CHAPTER 7
Consumer Learning

LEARNING OBJECTIVES

After studying this chapter students should be able to:
1. Understand the process and four elements of consumer learning.
2. Study behavioral learning and understand its applications to consumption behavior.
3. Study information processing and cognitive learning and understand their strategic applications to consumer behavior.
4. Study consumer involvement and passive learning and understand their strategic affects on consumer behavior.
5. Understand how consumer learning and its results are measured.

CHAPTER SUMMARY

Consumer learning is the process by which individuals acquire the purchase and consumption knowledge and experience they apply to future related behavior. Although some learning is intentional; much learning is incidental. Basic elements that contribute to an understanding of learning are motivation (drives), cues, response, and reinforcement.

There are two schools of thought as to how individuals learn—behavioral theories and cognitive theories. Both contribute to an understanding of consumer behavior. Behavioral theorists view learning as observable responses to stimuli; whereas cognitive theorists believe that learning is a function of mental processing.

Three types of behavioral learning theories are: classical conditioning, instrumental conditioning, and observational (vicarious) learning. The principles of classical conditioning that provide theoretical underpinnings for many marketing applications include: repetition, stimulus generalization, and stimulus discrimination. Neo-Pavlovian theories view traditional classical conditioning as cognitive associative learning rather than as reflexive action.

Instrumental learning theorists believe that learning occurs through a trial-and-error process in which positive outcomes (i.e., rewards) result in repeat behavior. Both positive and negative reinforcement can be used to encourage the desired behavior. Reinforcement schedules can be total (consistent) or partial (fixed ratio or random). The timing of repetitions influences how long the learned material is retained. Massed repetitions produce more initial learning than distributed repetitions; however, learning usually persists longer with distributed (i.e., spread out) reinforcement schedules.
Cognitive learning theory holds that the kind of learning most characteristic of humans is problem solving. Cognitive theorists are concerned with how information is processed by the human mind: how is it stored, retained, and retrieved. A simple model of the structure and operation of memory suggests the existence of three separate storage units: the sensory store, short-term store (or working memory), and long-term store. The processes of memory include rehearsal, encoding, storage, and retrieval.

Involvement theory proposes that people engage in limited information processing in situations of low importance or relevance to them, and in extensive information processing in situations of high relevance. Hemispheral lateralization (i.e., split-brain) theory gave rise to the theory that television is a low-involvement medium that results in passive learning and that print and interactive media encourage more cognitive information processing.

Measures of consumer learning include recall and recognition tests and attitudinal and behavioral measures of brand loyalty. Brand loyalty consists of both attitudes and actual behaviors toward a brand, as both must be measured. For marketers, the major reasons for understanding how consumers learn are to teach them that their brand is best and to develop brand loyalty. Brand equity refers to the inherent value a brand name has in the marketplace.

**CHAPTER OUTLINE**

**INTRODUCTION**

1. Relating one’s past knowledge to present circumstances and the applying past and present experiences to future behaviors represent learning.
2. Repeating advertising messages about brands and their benefits, rewarding people for purchase behavior by selling products that provide superior benefits, getting consumers to make associations among different offerings under the same brand name, and developing brand loyalty are all elements of consumer learning.
3. Marketers are concerned with how individuals learn because they want to teach them, in their roles as consumers, about products, product attributes, and potential consumer benefits; about where to buy their products, how to use them, how to maintain them, even how to dispose of them.
4. Marketing strategies are based on communicating with the consumer.
   a) Marketers want their communications to be noted, believed, remembered, and recalled.
   b) For these reasons, they are interested in every aspect of the learning process.

*****Use Figure #7.1 Here*****
THE ELEMENTS OF CONSUMER LEARNING

1. Consumer learning can be thought of as the process by which individuals acquire the purchase and consumption knowledge and experience that they apply to future related behavior.

2. Several points in this definition are worth noting.
   a) First, consumer learning is a process; that is, it continually evolves and changes as a result of newly acquired knowledge or from actual experience.
   b) Both newly acquired knowledge and personal experience serve as feedback to the individual and provide the basis for future behavior in similar situations.

3. The role of experience in learning does not mean that all learning is deliberately sought. A great deal of learning is also incidental, acquired by accident or without much effort.

4. The term consumer learning encompasses the total range of learning, from simple, almost reflexive responses to the learning of abstract concepts and complex problem solving.
   a) Most learning theorists recognize the existence of different types of learning and explain the differences through the use of distinctive models of learning.

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

*****Use Key Term consumer learning Here; Use Learning Objective #7.1 Here; Use Figure #7.1 Here*****

MOTIVATION

1. Unfulfilled needs lead to motivation, which spurs learning.
   a) The degree of relevance, or involvement, with the goal, is critical to how motivated the consumer is to search for knowledge or information about a product or service.

