it, listening to Matthew McConaughey Wonder, a sleep story he recorded in May 2020, displaying a “Save Our Environment” bumper sticker on your new car, or planning to donate to Stand Up To Cancer.

Consumers Third, our definition includes the concept of *consumer*. In general, a consumer is anyone engaged in the acquisition and use of products and services available in the marketplace. Although a few humans on our planet might well be living lives sustained entirely by self-produced products and services (rather than those acquired in the marketplace), most of us acquire the majority of the products and services we need and want through marketplace exchange. Each of us, therefore, is a consumer.

The use of the term *consumer* in this text is broader than in practice, where different marketers call them, instead, by different names. For example, retail stores generally refer to their patrons as *customers* (rather than as *consumers*); so do utility companies (e.g., electricity or phone service providers), financial companies (e.g., banks), and service providers (e.g., palm readers). Professional service providers (e.g., lawyers, real estate agents, tax advisors) refer to them as *clients*, or by their more context-specific roles (e.g., doctors call them *patients*, educators call them *students*, fund-raisers call them *donors*, etc.). Only manufacturers (e.g., Procter & Gamble, Unilever, Kraft, Cadbury, Molson, Britvic, etc.), who do not routinely deal with the end-users of a product directly, refer to these household end users as *consumers*. In this text, however, we refer to all of these kinds of acquirers and users of products and services as *consumers*.

Our use of the term *consumer* also goes beyond its literal meaning—persons who “consume.” Of course, some products do get consumed, such as food items, but other products do not get “consumed” (i.e., depleted), such as household appliances or other durables. For these products, we are users rather than consumers. Again, we will use the term *consumers* to refer to the users of all products or services, whether these products are consumables or durables.

Correspondingly, we define **consumption** as any and all usage of products whether or not the products are actually “consumed” away; i.e., depleted. Thus, when we look at our digital pictures and we show them or e-mail them to others, we are consuming these pictures. And, of course, activities such as TV viewing, visiting art galleries, and tweeting and retweeting messages on Twitter also count as consumption.

Needs and Wants Finally, two important words in our definition are *needs* and *wants*. *Needs* and *wants* are perhaps the two words most freely used by consumers—“freely” in the sense that consumers seldom ponder before uttering these words. They utter these words merely, but unmistakably, to indicate their desire or intent to possess and/or consume something. Philosophers of diverse ilk have ruminated for centuries as to what *need* and *want* mean, and understandably there is no consensus. Consequently, consumer researchers who study consumer needs and wants also vary in their definitions of the terms. Indeed, it would be futile to search for a definition on which everyone would agree. So, below are the definitions we will use in this book.



Photos courtesy of Arden E. John, South Korea

Consumers as Revelers: Bo Ring Mud Festival South Korea

Customers, clients, patients, tourists, donors, students—all are consumers.

Philosophers of diverse ilk have ruminated for centuries as to what need and want mean.



A Need is Not a Product. A Product is Not a Need.

A **need** can be defined as a discomforting human condition. It can be discomforting in a physiological sense or in a psychological sense. Examples of *physiologically* discomforting conditions are sensations of hunger or cold; examples of discomforting *psychological* conditions are feeling bored, feeling insecure, or experiencing being looked down upon. As consumers, we seek products or services in the marketplace exchange so as to alleviate these conditions of discomfort. A **want** is a desire for a specific object or product. The consumer who wants a product judges that it would restore his or her condition to a satisfactory state. Thus, the felt discomfort of a hungry stomach is a need; desire for food and for a specific kind of food is a want. Feeling insecure is a need; desire for the latest model of Nike shoes, even when barely within one's means, is a want. Thus, a product is *not* a need; it is a *solution* to a need.²

The definitions we use here differ from common speech, where needs are equated with necessities, and wants with luxuries. There are good reasons for this, which we will explore in a later section. For now, just remember that *need* is your felt discomfort, period. And remember also that the discomfort has to be perceived by the person himself or herself. Thus, a need is not someone else's assessment of your condition. I cannot say that your hair looks long, so you need a haircut, or, that you don't need to upgrade your PS4 to PlayStation5, or that you don't need to splurge on the new Swarovski-crystal-dotted Adidas Rivalry Lo sneakers. It is for you to decide if not having these things is discomforting for you, psychologically speaking. Indeed, then, *need* is a very subjective word. It is a very personal feeling.




**WANT?
NEED?**
SAME DIFFERENCE

Need is a very subjective feeling—this important consumer sentiment is elegantly captured in this ad for Nissan 370Z.

Copyright, Nissan (2019). Nissan and the Nissan logo are registered trademarks of Nissan. Photo: Markus Wendler. (Used with permission.)

THE ALL-NEW NISSAN Z

Starting at \$29,930, The attraction of the all-new Nissan 370Z™ is far more than physical. With its staggering 332 horsepower, the world's first SynchroRev Match Manual Transmission* and finely crafted interior, every detail only makes you want it more. Or is it need? For more information, visit us at NissanUSA.com.



SHIFT. the way you move

As shown \$37,460. 370Z Touring with Sport Package. Prices are MSRP excluding tax, title, license and destination charge. Dealer sets actual price. *Available feature. Always wear your seat belt, and please don't drink and drive. © 2009 Nissan North America, Inc.

EXCHANGE, RESOURCES, AND VALUE

Three Essentials of Consumer Behavior

There are three essential elements in all consumer behavior. Without these, no “consumer behavior” can occur. And they work in unison—inseparably, as three grand enablers of consumer behavior. These are exchange, resources, and value. Let us examine each.

EXCHANGE

Exchange refers to an interchange between two parties where each receives from the other something of more value and gives up something of less value. Within that specific exchange, what is given up is of less value to the giver than it is to the receiver, so that both parties gain more in value than they give up. Thus, when we buy a shirt, we part with our money (say, 20 dollars or 40 rubles or 25 Euros or 120 pesos or 80 yen) because, at that time, that particular shirt is more valuable to us than keeping that money in our pockets; conversely, when we sell that shirt in a garage sale for one dollar, at that time, that shirt’s value to us is less than even one dollar.

Although an exchange can also occur between any two consumers, it is customary to call one of the parties the *marketer* and the other party the *consumer*. A **marketer** is an individual or an organization with an organizational goal to offer products and services in exchange for the consumer’s money or (occasionally) other resources. When a marketer primarily seeks money and has the making of money as the principal organizational goal, then that marketer is referred to as a **commercial entity**. When a marketer offers products and services either free of cost or at a nominal charge insufficient to cover costs or make any profit, the marketer is typically a **non-profit** or social organization. Typically, non-profit or social organizations promote ideas (e.g., smoking cessation) or persons (e.g., a presidential candidate). An important point here is that the study of consumer behavior is just as useful for non-profit and social and community organizations.³

RESOURCES

A **resource** is something we own or possess that people value. Because people value those resources, more or less universally, we can, as consumers, use them to acquire a whole host of products and services. That is, as humans, we value resources ourselves, and, because other humans value them too, we can exchange some of them to satisfy our needs and wants.

Five Resources

There are five types of resources: money, time, skills and knowledge, body and physical energy, and social capital. Of these, money is the most often used resource for marketplace exchanges—when we acquire products and services, we typically pay for them with money. We also use money to acquire the other four resources. We buy time-saving devices to gain more time; we hire maids so we ourselves don’t have to expend time in housekeeping chores. We buy books and take college courses to gain knowledge, we buy home-improvement books to learn to do handiwork, and we pay for lessons to acquire the skills needed to compete on *Dancing With The Stars*.

To build our bodies and enhance physical energy as a resource, we spend money and join a gym. We spend time doing yoga. And we buy vitamins and nutrition-supplements to get energy. Finally, we spend time and money to build **social capital**—the network of friends and professional connections that can be of help in our hours of need. We buy designer brand clothes that will help us gain acceptance among our peers. We spend time writing “thank you” notes and sending gifts to keep the friends we have. And we pay fees to join social clubs and associations to enlarge our social networks.⁴

Five
Resources
Humans
Possess



Money

Time

Knowl-
edge

Energy

Social
Capital

Sometimes we use other resources so we can pay less in money. We pay, in part, with our time when we choose to take a cheaper airline flight with a stopover instead of a direct flight. Likewise when we buy a modular furniture system that we have to assemble ourselves, we exchange our time, physical energy, and skill set to save money. If we believe that we have the requisite skills, then we choose a low-fee discount broker rather than a full-service investment advisor, or we buy stocks online. We use our healthy bodies as resources when we donate blood or pledge to donate some organ. And good looks are themselves “exchanged” to attract a date, companion, or mate.

VALUE

The third essential element in all consumer behavior is value. **Value** is the sum total of net benefits we receive from an activity or an exchange. Indeed, value is the core goal of all exchanges that humans undertake.

Value, not money, is the basic currency of all human interaction. When we meet someone, we try to assess quickly how long it would be worth our while to be talking to that person. If our phone rings, we promptly decide if we would gain anything by taking that call at that time.... It is even more true of marketplace exchanges. The only reason customers are even in the marketplace is that they are looking for something of value. (ValueSpace, 2001, p. 3-4.)⁵

Value comes from all the benefits, all the desired outcomes that consumers obtain and experience from their use of products. When a cream eradicates our acne, that is a desired outcome to us and hence has value. When a musical play uplifts our moods, that is a desired outcome and hence has value. When wearing a particular suit or dress brings us compliments from others, we are receiving value. And when we feel good about ourselves having donated to a charity, we are experiencing value. In everything we buy, in everything we consume, in every advertisement to which we pay attention, from every salesperson to whom we lend our ears, in every store we enter, on every Web site we visit, we seek value.

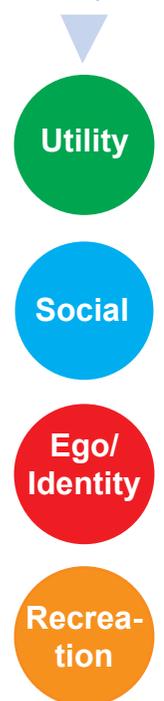
Thus, value comes in multiple forms. Basically, value accrues when some need is satisfied. Because human needs are countless, so also are forms of value. However, they can be categorized into four major types, captured in the acronym USER: (a) utilitarian, (b) social, (c) ego/identity, and (d) recreational.⁶

Utilitarian value is the set of tangible outcomes of a product’s usage (or of an activity). It comprises physical consequences of a product and its effects in the physical world around us and within us (i.e., in our bodies). Also called *functional value*, utilitarian value comes from objects when they enable us to manage our lives as biological and physical beings and to manage our external physical environments as well. Examples include filling our bellies with food, energizing our bodies with nutrients, moisturizing our skin with lotions, navigating physical distance by using a Bird or a Lime Scooter, etc. But don’t mistake utilitarian value as referring only to basic physical necessities. A Peloton for our workout, a Noom nutrition plan for our weight control, or a Mobile Phone Jail Cell (Sonidika for \$10.89 at Amazon.com) to curb our phone addiction—these products yield specific benefits that are also utilitarian.

Social value comes from our ability to manage our social worlds (as opposed to the physical world). This includes maintaining warm and harmonious relations with others, fitting in with peers, and generally projecting a good image to others. Thus, we get social value when we wear brand name clothing with a certain brand image, and we get social value when we buy someone a gift to affirm our relationship. We also receive social value when we donate blood as part of an office drive, or when we join social clubs like The Ruby (therubysf.com, a space for women who work in the arts or in creative fields) or the Gentlemen’s Factory (Brooklyn, NY).

Ego/identity value comes from our need to construct and nurture our identities or self-concepts, our sense of ego, our ideas of who we are. Thus, we eat vegetarian food because we value the identity of being an animal saver. We gain ego/identity value by recycling because we believe in preserving the environment. We wear Zara and Bonobos

Four
Values
Consumers
Seek
in the
Marketplace



because we perceive these brands as very urbane and sophisticated and we also view ourselves as urbane and sophisticated. Or alternatively, we wear Free People and MINKPINK because we want to nurture our self-identities as being very “boho-chic.”

Finally, **recreation value** comes from objects and activities when they recreate our moods and regenerate our mental ability—removing our fatigue and boredom, stimulating the senses, and rejuvenating our minds. Also called **hedonic value**, recreation value is obtained from wide ranging forms of consumption: from mild mood-lifters like listening to one’s favorite music to the extreme exhilaration of watching one’s favorite sports team win the championship game; from a short coffee break to wallowing in pleasure at the Venetian in Las Vegas.

Of course, many products and activities could simultaneously produce multiple values, and two consumers could use the same product to derive two different values. Thus, a consumer could wear Zara or Bonobos clothing purely to impress others, whereas another person could wear them not because of what others might think of them, but because he or she sees himself or herself that way. To us the clearest distinction between the two values (social and ego/identity) came from a consumer who said he buys name brand shirts and pants to make an impression, even though he thinks it is foolish to pay so much for them, and that when it comes to underwear, he buys a store brand; in contrast, another consumer bought only designer-brand underwear because he thought he “deserved it.”

Make no mistake about it: we sometimes choose a product to impress others, but sometimes we choose it purely to play out our sense of identity. In product categories that are consumed within the home and thus are not publicly visible (e.g., shampoos, personal grooming, kitchenware, etc.), tons of expensive designer brands get bought and used by consumers because they think that is the kind of persons they are.

Another point to note is that while a few products are entirely symbolic and have no physical utility (e.g., greeting cards), most products have utility value as a minimal core. Many products have physical utility and not much more (e.g., hardware products such as duct tape), but most products have, surrounding a physical, utilitarian core, some social, ego/identity, or recreational value. Clothing, cars, colognes, and being seen in a Starbucks Café sipping a \$4.50 Tazo® Vanilla Rooibos Tea Latte offer these multiple values, for example.

We will dwell on these more in subsequent chapters of the book, but for now let us remember the acronym USER as our code word to think of the four principal values consumers seek in the marketplace and in consumption.



Are These Two People *Consuming* at This Moment?

Yes, the clothes, for starters. Besides, whereas during yoga, we are expected to shut off our minds from all extraneous thoughts, few are able to. For all we know, these two persons might be thinking, individually, “I should, after all, buy a proper yoga mat.” Or, he might be contemplating which movie they should see later that evening, *News of the World* or *The Woman in the Window*. And she, whether to buy a Pressurized Growler Keg, to help him reduce the frequency of trips to the bar and save money on beer at the pub.

Remember, evaluating impending purchases or contemplating future consumption is also consumer behavior.

Whether in actions currently unfolding or in thoughts laced with objects of desire, we are, at any given moment, more likely than not, being consumers. Indeed, then, we are consumers 24/7!

DOES MARKETING CREATE CONSUMER NEEDS?

Some people blame marketing for creating consumer needs. They charge that marketing creates a desire for products we don't need. Does it? Let us examine this closely. Mainly, this charge is based on two prevalent views of what a *need* is. First, the charge comes from those who define true needs as only the basic things we require for survival. Consequently, they argue that we only need a basic car, not a fancy car, but marketers create in us a desire for a fancy car, and that we do not need Air Jordan III OG (price \$4,500), but fancy advertising beguiles us into believing that we do.

The second definitional problem is that, in common parlance, a need is confused with a product. This leads to the argument that no one needed an iPad until Apple introduced iPads, and no one needed Botox treatments until Botox treatments became available. A discourse on whether or not we needed something is impossible if we use the terms *need* and *product* interchangeably.

In contrast, we have defined *need* as a condition (an unsatisfactory one), not as a product that improves that condition. So the need to create, store, access, and watch digital content on-the-go always existed; iPads provided a solution—a better solution. And the need to impress peers and express ourselves has always existed; Nike offers, and Botox treatments offer, to some consumers, a way to do it. Consider cell phones with digital cameras. Before they became available, we did not need a digital camera in cell phones. In fact, we did not even need cell phones. But the need to be able to call our moms or friends from a place with no pay phone nearby had always existed. And every once in a while we were in a place looking at something, some product, or some transient scene, and we wished we could capture it in a photo and show it to a friend far away in real time to get his or her opinion. We had always needed, too, the ability to see the caller's face on our tiny cell phone's screen. Since these possibilities were not available, we dreamed about them every once in a while and then pushed the thought away from our active attention. Until one day, science made the cell phone available, and then the cell phone with digital camera and video messaging capabilities, and we suddenly recognized these products as solutions



**Two consumers.
Two different self-
identities.
Expressed through
clothes.**

**Miguel Young, a “watch
repair artist” (L) and Sean
Foley, an eco-design
professor,
Fedora hat or tie-dye
T-shirt—to each his
own, courtesy of the
marketplace.**

**(Incidentally, no amount of
clever marketing can make
Miguel trade his fedora hat
for the tie-dye T. And Sean
will absolutely, positively
not do the trade either.
They might as well, but not
because of marketing.)**



to our long-dormant needs. But it was science that gave us those products, not marketing. Marketing brought the news and explained product functions and benefits. The same goes for every invention—from Post-it® Digital Notes to hair transplants, science made them available, and, *after* that, marketing brought us the information and offered the invention at a price (sometimes a hefty sum, mind you). And those who saw these products as solutions to their needs—the conditions that were bugging them—bought them immediately, without much persuasion, whereas others waited a while or never bought them at all (a high intensity marketing effort notwithstanding!).

Speaking of the products science has brought us, smart consumers would have discovered their benefits even in the absence of marketers, and from them, in turn, all consumers would have. Consumers who credit marketers with creating in them the need for all those new inventions are merely shifting responsibility from themselves to marketers.

What about products that are not scientific inventions, but mere packaging of image, we might ask? Like designer brands? Here, too, marketing receives more blame than it deserves. Let us imagine a world in which only one brand and one type of shoe (in all sizes, of course) was available, and only one brand and one style of clothes, and only one make and style of car. Would we then have been happier? There resides in us a need to differentiate ourselves, not to be stamped from a cookie cutter, to be someone unique. We come to see ourselves as gregarious or private, rustic or suave, a city girl or a country boy, and marketing did not make us so, and we seek products that we believe reflect that personality. What marketers do, to consumers' benefit, is simply to make those varieties, those differentiations in product offerings available, whether by the core composition of that product or by giving that product a cultural persona. And in countries where these products are not freely available (and where, therefore, there is no marketing), many consumers would kill to get them from the gray market if they could!

Somehow, consumers have their ideas of what will make them happy and they will do anything to get those things, marketing or no marketing. Without any promotion, Tesla's Model X and Model Y are, in some markets, on a 3-month wait list; Kylie Jenner's first Lip Kits makeup sold out in under a minute; and during COVID-19 stay home days, Exploding Kittens Card Game sold out on Amazon.com. The important question, therefore, is this: Where do consumers get their ideas? From diverse sources, actually. From the media for one. From seeing what the sports celebrities are driving, and what the rap artists are wearing. And they observe people around them. Who is wearing the shirt not tucked in, or the skinny jeans? Who is driving a Prius, and who is walking with a *murse* (a male purse)? Thus, it is the media, and it is the society as a whole, the culture, the world around us, and what we see on the streets we are roaming—these are the sources of our desires. Marketing is a part of this environment, no more, and no less.

The tattoo is already inside you!

Let us look at it another way. Consider how many products are introduced in a typical year, and how many of them become abysmal failures. With all the marketing prowess behind them, marketers just can't convince enough number of consumers to part with their money to buy those products. And then there is the battle of the brands. In active-wear, there is Fabletics and there is Outdoor Voices. In smartphones, there is iPhone SE and there is Galaxy Z Flip. The marketing savvy or effort of one is not less than of the other. Why, then, do we buy one brand and not the other? There is a very simple reason: Each brand makes a certain brand promise, each projects a certain image, each fits a certain consumer's inner self-image, and the consumer buys that which speaks to him or her. To other marketers, consumers vote "No"—with their wallets and purses. Yes, consumers respond to advertising, to marketing, but only to the brand and only to the marketer that in fact responds first to what is within the consumer already. As one tattoo artist, describing how he helps his clients choose a design, put it: "The tattoo is already within the consumer; all I do is bring it out for the world to see!"⁷



The tattoo is already inside you!
This consumer, Victor Strunk, used to sixth-sense extra-terrestrial characters protecting him from dangers both from outside and from within, got them etched on his skin.

Below, we summarize the arguments on the two sides of this debate.

REASONS FOR:

1. What consumers really need (for survival) are just the basics (e.g., food, clothing, shelter). As to all other products, consumers come to believe they need them because marketers tell them so.
2. Marketers create new products. Until then, consumers manage with whatever is available. By creating new products, marketers create consumer needs for those products.
3. Marketers package products and create messages that lure consumers. By themselves, many of the products would not have attracted consumers.
4. Marketers flood the media with commercials and deals; exposed to a barrage of commercial messages day-in and day-out, it is natural for consumers to succumb.

REASONS AGAINST:

1. To limit consumer needs to basic survival is to limit consumers to mere biological beings. As social and psychological beings, their social and psychological needs are just as important.
2. Products are not needs, so creating products cannot equal creating needs. Products are solutions to needs, which must already exist in consumers.
3. Many products fail despite heavy marketing. Thus, not marketing but the product's benefits (including social and psychological benefits) cause consumers to want them.
4. Consumers don't really trust marketers anyway. Rather, their product choices are based on advice from independent sources and influence from peers.

So now, dear reader, you must decide which side you are on.

SEEING THE FUTURE FIRST: MEETING CONSUMERS' LATENT NEEDS

Consider the telephone. It is a miracle. It was invented in 1876. Suddenly, two persons continents apart could talk to each other. Since then, technology experts in phone companies have upgraded the device over the years, improving sound fidelity and adding new features such as pulse tone, and, later, speed dial, memory, and muting. But their gaze had long remained focused on the telephone device itself. And while they kept in mind the consumer need the device served, that need seems to have been understood in its most obvious form: the need to talk to someone not within hearing range. They did not look deeper; it was assumed, inadvertently, that whenever someone wanted to talk to a distant person, that other person would be available at that location and at that time, and that he or she would want to talk to the caller, without knowing who was calling. Furthermore, it was assumed that the two would speak the same language! After all, it was not until 1971 that the answering machine was invented.⁸ And it was not until 1987 that caller ID was first offered to consumers.⁹ It took more than a hundred years to address these telephone-related consumer needs. For nearly a century, scientists and marketers had failed to recognize these communication needs of consumers. No one had bothered to look deeper. Now, in the age of smartphones, iTranslate Voice app enables bilingual conversations among some 40 languages; alas, the voice is *virtual* and we must await another day in the future for translation in the human voice of our interlocutors.

Marketing Is All About Satisfying a Consumer Need

Consider some other products to see if they *create* a new need, or, merely, albeit admirably, *satisfy* a latent need of consumers.¹⁰

Self-watering Flower Pot The pot has two chambers; the lower half is filled with water; and a wick from the top half, which contains soil, reaches out to the bottom chamber. Would you want to buy it? If yes, that is because the moment you saw it, you recognized it as the perfect solution to a latent need—the challenge of taking care of plants while on vacation. If not, then no amount of marketing effort would make you buy it.





Samsung's Vertical TV One of Samsung's latest products is a vertical TV, named *Sero* (*Sero* in Korean simply means "vertical"). With a 43" screen, the unit sits on a stand, and with the press of a button, the screen rotates between landscape and portrait positions. Thus, you can stream your social media (vertical) and watch Netflix (horizontal), each with no "dead space" on the screen. Priced at \$1,997.00, this product innovations aims to please the social media heavy users, like millennials.

Rainbow Flatware: Everyday utilitarian products don't have to be boring. You can now get flatware in rainbow colors. Jericho Rainbow Pvd Mirror 20 Pc Set is available from Cambridge Silversmiths at \$70.0; Berglander 20-piece set for \$23.99.