*****Use Key Term motivation Here*****

Cues

1. If motives serve to stimulate learning, cues are the stimuli that give direction to the motives.
   a) In the marketplace, price, styling, packaging, advertising, and store displays all serve as cues to help consumers fulfill their needs in product-specific ways.

2. Cues serve to direct consumer drives when they are consistent with their expectations.

*****Use Key Term cues Here*****

Response

1. How individuals react to a cue—how they behave—constitutes their response.
2. A response is not tied to a need in a one-to-one fashion.
3. A need or motive may evoke a whole variety of responses.
4. The response a consumer makes depends heavily on previous learning that, in turn, depends on how related responses were reinforced previously.

*****Use Key Term response Here*****

Reinforcement

1. Reinforcement increases the likelihood that a specific response will occur in the future as the result of particular cues or stimuli.
2. If a consumer is rewarded, that consumer has learnt to associate the purchase with a pleasant feeling and is likely to repeat the learnt behavior and become a loyal customer.
3. There is no single, universal theory of how people learn.
4. This chapter examines two general categories of learning theory: behavioral learning theory and cognitive learning theory.
5. Each theory differs on the essential, but each offers insights to marketers on how to shape their messages to consumers to bring about desired purchase behavior.

*****Use Key Terms reinforcement, behavioral learning theory and cognitive learning theory Here; Use Exercise #1 Here*****

BEHAVIORAL LEARNING THEORIES

1. Behavioral learning theories are sometimes called stimulus-response theories because they are based on the premise that observable responses to specific external stimuli signal that learning has taken place.
   a) When a person responds in a predictable way to a known stimulus, he or she is said to have “learned.”
2. Behavioral theories are most concerned with the inputs and outcomes of learning, not the process.
3. Two theories relevant to marketing are classical conditioning and instrumental (or operant) conditioning.

*****Use Key Terms stimulus-response theories, classical conditioning, and instrumental (or operant) conditioning Here*****

Classical Conditioning

1. Early classical conditioning theorists regarded all organisms as passive recipients that could be taught certain behaviors through repetition (i.e., conditioning).
   a) Conditioning involved building automatic responses to stimuli.

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2. Ivan Pavlov was the first to describe conditioning and to propose it as a general model of how learning occurs.
   a) For Pavlov, **conditioned learning** results when a stimulus that is paired with another stimulus elicits a known response and serves to produce the same response when used alone.
   b) He used dogs to demonstrate his theories.
   c) The dogs were hungry and highly motivated to eat.
   d) Pavlov sounded a bell and then immediately applied a meat paste to the dogs’ tongues, which caused them to salivate.
   e) After a sufficient number of repetitions of the bell sound, followed almost immediately by the food, the bell alone caused the dogs to salivate.

3. In a consumer behavior context, an **unconditioned stimulus** might consist of a well-known brand symbol.

4. A previously acquired consumer perception of a brand is the unconditioned response.

5. **Conditioned stimuli** might consist of new products under an existing brand name.

6. The conditioned response would be consumers trying these products because of the belief that they embody the same attributes with which the brand name is associated.

### Cognitive Associative Learning

1. Recent conditioning theory views classical conditioning as the learning of associations among events that allow the organism to anticipate and “represent” its environment.
2. The relationship (i.e., contiguity) between the conditioned stimulus and the unconditioned stimulus (the bell and the meat paste) influenced the dogs’ expectations, which in turn influenced their behavior (salivation).
3. Classical conditioning is seen as **cognitive associative learning**, not the acquisition of new reflexes, but the acquisition of new knowledge about the world.
4. Optimal conditioning—that is, the creation of a strong association between the conditioned stimulus (CS) and the unconditioned stimulus (US)—requires forward conditioning; that is, the CS should precede the US, repeated pairings of the CS and the US, a CS and US that logically belong together, a CS that is novel and unfamiliar, and a US that is biologically or symbolically salient. This model is known as **neo-Pavlovian conditioning**.
5. Under neo-Pavlovian conditioning, the consumer can be viewed as an information seeker who uses logical and perceptual relations among events, along with his or her own preconceptions, to form a sophisticated representation of the world.
Strategic Applications of Classical Conditioning

1. Three basic concepts derive from classical conditioning: repetition, stimulus generalization, and stimulus discrimination.
2. Repetition works by increasing the strength of the association between a conditioned stimulus and an unconditioned stimulus and slows the process of forgetting.
   a) After a certain number of repetitions, attention and retention declines.
   b) This effect is known as advertising wearout and can be decreased by varying the advertising messages.
   c) Wearout may be avoided by varying the message through cosmetic variation or substantive variation.
3. Some disagree about how much repetition is needed.
   a) The three-hit theory states that the optimum number of exposures to an ad is three.
      i) One to make the consumer aware of the product.
      ii) A second to show consumers the relevance of the product.
      iii) A third to remind them of its benefits.
      iv) Others think it may take 11 to 12 repetitions to achieve the three objectives.
4. The effectiveness of repetition is somewhat dependent upon the amount of competitive advertising to which the consumer is exposed.
   a) As exposure increases, the potential for interference increases.