Wearable tech: Lechal Shoe Lechal (a Hindi word meaning "take me along") is the world's first haptic shoe, designed initially to help a blind person walk. Combined with a smartphone app, the wearer hears voice commands, and also feels the vibrations in the feet at the oncoming turns. And, of course, it detects objects in the pathway of the blind.

The company has now extended its original shoe for the blind into a line of shoes for everyone. The shoe offers navigation to anyone. You can buy the shoes or only the insoles and the stylish Hot Pods that snap into the footwear and serve as command centers for the shoe or insole. Explains the company's website:

Simply snap the Lechal pods into your smart footwear, set your destination in the app and you're good to go. No maps, no hands, no audio, no screen notifications, no distractions—just you and your super smart shoes!

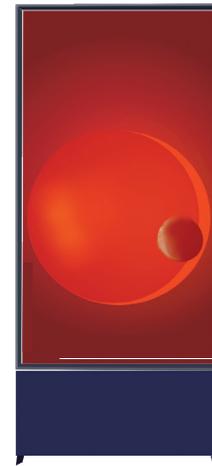
Apps for your phone: There are hundreds of apps to download (most of them free) from Apple or Google Play store. The most popular among teens and now millennials too is Tik Tok, a Chinese social media app loved for its short videos and memes. Another interesting app is RunPee, which tells you at what point in the movie you can go to the bathroom without missing significant story; upon return, you can read a quick synopsis of what you missed. Finally, on August 5, 2020, Covidwise was launched. Both Apple and Google compatible, the app will alert you if a COVID-positive person is nearby, so you could pull up your mask.

Would you buy these products?

Now, let us consider briefly what role marketing plays (or will play) for these products. Consider the *Sero* TV? Will we buy it? Will we buy it if we had the money. How about the totally utilitarian self-watering plant container? Or the whimsical flatware? Or the hands-free navigational guide to embed in our shoe? Or download Tik Tok or RunPee or Covidwise? Some of us just might. But, and this is an important "but," only if we can find some practical use of these products; only if we judge these products to offer us at least one of the four values: U or S or E or R, at least in some measure. If not, no amount of marketing prowess will get us to part with our money.

Will we buy any of these products, that is a question each of us has to answer on our own. Yes or no, whatever be our answer, it is going to be *our* answer—the outcome of *we* determining if they will meet any of our needs. Would a million-dollar ad campaign make us buy it? No, a million-dollar ad campaign will make *us*, at most and if at all, reassess if the product would bring us any benefits we value. That is all.

As these examples show, rather than creating needs in consumers, what marketing does best is invent new solutions to meet consumers' needs (overt or latent, physical or psycho-social), and communicate the new and enhanced value these new products bring to relevant segments of consumers.



75212 5 132 21



41212 5 132 4 9

Lechal haptic shoe
(Image: courtesy
Duceretech.com)



41212 5 33 5 21



CB Notes

Pinterest Shows Us How That Lipstick Will Look on Our Lips

On January 28, 2020, Pinterest introduced a new AR (augmented reality) feature. Now, after you have clicked on the camera icon within Pinterest, the app shows you a “Try On” icon. Clicking on it opens a selfie (showing your face); at the bottom, you will see about 20 color circles, which are actually different shades of lipstick. Touch a circle, and magically, the lipstick will be on your lips. Tap a different circle and now you will see how your lips will look with that color. You also can see the lipstick on one of the models with a range of skin tones. Next, click on “Shop” button and you will be taken to the seller’s site to buy it.

Brands like Estée Lauder, Sephora, L’Oréal, and Urban Decay are available.

Hitherto we could not try experiential products in online shopping. Not true anymore!

MyCBBook.com

CREATING CONSUMER VALUE: THE SUPREME PURPOSE OF BUSINESS

What is the purpose of marketing? For that matter, what is the basic purpose of business itself? To make money? “Wrong,” says Harvard professor Theodore Levitt, who explains this by an analogy: all humans have to breathe to survive, but breathing is not their *purpose*. Likewise, making money cannot be called the purpose of business.¹¹ The basic purpose has to relate to why society allows businesses to exist. It is, says Peter F. Drucker, one of the world’s leading management gurus, “to create and keep a customer.”¹²

For consumers, marketing is the “face” of a business. It is the marketing’s job to align what the business produces and creates and what the consumer needs and wants. Marketing does not create a need. It creates a satisfied consumer. And in striving to do so, its practitioners—marketers—serve a very important role for consumers, and for society. They create products they hope will satisfy the latent needs of some segment of consumers; or they commercialize the inventions of inventors, adapting them to suit consumer needs and tastes. They bring, too, art, culture, aesthetics, design, and creativity to morph and sculpt a socio-cultural identity for a given product—the so-called *brand image*, the one they hope will resonate with the target consumer. However, creating that brand image in the marketer’s own image will bring all that multi-million dollar effort and all that marketing prowess to naught; creating it, instead, as they should, in the target consumer’s image will bring the admiration (and economic votes; i.e., dollars or Euros or yen) of its target consumers.

To create a product in the consumer’s image, marketers must labor to understand consumers’ needs and wants, desires and motives, self-concepts and identities; they must then craft their products so that they solve consumers’ relevant problems and fulfill their dreams. Marketers must labor, as well, to decide what price will make for a good value for the consumer and still bring the firm fair economic returns on its investment. Marketing brings the product to consumers’ doorsteps, or to the Web portals on their cell phone screens. And it creates the physical, social, and cultural milieu that smooths the product acquisition process for consumers and that invites, enables, and enhances consumers’ consumption experiences. The art of doing this right is the profession of marketing. This is, in effect, the supreme mission of marketing.

How do we fulfill this mission? How do we create a satisfied customer? How else but by studying consumers, by analyzing how a consumer thinks, feels, and acts in the marketplace and how he or she connects products and specific brands to his or her needs and aspirations. By seeing the “proverbial ‘tattoo’ that is already within the consumer,” so to speak. That is why understanding consumer behavior is of paramount importance to the success of all organizations, commercial or social.

ENLIGHTENED MARKETERS: RESPONDING TO EMPOWERED CONSUMERS

Enlightened marketers are embracing the empowered consumer. In the future more and more companies will have to offer consumers opportunities for personalization and co-creation of products (a la Zazzle); facilitate collaborative consumption and access to special-occasion products without imposing the burden of ownership (a la Girl Meets Dress), offer unique and authentic products (a la Stance), and harness emerging technologies to create new products of extraordinary value to consumers (a la Lechal or Uber). To prepare for that future, a future already upon us, it is imperative that we study how humans behave as consumers in their pursuit of happiness in the marketplace.



CONSUMER BEHAVIOR AS A FIELD OF STUDY

When we seek to understand consumer behavior, we seek to understand, basically, human behavior, albeit in connection with the world of goods. As an applied field of study, it draws on four fields of social sciences dedicated to the study of human behavior:¹³

Anthropology is the study of humankind in its habitat. It examines humankind’s historic development—how people came to live the way they do. It is a study of humans in nature—how they survive as a group and how a culture develops to help them live and adapt.

Sociology is the study of social systems—groups, organizations, and societies. It examines their structure and how individuals relate to one another in these social groups. It includes the study of social institutions, such as the family, church, school, etc., and the part they play in society and in consumers’ lives.

Economics is the study of goods—how they are produced, distributed, and consumed. As such it also deals with how societies and individuals allocate their resources on what to produce and what to buy. Economics helps us understand how we spend money, why we save it, and how to gain maximum utility from every transaction.

Psychology is the study of the human mind and the mental processes that influence a person’s behavior. Here we study how we develop perceptions, how we learn, how we form attitudes, and what motivations drive our behavior.

As we cover various consumer behavior topics, we will constantly draw on related topics in these source disciplines, define the key concepts they use, and then go on to apply them to the behavior of humans as consumers.

Consider our shopper in the mall, Jackie, for example (see the Interview). We may find that Jackie has a world-view that is either perfectly normal or perfectly strange—depending on our own world-views. If our cultures and therefore our world-views are different from Jackie’s, then we may find it a little strange that he thinks that people can look at his soul through his clothes. He also has a language (a dialect, actually) that is not standard English—in his culture, “brotha” does not mean one born of the same parents. An appreciation of these of his traits requires us to draw on anthropology, the study of humankind and its culture. Of course, his prime goal in buying clothes is to make himself attractive. Here we see the mysterious but very real influence of significant others on his choice of clothes. Sociology helps us understand which other groups may have influenced his choices as a consumer. Also he is worried about not “maxing out” his credit card; so no matter how much he likes clothes, he is going to have to watch his money and make sure he gets good value for it. These are considerations that economics helps us understand.

Anthro-
pology

Sociology

Economics

Psychology

Four Source Fields
that feed Consumer
Behavior
as a field of study

There are other mental processes going on in Jackie’s mind that we will need to understand: how did Jackie come to associate Fubu and Sean John with the kind of image he wants for himself? How is it that he equates his clothes with his soul? And why is it that he claims not to pay attention to advertising and not to be influenced by it, even though he declares this accomplishment by using advertising’s own slogan, I “obey my own thirst”? Psychology helps us understand these processes of the consumer’s mind. Anthropology, sociology, economics, and psychology—all blended into one—that is the multidisciplinary study of consumer behavior.

CB Notes

DIRTY LEMON Teaches Us to Buy in a New Way

Dirty Lemon, sugar-free lemon juice infused with a bevy of natural ingredients, designed to help the body function better, comes in six flavors in minimalist but hefty attractive bottles. You buy them from the company’s own independent “drug stores” (in select cities), which are not “stores” at all. Instead, they are just giant refrigerators placed by the side walk. There is no payment machine. You simply pick up a bottle, walk out and then text a code (printed on your bottle) to a phone number and your account will be debited. (You can open an account after you walk out with the product.) The exchange works on honor system.

Welcome to the new face of shopping!

MyCBBook.com

CONSUMERS: SAME AND DIFFERENT



(From top:) Victor Strunk, Charles and Yukari Infosino with son Nino, Christian and Martina Haag (Germany), Jamie Schworer with daughter Katie, Bianca Hutton, and Shvaathi Gowridass.

Meet these consumers. You have met Victor already in this chapter. You will meet the rest of them later in the book. For now, let us assume these six consumers (or dyads and triads of consumers) represent some 100 million consumers. What do we need to understand about them as consumers, and how can we use that knowledge for crafting a better marketing strategy?

First, we have the option of treating them as a single market and then craft our marketing mix to appeal to their common core. In that case, we will need to understand what their common core is. Alternatively, we could treat them as different types of consumers and appeal to each type separately. How many types are there—two, three, four, five, or more? How do we separate them into these diverse types? Identifying differences among consumers and then grouping them according to their similarities and differences is called **segmentation**, a key marketing concept and tool. A helpful guide to market segmentation is appended following the last of these chapters, so here we will visit this topic only briefly.

Diverse Segments, Diverse Behaviors Some differences among consumers are easily visible. First, we could segment our target consumers by demographics, such as gender, age, education, ethnic identities, etc. Clearly, consumers belonging to different demographic segments will differ on some (but not all) of their behaviors as consumers. Clothing styles differ across the two genders, and age differentiates the young from the old in terms of their more edgy versus more conservative styles in clothes, shoes, cars, music, etc. Education changes not only our preferences but also the manner in which we process information and the kinds of entertainment media we watch (which means our marketing communications will have to be tailored in their aesthetics, and media choices will have to be diverse as well). In terms of ethnic identities, as we shall see later, Hispanics and Asians are more family oriented, so package size (more family sizes) and communication themes (caring for family) will need to be tailored, to take just one example. Our socioeconomic status also constrains our resources, requiring diverse market offerings. J. Crew, hitherto catering to the mature professional adult (made a bit more trendy by Michelle Obama), recently (in July 2015) launched a spin off called *J. Crew Mercantile* to cater to adolescents with tight budgets due to their pre-earner stage in life (i.e., students). We study these demographics in Chapters 13 and 14.

Beyond demographics, consumers can also be segmented by psychographics, the composite of consumers' mental makeup and resulting lifestyles. Bohemian Sean is going to relate to the marketplace differently than, say, the yuppie, Fedora-sporting Miguel (you met them earlier in this chapter), and as marketers our offerings will have to be tailored, not only in terms of product design but also in marketing message content. We cover psychographics in Chapter 5.

Beyond demographics and psychographics, we can also segment our consumers based on diversity in the benefits they seek from the product (*benefit segmentation*) and how they look at the product, i.e., their attitude toward our product (*attitude segmentation*). Exhibit 1.3 illustrates some of these segmentation schemes.

Note however that whether we decide to segment our target consumers or treat them as a single market, we need to understand their *consumer behavior*—their basic human behavior as applied to their interface with the market.

1.3

SEGMENTATION OF CONSUMERS: THREE EXAMPLES

1 MOTIVATION (BENEFITS)

A BENEFIT SEGMENTATION OF FITNESS CLUB MEMBERS



Correctional Fitness

See themselves being out of shape and want to get back in shape by exercising. They seek exercise trainers, aerobics classes, and nutrition advice.



Maintenance Fitness

See themselves as normal and fit and are motivated to stay fit. Use fitness machines and aerobic classes and seek efficiency.



Build-up Fitness

Fit and healthy. Seek to build a muscular body. Heavy users of big machines and most devoted to spending time at the gym.



Relaxation

Come for relaxation and visit usually at the end of the work day. Mainly use swimming, sauna, and spa facilities.



Socialization

Come to socialize with friends and others with similar motives. Hang out at the pool, TV watching area, and the juice bar.

(A hypothetical example)

2 DEMOGRAPHICS+PSYCHOGRAPHICS

AGE AND LIFE OUTLOOK OF HOME BUYERS

Hunkus Maximus



Young single; powerful built; becomes active after sunset; often fights rival males; can open beer with teeth.

Blondus Firtus



Young, fashionable; shopping is a hobby; nests in yuppie-rich areas; fascinated by shiny objects.

Mammas Boyus



Mamma's boy; still nests with parents; does not travel in herds; consumes twice his weight in pizza.

Coupleus Permanentus



Couples, thrive in suburban areas; male sheds hair and gets restless around 50; seen with a sniffer on Saturday nights.

Oldus Affluentus



Sociable and convivial, primarily active during the day; sheds the teeth every night; can be seen in tea-rooms.

Obos, a home-builder in Norway targets customers defined by life-stage and mental makeup. The company-supplied tongue-in-cheek profiles (excerpted and heavily edited here) make an excellent study in segmentation by demographics+psychographics. (Used by permission.)

3 ATTITUDES

SEGMENTS BY ATTITUDE TOWARD ONLINE SHOPPING



Shopping Lovers

Love to shop online; find Internet shopping fun and hassle free. Heavy users.



Adventuresome Explorers

Versatile and prolific in their online use, search diverse topics; find online shopping an exploration.



Suspicious Learners

Low computer literacy; struggling to complete online tasks; find it "hard to judge merchandise quality on the Internet."



Technology Muddlers

Least computer literate; have strong hesitation to give their credit card number to a Web site, and want to see merchandise in person.

Example 3 adapted from: W. R. Swinyard & S. M. Smith, "Why People Shop Online," Psych. & Mark., 2003, 567-97.

A QUICK TOUR OF THE BOOK

A study of consumer behavior must begin with a peek inside the consumer mind. Among the processes in the human mind, three are basic: motivation, perception, and learning. Motivation provides us the drive and will to act, to navigate the marketplace; perception helps us register and interpret marketing stimuli—the product, the price, the messages, and the brand persona; and learning helps us grow our minds and build a stock of knowledge—the know-how and wisdom to assess products and messages.

Under motivation (Chapter 2) we will learn the classic 5-category need scheme (Maslow's model), which is so fundamental to humans that as marketers we must understand how brands engage consumers' various motives. Should we position Airbnb, for example, as a comfortable place to stay or, instead, as an opportunity to make new friends, i.e., appeal to consumers' physiological or, alternatively, to their belonging motive? Under perception (Chapter 3), we will learn, for example, how to convert what initially is almost always involuntary attention into voluntary attention so that the consumer will process our message with enthusiasm. And under learning (Chapter 4), we will learn the four basic models of learning, which will help us align what we want consumers to learn and how we present that content. We could, for example, pair our new product with pearls; or alternatively, we could provide a testimonial from product experts.

Using these universal processes of the human mind, we become the person we are based upon our interface with the environment in which we grew up. We are defined by our values, personalities, and self-concepts. Learning about these (Chapter 5) will help us decide whether we should promote our brand of foods, for example, on their nutrition quality or, instead, on their small carbon footprint (since they are local-sourced); that will depend upon whether health or environment is our consumers' relevant core personal value. And the lifestyles produced by these values, personalities, and self-concepts (the composite called *psychographics*), and our knowledge of our consumers along these dimensions will help us design our brands to resonate well with our target consumers (Chapter 5).

After understanding our consumer's psyche, we would now want to know how the consumer looks at our brands—i.e., what his/her attitude toward our product or brand is. We will learn how to measure consumer attitude to begin with and what it is made up of (Chapter 6). This knowledge is crucial in appraising how much our brand is liked (or not) relative to our competitors' brands; even more importantly, it helps us understand what we need to do to make the attitudes of our target consumers more favorable toward our brand. Next, we learn various theories of attitude change; we learn for example that the manner in which consumers process brand communications is different for high versus low involvement consumers; and that, correspondingly, we will need to deploy different tools to appeal to the two groups of consumers (Chapter 7).

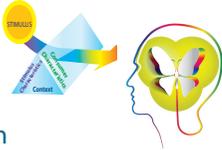
All consumer behavior is shaped by the consumer's environment, captured under the headings of *culture* and *reference groups*. Culture teaches us (Chapter 8) how we as consumers “read” meaning into brands, and consequently, on the flip side, it teaches us how we as marketers put that meaning into brands so that it will be received by our target consumers in the manner we as marketers intended it. If we promote our travel brand, for example, as individualistic hedonism or leisure, it may not resonate well with the Chinese and the Japanese as they look at travel as essentially a learning opportunity, and also they like to travel as family and groups. Under reference groups (Chapter 9) we learn how our referents influence our choices, which is in three important modes. This knowledge helps marketing managers figure out whether they need to deploy technical experts or, alternatively, cultural celebrities as brand ambassadors.

Despite all our efforts, and successful efforts at that, to make our brand comparable or on some dimensions even superior to competing brands, consumers are not buying our brand, not as many as should anyway. Why? This requires a close study of how consumers go through their decision making process. Consumers cannot possibly look at all of the available options in the marketplace. What will place our brand into their so

2 Motivation



3 Perception



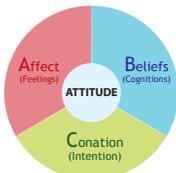
4 Learning



5 Identity



6 Attitudes



7 Shaping Attitudes



8 Culture



called “consideration set”? Do they consider all of the features of a brand or only some? Without an understanding of the consumers’ decision making processes (Chapter 10), it is impossible to understand why our brand did or did not make it. Once we understand that process and understand how it was deployed by our target consumers, we would know which product features to augment and then highlight. To appeal to the Chinese market for automobiles, for example, Ford recently added more space for backseat passengers but kept the exterior conservative in appearance.

In the enlightened vision of marketing, to make a sale is not the end goal of marketers. Rather that end goal is, and should be, to create a *satisfied* customer. Measuring customer satisfaction is big business today, so in Chapter 11 we cover this topic, describing both how to measure satisfaction and what to do to raise it. Here we also cover consumers’ use and disposal behavior, as more and more marketers are paying heed to reducing waste and increasing recycling.

Although we use the word *consumer* all inclusively to include both the buyer and the user of a product, it is important to focus on shoppers so as to understand what happens when the consumer is in the store (physical or Web based). What motivates the consumer to visit the malls and stores? It does not have to be merely to buy something. When marketers understand all of the shopper’s motives (Chapter 12), they can appeal to different motives to buy, by designing shopping environments.

Getting the shopper to buy our product once is never enough. As marketers what we really want is to make consumers loyal to our stores and our brands. We discuss what brand loyalty is and what its key drivers are (Chapter 15). Beyond loyalty, some brands earn consumer fandom. As marketers we need to understand how consumers develop psychological bonding, selectively, with products and brands. Apple is a prime example; consumers love their iPads and iPhones, for example, due to the breezy user interface these devices provide, so breezy in fact that using them becomes addictive. Can other brands aspire to similar brand love from their consumers? And how? The answer to these questions depends on how well we as marketers understand the consumers’ psyche in their attachment with brands.

These are the processes and contents of consumer behavior. As marketers, we can use them for our market as a whole, and we can also use them for diverse consumer segments. We can ask, for example, do men and women bond with products for different reasons (Chapter 13)? Are the decision making processes of Hispanics different from those of Asians (Chapter 14)? Do young stay-at-home mothers perceive the same aesthetics as do career women? To milk our understanding of consumer behavior even further, we can use many of these processes themselves as the dimensions of segmentation. We can thus designate, for example, consumers who have more versus less knowledge of the product category (e.g., novices versus experts); those who hold a negative attitude toward our brand versus those who hold a positive attitude; those who use, say, taste as the deciding criterion in food versus those who consider healthiness most important; and those who use a compensatory decision rule versus those who use a lexicographic rule—two of the many decision rules we will study in Chapter 10.

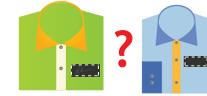
Finally, as marketers, we need to ensure that our interests and those of consumers and public policy are in harmony (Chapter 16). As the case, business’s glaring shame, if you will, (unearthed in September 2015) of Volkswagen cheating on its emission performance shows, unethical marketing practices eventually cost a company a fortune in government fines and, even more importantly, in consumer trust.

In the present description, we have chosen only one or two concepts from each topic area and cited only one or two applications of each concept. In the book, there are some 10 to 20 such concepts, and some 20 to 30 example applications, for each topic area. Thus, the benefits of basing the design of our marketing strategy on an understanding of consumer behavior are nearly uncountable. And the naiveté of designing our marketing strategies without a study of consumer behavior is self-evident.

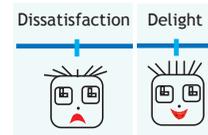
So let us dive into the subject and be amazed at how the human mind works in the marketplace.



9
Referents



10
Decisions



11
Satisfaction



12
Shopping



13
Gender, Age



14
Ethnicity,
Social Class



15
Brand
Relationships



16
Ethics
Responsibility

Four Types of
Readers who
will benefit from
this book



Marketers

Social
Organiza-
tions

Public
Policy
Makers

Consumers

WHO SHOULD STUDY CONSUMER BEHAVIOR?

There are four groups of people who should be interested in a study of consumer behavior and can benefit from understanding consumer behavior.

Marketers **Marketers** are the people who connect a business (or organization) to consumers. They present the product and its message to consumers, hoping consumers will find it a source of satisfaction of their needs. And, equally important, marketers interpret consumer needs and preferences for the benefit of their own organizations so other departments in their firms can design and make products that will satisfy those consumer needs. To play this role effectively, all marketers need to understand consumer behavior.

Note that in modern times marketers offer not just physical products or traditional services, but a whole spectrum of new age products. Uber (ride share), Lime (bike and scooter), Calm and Headspace (sleep and mental health app-based digital and virtual products) all need to understand consumers.

Social Organizations The study of consumer behavior is just as useful to organizations whose goals are to promote public well-being, not to make money. Indeed, everyone is a marketer. Political parties market candidates, the Red Cross and other agencies seeking volunteers and money are marketers offering “good feelings” in exchange; arts organizations, educational institutions, social and human services agencies, all need to understand their consumers—donors, patrons, art aficionados, even irresponsible consumers.

Public Policy Makers The third group with an interest in consumer behavior consists of public policy makers. They are concerned, as they should be, with protecting the consumer both from marketers’ potentially deceptive practices and from consumers’ own irrational consumption behaviors. While it always behooves marketers to act in the consumer’s interest, sometimes marketers are tempted to engage in opportunistic practices that compromise consumers’ interests. To prevent this, lawmakers make laws, and various agencies of the government enforce those laws, monitoring business practices. In order for these agencies to know when a practice is harmful to consumers, it has to know how consumers interpret various marketing programs. For example, the Federal Trade Commission (FTC) recently sued QVC (a cable shopping network) for running infomercials promoting its dieting and slimming products for women. The FTC charged that the ads misled consumers.¹⁴ For this charge to have legs, it would have to be based on an understanding of the psychology of perception and exactly what constitutes consumer deception.

Public policy makers are also concerned with protecting consumers from their own unhealthy behaviors. For example, U.S. government has mandated new nutrition labeling on food packages sold in stores (enforced as of January 1, 2020); however, it must study whether anyone heeds such health information and whether the restructuring of the information format helps. Thus, a study of consumer behavior is imperative also for public policy makers concerned with consumer protection.

Consumers Finally, a study of consumer behavior should be of interest (surprise!) to consumers themselves. We spend many of our waking hours and so much of our money contemplating and experiencing consumption that understanding what drives that behavior can be an interesting, even an eye-opening exercise. The good thing about this book and this subject as a field of study is that we can actually relate every topic to our own personal lives. By reading this book, you will understand your motives for buying or not buying something. You will learn the bases of your perceptions and misperceptions about products and brands. You will realize how our brains are imperfect computers, and yet how they process all product information reasonably well. You will understand, too, how you might be influenced by others and yet continue to believe that your marketplace choices are your own. And, you will recognize how, through consumption, you construct your own identity—connected with some groups but purposely distanced from others.

Consumers Wanted

Understanding consumer behavior has always been an essential prerequisite for business success. Throughout the 100-year-history of marketing in the 20th century, marketers were in control. John Wanamaker’s Philadelphia store (now Macy’s), opened in 1876, was the first store operated with what is now known as the *marketing concept*.¹⁵ Consumers had the option of buying or not buying the products they were offered, but little else. But since the beginning of the 21st century, advances in Internet, smartphone, augmented reality have changed all that. Individual consumers can now create brand messages on their own and broadcast them—see any number of “sucks.com” websites (e.g., Dell Sucks, Netflix Sucks, etc.). And with social media, consumers can now connect and band together by the millions. The 21st century is the Age of the Empowered Consumer.

Increasingly consumers will look for products that bring them new levels of experiences, with brand messages that are transparent, authentic, and also relatable. Technology will bring forth many new products (e.g., 3D-printed food, see Chapter 4), but will consumers accept them? What will be the motives, values, and psychographics of these consumers? Or of consumers who seek, in general, authenticity, personalization, co-creation, and experiential consumption? Marketers of the future will need to understand the psyche of their potential customers so they may fashion their marketing programs that will resonate with these consumers in ever new ways (see below, Romancing the Consumer).



An Experiential Journey

Now the fun begins. We give you, so to speak, a universal template with a collage of mirrors of different shapes and sizes, and you can find for yourself which mirror reflects you as consumer and fits you as marketer the best. Here is where it becomes a learning experience. Or experiential learning. It is an expedition of discovery—about yourself and about the world of consumers. Welcome to the expedition!



Romancing the Consumer

1

DOUGHNUTS FOR YOUR TASTE BUDS. GRASS FOR YOUR FEET. LOVE FROM YOUR FAVORITE MARKETER

If you were in London during a recent Summer, you would have witnessed a strange product on the feet of many people walking: flip-flops with live grass growing on them!

A few weeks earlier, Krispy Kreme had surveyed over 1000 U.K. workers. Of the surveyed consumers, 72% said that they felt seriously stressed on a daily basis. And 81% of them said, further, that a simple walk through a park made them feel instantly relaxed. The problem was that, for these urban dwellers, a park was not nearby.

So, Krispy Kreme created the world’s first grass flip-flops. The el-fresco flip-flops take up to three weeks to grow. When fully grown, each pair is covered with 10,000 blades of grass. If watered regularly, the grass will last the whole summer!

The company stores distributed the grass slippers to thousands of workers in London.

Krispy Kreme is not getting into the shoe business, mind you. It gives away the grass flip-flops free. Nor is the product connected in any way to its usual fare—doughnuts. Except in that both products bring consumers comfort and joy. Explains Katie McDermott of Krispy Kreme:

We cheer people up every day with our one-of-a-kind doughnuts, but hopefully by providing them with their own part of park life too we’ll be able to bring a sense of natural calm to stressed-out workers.



Welcome to the age of *Romancing the Consumer*—in this case, one sole at a time!

MY CB BOOK

1

SUMMARY

We began this introductory chapter with a basic fact: We spend most of our waking hours as consumers. We are consumers 24/7! This is because we define consumer behavior as not just the act of buying and consuming but also all of the mental and physical activities we undertake when we contemplate and experience products—an ongoing process that begins much before we actually acquire and consume a product, and continues, in our memories, long afterwards.

Taking the viewpoint of consumers 24/7, we portrayed marketplace products as solutions to consumer needs and wants. We then defined *need* as a discomforting condition, whether physiological or psychological, and *want* as a desire for specific solutions to that condition. We next identified three essentials that frame all consumer behavior: exchange, resources, and value. Consumers' marketplace activities are basically an exchange with marketers, where consumers acquire products and part with their money. Money is one of the five resources consumers possess, the other four being time, knowledge and skills, body and physical energy, and social capital. In the exchange, what consumers seek first, foremost, and always is *value*.

We defined *value* as the set of net benefits consumers receive from an exchange. And we identified four broad categories of value: utilitarian, social, ego, and recreational (i.e., hedonic), captured in the acronym USER. We then raised a question, "Does marketing create consumer needs?" Marketing merely presents products and brings their benefits to consumers' attention, and consumers pick and choose what meets their needs. Satisfying a consumer need is the very purpose of business. And in order to do just that, marketers must, we argue, study consumer behavior. The study of consumer behavior is built upon the core disciplines of anthropology, sociology, psychology, and economics. And, besides marketers, social organizations and public policy agents too must study it. Lastly, consumers themselves should study it so they can understand their own consumer behavior. This book is directed at all "students" of consumer behavior—and who among us is not a student in the school of life? Our gain from reading the book is two-fold—first, we reflect on and understand our own behavior as consumers; and second, we become knowledgeable about how, as marketers, we must fashion our offerings so as to appeal to consumers.

1

KEY TERMS

Anthropology	Exchange	Need	Recreation value	Sociology
Consumer	Hedonic value	Physical activities	Resource	Utilitarian value
Consumer Behavior	Marketers	Product	Social capital	Value
Ego/Identity value	Mental activities	Psychology	Social value	Want

1

YOUR TURN

REVIEW+Rewind

1. What is consumer behavior? Isn't it basically people buying products? Why or why not?
2. How are *needs* and *wants* defined here? Are these definitions different from how we use the words *need* and *wants* in everyday language? Which approach to defining these is better and why?
3. What are the five resources all consumers have?
4. What is the USER model of consumer value?
5. Who should study Consumer Behavior, why?

THINK+Apply

1. Give an example from your own life in which you exchanged one resource for the other four.
2. Give an example of each exchange value you have sought in recent marketplace exchanges.
3. Some accuse marketing of creating consumer needs, making us buy things we did not need. Do you agree or disagree? Defend your answer.

A Must Do

1. Write a short memo to yourself, evangelizing how this book is going to benefit you personally in your role as (a) a consumer, and (b) a marketing professional (current or future).

PRACTICE+Experience

1. Write a journal of your own consumer behavior of the past one week. Record one episode each for when you were an economic creature, a problem solver, a computer, a shopper, and (here comes your favorite part) a reveler.
2. Find four advertisements that offer, individually, each of the four values of the USER model, and explain your selections.
3. Interview a consumer (similar to our interview with Jackie), and then identify the four values of the USER model in his or her consumer behavior. (Direct your topics so that the interview reveals all four values.)

CASE 1 Don't Wear Your Stockings! Spray Them

Say goodbye to all those runs in your stockings. And in hot summer, no more need to suffer the confining fabric garment on your legs. Instead of wearing stockings made of fabric, now all you do is hold a can and spray the stockings directly on your legs. The can sprays silk powder and the powder coating makes it look like you are wearing a panty hose.

This innovative product was marketed in Japan by C.C. Medico Co. Ltd. Japanese women have bought it in droves. And they wear it with enthusiasm.

The sprayed-on stockings last a day. Don't worry, they won't wash away in rain—they are waterproof. Of course, you can wash them off with soap and a loofah.

According to the website Airstockings.com, the brand is distributed worldwide. The website displays three stores in New York—Sephora, Saks Fifth Avenue, and Henri Bendel, and Galeries Lafayette (Paris).

You can buy it at Amazon.com. On that site, the brand claims to have sold 3 million pcs all over the world. It comes in five colors: Terra-cotta, natural, light natural, coco and bronze. Its price is \$11.75 for a 120 grams (4.23 ounces) spray can.

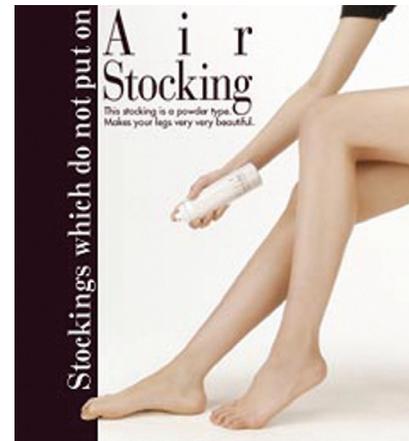
Alas, for the fish-net look, you will have to stay with the real thing. But in Air Stockings, you get to show your pedicured toes.

A Southwest flight attendant who tried it on a flight had this to say, “I haven't sweated it off. It hasn't rubbed off on my clothes or on the seat.”

Said another: “I would rather wear this than a hose; it makes my skin more smooth.”

DISCUSSION QUESTIONS

1. If women find this product appealing, does it not show that marketing creates new needs for consumers? Explain.
2. Why would women find this product appealing? Or, why not? Describe the mindset of the prospective consumer.
3. Apply the USER framework of value (Chapter 1) and identify what kind of value the product offers to consumers.
4. Whether the product is widely in use in North America and Europe is not known. Why might its adoption in North America be less widespread than in Japan? Why might its adoption by consumers be slower outside of Japan?
5. Review “Desirable characteristics of Innovations” (in the chapter on Learning). Evaluate this product on those criteria.
6. Interview some women in your country or city to understand why the product might or might not appeal to them. Identify (a) their perceptions about the brand and (b) their motives for buying or not buying. Explore any “private” motives they might not tell you readily.
7. Design a research protocol based on the Mason Haire technique (Chapter 2) to uncover any “private” or unconscious motives for or against buying this product. Then execute the method on a sample of ten women. Report your findings.



Source: www.airstocking.com



Note: We situated this case here as an end-of-the-chapter case so as to make you aware that the book includes cases (30 of them). Because the cases raise multiple issues that span over several chapters, we considered it more helpful to place them at the end of the topic chapters, after the *Special Topics* section.

A Case Study
at the end of
every chapter?

RESEARCHING THE CONSUMER



DEAR CONSUMER: MAY WE HANG OUT WITH YOU FOR A WHILE?

Laskerville—a code-named small town outside Chicago, with a population of 8,000, not counting the three or four visitors who slipped in and out of town. You could see them in the market square, in local bars, at car dealerships, even at funerals. It was they who gave the town this code name, and the townspeople didn't even know it.

They were researchers from Foote, Cone & Belding (FCB), a Chicago-based advertising agency, whose founder's name was Albert Lasker. They would cast away their business suits and don jeans and boots, to mingle with the villagers and get a fix on what turns the wheels in small-town U.S.A. What better way to find out about consumer attitudes, lifestyles, concerns, and mores, than to observe those consumers firsthand in their natural habitat?

QUALITATIVE AND QUANTITATIVE

What the FCB researchers were doing is called *participant observation*, one of the many methods of researching the consumer. There are qualitative methods (*participant observation* is an example), and then there are quantitative research methods. Okay, answer the following question:

Q. Would you like to read up on consumer research methods now, or would you rather first read a few substantive chapters on CB?

- A.** I want to read them now as I am eager to do some CB research projects soon.
- B.** I want to read the substantive CB concepts first so I will know which CB concepts to research.

If you answered A, please go to the Research Appendix (at the end of the “topic chapters,” p. 472). If you answered B, turn the page to go to Chapter 2.

Incidentally, you have just participated in quantitative survey research!

(To read the full article, go to page 472)

MARKET SEGMENTATION

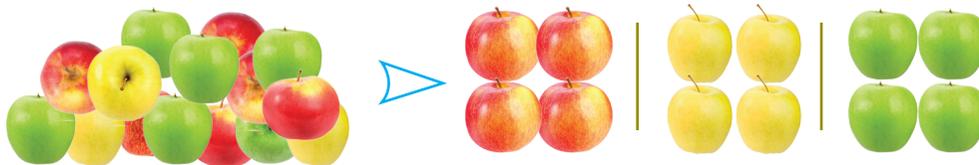
WHERE MARKETING STRATEGY MEETS CONSUMER RESEARCH

Perhaps no other concept in marketing is more potent than the concept of segmentation. The core idea is that all consumers are not alike, and that to satisfy individual consumers, we must bring them market offerings designed to meet their specific needs. **Market segmentation** is the process of identifying key differences among the population of consumers and clustering them into distinct groups corresponding with their different needs and characteristics. These resulting groups are called *market segments*.

In an absolute sense, seldom are any two consumers entirely identical. In this sense, then, every consumer is a segment unto himself/herself. But many of the differences are minor, and for practical reasons, it is wise not to pay heed to every little difference. We end up grouping consumers, therefore, into broad groups, using grouping criteria that imply significant differences. For example, we could simply group consumers by their sex, thus treating men and women as two distinct segments. Or we could cluster all people into brown-eyed and blue-eyed consumers, but this grouping is unlikely to be of any consequence (except perhaps for the marketers of eye makeup). Thus, the core purpose of segmentation is to identify consumer groups whose marketplace behaviors will be significantly different.

In this note, we describe various consumer characteristics—both demographic and psychographic—that serve as bases of segmentation

(To read the full article, go to page 482)



The readers of this book can be divided into two broad segments, in terms of their preference for covering this topic:

SEGMENT A desires to read up on a significant application as prelude to reading various CB concepts and theories.

SEGMENT B believes that it is better to get a good grasp of the CB Concepts first to fully appreciate this application.

To meet the preferences of both these segments, we append this topic at the end of all of the “topic chapters.” That way, readers may continue reading about the fascinating concepts of CB in the next and subsequent chapters, right away. They also have the freedom to read this application after reading a few CB topic chapters, and re-read it later at the end of all of the CB topic chapters.

1 6 2 1 2 5 1 3 2 2 1

Consumer Motivation as a Fundamental Inner Force

Maslow's Hierarchy of Needs and Its Fluidity

Unconscious Consumption Motives and Methods of Researching Them

Emotions and Moods: Definition, Types, and Measurement

Hedonic Consumption and Its Four Forms

Consumer Involvement and Its Role as a Yardstick for Consumer Actions

1

2

3

4

5

6

TO UNDERSTAND

LEARNING

OBJECTIVES

Meet the new consumer. The consumer with a new face—literally.

Achieving that face was no cakewalk. The now altered face was under the knife for more than four hours. The costs were upward of \$10,000 dollars. There was considerable post-surgery pain. And there was some risk that the face would suffer some permanent nerve damage. But appearance is very important to some consumers. Worldwide, in 2019, there were 10.60 million surgical and 12.65 million nonsurgical procedures to reshape the body or the face. In the USA and everywhere, the selfie culture has fueled a new demand for facelifts.²

Of course, looking good has always been a consumer obsession, for centuries. Only, until recently, we couldn't do much about it. But now, medical technology has made it possible. So, those of us who can afford it can have it—a new face, new skin, new body. But more than money, we still would need a strong motivation.

Motivation is a powerful force in life. Without it, we would simply vegetate; with it, we can accomplish a lot. As consumers, too, we need motivation. It takes money and effort to acquire things—we must have the motivation to want something badly enough that we are willing to devote our time to it and part with our money. There are products we want, and, just as surely, there are products we don't want. It all depends on whether or not those products stir our motivations.

But just what is motivation? In this chapter, we are going to find out. We are going to define it, illuminate its true nature, and explain why it has such a strong grip on our lives. We are going to learn some theories of motivation and become familiar with a variety of motivations that instigate our consumption behavior. And, we will also meet two of motivation's siblings: emotions and involvement.



CONSUMER MOTIVATION

The Why Behind the What

In everyday language, we use the word *motive* or *motivation* to imply a reason for doing something. If our coworker who has been unfriendly and standoffish all these years suddenly gave us a bottle of cologne as a gift, we would wonder why. What was his reason or motive? Was it that he could stand our body odor no more? Or was it that he was going to ask for a favor, like taking care of his clients while he went away on a vacation trip?



3 6 2 1 2 9 9 3 2 2 1

Describing motivation as a “reason for doing something” is fine as far as everyday usage of the term goes, but it doesn't tell us much about how we experience it. That experience is captured in the definition we present next.

The Fundamental Inner Force

Motivation is what moves a person—it is the driving force for all human behavior. More formally, **motivation** can be defined as goal-directed drive. Let us consider each of the two components of motivation implied in this definition.

Drive Drive is energy. When we want something, and want it badly, we are thrust into action. If you are running a competitive race, and you see yourself five feet behind the leading contender, you feel high energy to catapult your body to the finish line. If we learn that free tickets to a concert are being given to the first 100 customers, we rush to the venue to join the line. This energy, this drive, then, is a key ingredient in our motivation.

Goal Object What we feel the energy for is not random, of course. Rather, it is something that we know will help us achieve our goal or deliver us a benefit we value highly. In other words, it is our goal. *Goal object* is, thus, the second ingredient of motivation.

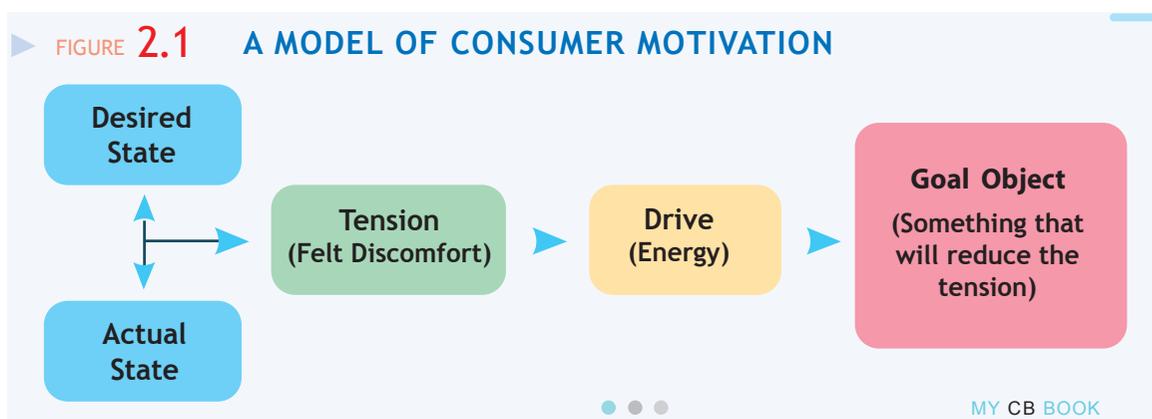
We are now ready to formally define *motivation*. **Motivation** is the human drive to attain a goal object. A **drive** is a force or energy that impels us to act. And a **goal object** is something in the world, the acquisition or attainment of which will bring us happiness.³

A MODEL OF MOTIVATION

When we desire a goal object, its absence makes us feel discomfort. Or if we are at discomfort, we seek the goal object that will alleviate our discomfort. If we are hungry, the discomfort of hunger pangs makes food our goal object. If we want a new pair of Nike shoes, then we feel unease until we acquire that new pair of shoe. Discomfort occurs due to a gap between our desired state and our actual current state. This gap is felt as a discomfort and creates tension. Tension in turn produces the energy or drive to achieve the goal object. A drive is like a spring, compressed by felt discomfort and therefore under tension and ready to release with force. The greater the pressure (i.e., the discomfort), the greater the released force (i.e., drive). Drive provides the energy to act; goal object provides the direction in which to channel that energy. A person with goal objects but without the drive is just a daydreamer; one with energy but no goal object is akin to a hyperactive child. When energy is expended to attain some goal object, we call that use of energy motivated or **purposive behavior**.⁴ (See Figure 2.1.) Remember, then, to be motivated, we should have both a drive and a goal object.

What about needs and wants?

Motivation is goal-directed energy. A motivated behavior (i.e., purposive behavior) is goal-driven behavior. Then, what about needs? Isn't it true that our needs drive all of our behaviors? We need food, for example, so we do whatever is required to get food. In the definition of motivation, where do needs fit in? How are motivation and need related?



In Figure 2.1, notice that the tension or discomfort produces the drive. Thus, tension or discomfort is NOT motivation itself, but rather a precursor to motivation. That tension or discomfort is what *need* is. That is how we defined *need* in Chapter 1. That need (i.e., felt discomfort) comes from a felt gap between the current state and the desired state. A need, then, is an instigator of the drive component of motivation. If we didn't feel any need, then we would not have any drive.

Sometimes, there is only one goal object that can reduce a particular tension. But often the world offers us a range of solutions. To relieve hunger pangs, for example, we must get some food, but what kind of food? The kind of food we feel will satisfy us the most becomes our goal object. The desire for a particular goal object is, as defined in Chapter 1, a consumer *want*. Thus, needs and wants are closely related to motivation. Needs provide the drive and the want provides the goal object. Our needs and wants are what make us different consumers.

Well, then, from where do needs come?

Innate Versus Learned Needs

Where do needs come from? Are we born with them, or do we acquire them? The answer is, both. Scholars classify needs into two types: innate and learned. **Innate needs** are needs with which we are born. They are common to all humans, rooted in our survival instincts. Thus, a hungry stomach creates an innate need, and so does a body shivering with cold or burning with heat, exposed to the harsh weather outside. In contrast are **learned needs**, which are acquired in the process of growing up and living. So when we say we feel our hair has grown half-an-inch too long, we feel bored with our current car, or feel our clothes are out of fashion and make us look uncool, we were not born with these needs, and our survival does not depend on overcoming these conditions. These are needs we learned living in particular cultures and social groups.

Biogenic Versus Psychogenic Needs

Another classification of needs is biogenic versus psychogenic needs.

And what our bodies need

Biogenic needs are conditions of discomfort stemming from our biology as humans. All bodily discomforts are included in this category, but such needs go beyond hunger, thirst, and exposure to rough weather. They include tiredness from working or walking, illness, and loss of motor skills and sensory faculties due to aging (e.g., vision and hearing loss). They also include certain negative conditions pertaining to our bodies, many of which are based in our individual genes, such as oily or dry hair. Or our bodies may be intolerant of certain foods, such as milk for the lactose-intolerant, or allergic to certain materials (e.g., bird feathers), which creates the need to find substitute products (e.g., hypoallergenic pillows). Finally, biogenic needs also include cravings for certain foods and substances (e.g., spicy food, caffeinated beverages, and narcotics), which we develop



**The all-new Jetta.
You'll do anything to drive it.**

Toll-free Helpline: 18001020909, 18002090909

Terms and conditions apply.