*****Use Key Terms repetition, advertising wearout Here; Use Figure #7-3 Here*****

5. According to classical conditioning theorists, learning depends not only on repetition, but also on the ability of individuals to generalize.
6. Making the same response to slightly different stimuli is called stimulus generalization.
7. Stimulus generation explains why imitative “me too” products succeed in the marketplace: consumers confuse them with the original product they have seen advertised.
   a) It also explains why manufacturers of private label brands try to make their packaging closely resemble the national brand leaders.

*****Use Key Term stimulus generalization Here; Use Exercise #2 Here*****

8. The principle of stimulus generalization is applied by marketers to product line, form, and category extensions.
   a) In product line extensions, the marketer adds related products to an already established brand, knowing that the new product is more likely to be adopted when it is associated with a known and trusted brand name.
   b) Marketers offer product form extensions that include different sizes, different colors, and even different flavors.
   c) Product category extensions generally target new market segments.
      i) The success of this strategy depends on a number of factors.
      ii) For example, if the image of the parent brand is one of quality, consumers are more likely to bring positive associations to the new category extensions.
9. **Family branding**—the practice of marketing a whole line of company products under the same brand name—is another strategy that capitalizes on the consumer’s ability to generalize favorable brand associations from one product to the next.

10. Retail private branding often achieves the same effect as family branding.
    a) For example, Wal-Mart used to advertise that its stores carried only “brands you trust.” Now, the name Wal-Mart itself has become a “brand” that consumers have confidence in, and the name confers brand value on Wal-Mart’s store brands.

11. **Licensing**—allowing a well-known brand name to be affixed to products of another manufacturer—is a marketing strategy that operates on the principle of *stimulus generalization*.

12. Corporations also license their names and trademarks, usually for some form of brand extension, where the name of the corporation is licensed to the maker of a related product and thereby enters a new product category.

13. The increase in licensing has made counterfeiting a booming business, as counterfeiters add well-known licensor names to a variety of products without benefit of control or quality control.

14. **Stimulus discrimination** is the opposite of stimulus generalization and results in the selection of specific stimulus from among similar stimuli.
    a) The consumer’s ability to discriminate among similar stimuli is the basis of positioning strategy, which seeks to establish a unique image for a brand in the consumer’s mind.

15. The key to stimulus discrimination is effective **positioning**, a major competitive advantage.
    a) The image, or position, that a product or service has in the mind of the consumer is critical to its success.
    b) Unlike the imitator who hopes consumers will generalize their perceptions and attribute special characteristics of the market leader’s products to their own products, market leaders want the consumer to discriminate among similar stimuli.

16. Most product differentiation strategies are designed to distinguish a product or brand from that of competitors on the basis of an attribute that is relevant, meaningful, and valuable to consumers.
17. It often is quite difficult to unseat a brand leader once stimulus discrimination has occurred.
   a) In general, the longer the period of learning—of associating a brand name with a specific product—the more likely the consumer is to discriminate, and the less likely to generalize the stimulus.

18. The principles of classical conditioning provide the theoretical underpinnings for many marketing applications.
   a) Repetition, stimulus generalization, and stimulus discrimination are all major applied concepts that help explain consumer behavior.
   b) The concepts do not explain all forms of behavioral learning.

*****Use Key Term positioning Here; Use Figure #7-8 Here*****

INSTRUMENTAL CONDITIONING

1. Like classical conditioning, instrumental conditioning requires a link between a stimulus and a response.
   a) However, in instrumental conditioning, the stimulus that results in the most satisfactory response is the one that is learned.

2. Instrumental learning theorists believe that learning occurs through a trial-and-error process, with habits formed as a result of rewards received for certain responses or behaviors.

3. According to American psychologist B. F. Skinner, most individual learning occurs in a controlled environment in which individuals are “rewarded” for choosing an appropriate behavior.
   a) In consumer behavior terms, instrumental conditioning suggests that consumers learn by means of a trial-and-error process in which some purchase behaviors result in more favorable outcomes (i.e., rewards) than other purchase behaviors.
   b) A favorable experience is instrumental in teaching the individual to repeat a specific behavior.

4. Like Pavlov, Skinner developed his model of learning by working with animals.
   a) In a marketing context, the consumer who tries several brands and styles of jeans before finding a style that fits her figure (positive reinforcement) has engaged in instrumental learning.

*****Use Key Term instrumental conditioning Here; Use Discussion Question #1 and #4 Here; Use Figure #7-9 Here*****

Reinforcement of Behavior

1. Skinner distinguished two types of reinforcement (or reward) influence, which provided that the likelihood for a response would be repeated.
   a) The first type, positive reinforcement, consists of events that strengthen the likelihood of a specific response.
   b) Negative reinforcement is an unpleasant or negative outcome that also serves to encourage a specific behavior.