Volkswagen. Das Auto.

The motivational power of desire for products

Image courtesy of Mudra Communications, India.

76 212 5 132 21

We haven't *gone* green.
We started that way.



Brand Anakiri seeks to fulfill both biogenic and psychogenic needs of ecology-conscious consumers.

because of the conditioning of our bodies and tastes. Thus, strictly speaking, not all biogenic needs are innate needs. We learn some of them through repeated use, and, with strong wills, we can use our minds to extinguish them. But until we do so, the conditioned cravings of our bodies do qualify as biogenic needs.

And what our mind needs

Psychogenic needs, in contrast, stem from our mental makeup, not from our bodies—the way we think about ourselves and about the world, how we define happiness and success, and what we consider to be good and bad. Lack of things we consider essential to our happiness produces a state of discomfort in our minds and thus creates psychogenic needs. We all want to look cool, and if we come to believe that sporting a pair of Calvin Klein jeans will make us cool, then the discomfort of not having that pair of jeans is a psychogenic need. If we come to believe that adorning our bodies with tattoos will get us the admiration and popularity we seek, then that is a psychogenic need as well.

Note, however, that just as all biogenic needs are not innate, not all psychogenic needs are learned either. Some psychogenic needs are, in fact, innate. For example, as we shall see later in the chapter, need to get peer approval is innate to all humans, as humans are social creatures.

Then what about a facelift?

Now think about the facial surgeries many boomers are having done these days. What kind of need do they exemplify? The correct answer is “psychogenic.” Just because what we gain—the goal object—pertains to our bodies, it does not make it a bodily or biogenic need. Rather, this need stems from our psychological makeups, our ways of thinking—both that we are unhappy with our looks and that we covet certain facial features. The need is produced by our views of ourselves as psychological beings, not biological beings; therefore, the perceived need for a facelift is a psychogenic need.



Why is a facelift a psychogenic need?

Some products and brands satisfy, of course, only a biogenic need (e.g., a generic brand of cotton swab); others satisfy a purely psychogenic need (e.g., a birthday greeting card). But consumers seek most products to satisfy simultaneously both types of needs, and many brands strive to deliver just that to consumers, such as a line of skin care products that are also eco-friendly; or cosmetics by Kylie Jenner that her fans find immensely uplifting of their self-image.

Approach-avoidance Motives

Things we seek and things we avoid

We have defined *motivation* as a goal-directed drive. But this does not mean that goal objects are always desirable. Some goal objects are the ones we want to avoid. The drive we feel to avoid a goal object is also motivation. Consumer psychologists therefore recognize two types of motivations: approach and avoidance.

Approach motivation is the desire to attain a goal object. Approach goal objects (i.e., objects that attract us) are sought or even longed for, such as the latest game for Xbox or Michael Jackson's left-handed glittery glove (sold at the “Music Icons” auction at the Hard Rock Cafe in New York City's Times Square, November 21, 2009, for \$104,614). Being deprived of them creates discomfort and unhappiness.

Avoidance motivation is the desire to protect oneself from an object, such as a bee sting or a stale or unhygienic burger. Technically, approach and avoidance motives are called, respectively, *appetitive* and *aversive*. Of course, one consumer's poison may be another's nectar. Vegetarians love tofu, but avoid meat; most non-vegetarians love meat, naturally, and some of them may not like tofu.

We all want the “approach objects,” and we all want to avoid the “avoid objects.” Sometimes we are lucky and have to choose between two desirable options—say, out of two toys, we can only have one. That lucky situation is called **approach-approach conflict**. Of course, sometimes we also get totally unlucky and face two options equally undesirable. Got a speeding ticket? Well, you can pay a fine, or you can attend three hours of safe-driving classes (purposely designed, it seems, to bore you!). You are facing what is known as an **avoid-avoid conflict**.

The above two types of conflicts occur when we are faced with two separate options—two equally enjoyable TV shows at the same time, two equally charming dresses, or two equally mouth-watering desserts. Or, if we are unlucky, two equally tasteless diet foods, two equally boring classes, or two equally moist-eye movies that our significant others have shortlisted for us to watch together. But there is a third type of conflict, called **approach-avoid conflict**—a conflict we experience when we find an object desirable as well as undesirable. This happens for products that have both desirable and undesirable features. Unfortunately, products often are mixed blessings: a part of them is good, but a part of them is undesirable. For example, the taste in Hershey’s candy bars is desirable, but their fat and calorie content is not.

As marketers, our greatest challenge is to minimize the negative aspects of our product while maximizing its desirable properties. Avoidance motives of consumers provide opportunities for marketers just as approach motives do. Blending two hitherto mutually opposed attributes (e.g., healthy and good-tasting) in a product can bring an unusual value to consumers by banishing their approach-avoid conflict.

A Universal Dictionary of Motivations

How many products do you own? How many will you buy this year? If you will buy a hundred products, do you have a hundred motivations?

No, to count the individual reason for buying each product as a separate motive would give us a long list of motives, a thousand or more, and it would be difficult to plan any action around a long list of motives. As marketers, we therefore need to find a more sensible way of counting and specifying consumer motivations—a way that goes to the core of *why* we need these thousands of products to begin with. There must be, in humans, a core set of needs that can be accounted for within a short list—short enough to remember and utilize in real-world marketing. The good news is that there is. Psychologists

G.Q. marries I.Q.

energy efficiency • extra tall dispenser • fast thaw • full extension freezer baskets • gallon door storage • electronic temperature control

digital temperature display • quick chill • spill-proof glass shelving • turbo-cool • rapid ice • adjustable door bins • tri-level interior

If you're partial to style, you'll find it here. From sleek curves and contoured handles to the drama of high gloss finishes. After all, when it comes to refrigerators, style does matter.

If you're partial to intellect, you'll find it here. From quick thawing and chilling to the remarkable power of turbo-cooling. After all, when it comes to refrigerators, intellect does matter.

GE Appliances.com

Profile®
We bring good things to life.

Copy in the ad reads: If you're partial to style, you'll find it here. From sleek curves and contoured handles to the drama of high gloss finishes. After all, when it comes to refrigerators, style does matter.

If you're partial to intellect, you'll find it here. From quick thawing and chilling to the remarkable power of turbo-cooling. After all, when it comes to refrigerators, intellect does matter.

Rescuing the consumer from the approach-avoid conflict, par excellence!

SAVVY MARKETER

Designing new products to banish consumers' approach-avoid conflicts creates market winners.

have studied human motives for years and have grouped all of the human motives into a few categories. One of those psychologists was Abraham Maslow, who gave us a short list of five core motives. There are, of course, other lists, but this one has stood the test of time and has become a classic in marketing and consumer behavior. No marketer can ever claim to understand why people buy things without understanding Maslow's theory of human motivation. It is, in other words, "a universal dictionary of motivations"—translating thousands of consumer purchases into five simple need categories.

MASLOW'S MODEL OF HIERARCHY OF NEEDS

Humans live for bread and then more!

The five need categories in Maslow's theory are:

1. **Physiological needs**
2. **Safety and security needs**
3. **Belonging and love needs**
4. **Esteem and ego needs**
5. **Self-actualization needs**⁶

Actually, Maslow did more than simply propose this list; he also suggested a pecking order among them—that is, what humans must have first before they seek something else. His theory is called **Maslow's hierarchy of needs**—the order in which humans experience needs. The hierarchy is shown in Figure 2.2 as a pyramid. According to Maslow, the needs at the bottom of the pyramid must be satisfied first; until they are, the higher-level needs remain dormant. But the moment the lower level needs become satisfied, then, almost inevitably, the next level of needs comes to life. Let us look inside this pyramid.

Physiological needs At the bottom of the pyramid are **physiological needs**—i.e., our bodily needs (also called *biogenic needs*). These needs drive us all to seek food, clothing, and shelter. We must satisfy these needs before we worry about anything else. It is a no-brainer—if we are starving, then we must find food before we seek, say, a Peloton bike. And we must find clothes before we seek a facelift.

Furthermore, many of the differences in what consumers use and buy are due to physiological (that is, biological) differences; i.e., differences attributable to genetics, race, gender, or age. Examples include soy milk for lactose-intolerant persons (genetics), vision-correcting glasses for weak eyes (due to age or genetics), and custom-made shoes for people with feet of unequal size. For all humans, such needs are paramount. And these must be satisfied before consumers will feel other needs.

Safety and Security Needs Closely following physiological needs are **safety and security needs**—the need to be protected from danger. Personal safety is a motive as old as survival itself—early man developed arrows and spears to kill predatory animals that threatened his survival. In modern times, the new weapons are personal cell phones and community-supported police forces. Now there are new products dedicated just to this motive: Ring Security System, cameras installed in our cars that would beep if you begin to fall asleep while driving your car, and privacy protection software like Site Lock.

Belonging and Love Next come social motives of **belonging and love**. We are all social creatures, and once our physiological and physical safety concerns are met, our social needs become active. We want to have friends and family, and we want to receive love and affection from others. Without love and affection, our lives will feel empty. To satisfy this kind of need, consumers buy products that are well-regarded by others and the use of which will bring them peer approval, affection, and a sense of belonging. The kind of car we choose to drive, the designer logos on the clothes we wear, and whether we get a tattoo or a piercing on our bodies—each of these is determined, at least in part, by how we think our peers and significant others will look upon our choices. Many products, such as greeting cards, flowers, and other kinds of gifts, are bought specifically to promote relationships with others.

Ego and Esteem Next in the hierarchy are **ego needs**—the need to feel good about ourselves and to have self-esteem. We all work hard to gain success in our individual spheres of activity and to acquire the qualities others consider desirable and virtuous so that we can win our own and others’ esteem. We also buy products and services we believe support our self-image. We drive cars, for example, that, beyond impressing others, in our judgment, reflect who we are; we visit stores in which we are treated with respect; and we even buy and give gifts to ourselves because we feel “we deserve” them.

Self-actualization Finally, once these physiological, security, social, and esteem needs are satisfied, people begin to explore and extend the bounds of their potential—to become what they are capable of being. This is the need for **self-actualization**—the need to realize one’s true potential. To quote Maslow, “musicians must make music, artists must paint, poets must write if they are to be ultimately at peace with themselves. What humans *can* be, they *must* be.”⁷

Indeed, the self-actualization motive is what drives many adults to go back to school and acquire a new set of skills. And many marketers appeal to consumers’ ambitions. (A recent ad from Monster.com poked fun at people who were content with their current mediocre jobs.) Many not-for-profit agencies appeal to the consumer’s sense of being a good citizen. The U.S. Army’s long-running slogan “Be All You Can Be” and, later, “The Army of One” are calls to a person’s need for self-actualization.

In Eastern philosophy, many see their self-actualization as meeting their Creator, becoming what they are supposed to be in a cosmic sense. They spend endless hours meditating and reflecting on the nature of life and its purpose. And in Eastern and Western societies alike, religious messages such as “God is within you” are designed to appeal to a believer’s need for self-actualization.⁸

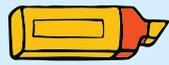
How the hierarchy works

The storm inside the Pyramid

If this pyramid were a five-story building, there would have to be an elevator that only went upwards and only one floor at a time—or at least that is how the foregoing description of Maslow’s hierarchy reads. But that description was for starters, designed to explain the basic pattern. We can now move beyond and look more closely at the hierarchy. Rather than being a five-story building served by an upward-only elevator stopping at each floor, perhaps a more apt analogy is an ocean with five “layers” of water, being navigated by a submarine. The submarine moves relatively effortlessly between top and bottom layers of water, causing many cross currents. These cross currents occur because our needs at any one level of hierarchy recur. They occur, also, because we don’t have to satisfy the needs at one level fully before moving on to the next level. Rather, we need to satisfy them only to a good degree. Thus, if we need a place to live, we can rent an apartment in whatever condition it is in and move in. Then we can attend to the task of studying for our classes. After the first test is done, we can attend to making the apartment more livable and buying the essential furniture we need.

The point of the hierarchy is that consumers have to feel at least some modicum of comfort at one level of their needs before they become concerned about the next “higher” level of needs. We can’t sell someone a necktie if his throat is desert-dry with thirst.





**Next Page jumps to Next
Selected Page**

There is another fascinating fact about our motivation to acquire things as it relates to Maslow's hierarchy of needs. Consider the three chairs shown here.

What motivates a particular consumer to buy one rather than the other of these three chairs? Their basic function is the same: to satisfy our physiological need to be seated. And that need is well-satisfied by the Hand Chair, for example, which costs only \$90. The other two chairs also satisfy that need; but, in addition, they might meet higher-level needs as well. The Lips Chair would probably appeal to a consumer who thinks that it might be an icebreaker and that friends might hang out at his or her place more often. It will meet, in other words, his or her need for belonging and love. What about the Broadway Chair: Who is going to buy it—at \$1460? Besides being rich, what else would motivate a person to buy something like this? Most likely, this person is an art connoisseur, or one who believes that others will hold him or her in high esteem, awed by his or her appreciation of the art and beauty of the chair. It will satisfy, in other words, his or her need for esteem.

Recall that we began this quest for coming up with a short list of motivations because counting them as "motives to acquire specific things" would have resulted in a long and unwieldy list of thousands. The short list in Maslow's hierarchy solves that problem. But there is also a bonus benefit. A product is no longer *tied* to a specific need; it can now meet more than one need. A chair must satisfy a physiological need, of course, but, in addition, it can satisfy the need for belonging or esteem as well. And this is where the real fun begins, for consumers and marketers alike. Consumers must decide how many and which needs they want a product to satisfy. And marketers must invent new versions of products so as to satisfy new combinations of consumers' needs.



Lips Chair
www.Sexyfurnishings.com



Hand Chair
www.Brightthrift.com



Broadway Chair
(Courtesy: Bernini SPA)

Breathing life and vibrancy into the dull corners of modern life

Beyond Maslow—Murray's List of Needs

The Psychology of Flashmobs

A few years ago, *Flashmobs* suddenly became the latest craze among some cyber-consumers. Begun in 2003, and in vogue until 2015, they can be now enjoyed in 100s of videos on Instagram. And Flashmob America offers opportunities for organizing one. If there is one near you, would you join it?

Why did thousands of people across the world participate in them? Can we explain this behavior by using Maslow's scheme of needs? We could say, of course, that it was to satisfy their need for belonging. That is at best a partial explanation, for the crowds disbursed after a mere ten minutes. The Flashmob.com site (now defunct) described its purpose: *Breathing life and vibrancy into the dull corners of modern life*. Perhaps there is something more, like a need for excitement, or a need to shock and surprise bystanders. The distinction of Maslow's scheme is that it "orders" all of the human motives into five broad and generalized categories. As such for explaining more niche human behaviors, we need more detailed lists. Niche behaviors like, why some customers walk away when salespersons try hard to sell them something? Or why do some people enjoy telling stories to others? And why do some consumers happily pay upward of \$1,000 for a celebrity-worn pair of jeans?

Fortunately, other psychologists have proposed more detailed lists. One list popular in marketing is from psychologist Henry Murray. Murray proposed a list of 12 biogenic and 28 psychogenic needs. See a sampling of those needs in Table 2.1. Review that list and you will realize that Murray helps us define consumer needs at a more detailed level than does Maslow. With a list like this, now we can explain almost any consumer behavior. Looking at Murray's list, what would you say is the motive behind flashmobs? Or behind such consumer behaviors as impulse buying, being a demanding customer, or playing an opinion leader?

FACTORS THAT SHAPE PERCEPTION

Or, Are Things the Way We See Them?

If we asked you why you see something the way you say it is, you would most likely answer, “Because that is the way it is.” But is it? Sometimes, you will be right, but sometimes not. Look at this pair of neckties. Do you perceive them to be “cool”? Your perception will depend on three factors, responsible for all our perceptions (see Figure 3.2).

1. **Stimulus characteristics—the properties of the stimulus itself**
2. **Context—the setting in which the stimulus is encountered**
3. **Consumer characteristics—consumers’ own knowledge, interests, and experiences**

1. STIMULUS CHARACTERISTICS

A Thing Is What It Is

Some of the blame for our misperceptions and credit for correct perceptions should go to the object or stimulus itself. After all, the mind’s goal is to capture the “reality” of the stimulus. So, when we perceive something, we can’t perceive it to be considerably different from what it is. If we see a car, then that is because the stimulus really happens to be a car. If we perceive a brand of cereal to be healthy, it is because we see that it has whole-wheat flakes and nuts, and we do not taste much sugar in it. The reality of the stimulus, i.e., the stimulus characteristics, inevitably determines our perception. Stimulus characteristics themselves can be grouped into two types: *sensory characteristics* and *information content*.

Sensory Characteristics

A characteristic is **sensory** if it stimulates any of the five senses. Sensory characteristics influence perceptions and consumer responses in two ways: through sensory-experience and

through cultural symbolism. **Sensory experience** refers to how we feel when a stimulus makes contact with our senses. We are biologically wired to find some sensory characteristics pleasant and, likewise, to find some unpleasant. Thus, we find loud, harsh sounds unpleasant and melodic sounds pleasant. We find sweet tastes pleasant and bitter tastes unpleasant. And so on. Some of these responses develop with conditioning (e.g., we may dislike Indian classical music by such artists as Ravi Shankar or country music by such artists as Garth Brooks

simply because we have had no prior exposure to these styles). But eventually they all come to reside in our automated, biological sense responses.

Cultural symbolism refers to the meaning any characteristic or entity comes to have in a particular culture. Although the term applies to all entities, the focus here is on sensory characteristics of visual stimuli. All visual stimuli have three features: color, shape, and texture.⁷ And each comes to acquire cultural symbolism.

Color The meaning of some colors differs across cultures; for example, black is the color of mourning in Britain, but white is the color of mourning in Japan. This meaning applies only to clothing, however, and not to cars—in both countries (and in most other countries in the world) black in cars is considered to signify affluence and gravity.



FIGURE 3.2 THREE FACTORS THAT AFFECT PERCEPTION



Marketers attempt to influence consumers' perceptions by packaging their products and messages in appropriate colors. Mouthwashes are colored green or blue to connote a clean, fresh feeling. One brand, Plax, makes its mouthwash red to distinguish itself from competing brands and also to create the perception that it is medicinal and therefore more effective. Consumers find blue to be the coolest color for display in electronic devices. Most cell phones have adopted this color as a popular option. And American Express introduced a blue card targeted at college students and even called it Blue Cash.



Shape Shapes, too, come to connote qualities that sometimes are culture-specific, and, with changing culture, their meanings may change for the same consumer group. This is most visible in clothing styles and in car designs. The boxy shapes of the cars of the sixties were replaced in the eighties by egg-shell bodies resembling spaceships and connoting advanced aerodynamics; but at the beginning of the current century, the boxy look was back, with Scion and Element for the Gen Y set, and with the Mini for nostalgic boomers. In men's neckties, the fashion swings from broad to narrow. In jeans, from bell-bottoms to tapered to flared, changing shapes catch the fancy of the fashionable and trendy. In skirts, mini to midi to maxi define the wearer's identity. For an interesting insight on how shape of glass affects how much we drink, see Exhibit 3.2.

Texture Textures, too, come to acquire culturally symbolic meanings. Silky textures in clothing, for example, are deemed luxurious in a gender-neutral way in Eastern cultures, but somewhat feminine in Western cultures (where rustic textures are considered masculine). The "distressed" look in clothing conveyed poverty in most cultures until recently; now, it is "engineered" at great expense in such Jeanswear brands as Uniqlo, Acne Studios, and Naked & Famous and then celebrated by millions of young consumers as the coolest looking fabric on our planet!

Information Content

The second characteristic of a stimulus that influences perception is its information content. Information content moves the perceptual process beyond sensation or stimulus selection toward interpretation. For example, information about an automobile's engine horsepower, acceleration, and style enables one to categorize (i.e., interpret) it as a performance car or, alternatively, a family sedan.

Marketing Practice

When German car brand Smart (stylized as smart, i.e., with a lower case 's') was launched in the USA in 2008, its ultra-small size was bound to cause perceptions of the product that would lead consumers not to consider it. To thwart such perceptions, the company ran a print ad campaign. One of the ads showed a man doing push ups, with the short headline "tougher than you think"; another showed four pieces of luggage with the headline "bigger than you think"; and the third ad showed a child in a safety seat with the heading "safer than you think." Note that these perceptions were targeted with the information content in the ad (of course, to be successful, the ad message had to be grounded in the product's reality).



Watch me wink. Brand feelunique.com gets your attention, in a charming way. Feelunique.com is a U.K. based online beauty boutique. Models/consumers sporting the temporary tattoo on their eyelids earned 10 pence per wink. (Creative agency: Mischief PR, U.K.)



Here is a stimulus. What is it? A chair. What kind? Informal, very comfy, quite inviting. This perception stems from the characteristics of the stimulus. In our perception, often (though not always by any means), a thing is what it is.

PSYCHOGRAPHICS

To get a good grasp of this topic, first read a short autobiography written by a student just like you. (See inset). Bianca, the star of our story, is in some ways a typical, recently graduated 20-something woman. And yet, in some ways she is unique as well. Like many consumers of her age and life stage, she juggles school, work, sports, and family and friends. But she juggles as well her many identities. Her brief autobiography is a window into her personality and her sense of self. It is also a window into her consumption habits (although her present essay is limited to consumption of clothing). Marketers wish they could get every consumer to write such autobiographies. So they do the next best thing—they write them for their consumers. And call them *psychographics*.

Psychographics are characteristics of individuals that describe them in terms of their psychological and behavioral makeup. They describe a person in terms of his or her mental makeup and the behaviors it produces. They comprise the sorts of things people do in everyday life and what they think about matters that fill their worlds. All these clusters of thoughts and actions make up psychographics.

LIFESTYLE

Bohemians, Soccer Moms, and Other Consumer Types

Values, personality, and self-concept are abstract ideas. It is in our lifestyles that they materialize and take concrete shape. They form both the engine and the navigator of our lifestyles, driving and guiding their flow. **Lifestyle** is simply the way we live—our patterns of living. Patterns of living comprise the activities we undertake, the ways we spend our money, and the ways we use our time. Consider these two portraits:



Candice Candice is a working mom. She likes to go out rather than stay at home and dislikes household chores. She attends parties where there are a lot of people and a lot of music and dancing. She also frequents art galleries, theaters, and museums. And she likes to dress in high fashion and loves to shop in boutiques



Thelma Thelma stays at home, taking care of her two children. She spends her days productively, immersed in running a household. She enjoys cooking and baking, especially baking cakes. She sews her own clothes and dresses modestly. She wears very little makeup. And she spends most of her time at home even on the weekends, entertaining relatives and friends.²²

How do consumers live their lifestyles? How else, but by engaging in activities that entail, inevitably, the use of products and services? Thelma obviously eats out less, but she buys more food items from the supermarket than Candice does. Candice, on the other hand, uses baby-sitting services more than Thelma does. Candice also uses dry cleaner services more, whereas Thelma buys more laundry detergents. Candice is a frequent visitor to fashion boutiques, whereas Thelma sews most of her own and her family's clothing and buys the rest at a department store. Candice's ideal vacation would be a trip to Europe, whereas Thelma's would be a camping trip with family. When it comes to building a lifestyle, consumers are like artists, producing a piece of art, and they use products to build the beautiful mosaics of their lifestyles. Products are the building blocks of lifestyles. Because commercial products play a major role in consumers' enactment of their lifestyles, lifestyles can explain consumer behavior significantly.