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i) Fear appeals in ad messages are examples of negative reinforcement.  
c) Either positive or negative reinforcement can be used to elicit a desired response.  
d) Negative reinforcement should not be confused with punishment, which is designed to discourage behavior.

Use Key Terms positive reinforcement and negative reinforcement Here

1. Extinction and forgetting—when a learned response is no longer reinforced, it diminishes to the point of extinction; that is, to the point at which the link between the stimulus and the expected reward is eliminated.  
a) Forgetting is often related to the passage of time; this is known as the process of decay.  
b) Marketers can overcome forgetting through repetition and can combat extinction through the deliberate enhancement of consumer satisfaction.

Use Discussion Question #1 Here

Strategic Applications of Instrumental Conditioning

1. Marketers effectively utilize the concepts of consumer instrumental learning when they provide positive reinforcement by assuring customer satisfaction with the product, the service, and the total buying experience.  
2. The objective of all marketing efforts should be to maximize customer satisfaction.  
3. Aside from the experience of using the product itself, consumers can receive reinforcement from other elements in the purchase situation, such as the environment in which the transaction or service takes place, the attention and service provided by employees, and the amenities provided.  
a) Some hotels provide reinforcement to guests in the form of small amenities.  
b) Companies that create personal connections with customers, and offer diverse product lines and competitive prices, are the ones providing the best reinforcement, resulting in satisfaction and repeat patronage.  
c) Most frequent shopper programs are based on enhancing positive reinforcement and encouraging continued patronage.  
4. Relationship marketing—developing a close personalized relationship with customers—is another form of non-product reinforcement.

Use Key Term relationship marketing Here

5. Reinforcement schedules—marketers have found that product quality must be consistently high and provide customer satisfaction with each use for desired consumer behavior to continue.  
6. Marketers have identified three types of reinforcement schedules: total (or continuous) reinforcement, systematic (fixed ratio) reinforcement, and random (variable ratio) reinforcement.
7. Variable ratios tend to engender high rates of desired behavior and are somewhat resistant to extinction—perhaps because, for many consumers, hope springs eternal.

8. **Shaping**—the reinforcement of behaviors that must be performed by consumers before the desired behavior can be performed is called *shaping*.
   a) Shaping increases the probabilities that certain desired consumer behavior will occur.

*****Use Key Term shaping Here*****

9. Massed versus distributed learning—*timing* has an important influence on consumer learning.
   a) Question—should a learning schedule be spread out over a period of time (distributed learning), or should it be “bunched up” all at once (massed learning)?
   b) The question is an important one for advertisers planning a media schedule because massed advertising produces more initial learning, although a distributed schedule usually results in learning that persists longer.
   c) When advertisers want an immediate impact (e.g., to introduce a new product or to counter a competitor’s blitz campaign), they generally use a massed schedule to hasten consumer learning.
   d) When the goal is long-term repeat buying on a regular basis, however, a distributed schedule is preferable.
   e) A distributed scheduler with ads repeated on a regular basis usually results in more long-term learning and is relatively immune to extinction.

**Modeling or Observational Learning**

1. Learning theorists have noted that a considerable amount of learning takes place in the absence of direct reinforcement, either positive or negative, through a process psychologists call **modeling or observational learning** (also called *vicarious learning*).
2. They observe how others behave in response to certain situations (stimuli), the ensuing results (reinforcement) that occur, and they imitate (model) the positively-reinforced behavior when faced with similar situations.
   a) Modeling is the process through which individuals learn behavior by observing the behavior of others and the consequences of such behavior.
   b) Their role models are usually people they admire because of such traits as appearance, accomplishment, skill, and even social class.
   c) Children learn much of their social behavior and consumer behavior by observing their older siblings or their parents.

*****Use Key Term modeling or observational learning (vicarious learning) Here; Use Discussion Question #4 Here*****

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INFORMATION PROCESSING AND COGNITIVE LEARNING THEORY

1. Not all learning is the result of repeated trials.
   a) Learning also takes place as the result of consumer thinking and problem solving.
2. **Cognitive learning** is based on mental activity.
3. Cognitive learning theory holds that the kind of learning most characteristic of human beings is problem solving, and it gives some control over their environment.

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**Information Processing**

1. The human mind processes the information it receives as input much as a computer does.
2. Consumers process product information by attributes, brands, comparisons between brands, or a combination of these factors.
3. Consumers with higher cognitive ability generally acquire more product information and consider more product attributes and alternatives that consumer with lesser abilities.
4. The more experience a consumer has with a product category, the greater his or her ability to make use of product information.