Every consumer has a unique lifestyle. Consider, for example, two lifestyle types—both urban, identified through research—called *Bohemian Mix* and *Kids & Cul-de-sacs*.²³

Bohemian Mix The Bohemian Mix are young residents of urban hodgepodge neighborhoods. The majority (3 out of 4) are never-married or are divorced singles, and they are predominantly students, artists, writers, actors, and the like. They live somewhat adventuresome, funky lives, exercising both their bodies and minds, hanging out at sidewalk cafes, public libraries, bookstores, and health food stores. They participate heavily in social and voluntary organizations, benefit programs, and protest campaigns on social issues.

RIPPED JEANS. T-SHIRTS, POLOS, AND PEARLS— PLEASE GIVE ME MY IDENTITY!



Bianca Hutton, a not-so-ordinary consumer, still discovering her identity

Hello, I am Bianca Hutton, the surfer, golfer, fashionista girl from Finland, now “living it up” in the American marketplace.

I am an upbeat, positive girl who likes to smile. I never really get angry or annoyed but feel that people sometimes act in a very disappointing way. I like attention but do not put myself in the spotlight. I aspire to be something great, but I cannot plan my life to the last detail. I live by the motto that everything happens for a reason. I also believe that people need to educate themselves constantly and I try to look for cues in books, in TV series, and from work and school experiences. I am compassionate and, in addition to my hobbies (golf, tennis, piano, horse riding, choir, skiing), I volunteer my time for many different causes.

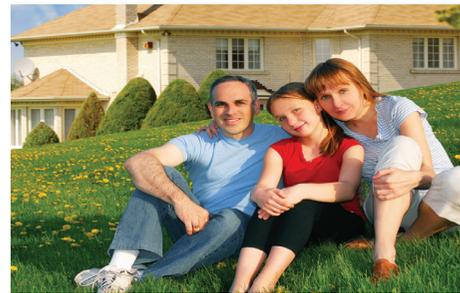
Back home I am strictly the pearls-and-Polo girl. Here in the U.S., on any given day you can find me in as many as five different outfits: a casual, student look for the classroom; athletic sweats for the gym; a golfer ensemble in the afternoon; sorority girlwear in the evening; and a preppy business-suit look somewhere in between. My wardrobe betrays my inner dilemma—I have not yet determined exactly who I am inside.

My surfer girl outfit unlocks my passion for a carefree lifestyle, and the Bohemian side of me comes through more in conversation. My grown-up look makes me feel determined and motivated, ready to succeed in life and tackle any problem with a level-headed, intelligent approach. I have come to the conclusion that although I can put up a front of being mature and well-rounded, my desire to wear ripped jeans and a T-shirt with a surfer brand logo on it means that I am still a child at heart and that I am still discovering who I am and who I want to be.

Kids & Cul-de-sacs This group defines the typical suburban family. With young children at home, they are predominantly upper-middle-class professionals, soccer moms, and barbecue dads. Their leisure activities are centered around their children: school games, class projects, video rentals, visits to the zoo or local theme park, and trips to fast food or pizzeria restaurants. Their favorite vacation spot is Disneyland.

Notice how dramatically different these two lifestyles are. Do these lifestyles require different products? Of course, they do. How else would consumers live their lifestyles differently?

Bohemians shun domestic cars and disproportionately buy foreign cars that are compact in size. They also shun fast food restaurants and prefer healthy food; and you won't find them hanging out in bars; instead, their hangouts are art galleries, coffee shops, and leftist bookstores. In contrast, Kids & Cul-de-Sacs own multiple vehicles, at least one of which is usually a minivan or an SUV, perfect for carting around their kids. They are not excessively health-conscious. They often barbecue, and they seek out family-style mainstream restaurants.



Kids and Cul-de-sac consumers

6

CONSUMER ATTITUDES:
KNOW-FEEL-DO MODELS*Knowing What to Want and What to Shun*

Anyone Who Calls This A Masterpiece Is ...



41212 5 13234

*My attitude tells
me what to buy
or not buy*

What an incredible ride this was. I was almost motionless throughout, watching in awe the performance of a lifetime—the transition from troubled man to monster, the hounding score which directly drove the goose-bumps, the cinematography which made you feel like you were flying through Gotham looking for Arthur yourself and the masterful De Niro who gave his nod to Jerry Lewis. Ignore DC. Ignore Batman. This is a work of art in its own right.

—Sinbaddyad, October 4, 2019 (5 Stars)

Joker is crazy at the start, and crazy at the end. There is zero nuance, subtlety or character development. He simply goes from being crazy to crazier. It is cynical, lazy and a dull retread of the REAL masterpieces (like *Taxi Driver* and *King of Comedy*) from which it shamelessly steals (poorly, I might add). Beware of anyone who calls this a masterpiece, they have zero understanding of cinema.

—robobeatnik, November 12, 2019 (2 Stars)

Like Ang Lee, Bong Joon Ho is a director who shows mastery of his art without being show-offy. Is both entertaining and is a relevant tale about class differences, without its message being ham-fisted (it is nuanced, in fact, a rare trait in modern media).

—Dustin D., March 4, 2020 (5 Stars)

I wish I can un-see this movie. Seriously. This won awards? Acting good, subtitles are fine for me BUT Best Picture?? So scary...This is a sick world we live in. God help us all.

—Alicia C., March 4, 2020 (1 Star)

Joker Reviews were posted on IMDB; Parasite reviews were posted on Rotten Tomatoes (DOA: April 30, 2020).

... IN THE MARKETPLACE

The Definition of Attitude and Its Properties

The ABC Model of Attitude and Its Measurement

Know-Feel-Do Hierarchies and How Involvement Affects Them

Four Functions that Attitudes Serve for Consumers

A Theory of Reasoned Action and Its Application in Consumer Brand Attitudes

Three Routes to Molding Attitudes—Convincing, Charming, and Inducing the Consumer

1

2

3

4

5

6

TO UNDERSTAND

LEARNING OBJECTIVES

Joker opened on October 4, 2019 and collected total global revenues of \$1.074 billion (as of March 5, 2020). It was a nominee for Best Picture for the 2020 Oscars and won the Best Actor award for Joaquin Phoenix. *Parasite*—produced in South Korea—opened in February 2019 and earned worldwide revenues of \$254 million (as of March 5, 2020). At the 2020 Oscars, it won the Best Picture, Best Director, and Best Foreign Film awards! Oscars are a gold standard for cinematic arts, coveted by even the best of the best artists and craftspeople of the Big Screen. Yet, not all consumers are swayed by such institutional and elitist recognition or even by praise or critique by professional expert reviewers. Instead, they exercise their own judgment and form their own opinions, based on their own personal experiences. These personal opinions determine the fates of all of the products and services in the marketplace.

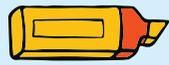
In the marketplace, consumer attitudes rule!

At this very moment, thousands of marketers are pitching their products and services to millions of consumers around the world. Interrupting our TV program viewing, enveloping our favorite race car on the track, delaying our YouTube streaming, pushing a free sample into our hands at the city beer festival, and lurking on our Facebook and Twitter pages. Are consumers listening to them? How are consumers reacting to this cacophony of slogans and promises, and to that visual parade of product images? Aside from these marketers of material goods, also soliciting the favorable opinion of consumers are charities, schools, tourist spots, casinos and nightclubs, films, TV shows, sports teams, and even presidential candidates. How do consumers come to form an opinion about these entities? What persuades them to embrace some of these marketplace offerings, while spurning others? And how can marketers win favorable consumer reactions to their offerings?

This chapter is our answer to these questions. In this chapter, we explain the concept of attitude—the supreme precursor to all of our actions in the marketplace. We peek deep inside the mind of the consumer and witness the dynamic interplay of our thoughts, feelings, and intentions. Here we will also meet TOVA, TORA, and TOTA—no, these are not the names of some new renditions of Depeche Mode's 1981 album; these are, instead, the nicknames of three models of attitude.

Understanding attitudes can help us fashion our market offerings—advertising and all—to be consumer-friendly. This chapter is a key, in other words, to getting consumers to develop a good attitude toward our product offerings, and, consequently, to throw some dough our way. It is also a key to becoming a market success.

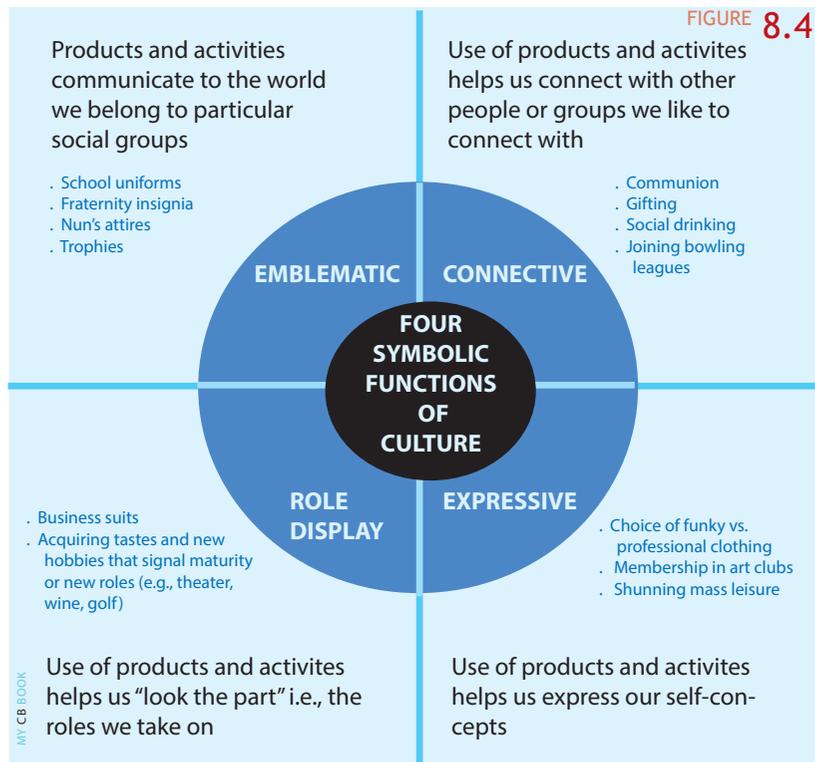




**Next Page jumps to Next
Selected Page**

Symbolic Functions of Culture

Meaning communication is a key function of culture. Most things humans do or consume have an essential utilitarian function, of course, such as clothing to cover and protect our bodies. But most also have a symbolic function; i.e., they communicate something to the world (e.g., the brand of clothing we wear signals our class or self-concept or even mood). Consumer research scholars have classified these functions into four types: (1) Emblematic, (2) Connective, (3) Expressive, and (4) Role Display. Figure 8.4 below defines these functions (black text) and gives examples of products/activities (in blue text). Note that these signals are interpretable only by people familiar with that culture. Bohemian clothing or punk clothing will be decoded correctly only by people familiar with those styles of clothing. And they have meaning specific to a culture; for example, casual clothing (loose, un-ironed, unassuming) will be interpreted as merely casual in North America, reflecting the mood of the moment and not person type; but in many Asian countries, it will signal poor or low class (although youth and westernized consumers in Asian countries have also taken to casual clothing, but that clothing is usually more stylistic.)



Another point to note is that the same product or activity may serve for some consumers in some circumstances multiple symbolic functions. Thus, when graduating students acquire professional career clothing, it is instrumental in their enactment of the new role of the professional (Role Display); but it also signals to the world that the wearer is now a professional (Emblematic), and it helps one live out one's own self-concept of being a professional (Expressive). A consumer may hang out at Starbucks or Barnes & Noble because she or he considers herself or himself to be hip and trendy or literary (Expressive); another consumer might do so because she or he just wants to belong to the professional crowd that hangs out there (Connective).

The specific symbols and the products and activities that carry those symbolic meanings may differ from culture to culture, but all consumers have a need for each of these four functions and, consequently, all consumers have a need for and seek the products and activities that in their groups and subcultures will have the corresponding symbolic functional qualities.



Our clothing—
casual or business?

The core framework inspired by consumer research scholars Wayne D. Hoyer and Deborah J. Macinnis (2008)



Wow, I better get those glasses! **a**

Match the three images with the type of referent influence at work here.

Photo Quiz
9.1

- 1. Informational _____
- 2. Normative _____
- 3. Identificational _____



I start my job next week and I can't believe I will have to be dressing like that! **b**



Oh, so Melatonin is not really a drug and it will help me sleep after a midnight Peleton workout! **c**

9

SUMMARY

In this chapter, we reviewed the types of reference groups and explained the nature of their influence. Depending on the frequency of contact, groups can be primary or secondary; they can also be membership-based or symbolic, joined by choice or ascribed. Their influence depends on the conspicuousness in consumption, and as such it can occur at the product or brand-choice level. Such influence is of three types: informational, normative, and identificational. We then described a personality trait of consumers, their susceptibility to interpersonal influence (SIPI), and identified factors that make a consumer more or less SIPI.

Next, we described opinion leaders, people whose opinions consumers seek and respect. We described their characteristics and explained four methods of identifying them in a community. Next, we discussed influentials, a

group of people who influence consumers by word-of-mouth (w-o-m). Among this latter group, we described a subgroup, e-fluentials, who affect opinion in cyberspace as well as outside of it, i.e., by word-of-mouth as well as by word-of-*mouse*. These opinion leaders play a crucial role in influencing consumers at large, especially in the adoption of innovations. Innovation spreads through consumer populations like an epidemic, and we described this diffusion process. Along this path, we identified five groups, from innovators who are the first to adopt an innovation, to early adopters, early majority, late majority, and laggards. The latter groups depend on the former groups for favorable w-o-m. Finally, we discussed the relatively novel twin approaches to employing w-o-m—buzz marketing and viral marketing.

9

KEY TERMS

Ascribed groups	Informational influence	Primary groups	Social networking sites
Buzz marketing	Influentials	Reference groups	Susceptibility to interpersonal influence (SIPI)
Consumption as identity marker	Institutions	Secondary groups	Symbolic groups
e-fluentials	Key informant method	Self-designation method	Viral marketing
Groups	Membership groups	Social comparison theory	Weblogs
Identificational influence	Normative influence	Social facilitation	
	Opinion leaders	Social loafing	

REVIEW+Rewind

1. How are groups defined? Name various classifications of groups and give an example of each.
2. Name and explain the three types of reference group influences with an example of each.
3. Explain what is meant by Susceptibility to Interpersonal Influence (SIPI); name and explain the three factors that make a person high or low on SIPI.
4. Define opinion leadership and name two “essential qualities” of opinion leaders. Also name some personal characteristics of opinion leaders.
5. Write down some questions to measure opinion leadership.
6. Name the five consumer groups based on the timing of their adoption of an innovation; briefly describe the characteristics of each group.
7. Explain the AIDA model and its significance in the adoption of a new product by consumers.
8. Explain the theory of two- and multi-step flow of communication and its purpose in marketing.
9. What is meant by (a) word-of-mouth, (b) buzz marketing, (c) peer-to-peer marketing, and (d) viral marketing? Give an example of each.
10. Explain Social Comparison Theory and how it affects consumer behavior.

THINK+Apply

1. Explain how normative and identificational types of reference group influences are different. Give two examples of each from your own life as a consumer.
2. Name some people who serve as your opinion leaders, and describe to what extent these persons possess the characteristics of an opinion leader. Also identify what kind of influence each of these persons exercises on you as a consumer.
3. How does the concept of five adopter categories help a marketer of an innovative product? Think of two innovations, and then outline a long-term marketing program to appeal to each of the five innovation adopter groups.
4. What are the requisites of a successful buzz campaign? Assess whether a buzz campaign could be used by the following marketers: (a) a toothbrush that beeps after 2 minutes of use; (b) a shoe polish that would last for one year; and (c) a hair crème that would grow hair at a much slower rate so that the consumer would need a hair cut only once a year, and available only in selected salons on a limited basis; (d) this book (assuming there were an annual convention of all consumer behavior students). Explain your answer.

5. Think of two or three new products or services to be launched next year that would be suitable for creating buzz. Justify how these products are apt candidates for buzz. Next, prepare a plan for creating buzz for one of these products. Your plan should dwell on (a) which groups will be targeted and how you would identify and harness opinion leaders; and (b) which types of influence would be relevant to each buzz agent.

PRACTICE+Experience

1. Select one of the following “products”: (a) clothing fashions; (b) electronic devices like computers, cell phones, DVDs, etc.; or (c) art shows. Now for the selected product category, administer a survey to 10 of your friends to measure their opinion leadership. Before surveying them, write down your perceptions about each friend in terms of whether or not they are opinion leaders. Also talk to them about the topic area and their topic-related conversations with others. Then compare their actual scores with your predictions, and explain possible reasons for a mismatch, if any.
2. Select a group (e.g., class, church group, ball league, etc.) of which you are a member and apply sociometric and key informant methods of identifying opinion leaders. Did the two methods lead to the same persons being identified as opinion leaders in those groups? Why or why not?
3. Locate a Hash Harry Harriers group in your city, and interview some of its members to understand what group norms exist and what kind of reference group influence the members of the group exercise on one another. Specifically identify what sorts of consumptions their membership in this group has influenced.
4. Search blogs on the Internet, and identify some that reflect consumption-related word-of-mouth.

In the Marketing Manager’s Shoes

Put yourself in a marketing manager’s shoes. Most concepts in the chapter have some lessons for the marketing manager, i.e., they suggest what to do differently in practice. Indeed, often these applications are implicit in our explanations of the concepts and models in the chapter. Identify at least five specific applications of the chapter’s concepts, all of which should be entirely new—different from the examples cited here.

10

CONSUMER DECISION MAKING
Rational and Emotional*Choosing—It Is a Privilege. It Is a Hassle.*ON BUMBLE, THERE ARE PLENTY OF **OPTIONS**:
NOW SWIPE RIGHT CAREFULLY

You can sign up with your Facebook account or just with your phone number. If you sign up with Facebook, the app automatically builds your profile using your Facebook information. Here are four sample profiles:

In the event of a zombie apocalypse, I'd immediately seek them out and get myself turned, and quickly work my way up to be the leader of the zombie race. I've been low key preparing for this my whole life.

—Rachel, 25



But honestly, whatever did happen to predictability? Does anyone have a milkman, a paper boy, or the evening TV at this point?

--Lisa, 25



I haven't dated much in recent years because I've been so focused on my career. Now I'm ready to meet the person who will pull my head out of the books and bring me a bit of happiness.

--John, 30



I'm such a nut that even squirrels befriend me.

--Carl, 32

On this dating app, you are presented with photos of potential dates, “matches” the app selects based on your profile. If you like a photo, you swipe right. To reject it, you swipe left. A woman must initiate a conversation first. Founder Whitney Wolfe Herd describes Bumble as a “feminist dating app.” If a woman whom you have swiped right does not respond within 24 hours, the match disappears. You will not appear on her feed and she, not on yours.

It is time now for you to decide!

Some of my decisions intrigue me!

Note: Names are disguised. Photos are for illustration only and do not resemble real members.

Five Steps in the Consumer Decision Process

Four Avenues of Problem Recognition by Consumers

Two Strategies and Five Determinants of Consumer Information Search

Compensatory and Noncompensatory Decision Models in Alternative Evaluation

ACM—The Model for the Consumer's Choice of Expressive Products

The Role of Involvement as a Pervasive Arbiter of Choice Processes



TO UNDERSTAND

LEARNING OBJECTIVES

INTRODUCTION

Decisions, decisions, decisions. Life is full of them. As consumers we face a marketplace of choices galore. Hundreds of dress shoes, purses, hairdos, fake eyelashes. Fifty brands of cars, dress shirts, wrist watches, sunglasses. Twenty brands of smartphones, chocolates, craft beer, colognes. Which shall we choose? Dunkin or Krispy Kreme? Spotify or Pandora? Moxy or Aloft? Lime or Bird? Headspace or Calm? Tinder or Bumble?



Some decisions are easy to make, and we make them in a split second—like, Krispy Kreme, of course. Others are difficult, and we agonize for days and weeks—like, Jenny Craig or LipoLaser? This depends on how much we are involved in individual decisions. Some of them are low involvement decisions. Others are high involvement decisions. As we will see, consumers make these decisions differently depending on the level of their involvement. Our decisions have consequences. We have to live with our choices. And our choices determine the fates of businesses: Some flourish because we choose their products; others vanish because we reject their offerings. Businesses need to understand how consumers make these decisions. This chapter will illuminate what goes on in consumers' minds as they make decisions in the marketplace—both in low as well as in high involvement modes.

LAYERS OF DECISIONS

Think about it: when you are in the marketplace, what decisions are you called upon to make about any product? Yesterday, you bought a *Some of us lamp* by designer Gaetano Pesce.

But it is not like you got up yesterday morning, and said, "Today, I am going to buy a Gaetano Pesce lamp." Instead, a few months ago, you started thinking about buying something spectacular for your living room in time for the New Year's Party at your new apartment. At first, you wondered if you should bother to spend that much money on one more home décor item at all. And then, even if you were so inclined, wouldn't you be better off, you asked yourself, to buy instead a big wall hanging from Morocco that you had seen at a Bal Harbor boutique? For several days thereafter, you debated these options.

All consumers typically face such dilemmas—deciding whether to purchase something entails weighing alternative uses of money and time resources. Consumers have finite money and time, and they must allocate them judiciously.



(Photo Courtesy of Gaetano Pesce)

Some of us lamp
by Gaetano Pesce



11

CONSUMER POST-CHOICE EXPERIENCE

Doubt, Satisfaction, Voice, and Loyalty

Cold Feet in a Hot Dress

SECOND THOUGHTS



I haven't felt even a slight tinge of fear or doubt about marrying Chris.

I am worried about being a good wife, yes. I am worried that I'm forgetting something important that I need to do to make the wedding and reception events go smoothly, yes. I am worried that I will forget my passport as we are trying to hop the plane to Mexico, yes.

But I'm lucky because I know that all of that stuff will work itself out. I will do my best and enjoy the rest. And I'm lucky because I can tell that even in my subconscious states, marrying Chris is one of the best things I can do in my life. ... So while I've had jitters about the event, I have fortunately not had jitters about the guy. This hasn't stopped me from having cold feet about my dress, however.

I bought it last fall. Before the flowers were chosen. Before the bridesmaid and flower girl dresses were selected. Before I was able to imagine how everything would come together.

I fell for a big, foofy dress. Lots of beading. Fairly substantial train. Needs a crinoline to lie properly. That kind of dress. The dress is gorgeous. There's a reason I chose it.

But as everything comes together, I've realized: It doesn't work with the big picture. I think I'm breaking up with my dress. Or I'm at least going to tell it I'm thinking about seeing others.

So I took up with a second dress last night. It's sleeker, a slimmer silhouette, more metropolitan. It is more appropriate to me, to us, our combined style and the tone of the event itself.

I don't know why I feel guilt and a need to apologize to the first dress. ...There's still a chance that it will work with that dress. Something about that just feels wrong, though. I will wake up on the morning of the wedding and choose between the two. :)

Nicole M. Sikora, a consumer who wrote this entry (in May 2004) in her blog diary at http://nicole.wiw.org/archives/2004_05.htm. (Reprinted by permission.)

582 5 13234

*I doubt
because
I care!*

POPULATION PYRAMIDS

This shift in population age distribution described in the table above is captured in **population pyramids**—a layered depiction of males and females by age group.

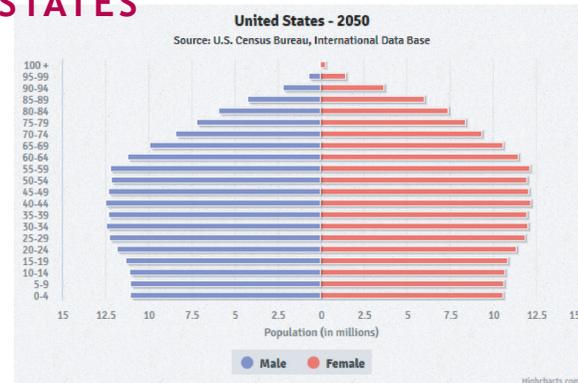
These are shown in EXHIBIT 13.1 for the U.S., Canada, the U.K., and a few other selected countries for 2020 and 2050. Notice how by 2050, the pyramid will become top heavy by 2050, a result of ageing population. Notice also, how, in the African nation of Congo, the pyramid is in the perfect shape, well, of a “pyramid”! This is because the population there is younger, giving the distribution a larger base with a tapering body.

If you are a marketer in, say, China or Mexico, selling clothing, music, food, cell phones, or whatever, you would realize how dramatically your product offerings and marketing communications (e.g., advertising, personal selling, etc.) will have to change over time, because of changes in the age distribution of your target customers. And, of course, the pyramid is changing in all other countries as well.

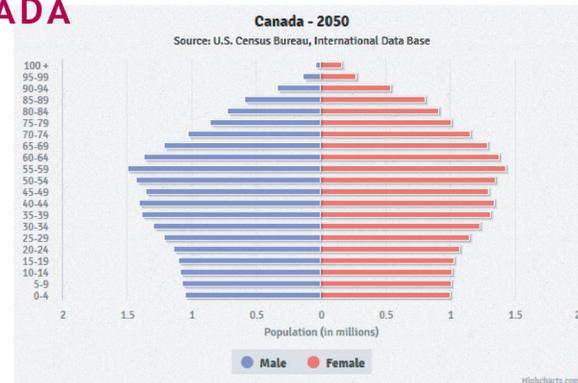
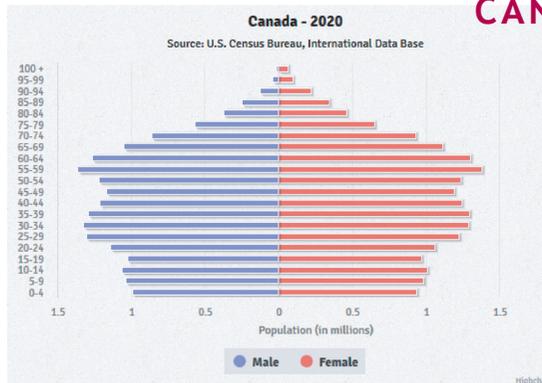
EXHIBIT

13.1

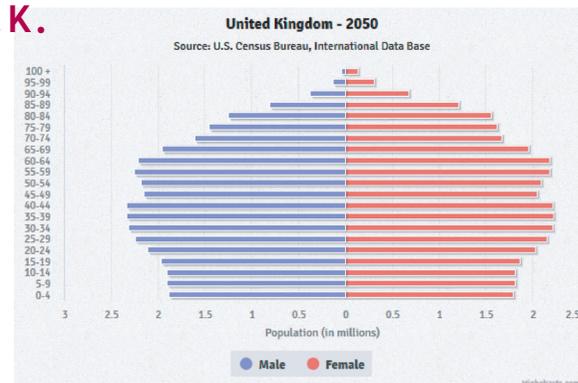
UNITED STATES



CANADA



U.K.



SOURCE: UNITED NATIONS, IDB, POPULATION STATISTICS. ACCESSED JULY 4, 2020

CHOICE
READING

BRAND ATTACHMENT

Brand attachment goes beyond brand loyalty. Brand loyalty means consumers like a brand, use it consistently, preferring it over other brands, and are committed to it so that they are not lured by competitive offers or incentives. Brand attachment is all this, and, in addition, it is also the case that the brand is embedded in one's psychological life and is a source of positive emotion. By "psychological life" we mean our mental view of ourselves (self-concept) and our social world and our conscious actions to live out that view of ourselves. That we do laundry, or commute to work in our cars, seek and consume nutritious food, and get our lawns watered and fertilized are parts of our physical world. But the brand of car we choose and drive because we feel that that brand reflects the type of person we are, the Bohemian coffee shop we hang out at because we believe that is where the hip people like us hang out, and the charity we donate to because we believe that its cause is worthy of our support—these are brands embedded in our psychological lives. We have given such brands a place in the circle of our self-concept, and we have appraised how well the brand is aligned with and can express our identities. By calling a brand "a source of positive emotion" we mean that the use of that product as well as just the thoughts about it bring us joy, pride, or love. Thus, **brand attachment** can be defined as the positive, strong, and enduring feelings the consumer has toward a brand, rooted in connections the consumer has made between the brand and his/her self and identity.

Marketing scholars have suggested that **brand attachment has two components as its building blocks: (1) brand-self connection and (2) prominence. Brand-self connection is already explained above. By prominence, these scholars mean that the brand occupies a prominent place in consumers' consciousness—that thoughts about the brand come to them naturally and frequently. A brand we are attached to is thus embedded in our selves, and it is often on our minds. It is implied that these thoughts, occurring frequently, bring us positive feelings and are thus a source of constant joy.**¹⁹

Why would we feel attached to some brands and not others? Again, marketing scholars have contemplated this question and have come up with three factors: (1) Problem solver—the brand is an outstanding solution to one of our recurring important problems or needs, particularly our social and identity needs; (2) Pleasing aesthetics—the brand's appearance, style, and use interface or use experience are pleasing to our senses; and (3) Personal values promoter—the brand reflects and promotes the human values we ourselves espouse and want to live by. Not all three need be present in any one product, but the more a brand has all three of these, the more brand attachment it will generate.²⁰

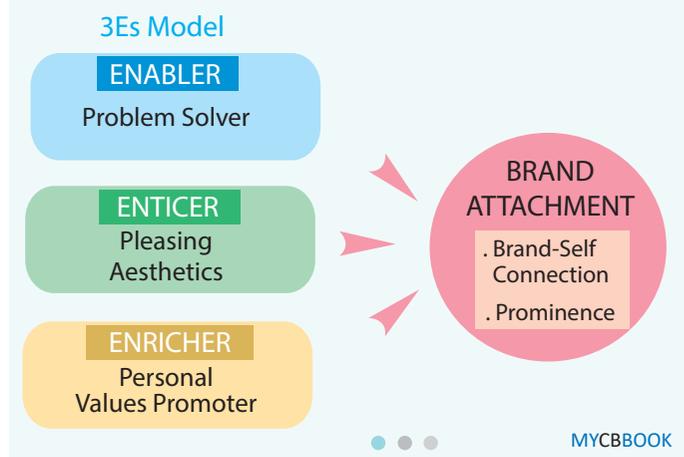
CB 2.0



Consider the iPod. When it came out, it really offered an excellent solution for consumers to store and play music. And its minimalist design and user interface—the rotating click wheel—were almost seductive; besides, the white ear buds look made you instantly hip. Whole Foods—or our neighborhood farmers' market store for that matter—distinctively solves our problem of finding super healthy food, and helps us play out our pro-environmental values. Harley Davidson is a potent prop in our social identities, and its riding experience delights all our senses. C.W. Park, A.B. Eisingerich, and J. W. Park—three scholars who gave us the three-factor theory—nickname these factors, aptly, as **enabler** (problem solver), **enticer** (pleasing aesthetics), and **enricher** (values promoter), or the 3Es of brand attachment.

Think of any brands that you yourself are attached to

FIGURE DRIVERS OF BRAND ATTACHMENT



and see which ones enable, entice, or enrich you. Of course, there are also brands some consumers hate; called *brand aversion*, that is the exact opposite of brand attachment. And we feel that aversion when the three drivers are negated—the brand fails miserably in solving the problem it was supposed to solve; it is aesthetically unattractive or our use experience is a hassle; and it defies our personal values (e.g., fair trade, environment, cruelty to animals, etc.)

Further reading: CW Park, A.B. Eisongerich, and J.W .Park (2013), "Attachment-aversion model of customer-brand relationship," *J. of Cons. Psych.* 23, 229-248; M. Reimann, R. Castaño, J. Zaichkowsky, and A. Bechara (2012), How we relate to brands: psychological and neurological insights into consumer-brand relationships, *J. of Cons. Psych.*, 22, 128-142.



Coke Romania Creates A 'Half Full' Bottle

In 2019, Coca Cola Romania ran a marketing campaign with a bottle that was half empty: the bottom half of the bottle was in clear white glass; the top half was filled with cola.

According to the 2018 World Happiness Report (prepared by United Nations), Romania is among the top ten unhappiest nations in Europe. Coca Cola Romania wanted to alleviate this feeling of unhappiness among Romanians. The TV ad that launched the campaign explained:

We are used to seeing the half empty side of the glass, the half that makes us sad and angry. And distances us from each other.

What if we saw the half full side more often.

In Romania, we created a bottle for those who look at the half full side of life and share their optimism.

Printed on the bottle labels was one of a selection of positive facts about Romania, such as:

- In 2018, a Romanian student won the junior Nobel prize in computer science.
- In 2018, the homes of Romanians were voted in top 10 most welcoming in the world.
- A Romanian singer has over 1 billion views on YouTube in the past two years.

Consumers were invited to share their own half-full stories on Facebook (#HalfFull)

The Creative Agency MRM/McCann Worldgroup Romania created the campaign. The campaign can be viewed on YouTube.

Discussion Questions:

How will this campaign change Romanian consumers' view of the brand? Will it make them more brand loyal? If yes, which factor of loyalty will be at work? Which other model in the chapter might apply? How?

EPILOGUE

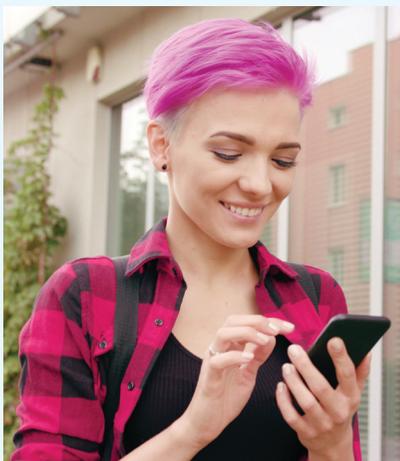
MARKETING MEETS THE CONSUMER

Insight, Foresight, and the Marketer Response

Feeling Pizza Fatigue? Popeyes to Your Rescue.



In July 2020, Popeyes—An American fast food restaurant chain serving fried chicken—stalked pizza delivery drivers. One of its own drivers followed a pizza chain’s delivery driver to the pizza customer’s house. After the pizza delivery person left the customer’s house, the Popeyes driver knocked and asked the resident if they would like to swap their pizza for Popeyes’ Family Meal. If the customer agreed, he handed over the Popeyes Family Meal he had carried with him. The driver was Connor Martin, a writer and short-film director, and he followed only 12 drivers over 3 days in Portland, Oregon. How many customers took the swap deal is a closely guarded secret. The video of this prank was posted on the chain’s Twitter page the next day.¹



Then, later in July, the chain ran a social media campaign to get customers to “navigate” friends and family members to order Popeyes instead of pizza. In a short video posted on YouTube, the company explained how to do it in three easy steps.

Step 1: Borrow a loved one’s phone.

Step 2: Search “Text replacement”

Step 3: Phrase: (Type in) “Popeyes instead of pizza”

Shortcut: (Type in) “pizza”

Next the video shows what happens:

Later, when your loved one (the phone owner) types in “Let’s get pizza,” the phrase changes to “Let’s get Popeyes instead of pizza.” They “correct” the intended word, “I mean pizza,” and the screen reads: “I mean let’s get Popeyes instead of pizza.”

If you took a screenshot and posted it with hashtag #LoveThatAutocorrect, you got \$5 off your next Family Meal order!²



The images are for illustration only and are not purported to resemble the brand or people referenced in the story.

79 212 5 13234



Segmentation and Target Identification

5Ps of Marketing

Deep Consumer Profiling

The Concept of Personalization

CB-Informed Marketer Response Strategy

Being a Marketer: Responsibility and Privilege

1

2

3

4

5

6

TO UNDERSTAND

LEARNING

OBJECTIVES

Seeking Love from Consumers

Today's consumers are social media savvy. Especially the young Gen Z and millennials. And, of course, consumers of all ages order food on their smartphones now. Consumers adopted this practice with a heightened frequency during the Covid-19 stay-home time. (Note the Popeyes campaign happened in July 2020). Savvy marketers like Popeyes are adept at tapping into this smartphone and net-centered buying habit of consumers. And we all enjoy watching a prank, of the innocent, harmless type, so the Popeyes' prank of stalking the pizza delivery person was purported to engage us, and it surely did. Occasionally, we like to play a prank ourselves, again, the small, innocent type of prank. So, who among us could resist the temptation of pranking a loved one's phone to autocorrect their habitual order of pizza to the food brand we suddenly realized we wanted to eat? In their marketing campaigns, all marketers have a singular question: Will it resonate with their customers? Or they should. Such resonance comes from being tuned into the consumer pulse.



Consumer Insights and The Marketer's Response

Now that we understand consumer behavior, the inevitable question is, how can we put all this knowledge to use to serve the consumer better? As customer-oriented marketers, we already know that we serve our business interests best by satisfying the consumer. Understanding consumer behavior—how consumers seek and obtain happiness in the marketplace—should enable us to fashion a marketing program that accords with our target consumers' modes of thinking, feeling, and acting. To satisfy consumers, marketing programs must respond well to consumers' motivations and needs, their hopes and aspirations, and their identities and life projects. In this section, we develop some key ideas for a consumer-behavior informed, responsive marketing program.





Basically, from a consumer behavior standpoint, there are three parts to a marketing planning project: (See Figure E1.)

- (a) segmentation and target identification,
- (b) deep consumer profiling, and
- (c) responsive offering presentation.

First, because no marketer can satisfy and serve all consumers, we must recognize salient differences among consumers and identify the consumer segments we can serve best (through segmentation and targeting). Next, we should research and understand consumer behaviors of the chosen groups (through deep consumer profiling). Finally, we must create offerings (e.g., products or services, pricing, and associated messages) that respond well to our target consumers' world-views (responsive offering presentation). Let us look at each.³

SEGMENTATION AND TARGET IDENTIFICATION

Some differences between consumers are obvious; for example, age, sex, race, income, education, social class, and geographic location. Collectively known as demographics (described in Chapters 13 and 14), these form the first bases for segmenting consumers. The next set of characteristics pertains to psychographics, and, in Chapter 5, we have covered some well-known psychographics-based segmentation schemes such as VALS™ and PRIZM. Many research companies offer other, country-specific psychographic segmentation schemes; as marketers, we should avail ourselves of these, and choose the one that seems most appropriate. Beyond these established ways of segmenting the market, virtually any of the other consumer characteristics discussed in this book can be used to segment our market: values, motives, perceptions, attitudes, loyalty, and involvement, among others.



Take *values*. Values can segment consumers into those who are materialistic versus those who are not; pro-lifers versus pro-choicers; environmentalists; consumers who value animal rights; and nationalists versus globalists. All can be useful in defining segments. In terms of motivation, consumers may differ on where they fall on Maslow's hierarchy. Product-specific motivations could also differ. For example, some consumers might buy a motorcycle as a more economical means of transportation than a car; others might buy it to experience outdoor adventure and the thrill of the ride; and still others might want one as a badge of a particular lifestyle. Consumers may also be classified as those with low involvement versus those with high involvement; those who are brand (or store) loyal versus those who are not; knowledgeable versus novice consumers; those who have "recognized a problem" versus those who have not; avid information seekers versus information minimizers; technophiles versus technophobes; net-surfers versus non-surfers; those who love to shop versus those who dread shopping; and so on.

These and many other concepts covered throughout the book are all useful bases for segmenting our market. Contemplating all of these criteria may appear to be an arduous task, but identifying the right consumer segment to serve is a singularly important responsibility in marketing planning. Admittedly, segmentation is less important if our product is one that can be mass-marketed. On the other hand, if we wanted to identify a niche market or an emergent market, contemplating and evaluating all of these consumer differences can be a very fruitful exercise. The benefit of reading this book is that we are now aware of a comprehensive list of variables by which to segment our target consumers.

FRAME-FORMING

Actually, *targeting* might be a misguided term, notwithstanding its use in marketing for more than four decades. A better term would be *frame-forming*. “Targeting” implies that consumers are the target (as in a bull’s eye). What marketers need to do instead is to adjust their *frame of view*, and to bring the consumer into the frame so they (marketers) can then keep their focus on the consumer. Mere semantics? Actually, no. Labels do reflect our implicit view of a phenomenon, and, in turn, they guide (and misguide) our actions themselves.⁴



DEEP CONSUMER PROFILING

Once we have identified our target market segment we must now prepare a comprehensive, deep profile of this segment. By *comprehensive deep profile*, we mean a description of as many of the consumer concepts as possible, as covered in this book. For example, suppose that our target segment consists of college seniors in metropolitan areas with a cosmopolitan outlook. Now, for this segment, we will need to describe everything: their values, motivations (e.g., achievement- or ego-needs), their lifestyles, and their activities and interests. For example, what kinds of music do they like? Are they into fine arts, fine wines, dining, sports, or community volunteerism? What is their culture, their ethnic identification, and their self-concept? What are their life themes, and what are some of their current life projects? Also, describe their perceptions about the marketplace, our product category, our brand, and competitor brands. Is this product category one of high or low involvement to them? How knowledgeable are they about this product category and about our brand? In what ways do they see the product as related to their life themes? Who are their reference groups? And which reference groups do they consider relevant, and from whom do they seek influence when selecting a brand from our product category? What specific product benefits are they seeking? What are their evaluation criteria? Which brands are in their evoked and consideration sets? What is their attitude toward our brand, on all three of the attitude components (know, feel, do)? Are they comparison shoppers, impulse buyers, coupon clippers? And so on.

To prepare such a profile, also called *buyer persona*, we will need to do in-depth consumer research. Initially, qualitative research using focus groups and in-depth interviews may be used. These may be followed by large-scale quantitative studies. If our product typically engages hedonic, social, and identity (rather than exclusively utilitarian) product values, then we may also want to deploy creative research methods such as visual collage construction or ethnographic studies (see Appendix 1). In essence, we are preparing a dossier on our target consumers. Such in-depth profiling might in turn reveal important sub-segments, and we must, naturally, recognize them and profile them individually. We may also revisit our decision to target or not to target a specific segment or sub-segment in the first place.⁵

RESPONSIVE OFFERING PRESENTATION

The third and final step is *responsive offering presentation*. By “offering,” we mean the product or service with all its associated entities—its branding, packaging, assortments, warranties, prices, distribution channels, and advertising messages. The so-called “augmented product,” that is. This offering must be responsive to all of the elements of the deep profiles we will have prepared—responsive to how consumers think, feel, and act. Essentially, this entails planning the 5Ps of marketing—four of which are classic, and the fifth a recent realization. Let us briefly discuss each.

Fashioning 5Ps of Marketing

Product The principal instrument of creating consumer satisfaction is the product. For established consumer needs, product designers should create configurations that best meet the needs of target consumers. In a car, for example, do our target consumers want fuel

economy or high performance, style or comfort? What amenities do they want? Many needs are latent, but placing ourselves in the consumers' proverbial shoes and making keen observations can suggest products for hitherto unmet needs—this is how Uber, Lime, and Bird services or Torrid stores for plus-sized teenage girls were conceived. Observing consumers' changing lifestyles can also uncover needs for new services such as mobile pedicure or apps like Snapchat, Shazam, and RunPee.

Pricing Several characteristics of the psychological makeup of our target consumers should inform our pricing decisions. Price should obviously be set at a level our target consumers can afford, based on their income. Beyond that, a product's desired image (e.g., economy or prestige) affects pricing. Consumers' reference price and price-quality associations also dictate pricing levels. If the target segment is price-sensitive and given to comparison-shopping, then the prices would have to be set at competitive levels. The more the product is bought

for reasons beyond its utilitarian value, the less price-sensitive consumers are. Likewise, the more the product plays a role in consumers' life-themes, the less price-sensitive the consumer is. Less price sensitivity means consumers are willing to pay more for intangible dimensions of the product or service, such as the prestige of the brand.

Place Marketers have a choice of a wide array of retail stores and distribution channels. Through classical conditioning, the image of the store rubs off on the product and brand;

and, conversely, the brand's image rubs off on the store. That is why Target (a U.S.-based department store company) commissioned renowned artists Michael Greaves and Philippe Starck to create signature merchandise exclusively for itself. The reciprocal conditioning between product image and store image occurs primarily for products with social and ego-identity value components (e.g., clothing, accessories), but not noticeably for primarily utilitarian products (e.g., detergents, staples). Stores themselves carve out their personae through atmospherics, making them more or less inviting for browsers. In making place decisions, marketers also need to decide if they should sell their products on the Web—either exclusively, or in

addition to bricks-and-mortar stores. Likewise, bricks-and-mortar stores need to decide if they should have a storefront on the Web as well. This depends, in large part, on whether or not the target market is net-savvy.

Promotions Promotions, as we know, consist of personal selling, publicity, sales promotions, and advertising. In personal selling, one of the most significant factors is whether the consumer looks to the salesperson as an informational and expert referent or, alternatively, as an identificational referent. Furthermore, the salesperson's product knowledge should dovetail with customers' own product knowledge levels and should complement their need for more information. Sales promotions are a valuable tool for



attracting deal-seeking consumers, but their periodicity and predictability should be managed so as not to create an enduring expectation in the consumer's mind. *Publicity* is non-advocate communication (i.e., independent of the marketer), either in the mass media (e.g., a newspaper article on the brand) or through person-to-person word-of-mouth. Because dissatisfied consumers talk (and they talk more than do satisfied consumers), it is imperative for marketers to resolve consumers' dissatisfaction, for example, through effective service recovery. Beyond that, advertising in newsworthy ways itself creates publicity *buzz*; for example, a TV commercial by Honda wherein a very voice-talented choir simulates, using only their mouths, the aural and sensory experience of driving a Honda.

Advertising (or, speaking more broadly, marketing communications) is also the field in which consumer behavior concepts most intimately influence marketing practice. Different media reach different consumers, defined both in terms of demographics and psychographics (e.g., *Self* magazine for image-focused teenage girls, and *Men's Health* magazine for fitness-obsessed adult men). Within the ad itself, the persons shown using the product should be similar to the target consumers in both demographics and lifestyle. Brand advertising should even capture the desired mood and the attitude of the prospective consumer. And celebrities must be carefully chosen to serve as the type of referent (namely, informational or identificational) that our target segment is seeking. The specific appeal itself must be determined through a careful consideration of the total consumer profile. It has to be congruent with the consumer's culture (e.g., individualistic or collective), address the consumer's motives, help bolster his or her self-concept, be an instrument of identity projection, and create the kind of brand relationship the target consumer seeks. If the consumer has misconceptions, then the firm should set out to correct them. If the consumer has no brand knowledge, then the marketer should focus on imparting that knowledge. If consumer cognitions about the brand are already adequately and truthfully formed, then advertising should move forward to create emotions and feelings by attaching some element of feeling to the product.

Advertising also should be fashioned according to the diverse levels of consumer involvement—more visual, with banner copy for low-involvement consumers, and a detailed product story for high-involvement consumers. Marketers should also harness the enthusiasm and interest of highly involved consumers in order to build brand communities by organizing brandfest events (as does Chrysler for Jeep, among others).