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

1. The structure of memory: because information processing occurs in stages, it is believed that content is stored in the memory in separate storehouses for further processing; a sensory store, a short-term store, and a long-term store.
2. **Sensory store**—all data comes to us through our senses, however, our senses do not transmit information as whole images.
   a) The separate pieces of information are synchronized as a single image.
   b) This sensory store holds the image of a sensory input for just a second or two.
   c) This suggests that it’s easy for marketers to get information into the consumer’s sensory store, but hard to make a lasting impression.
3. **Short-term store**—if the data survives the sensory store, it is moved to the short-term store.
   a) This is our working memory.
   b) If *rehearsal*—the silent, mental repetition of material—takes place, then the data is transferred to the long-term store.
   c) If data is not rehearsed and transferred, it is lost in a few seconds.
4. **Long-term store**—once data is transferred to the long-term store it can last for days, weeks, or even years.

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5. **Rehearsal** and **encoding**—the amount of information available for delivery from the short-term store to the long-term store depends on the amount of rehearsal an individual gives to it.
   a) **Encoding** is the process by which we select and assign a word or visual image to represent a perceived object.

6. **Information overload** takes place when the consumer is presented with too much information.
   a) The result of overload is frustration and confusion, resulting in poor purchase decisions.

| *****Use Key Terms rehearsal, encoding, and information overload Here***** |

7. **Retention**—information is constantly organized and reorganized as new links between chunks of information are forged.
   a) In fact, many information-processing theorists view the long-term store as a network consisting of nodes (i.e., concepts) with links among them.
   b) As individuals gain more knowledge they expand their network of relationships, and sometimes their search for additional information.
   c) This process is known as activation, which involves relating new data to old to make the material more meaningful.
   d) The total package of associations brought to mind when a cue is activated is called a schema.
   e) One study demonstrated that brand imprinting—messages that merely establish the brand’s identity—conducted before the presentation of the brand’s benefits facilitates consumer learning and retention of information about the brand.
   f) Studies also showed that a brand’s sound symbolism and the brand’s linguistic characteristics impacted the encoding and retention of the brand name.
   g) Consumers recode what they have already encoded to include larger amounts of information (**chunking**).
   h) The degree of prior knowledge is an important consideration.
   i) Knowledgeable consumers can take in more complex chunks of information than those who are less knowledgeable in the product category.
   j) Information is stored in long-term memory in two ways: episodically (i.e., by the order in which it is acquired) and semantically (according to significant concepts).
   k) Many learning theorists believe that memories stored semantically are organized into frameworks by which we integrate new data with previous experience.

8. **Retrieval** is the process by which we recover information from long-term storage.
   a) Retrieval is most often triggered by situational cues.
   b) Research findings suggest that incongruent (e.g., unexpected) elements pierce consumers’ perceptual screens and improve the retention of an ad when these elements are relevant to the advertising message.
   c) **Interference effects** are caused by confusion with competing ads and result in a failure to retrieve.
   d) Advertisements can act as retrieval cues for a competitive brand.
   e) There are actually two kinds of interference:
      i) New learning can interfere with the retrieval of previously stored material.

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ii) Old learning can interfere with the recall of recently learned material.

*****Use Key Terms retention, retrieval, chunking and interference effects Here*****

THEORETICAL MODELS OF COGNITIVE LEARNING

1. Cognitive learning occurs when a person has a goal and must search for and process data in order to make a decision or solve a problem.
2. Over the years, several models expressing sequential information procession and cognitive learning have been developed.
3. The models use different terms to designate the sequences they depict, but they follow the same phases as the consumer adoption process.
4. The tricomponent attitude model consists of three stages:
   a. The **cognitive stage** – the person’s knowledge and beliefs about a product
   b. The **affective stage** – the person’s feeling toward and evaluations of a product as “favorable” or “unfavorable”; and
   c. The **conative stage** – the person’s level of intention to buy the product.

5. For a long time, consumer researchers believed that the complex processing of information by consumers depicted in the cognitive learning model was applicable to all purchase decisions.
6. Some theorists began to realize that there were some purchase situations that simply did not call for extensive information processing and evaluation.
7. Purchases of minimal personal importance were called low-involvement purchases, and complex, search-oriented purchases were considered high-involvement purchases.