Personalization Personalization refers to how a business organization treats an individual consumer—as a number, or as a person. This is the “how” dimension of business transactions. It is most pertinent to the consumer-marketer interface, the interaction between the consumer and the marketer. Whether that interaction is face-to-face or via telecommunications, consumer-initiated or marketer-initiated, pre-purchase or post-purchase, it should be functional (meets consumers' needs), efficient (minimizes consumer inconvenience and costs), and socially rewarding (addresses the consumer's need to feel respected and valued as a person). Functionality, efficiency, and social reward are judged, of course, from the consumer's point of view, not the marketer's. Interactive Voice Response (IVR) systems might be efficient from the marketer's point-of-view, but if they force the consumer into a mile-long nested menu, then, from the consumers' point-of-view, they constitute a negative value. And once the consumer is connected with a real human, the challenge is even greater—the live human should be, well, *human*. She/he should have good listening skills, be knowledgeable about the product, and, most importantly, genuinely enjoy people.⁶

Everything in this book about consumers will help a marketer fulfill this role responsibility. Consumers experience approach-avoidance conflicts; they make attributions (e.g., “Why is this salesperson recommending this option?”); they make quick inferences and form distorted perceptions; they need mnemonics to remember market information;



3 6 2 1 2 5 1 3 2 2 1

they need recognition cues to recall a brand message (aided recall); they sometimes enter the marketplace trying to form evaluation criteria (therefore, we should not push them toward a quick decision); they enjoy browsing. To get information, women approach the salesperson quickly, while men like to discover it on their own. And most important, rather than being persuaded, consumers persuade themselves. We will likely review these concepts in the book from time to time, as we plan our marketing programs to connect with our consumers. The utility of re-reading about various consumer behavior concepts in this book can never be overemphasized. After all, the purpose of a marketing program is not merely to go through the routine, or to see that the system runs efficiently, or to play the standard script. Instead, it is to *satisfy* the consumer. The consumer—the curious, engaged, distracted, bored, hassled, anxious, confident, risk-averse, venturesome, task-focused, playful and spontaneous, self-doubting, motivated, unmotivated, minimally involved, enduringly involved, angry, delighted, frugal, indulgent consumer, living up his/her self-concept, and seeking from the marketer the products that will advance his or her current life projects.

To understand this consumer deeply, and then to innovate responsive offerings is, our sacred task. And it is also our grand opportunity to do well for ourselves by doing well by the consumer. To prepare us for that task, we hope this book has served us well, and that it has given us reasons to revisit the many CB concepts illuminated herein.

E

SUMMARY

Will our marketing plan and campaign resonate with consumers? That depends on how well we use consumer insights. A marketing planning project can be understood as a three-step process: (a) segmentation and target identification; (b) deep consumer profiling; and (c) responsive offering presentation. The last step creates the content of the marketing plan, which in turn comprises 5Ps of marketing. Four of these Ps are classic in marketing—*product*, *price*, *place*, and *promotion*. The fifth P, *personalization*, still new in the marketing literature, is a code for putting the humanity and the individuality of the consumer at the center of our marketplace interactions. Rather than treating the consumer as a mere number in an assembly-line-like market exchange, the call of the new marketing is to offer opportunity for consumers to interact with a human voice in the marketing organization—a human voice that understands and respects the individuality in each consumer.



E

KEY TERMS

Frame-forming
Personalization

Deep consumer profiling
Responsive offering presentation

E

YOUR TURN

1. Name the 5Ps of marketing.
2. What do the following terms mean: (a) Personalization, (b) deep consumer profiling, and (c) frame forming.
3. Describe some bases of segmenting a market.
4. Briefly explain the three-step process described in the chapter for marketers to apply this book's lessons.





a



b



c



d



e

The bike helps me deliver fast.

Every morning I ride to work ten miles. Proudly keeping my carbon footprint low!

Photo Quiz

The *USER* Concept is a key concept proposed in Chapter 1, so it is in order that, before we conclude this book, we invoke that concept and refresh our understanding of it.

. Write down the four values consumers seek and which this acronym stands for. Then identify which consumption depiction (of bicycle) signals which value. (There maybe more than one picture for some values and none for some others.)

- | | |
|----------|----------|
| 1. _____ | 3. _____ |
| 2. _____ | 4. _____ |



It is in the human psyche that consumers will forever seek novel experiences. Marketers must constantly innovate “offerings” that produce these experiences. This is the marketers’ challenge. And their privilege.

Welcome to the fascinating world of consumers and consumption!!



THE ENCHANTED CONSUMER

POSTMODERN CONSUMPTION EXPERIENCE

The Esoteric and the Experiential

Beatlemania! Abbey Road Studios is the world's most famous recording studio. Located in the City of Westminster, London (UK), it is here that the British rock band the Beatles recorded most of their songs, including the iconic *Abbey Road* (1969). Its recording rooms and the team of recording engineers are quite possibly the world's most state of the art. Sam Smith, Adele, and Lady Gaga have recorded here.

Now the same rooms are available to consumers, for them to record their own songs, with "mastering" from the same recording technicians. In 2020 and beyond, even those among us who merely dabble in singing could now record a birthday or an anniversary (or whatever) song here—to create an unforgettable gift for a loved one or for our own *Instagram Story*.¹

At the Santa Monica Place shopping mall in Los Angeles, CA, there is a wonderful place called *ModelLand*. Launched in late 2019 by supermodel Tyra Banks, it is an amusement park spanning 21,000 square-foot space, filled with fashion and beauty exhibits and events, featuring actors, dancers, designers, and beauty experts, and runways and photoshoot stations. There are cameras everywhere taking your photos (later available to you to purchase). More than anything else, it is intended to help you overcome your anxiety about your body shape, Says Ms. Banks on the Park's Website: "I believe all shapes and all sizes and all ages and all shades deserve to feel beautiful, powerful, and experience the fantasy version of themselves."²

This is the stuff consumer researchers call postmodern. Experiential. Authentic. Global. An increasing number of consumers—certainly only a niche segment by any stretch but substantial and growing nonetheless—are seeking it. They are consuming not just products, but also the symbols behind them, and their meaning. The "consumption of meaning" comes into full focus when the goods being consumed are intangible—such as art and memories and virtual life. How consumers consume the meaning of these symbolic and experiential goods and what life satisfaction they derive from such consumption is our topic in this note.

OBJECTS OF DESIRE

DEEP MEANING IN CONSUMPTION

What does your car mean to you? Do your sunglasses have a special meaning for you? Do your sunglasses have a special attachment to your pair of jeans? Your CB textbook? And, would you feel sad giving away your old high school football outfit? To explore the symbolic meaning of goods, we have selected eight unique and significant consumption entities, here simply called consumption potpourri. This is a rich cornucopia of the culture of consumption itself, so let us immerse ourselves and experience it.



SPECIAL TOPICS

- | | | | |
|-----------|---|--------------------|-----|
| 1. | PSYCHOLOGY MEETS ECONOMICS
Why Consumers Can't Count Their Money Correctly | Priya Raghubir | 449 |
| 2. | CONSUMERS IN SEARCH OF PROPER PLEASURE
How Brand Stories Help Consumers Enact Dramas in Their Lives | Arch G. Woodside | 454 |
| 3. | THE ONLINE LIFE OF COFFEE AFICIONADOS
A Netnography of an Online Consumption Community | Robert V. Kozinets | 459 |
| 4. | GENDER BENDER BRAND HIJACKS AND CONSUMER REVOLT
The Porsche Cayenne Story | Jill Avery | 467 |

PSYCHOLOGY MEETS ECONOMICS:

Why Consumers Can't Count Their Money Correctly

Priya Raghubir, Stern School of Business, New York University

Consumers feel happier if they discover that the complimentary ticket they received was priced at \$200 rather than \$100. They see greater value in two 10% discounts than in a single 20% discount. And they buy a \$200 appliance placed next to a \$220 model but not when it is placed next to a \$180 model. Economics calls these consumer behaviors “irrational.” Psychology considers them “normal.” This paper illuminates why.

The “Irrational” Consumer Goes to Market

Barbara and Jenny, two friends, both traveled on frequent flyer miles from San Francisco to New York over Spring break. During the flight, Barbara found out that the person sitting next to her had paid \$475 for his ticket; Jenny found out that the person in the seat next to her had paid \$936. Later, when they told each other about this, Barbara felt sad: “I am always unlucky. I saved only a half of what you saved!”

Vicky had always wanted a pashmina scarf. In her local store they sold for US \$99.0. When she went to India she found the same scarves selling for 500 Rupees each (approximately US \$9.99). She was delighted and bought herself a pale pink scarf. She took pleasure in knowing that she spent only \$10. Her friend, Christie, on her trip to India went to an upscale store where the prices were displayed in U.S. dollar currency. There, she found the scarves selling for \$19.99 and bought three of them. Back home, Vicky was kicking herself for not having bought more scarves; Christie, on the other hand, could barely contain her joy.

Geeta and Rita, two friends in college, always hung out together. When they went out shopping or clubbing, they would always buy each other coffee, beer, or lunch, in turn—ignoring small price differences between what each bought for the other. Once, they went on a vacation together to Europe. There, suddenly, they started accounting for every penny they paid for each other’s meal or drink, ensuring that in the end, they evened out. Back in the USA, they resumed their old pattern!¹

Barbara, Vicky, and Geeta. Three perfectly rational consumers. Just like you and me. Yet, their behavior in the above episodes is, from an economics point-of-view, totally irrational. A free plane seat is a free plane seat, period. So why should it matter (to Barbara) how much a fare paying passenger paid for it? The price of a scarf marked in rupees was, when converted in dollars before buying it, still only \$9.99, so why did it not seem (to Vicky) a deal enough to buy more than one unit of the highly desired scarves. And, the fellow vacationer (Rita) is the same friend, so why should the joint consumption, and paying for it in turn, change (for Geeta) from one of mutual friendly favors to bean counting?

It is clear that economic theory fails to explain these everyday behaviors of consumers. In this chapter we draw on current and classical theories of consumer psychology to understand how consumers act in the marketplace when they are deciding whether or not to pay, and how much to pay, for a product or service. Our main point is that both the prices on products and the money that consumer have are valued subjectively.

What is money? Does money in another shape, size, color, or form feel different? Is it spent differently? Saved differently? Recalled differently? Stored differently?

What are prices? Does a price communicated using another set of words or numbers or currency feel more or less expensive? Does the sequence in which a price is seen before or after other prices, or before or after information about the product or service, affect how attractive or unattractive it appears?

The anecdotes above suggest that the answer to all these questions is a resounding, unequivocal “Yes!” We invoke psychological rules to explain how consumers process information when they are making economic transactions. These rules draw on psychological concepts covered earlier in the book, as applied to the domain of money and prices.

PERCEPTION

As you understood from the chapter on perception (Chapter 3), we do not perceive an object (or its price) *objectively*. Rather, we perceive it *subjectively*. Therefore, the object or price perceived depends on the context and on us, the perceiver. This subjectivity in perception entails many biases in our perception. To understand these biases, let us review a few additional consumer episodes, in the Box titled PSYCH RULES. Read them now, and pause for a minute to contemplate whether you would have acted differently. Done? Okay, read on.

REFERENCE POINTS

One of the most influential ideas in how people perceive money and prices is the idea that their values are not an absolute, but are based on a “reference point” against which they are evaluated.² That is why:

- **A free ticket evaluated against a full price ticket of \$936 will seem to be a much greater benefit to the consumer than the same ticket**

CONSUMERS in SEARCH of PROPER PLEASURE

How Brand Stories Help Consumers Enact Dramas in Their Lives

Arch G. Woodside, Boston College, USA

Consumers are hardwired to tell stories of their consumption. Through storytelling, consumers interpret, make sense of, and relive their original consumption experience. Such re-experiencing through storytelling, Aristotle calls “proper pleasure.” Residing in our unconscious and behind these stories is an archetype—the hero of the story if you will. While brand communications often tell brand stories of their own, few rise to the level of successfully incorporating the archetypes specific consumers are trying to achieve—archetypes such as the hero, the anti-hero, or the rebel, for example.

We illustrate the role of such archetypes in brand communications through a brand consumption story about Versace and the archetype some consumers might well experience—namely, the siren, the seductress in a Versace coat. This story is vivid proof that archetypes are real, and it is an invitation to brand managers to become familiar with the repertoire of various archetypes, or else miss an opportunity to bring consumers “proper pleasure” they (the consumers) are seeking.

“So Where the Bloody Hell Are You?”

Thus asks the tag line in a new TV commercial campaign for Australian Tourism. The commercial shows vignettes uniquely available for experiencing in Australia. This tag line, and the commercial which employs it, was not invented in thin air. Rather, the Australian Tourism Board had done extensive consumer research. The tag-line represents the “gist” of a story that the viewer of the TV commercial is supposed to learn and enjoy about the brand—Australia. In this essay, we will explain:

- How consumers build stories around brands they consume
- How these stories bring them “proper pleasure”
- How the telling and listening of stories helps them become mythical “heroes”
- How brand communications help, or can help, consumers experience their “proper pleasure,” achievable through the realization of aspired mythical icons

Jung on Myths and Icons

According to psychologist Carl Jung, each of us has a mythical icon in our unconscious mind that we want to implement.¹ We may be a 16-year old regular teenager or a college student or a 40-year old dad of two, and that is how we think of ourselves most of the time. But existing often unconsciously in our psyche there is another image of ourselves—this image is sometimes an alter ego—different from our regular visible image, such as “accountant by day, cowboy by night”; or alternatively, it may be the extension of our regular self stretched out to its outer limits—e.g., a slightly altruistic person by day, Robinson Crusoe by night; or merely a shopper ostensibly, but a warrior deep within; or a soccer mom in casual appearance but Supermom inwardly. We live and relive these myth icons of self by reflective thoughts and by fantasizing about them, and by constructing

these fantasies around our everyday chores and everyday consumptions. We build them also by narrating the stories to ourselves and to others, and in these narrations we sometimes stretch, embellish, dramatize, and give heroic qualities to everyday consumption experiences. Brands help us play out such myths. But by telling them first in drama-based ads, or in vignette-based narratives, brands also help us experience the stories vicariously.

While all archetypes exist in all of our psyches, each of us tends to enact a limited set of them in our lives—we tend to form scripts unconsciously, based in part on early personal experiences and the associations of these experiences with specific archetypes. Put simply, with experiences in our cultures, or from mythical stories prevalent in our cultures including movies, we become familiar with a set of mythical icons (e.g., the Superman) and then adopt one of those as our own alter-ego (our archetype).

How Consumers Experience Brand Stories

Myths have heroes. Likewise, all stories have a protagonist—the main character in the story. Often, they also have an antagonist—the character who blocks the mission of the protagonist. Eventually, the protagonist wins. This is recognized, in popular parlance, as the triumph of the hero over the villain.

Consumers both live the myth stories and then they tell them. They live these stories in that, modeling after the archetype in the myths, they try to enact the product drama, i.e., the drama surrounding the product’s use, in a manner that will make them the protagonist in the related myth story. Living the stories enables consumers to achieve archetype outcomes: become Mr. Evil—an anti-hero—by donning a WWII helmet and a black leather jacket, and riding a Harley-Davidson motorcycle on a Saturday afternoon, even though this consumer might be an accountant five-days a week.

The Online Life of Coffee Aficionados: A Netnography of An Online Consumption Culture



Robert V. Kozinets, York University, Canada

Coffee is just another product for you too. You could just as well be selling those turnip twaddlers of flame retardant condoms, but as long as you are having fun and paying your bills, that is all that matters to you, right? I am afraid that it is not quite that simple for many of us. We take our coffee very seriously, and to have it demeaned in such a manner is a slap in the face. Coffee is much more than a tool. It is passion, it is intrigue, mystery, seduction, fear, betrayal, love, hate, and any other core human emotion that you can think of, all wrapped into one little bean.

—Peter, posted on <alt.coffee> 08/14/2000

This is one of many posts on online discussion groups that you may encounter and benefit from as a consumer researcher. Capture, read, and delve into enough of them, and you will begin to build some of the deeper insights that mark the best marketers. This work of understanding online communities is part of a new approach to consumer research called *netnography*. Just what is netnography? And what can the passionate online musings of coffee fans such as Peter teach marketers about consumers and their brands—not just brands of coffee but brands of any product category? To find out, read on.

Alt.Coffee: Coffee Wisdom on the Net

Alt.coffee has been serving up coffee wisdom for well over a decade. It attracts the attention of well over one hundred thousand consumers. Online communities like this exist for any number of other products. Consumers, particularly those consumers who are deeply interested in particular products or brands, inhabit such communities, in the physical world and online. In online worlds and social groups, they hang out, chat, educate and entertain themselves and one another. They do it in forums, on blogs, in virtual worlds like Second Life, and on social networking sites like Facebook. And in the process they take their product experience to a new height.

You can join a community, or simply watch it as a lurker. And you can learn a lot from it. About the community, about online worlds, and about consumption in general. A new breed of consumer researchers is doing just that. We call them *netnographers*. They perform ethnography—a technique from anthropology—on the Internet. The insights they discover can be amazing. Let us study their ways.

Ethnography: Inside A Culture

Let us first meet Netnography's elder sibling, *ethnography*. The word *ethnography* literally means 'writing about a culture.' Anthropologists, who specialize in studies of culture, employ this method and use "participant observation" as their approach. This means that, in order

to write about a culture, an ethnographer will live in a community as a member, observing and participating in the life of that community. Ethnographers study the unique meanings, practices and products of particular social groups. Because it is a technique of careful observation and reflection, the most important instrument in conducting an ethnography is not a machine, a recording device, or a piece of software. It is the ethnographer. Professional ethnographers hone their skills with many years of fieldwork. They learn how to observe fine details, to record them unobtrusively, to learn new languages, to use interview techniques, and to carefully analyze meanings.

Unlike other forms of research, ethnography is all about the specific. Ethnographers study the members of a specific group, like the Bora Bora tribe or a football fan club. Within those groups, they seek to learn about specific things that make the group unique—their particular customs, their particular foods, their rituals; their ways of greeting; how they are being affected by the world today. And so on.

One of the greatest things about ethnography is its flexibility. The method is constantly adapted to study new types of cultures as they emerge. And so it is no surprise that it has come to be adapted to study online social worlds.

Now Meet Netnography

Anthropologists already know how to conduct ethnographies in face-to-face situations. However, the online world is different. Communications that take place through a computer are "mediated" communications. Text and pictures are used rather than the spoken word. People may not be who they seem to be. People can take more care and time to represent themselves. The type of information that is collected is different. Conversations are automatically saved, and linger in time. There are many conversations that are public, and anyone in the world can enter it, or listen in. All of these things make ethnography on the Internet very different from face-to-face ethnography.

GENDER BENDER BRAND HIJACKS AND CONSUMER REVOLT

The Porsche Cayenne Story

Jill Avery, Harvard Business School, USA

Larson tells you that he bought his new Ford Mustang because of its performance characteristics, touting its 4.6 liter V8 engine that generates 315 horsepower and torque power like he's never felt before. He and his dad spent years in their garage rebuilding old Mustangs from the 1960s when he was growing up.

The crowd is thick at the bar and John has to shout so that the bartender can hear. As John yells, "A cosmopolitan with Stolichnaya Razberi," the crowd surrounding him goes quiet and then erupts into laughter. John quickly adds, "...for my girlfriend. And a Jose Cuervo tequila shot for me."

Carlo laughs when you ask him whether he smokes Marlboro cigarettes in order to be a cowboy. He tells you that Marlboros generate the densest smoke, thick and syrupy, just like he likes it. He's always smoked Marlboro because that's what the older boys in his neighbor smoked when he was a teenager.

Walking out of the theater, Dalton just shakes his head when you ask him whether he liked the movie he has just seen, Confessions of a Shopaholic, starring Isla Fisher as a Manhattan writer with a shopping addiction. Smiling, he points to his girlfriend who gushes about the movie. While she is speaking, he rolls his eyes and pretends to slit his own throat.

Brands are Gender Identity Markers

In today's world, the things we buy serve as identity markers, communicating who we are or who we would like to be to others around us. People who know us use our consumption as clues to understand who we are, and they judge us based on what we buy, use, and do. Our consumption communicates a lot of different things about who we are. Think about how the clothes someone wears helps tells us whether they are rich versus poor, conservative versus liberal, old versus young, yuppie versus bohemian, urban versus rural, showy versus modest, hip versus mainstream.

One central part of who we are is our gender identity—our sense of ourselves as women or men. Larson, John, Carlo, and Dalton are typical guys and they choose products, brands and consumption experiences that reflect who they are. What these consumers have realized is that the products and brands they use and the consumption experiences they choose contribute to their identity as men. Their masculinity is judged by the cars they drive, the drinks they order, the cigarettes they smoke, and the movies they like. Buy the wrong thing and one's masculinity is questioned; buy the right thing and one's masculinity is secured. Across many different product

categories, things are gendered. Think about how easy it is for you to match the following products with either men or women:

- Harley-Davidson motorcycle vs. Vespa scooter
- Mountain Dew vs. Diet Coke
- Chevy Corvette vs. Volkswagen Cabriolet
- Jack Daniels whiskey vs. Turning Leaf chardonnay
- Entourage vs. Sex in the City

Marlboro vs. Virginia Slims

Throughout history, marketers have created gendered brands, creating their brands and the stories they crafted about them in their advertising to appeal either to men or to women. One classic example comes from The Altria Group, formerly known as Philip Morris. The Marlboro cigarette brand, known today for its rugged American West imagery, actually began life as a cigarette targeted towards women. Early advertising for Marlboro from the 1920s featured the tagline "Mild as May." It was only in the 1960s that Marlboro created the Marlboro cowboy and the mythical place he inhabits, "Marlboro Country," which has fueled the masculine image the brand enjoys in the marketplace today. Today, the Marlboro brand team hosts smokers at the Marlboro Crazy Mountain Ranch in Montana to let them live out their cowboy fantasies. At the same time that the company was giving the Marlboro brand a masculine make-over, it introduced Virginia Slims, a cigarette targeted to women, that featured taglines like "It's a woman thing" and a more elegant, narrow shape, tapered to mimic a woman's fingers.

Diet Coke vs. Coke Zero

A more contemporary example comes from The Coca-Cola Company. For years, Diet Coke has reigned as the top selling diet soda in the marketplace. However, Diet Coke's sales have been fueled almost entirely by women. Why? Consumer research told marketers at Coca-Cola that men, increasingly conscious about their weight, would like less calories in their soda, but that they were turned off by Diet Coke and other diet sodas because of their ubiquitous appeal among women. It was only when Coca-Cola in 2005 introduced Coke Zero that men flocked to the category. Coke Zero was launched in a black can, which starkly contrasted with Diet Coke's white and silver can, reflecting, as Coca-Cola's marketers claimed, the fuller flavored, bolder drink inside. Coke Zero's irreverent launch advertising was also designed to pull in men, as was its sponsorship of the 2008 "Coke Zero 400" NASCAR

RESEARCHING THE CONSUMER

Dear Consumer: May We Hang Out With You for a While?

Laskerville—a code-named small town outside Chicago. The town has a population of 8,000 to 10,000, not counting the three or four visitors who slip in and out of town. You can see them in the market square, in local bars, at car dealerships, even at the funerals. It is they who have given the town this code name, and the townspeople don't even know it.

They are researchers from the Chicago-based Foote, Cone & Belding (FCB) advertising agency, whose founder's name was Albert Lasker. Since 1989, the researchers would cast away their business suits and don jeans and boots. To mingle with the villagers. To chat with them casually. About whatever interests them—the villagers. Trying to get a fix on what turns the wheels in small-town U.S.A.

Laskerville, you see, was chosen because it is typical of small towns across the nation. And a lot of advertisers want to sell to very common folks in these very common towns. What better way to find out about their attitudes, lifestyles, concerns, and mores, than to observe them firsthand in their natural habitat.¹

INTRODUCTION

You don't have to live in Laskerville to know about consumer research. In one form or the other, we have all experienced it first hand. If you visit a restaurant, on the table there, you might find a comment card, requesting your opinion on your experience during the visit. If you are in a mall, someone might approach you with a request to answer a few questions. Sometimes when your phone rings, there is a marketing researcher on the line, wondering what you think of the detergent you are currently using, whether you have an opinion on the upcoming election, what your future computer needs might be, or how you spend a typical weekend.

These are not idle questions someone decided to ask to kill some free time on a Friday afternoon. These are questions, instead, designed to understand you as a consumer—what products you buy, how you buy them, and what your experience is with them. These questions determine whether the consumer type that you represent would be a prospect for a company's product or service, what kind of specific product or service design changes might appeal to you and to the kind of consumers you represent, and how that product or service may be offered to you. Researching consumer behavior is critical for marketing success.

Lest you shudder at the thought of someone watching you in the supermarket, remember a supermarket is a public

space and surveillance cameras are watching you in retail stores all the time anyway. More importantly, all consumer research, if done properly and ethically, aims to bring more value to you, the consumer. As marketers,

we can learn a lot by simply observing shoppers quietly; and by hanging out with consumers. Actually, there are a number of other methods of researching the consumer, each with its own charms and challenges. In this chapter, we describe them all—the various methods of researching the consumer.



Two Types of Consumer Information: Qualitative and Quantitative

Consider these two questions:

Q1. Why do you like Rainforest Cafe? Is it because of their:

1. Food quality;
2. Menu variety;
3. Atmosphere;
4. Value price;
5. Other

Q2. How do you feel when you dine at a Rainforest Cafe? Describe your experience and feelings during your first visit there?

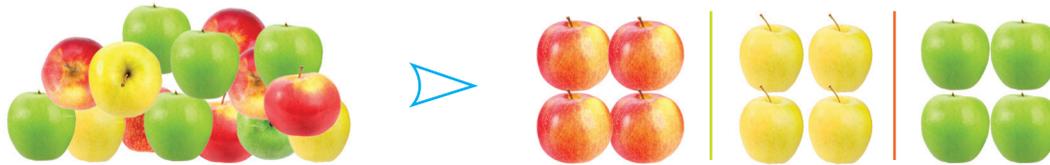
These two questions are meant to obtain two different types of information, respectively called *quantitative* and *qualitative*. **Quantitative information** is information collected in a form that can be easily coded into numerical value. **Qualitative information** is information that is collected and presented in the consumer's own words and cannot be easily coded into numerical value. The quantitative questions contain pre-specified responses for consumers to choose and mark; qualitative questions leave the response totally unspecified, thus offering the consumer an opportunity to give the answer in his or her own words.²

An important question is, when should we use qualitative versus quantitative research? The answer lies in a simple but unique difference in the way we form the question. In Q1 on Rainforest Cafe, notice that we are providing the list of possible answers; in Q2, in contrast, we are leaving it for consumers to provide the answer. Why? It is because, in Question 1, we assume we already know the range of possible reasons for consumers to like or dislike Rainforest Cafe, and we just want to find out which of the possible reasons are true for how many consumers. In contrast, Q2 implies that we don't know the possible answers, or are not sure what sort of reasons might exist for people to visit Rainforest Cafe. Moreover, quantitative research method lets us know only the cut and dry reasons

MARKET SEGMENTATION

WHERE MARKETING STRATEGY MEETS CONSUMER INSIGHTS

Market Segmentation Perhaps no other concept in marketing is more potent than the concept of segmentation. The core idea is that all consumers are not alike, and that to satisfy individual consumers, we must bring them market offerings designed to meet their specific needs. Market segmentation is the process of identifying key differences among a population of consumers and clustering them into distinct groups corresponding with their different needs and characteristics. These resulting groups are called market segments.



In an absolute sense, seldom are any two consumers entirely identical. In this sense, then, every consumer is a segment unto himself/herself. But many of the differences are minor, and for practical reasons it is wise to not pay heed to every little difference. We end up grouping consumers, therefore, into *broad* groups, using grouping criteria that imply significant differences. For example, we could group consumers simply by their sex, treating men and women as two distinct segments. Or we could cluster all people into brown-eyed and blue-eyed consumers; however, this grouping would not be very helpful (except to perhaps those marketing colored contact lenses or eye makeup). Thus the core goal of segmentation is to identify consumer groups whose marketplace behaviors will be significantly different.

What are the desirable features of good segmentation schemes? These are:

1. A manageable number

If you divide your customers into too many segments, it would be difficult to attend to their fine-tuned differences and impossible to target them individually. Thus, no marketer can deal with, say, 100 or even 50 segments. Typically, eight to ten should do, preferably fewer. (Note: The PRIZM scheme—see Chapter 6—comprises 66 segments, but that is an omnibus scheme for the *entire* country population; from these, marketers would select, typically, 8 to 10 segments, at most, to target. If you were to identify segments among your existing customers, however, then a smaller number of segments, say a maximum of ten, would be more manageable.)

2. Internally homogeneous, mutually heterogeneous

Consumers within any segment should be as similar as possible while consumers in different segments should be maximally diverse across segments.

3. Segment size

The resulting segments should not be too small. Otherwise it will not be profitable to target each segment separately.

4. Segments should be measurable

The criteria by which different segments are defined should be easy to measure. Broadly speaking, demographics (age, income, etc.) are easiest to measure whereas psychographics entail more complex scales.

5. Segments should be accessible

It should be possible to target different segments by different marketing mixes. In relative terms, geographic segments are the easiest to target (by place-based media and by physical outlets); likewise, income and affluence are easy to target by pricing (e.g., in airlines, coach and business classes). Psychographics are targeted, less easily, by message design contents that depict prototype consumers of the target lifestyles. Human attributes that have no other targetable correlates are difficult to target, such as, say, left-handed versus right-handed persons or blonds versus brunettes. In such instances, segmentation is still useful, leaving accessibility to self-selection (less efficient but the only possible method): Consumers will self-select themselves to those market offerings that fit their needs.

CASES + Experiential Learning Projects

**Short Descriptions of-
Marketplace Happenings**

From the classic
*Don't Mess With
Texas to the 2020
Beauty Unaltered*

CASES

Case 1	Desigual Loves Your Selfie Obsession	486
Case 2	For the Love of Bread	487
Case 3	Watch This Movie with a Hundred Bikers	488
Case 4	Undie Party in a Store	489
Case 5	Nudie Jeans: The Naked Truth About Denim	490
Case 6	Don't Wear Your Stockings; Spray Them	491
Case 7	Beauty Unaltered: Courtesy of CVS	492
Case 8	Music for Your Pet's Ears	493
Case 9	Don't Breathe... Buy Our Diesels	494
Case 10	Love At First Taste	495
Case 11	A Tale of Two Social Experiments in India	496
Case 12	Selling Victoria's Secret in Saudi Arabia	497
Case 13	A Festival of Love: Courtesy of the Singapore Government	498
Case 14	Water for Her, Water for Him	499
Case 15	Moxy Hotels: Will Millennials Check In?	500
Case 16	How Brands Charm Women	501
Case 17	A Car for Women by Women	502
Case 18	How I Bought My Car	503
Case 19	Lets Talk Race	504
Case 20	Don't Mess With Texas	505
Case 21	Ideals of Beauty: Brazil vs. the USA	506
Case 22	New Food Labels: Make Them Bigger	508
Case 23	How Green Is Your Campus?	510

**Short Bursts of Action on
Social Media**

From the Miller Lite's
*Unfollow Call to the
Getty Museum's Art
Challenge*

Social + Digital

SD 1	Unfollow Us for Free Beer	511
SD 2	A Cool Tiktok Dance	512
SD 3	How Many Ways Can You Serve A Burger?	513
SD 4	When Humble Products Become Bespoke Art	514
SD 5	A Briefcase Like No Other.	515

**Easy Stimuli to Kickstart
Your Practice Projects**

From Drawing
*Perceptual Maps
to Crafting Brand
Personalities*

Experiential Learning

EL 1	Give Your Brand A Personality of Its Own	517
EL 2	When Brands Bring Emotion	518
EL 3	I Obey My Thirst	519
EL 4	The Art of Drawing Perceptual Maps	520
EL 5	Build It and They Will Come	521
EL 6	Getting Consumers to Write Their Autobiographies	522
EL 7	What is Your SELF Made of?	523
EL 8	Listening to My Self-concept	524
EL 9	Measuring Self-Image Brand-Image Congruence	525
EL 10	Going to the Ballgame: Take Your Psychographics With You	526
EL 11	The Psychology of Gift-Giving	527
EL 12	Which Watch Do You Like?	528
EL 13	Give This Doughnut Your Marketing Mojo	529
EL 14	Food and I	530
EL 15	My Mood Water	532
EL 16	Let's Meet Some Millennials	533

CASE 1

Desigual Loves Your Selfie Obsession



In early 2020, if you were in Spain or Brazil or Canada or the Netherlands or the USA or the UK and were walking by a store famed for its colorful, edgy clothing, suddenly you could not read its name anymore. Or any of the new messages displayed on the entrance wall. The company had decided to literally flip its brand name and related messages. The store is Desigual, which means *unequal*; on its website, its banner reads “Its not the same.”^a

Its new slogan, also in reverse script, explained its reasoning: “Forward is boring!” Another slogan read: “Stop making sense.” The company had placed these flipped-text slogans everywhere: in conventional media, on street media, on social media, on the store front and inside the store.

Guillem Gallego, Desigual’s Chief Marketing Officer, said: “The objective of the campaign, in addition to presenting the company’s surprising new image, which makes it the first international brand to permanently rotate its logo, is to invite people to think. To make them feel awkward. To make them step outside of their comfort zones. Which is exactly what we’ve done.”^b

Oh, here is the clue on how to read those slogans: Just pose in front of them and take a selfie!

DISCUSSION QUESTIONS

- Q1. What is your reaction to the campaign? Do you like it or dislike it? Do you think it was a good idea or a bad idea? Why?
- Q2. Will the company’s customers like the idea of the flipped logo and slogans? Will it attract new kinds of customers? What kind? Why or why not?
- Q3. Consider the AIDA Model. What exactly will the campaign do in terms of the AIDA model?
- Q4. Consider the Models of Attitude. Will the campaign make consumers’ attitudes more favorable or less favorable? Which component of attitude will it affect the most?
- Q5. Write a short demographic and psychographic profile of consumers to whom the campaign might appeal the most.

(It might help to browse the company’s Website to gain more familiarity with the brand.)

SOCIAL + DIGITAL 5

A Briefcase Like No Other

Meet Ballot Briefcase. It is in shiny black leather with shiny brass clips (Bally). Its very special. There are only two of this on the globe. With the contents it has, that is.

Each has identical 24 envelopes, containing the names of the Oscar winners in 24 categories. In the weeks leading up to the award ceremony, accountants had counted 6,000+ votes in each award category. Votes were counted by separate teams, each team being given only a portion of the ballots, so that the counters would not know the final scores.



There are two identical briefcases, just in case some mishap happens to one of them. They travel from their counting locations to the award venue by separate routes, heavily guarded. This is how it has been done by the accounting firm PricewaterhouseCoopers (PwC) for the past 89 years.

The twin Briefcases had lived a quiet life, relatively unknown, for all of the past 85 years. Until 2016. That year, the Ballot Briefcase decided to take a road trip. From the company's headquarters in New York to Los Angeles, the briefcase made stops in six cities. In each city PwC employees came out to meet and greet and take photos, which they would later post on their own social media. The journey was streamed live on Snapchat. The account was *not* in the name of the company or a person but the briefcase itself, an inanimate object.^a

The briefcase, affectionately called *Briefy*, has become quite a celebrity. On February 28, 2016, the episode on Snapchat showed Cate Blanchett in the lobby trying to snatch away the briefcase in an attempt to find out if she was a winner. (A pre-planned prank no doubt.)^b

As a result of the journey, live streamed on Snapchat, the story received 12.3 million impressions on Twitter and 126K impressions on Instagram!^c

*Shelf life: the Social media channels for the campaigns still exist. Do they continue to be of value to consumers and/or the companies?

Note: The images are for illustration only and do not resemble the brand or the campaign.

Yes, These Photos Were Really Taken on iPhone



Apple introduced iPhone 6 on September 4, 2014. Soon thereafter, the company invited the users of iPhone 6 to take pictures and post them on their social media with the hashtag #shotoniphone. The best photos will be selected to be posted on billboards, the company had announced.

The company selected photos from 77 users from 73 cities in 25 countries. The photos were then displayed on billboards around the world. And also used in TV and magazine advertisements.^d

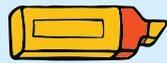
Of course, the photos were bespoke, as the idea was to show the amazing quality in photos taken with iPhone 6.

Now there is an Instagram channel dedicated just to these photos from brand users. With hashtag #shotoniphone, there are 16 million posts!

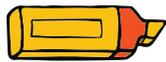
DISCUSSION QUESTIONS

- Q1. Compare and contrast the two campaigns in terms of (a) intended target audiences, (b) objectives, and (c) shelf life.
- Q2. For each campaign, comment on whether it achieved its objectives.
- Q3. Who were the target audiences (or beneficiaries) of the two campaigns? What benefits did consumers/customers/viewers receive by participating in the campaigns. Use the *USER framework of values*.
- Q4. Was the decision of PwC to use Snapchat (instead of other social media) to tell its story a wise one? Why or why not?
- Q5. Was the decision of PwC to set up the Snapchat account not in its own name but in the name of the briefcase a wise one? Why or why not?
- Q6. Do campaigns such as these have value beyond when they were staged? Explain for each campaign.
- Q7. PwC made an inanimate object the star of the story. What other branded inanimate objects can be given a personality like this? What will be the characteristics of such objects?
- Q8. Is it feasible or useful to run such campaigns if social media did not exist? What advantage does the availability of social media offer in implementing such campaigns?

EXPERIENTIAL LEARNING EXERCISES



**Harness Your Creativity to Craft
Marketing Artifacts**



Experiential Learning 12

Which Watch Do You Like?



Look at the three watches. Which do you like (or dislike) more?

TokyoFlash Watch: It is created by a technically sophisticated company in Japan. The watch shows time by the lighted dots. The first column has 12 dots, showing the hour. To the right are five columns of 12 dots in each column, showing the minutes. In a day or two, users get used to reading the time instantly without having to count the dots. The watch also comes in all dots blue.

Vodaphone Watch: This watch is from Vodaphone Australia, a company that also makes smartphones. The watch shows the time digitally and the current scores of a game in progress for five major sports in your country.

Andy Warhol Watch: This watch is made by Seiko Watch Company. As is obvious, the watch face features Andy Warhol's pop art.

The Vodaphone and Andy Warhol watches are not in the market anymore. But you may assume they are available to you. Also assume each watch costs \$100.00.



TokyoFlash Watch



Andy Warhol Retro Watch



Vodaphone Watch

Questionnaire Starter ...

GLOBAL ATTITUDE	This watch: I dislike -2 -1 0 +1 +2 I like very much
COGNITIONS	This watch will:
	i. Give accurate time Unlikely 1 2 3 4 5 Very likely
	ii. Will be durable Unlikely 1 2 3 4 5 Very likely
AFFECT	This watch is:
	Fashionable and trendy Not true 1 2 3 4 5 Very true
	Cool to wear and show Not true 1 2 3 4 5 Very true
CONATION	How likely are you to buy this watch:
	Very unlikely 1 2 3 4 5 Very likely

Now, please assign a preference order number to each watch (with the most preferred being '1')

Note. Be sure to remove Concept names (in blue) before giving this survey. (We don't need to confuse average consumers with all this technical mumbo jumbo.)

Your Challenge

Measure consumer attitudes toward these watches.

As you read in the book, there is a three-component model of attitude.

First design a questionnaire to measure this three-component model. Start with the Questionnaire Starter given here. Add at least three more cognitions and at least 3 more affect elements. (Think of what other cognitions and what other affect terms are relevant to watches that are also important to assess consumer perceptions on.)

Then give this survey to 6 to 20 consumers (males and females), along with the descriptions and images of the three watches.

Then review your data to answer the following questions:

1. Overall, for which watch is consumer attitude most positive? (Use "Global Attitude" measure.)
2. Do men and women differ in their attitude toward the watches? Compare for each watch.
3. Does the order of global attitude scores across the three watches match the preference order?
4. Now examine the three attitude component ratings. Which component is holding back a watch from being liked?
5. Based on these results, for each watch, suggest marketing actions (4Ps) to improve consumers' attitude toward the brand.

Give This Doughnut Your Marketing Mojo



Experiential Learning 13



Consider the humble doughnut.
 We love it. We hate it.
 No matter how health conscious we become, it is not going to go away.
 And many of us are not going to turn our backs on it.
 Quite possibly, it is the Number #1 comfort food for consumers around the world.
 So here is an exercise in creative marketing for you.



Your Challenge

Consider these three segments of consumers:

1. **Uninhibited:** They eat doughnuts whenever they feel like eating one.
2. **Health Conscious Minimizers:** They are highly conscious of the unhealthy nature of the product and consume it occasionally with guilt. They try to minimize its consumption.
3. **Super Health Conscious Avoiders:** They are extremely concerned with the effect a doughnut might have on their health, which they want to guard at all costs. They totally avoid it.

Now create a marketing plan to appeal to each segment. You have all 4Ps as your tools:

Product: Change in product ingredients; sub-branding, packaging, etc.

Price: Price can be increased or decreased.

Distribution: You could consider new types of channels

Promotion: This might include publicity, events, contests and awards, and advertising.

In particular, create a mock-up of a print ad, and write a storyline for a TV ad, and create a draft of a social media post. Write up a short explanation of your rationale and goal for each mock-up.

[Helpful hint: For each segment, visualize the perception they might hold about the product and about the idea of consuming the product and then decide which perceptions you would like to reshape.]

One more thing: As communications “professionals,” we do not want to misrepresent or hype the product’s or brand’s reality. Let us guard that ethic with gusto.

REPORT

A. Current perceptions/beliefs of consumers about our product (based on your educated managerial guess).

Segment 1: Uninhibited

Segment 2: Health Conscious Minimizers

Segment 3: Super Health Conscious Avoiders.

B. Recommended mock-ups

Describe storyline or message

Segment 1

Segment 2

Segment 3

<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

Mockups

(jpeg)

(jpeg)

(jpeg)

Authors

Jill Avery is a Senior Lecturer in the General Management Unit at Harvard Business School. She received a DBA from the Harvard Business School, an MBA from the Wharton School, and a BA from the University of Pennsylvania. At Harvard, she teaches a required course to MBAs, Marketing and Field Immersion Experiences (FIELD).

Jill's research focuses on brand management and CRM. Her dissertation research on brand communities won the Harvard Business School Wyss award for excellence in doctoral research. Her branding insights have been widely cited in the business press, including *Advertising Age*, *The New York Times*, and *The Economist*.

Prior to her academic career, Jill spent a decade as a brand manager for Gillette, Braun, Samuel Adams and AT&T; and on the agency side managing the Pepsi, General Foods, Bristol-Myers, and Citibank accounts.

Active in pro-bono consulting for entrepreneurial start-ups and non-profit organizations, she serves on the Board of Overseers, the Museum of Fine Arts, Boston. (jill@mycbbbook.com)

Robert V. Kozinets is Associate Professor of Marketing at York University's Schulich School of Business. Previously, he was a faculty member at Northwestern's Kellogg School of Management in Chicago and the University of Wisconsin-Madison's School of Business. An anthropologist by training, Rob is a global expert on online communities and online research methods. In 1995, he developed Netnography—online ethnography, applying it to the strategic understanding of blogs, microblogs, virtual worlds, and social networking sites. Dubbed a “marketing legend” by *Canadian Business* magazine, his insights have appeared in press (e.g., *the New York Times*), and *the Discovery Channel*.

Rob's research on brand management and online communities has been published in leading marketing journals. He has coauthored *Consumer Tribes* (Elsevier Press, 2007) and *Netnography: Doing Ethnographic Research Online*, (Sage, 2009) and writes a blog, *Brandthroposophy* (see www.kozinets.net). (rob@mycbbbook.com)

Banwari ('Ban') Mittal holds an MBA from IIMA and a Ph.D. in marketing from the University of Pittsburgh. A professor of marketing, Ban has taught at SUNY, Buffalo, the University of Miami, Northern Kentucky University (current affiliation), and the University of New South Wales (Sydney, Australia).

Ban's research has been published in such journals as *Journal of Marketing*, *Psychology & Marketing*, *Journal of Consumer Behavior*, *Journal of Retailing*, and *Marketing Theory*. He has coauthored seven books: *ValueSpace* (McGraw-Hill 2001, www.myvaluespace.com), *Customer Behavior* (Dryden Press, 1998, and Thomson Learning, 2002), and “MYCBBBook” (www.mycbbbook.com, 2008, 2010, 2013, 2016, 2020—the present title): *50 Faces of Happy* (2020), *My Uber Story* (2020), *TCBC—Teaching Consumer Behavior with Cases* (2021), and *Consumer Psychology—A Modernistic Explanation* (2021).

Priya Raghuram is Professor of Marketing and the Mary C. Jacoby Faculty Fellow at the Stern School of Business, New York University. Prior to joining NYU, Priya was at the University of California at Berkeley and the Hong Kong University of Science and Technology.

Priya's research interests are in the area of consumer psychology, including psychological aspects of prices and money, risk perceptions, visual information processing, and survey methods. She has published over 50 articles in journals and books, including the *Journal of Consumer Research*, *Journal of Marketing Research*, *Journal of Consumer Psychology*, *Journal of Marketing*, and *Marketing Science*. She is on the editorial boards of *JCR*, *JMR*, *JCP*, *JR* and *Marketing Letters*, and has presented her work over a 100 times at universities, symposia and conferences worldwide.

Priya received her undergraduate degree in Economics from St. Stephen's College, Delhi University, her MBA from the Indian Institute of Management, Ahmedabad, and her Ph.D. in Marketing from New York University. (Priya@mycbbbook.com)

Arch Woodside is Professor of Marketing, Boston College. He is a Member and Fellow of the Royal Society of Canada, American Psychological Association, Association of Psychological Sciences, Institute for the Academy for the Study of Tourism, and the Society of Marketing Advances. He is the Founder of the International Academy of Culture, Tourism, and Hospitality Research. He is the Editor-in-Chief of the *Journal of Business Research* and the *International Journal of Culture, Tourism, & Hospitality Research*. He is the author of management, marketing, and consumer research articles appearing in the *Journal of Marketing*, *Journal of Marketing Research*, *Journal of Consumer Psychology*, *Journal of Applied Psychology*, *International Journal of Research in Marketing*, *Annals of Tourism Research*, *Psychology & Marketing*, *Industrial Marketing Management*, *Journal of Retailing*, *Journal of the Academy of Marketing Science*, and 27 additional scholarly journals. His research focuses on business-to-business marketing, consumer research, advertising, tourism research, and case study research. (Arch@mycbbbook.com)

MYCBBOOK

Info@OpenMentis.com
Info@MyCBBook.com

OPEN MENTIS

OpenMentis.COM
MyCBBook.COM