*****Use Key Terms cognitive stage, affective stage and conative stage Here; Use Table #7.1 Here*****

**Involvement Theory**

1. **Involvement theory** is focused on the degree of personal relevance that the product or purchase hold for that consumer.
2. High-involvement purchases are those that are very important to the consumer and thus provoke extensive problem solving and information processing.
3. Low-involvement purchases are purchases that are not very important to the consumer, hold little relevance, and have little perceived risk, and thus, provoke very limited information processing.
4. Highly involved consumers find fewer brands acceptable (they are called **narrow categorizers**)
5. Uninvolved consumers are likely to be receptive to a greater number of advertising messages regarding the purchase and will consider more brands (they are **broad categorizers**).
DEFINITIONS AND MEASURES OF INVOLVEMENT

1. Researchers have defined and conceptualized involvement in a variety of ways, including product involvement, brand involvement, and advertising involvement.
2. The lack of a clear definition about the essential components of involvement poses some measurement problems.
3. Because there is no single, clear definition of involvement, there are varied measures of this dimension.
   a) Some measures address cognitive factors while other focus on the behavioral aspect of involvement.
   b) The most sensible approach to measuring involvement is using self-administered surveys that assess the consumer’s cognitions or behaviors regarding a particular product or product category, and where involvement is measured on a continuum rather than as a dichotomy consisting of two mutually exclusive categories of “high” and “low” involvement.

MARKETING APPLICATIONS OF INVOLVEMENT

1. A marketer aspires to have consumers who are involved with the purchase also view its brand as unique.
2. Many studies showed that high purchase involvement coupled with perceived brand differences lead to a high favorable attitude toward the brand, which in turn leads to less variety seeking and brand switching and to strong brand loyalty.
3. Therefore, many studies have focused on the factors that increase involvement.
4. Online, many advertisers use avatars – animated, virtual reality graphical figures representing people – in their Web sites.
5. There is no generalized profile of a highly involved consumer, many studies investigated their personal characteristics related to one’s involvement level.
6. Marketers can take steps to increase customer involvement with their ads.
7. The best strategy for increasing the personal relevance of products to consumers is to provide benefits that are important and relevant to customers, improve the product and add benefits as competition intensifies, and focus on forging bonds and relationships with customers rather than just engaging in transaction.

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HEMISPHERAL LATERALIZATION AND PASSIVE LEARNING

1. **Hemispheral lateralization** or split-brain theory originated in the 1960’s and became popular in the 1980s.
   a) The premise is that the right and left hemispheres of the brain specialize in the kinds of information they process.
   b) The left hemisphere is the center of human language; it is the linear side of the brain and primarily responsible for reading, speaking, and attributional information processing.
   c) The right hemisphere of the brain is the home of spatial perception and nonverbal concepts; it is nonlinear and the source of imagination and pleasure.
   d) The left side of the brain is rational, active, and realistic.
   e) The right side is emotional, metaphoric, impulsive, and intuitive.

Passive Learning and Media Strategy

1. Individuals *passively* process and store right-brain information.
   a) Because it is largely pictorial, TV viewing is considered a right hemisphere activity.
   b) **Passive learning** is thought to occur through repeated exposures to low-involvement information processing.
      i) TV commercials were thought to produce change in consumer behavior before it changed consumer attitudes.
   c) The left hemisphere is associated with high-involvement information.
      i) Print media (newspapers and magazines) are considered left hemisphere or high-involvement activity.
2. Right-brain theory is consistent with classical conditioning and stresses the importance of the visual component of advertising.
   a) Recent research suggests that pictorial cues help recall and familiarity, although verbal cues trigger cognitive functions, encouraging evaluation.
   b) The right-brain processing theory stresses the importance of the visual component of advertising, including the creative use of symbols.
   c) Pictorial cues are more effective at generating recall and familiarity with the product, although verbal cues (which trigger left-brain processing) generate cognitive activity that encourages consumers to evaluate the advantages and disadvantages of the product.

OUTCOMES AND MEASURES OF CONSUMER LEARNING

1. Market share and the number of brand-loyal consumers are the dual goals of consumer learning.
a) Brand-loyal customers provide the basis for a stable and growing market share.
b) Brands with larger market shares have proportionately larger groups of loyal buyers.
c) Marketers focus their promotional budgets on trying to teach consumers that their brands are best and that their products will best solve the consumers’ problems and satisfy their needs.
d) It is important for marketers to measure how effectively consumers have “learned its message.

*****Use Learning Objective #7.5 Here*****

RECOGNITION AND RECALL MEASURES

1. Recognition and recall tests are conducted to determine whether consumers remember seeing an ad, the extent to which they have read it or seen it and can recall its content, their resulting attitudes toward the product and the brand, and their purchase intentions.
   a) Recognition tests are based on aided recall, although recall tests use unaided recall.
   b) In recognition tests, the consumer is shown an ad and asked whether he or she remembers seeing it and can remember any of its salient points.
   c) In recall tests, the consumer is asked whether he or she has read a specific magazine or watched a specific television show, and if so, can recall any ads or commercials seen, the product advertised, the brand, and any salient points about the product.

*****Use Key Terms recognition and recall tests Here; Use Discussion Question #9 Here*****

BRAND LOYALTY

1. Brand loyalty is the ultimate desired outcome of consumer learning.
   a) There is no single definition of this concept.
2. Attitudinal measures are concerned with consumers’ overall feelings (i.e., evaluation) about the product and the brand, and their purchase intentions.
3. Behavioral measures are based on observable responses to promotional stimuli—purchase behavior, rather than attitude toward the product or brand.
4. A basic issue among researchers is whether to define brand loyalty in terms of consumer behavior or consumer attitudes.
   a) Behavioral scientists who favor the theory of instrumental conditioning believe that brand loyalty results from an initial product trial that is reinforced through satisfaction, leading to repeat purchase.
   b) Cognitive researchers, on the other hand, emphasize the role of mental processes in building brand loyalty.
      i) They believe that consumers engage in extensive problem-solving behavior involving brand and attribute comparisons, leading to a strong brand preference and repeat purchase behavior.
5. To cognitive learning theorists, behavioral definitions (e.g., frequency of purchase or proportion of total purchases) lack precision, because they do not distinguish the “real” brand-loyal buyer.
   a) Often consumers buy from a mix of brands within their acceptable range (i.e., their evoked set).
6. An integrated conceptual framework views consumer loyalty as the function of three groups of influences: (1) personal degree of risk aversion or variety seeking; (2) the brand’s reputation and availability of substitute brands; and (3) social group influences and peers’ recommendations.
7. Their influences produce four types of loyalty: (1) no loyalty, (2) covetous loyalty, (3) inertia loyalty, and (4) premium loyalty.
   a) This framework also reflects a correlation among consumer involvement and the cognitive and behavioral dimensions of brand loyalty.
8. Loyalty programs are generally designed with the intention of forming and maintaining brand loyalty.
9. In marketing services, the potential for losing customer is greater than in selling products.
10. Understanding why customers stay is important to service providers.

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**Use Key Terms**
brand loyalty, attitudinal measures, behavioral measures, and evoked set here; use Tables #7.4, #7.5 and #7.6 here; use Discussion Question #7 here

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**Brand Equity**

1. **Brand equity** refers to the value inherent in a well-known brand name.
2. This value stems from the consumer’s perception of the brand’s superiority, the social esteem that using it provides, and the customer’s trust and identification with the brand.
   a) For many companies, their most valuable assets are their brand names.
   b) Well known brand names are known as megabrands.
3. Because a brand that has been promoted heavily in the past retains a cumulative level of name recognition, companies buy, sell, and rent (i.e., license) their brand names, knowing that it is easier to buy than to create a brand name with enduring strength.
4. Brand equity enables companies to charge a price premium—an additional amount over and above the price of an identical store brand.
5. A relatively new strategy among some marketers is **co-branding** (also called double branding).
   a) In co-branding, two brand names are featured on a single product.
   b) It uses another product’s brand equity to enhance the primary brand’s equity.
6. Brand equity reflects brand loyalty, which is a learned construct.
7. Brand loyalty and brand equity lead to increased market share and greater profits.
8. To marketers, the major function of learning theory is to teach consumers that their product is best, to encourage repeat purchase, and, to develop loyalty to the brand name.
**DISCUSSION QUESTIONS**

1. **How can the principles of (a) classical conditioning theory and (b) instrumental conditioning theory be applied to the development of marketing strategies?**

Classical conditioning is now seen as cognitive associative learning; not the acquisition of new reflexes, but the acquisition of new knowledge about the world. Marketers can use product line extensions, family branding, and licensing to capitalize on the principles of classical conditioning. The consumer may be viewed as an information seeker who uses logical and perceptual relations among events, along with his or her own preconceptions, to form a sophisticated representation of the world. Instrumental conditioning is the learning that results from exposure to relationships among events in the environment; such exposure creates expectations as to the structure of the environment. Therefore, marketers should portray logical relationships among events in their ads, thus creating realistic consumer expectations, which in turn will influence consumer behavior.

2. **Describe in learning terms the conditions under which family branding is a good policy and those under which it is not.**

The main advantage of family branding is that marketers can build on the good reputation of their existing products through stimulus generalization. This makes the introduction of new products under the old brand name that much easier. As illustrations of family branding and the different approaches to it, consider the following: the main reason that Kraft and P&G have different family branding policies is that Kraft’s products are homogeneous (they are all food products) and P&G’s products are not. Thus, it would not make sense for P&G to attempt to apply the same name to the whole variety of products it markets. Another reason for P&G’s branding strategy is the company’s penchant for bringing out different brands in a particular product category, such as detergents, in order to satisfy different market segments and broaden its market share.

3. **Neutrogena, the cosmetic company, has introduced a new line of shaving products for men. How can the company use stimulus generalization to market these products? Is instrumental conditioning applicable to this marketing situation? If so, how?**

According to classical conditioning theorists, learning depends not only on repetition, but also on the ability of individuals to generalize. Stimulus generalization explains why imitative “me too” products succeed in the marketplace: consumers confuse them with the original product they have seen advertised. In extending its product line, the marketer adds related products to an already established brand, knowing that the new product is more likely
to be adopted when it is associated with a known and trusted brand name. Conversely, it is much more difficult to develop a totally new brand.

What might be the reward from using the new product (i.e., instrumental conditioning)? Because Neutrogena has a good reputation in skin care, the new shaving line can build on this reputation and add skin care value to the male segment. Like classical conditioning, instrumental conditioning requires a link between a stimulus and a response. In instrumental conditioning, however, the stimulus that results in the most satisfactory response is the one that is learned. Instrumental learning theorists believe that learning occurs through a trial-and-error process, with habits formed as a result of rewards received for certain responses or behaviors. Although classical conditioning is useful in explaining how consumers learn very simple kinds of behaviors, instrumental conditioning is more helpful in explaining complex, goal-directed activities. Therefore, for Neutrogena to use instrumental conditioning, they must provide consumers the opportunity to try the product and then like what they try.

4. Which theory of learning (i.e., classical conditioning, instrumental conditioning, observational learning, or cognitive learning) best explains the following consumption behaviors: (a) buying a six-pack of Gatorade water, (b) preferring to purchase jeans at a Diesel Store, (c) buying a digital camera for the first time, (d) buying a new car, and (e) switching from one cell phone service to another? Explain your choices.

Students’ responses may vary based on their perceptions of these products. Classical conditioning, in a consumer behavior context, an unconditioned stimulus might consist of a well-known brand symbol that implies technological superiority and trouble-free operation (the unconditioned response). Instrumental conditioning, the stimulus that results in the most satisfactory response, is the one that is learned. Instrumental learning theorists believe that learning occurs through a trial-and-error process, with habits formed as a result of rewards received for certain responses or behaviours. Observational learning occurs by modelling or observing what others do. Cognitive learning is based on mental activity. Cognitive learning theory holds that the kind of learning most characteristic of human beings is problem solving and it gives some control over their environment. Have students justify and explain choices.

5. a. Define the following memory structures: sensory store, short-term store (working memory), and long-term store. Discuss how each of these concepts can be used in the development of an advertising strategy.

Sensory store—receives what the senses deliver but retains information for only a fraction of a second. For marketing, this means that although it is easy to expose consumers to information, it is difficult to make a lasting impression. Therefore, messages must be brief and attract attention.

Short-term store—the stage of memory where information which is rehearsed is transferred to real memory, and data which is not rehearsed is lost within less than one minute. Because the amount of time available for memorization is very limited, the message must encourage
immediate rehearsal of materials to stimulate retention. **Chucking** information also stimulates rehearsal of information and its transfer to long-term memory.

**Long-term store**—a data bank which lasts up to many years with almost unlimited capacity. The data is organized through linking and clustering of information according to its meaningfulness. The marketers must provide a message that can be readily linked to information stored here. Also, the advertiser should remember that the consumer interprets new information in a manner consistent with data stored in the long-term memory.

b. **How does information overload affect the consumer’s ability to comprehend an ad and store it in his or her memory?**

When consumers are presented with too much information (called **information overload**), they may encounter difficulty in encoding and storing it all. It has been argued that consumers can become cognitively overloaded if they are given a lot of information in a limited time. The result of this overload is confusion, resulting in poor purchase decisions. One study found that consumers make less effective choices when presented with too much information. Other studies have found that consumers can handle large amounts of information without experiencing overload. The apparent contradiction between these findings may be due to the absence of a precise definition as to how much information constitutes overload. Is it five items or fifteen items? One experiment, which concluded that consumers are confused and make poor choices as the result of information overload, provided consumers with 10 to 25 choice alternatives, and with information concerning 15 to 25 product attributes. Research is needed to determine at what point information overload sets in for various subsets of consumers.

6. **Discuss the differences between low- and high-involvement media. How would you apply the knowledge of hemispheric lateralization to the development of TV commercials and print advertisements?**

The research called **hemispheric lateralization**, or **split-brain theory**, suggests that the left brain is responsible for cognitive activities, such as reading, speaking and processing verbal information, and that the right brain processes nonverbal and pictorial information and forms holistic images. Because TV is primarily a pictorial medium, TV viewing is considered to be a right brain function—passive and holistic processing of images viewed on the screen—and TV is regarded as a low-involvement medium. On the other hand, print media (i.e., newspapers and magazines) are high-involvement because exposure to them results in the left-brain’s active processing of verbal data and, ultimately, in cognitive learning. Thus, TV commercials should be short, rich in visual symbolism and repeated frequently. Consumers process and learn TV advertising passively, and the major objective of TV ads should be to form consumer familiarity with the brand and package which will result in the object’s recognition and purchase by consumers. The objective of print ads is to present detailed, rather than “overall image,” information to generate cognitive evaluations of the advantages and disadvantages of the product. The text discussion of **central and peripheral routes to**
persuasion provides additional insights into the advertising applications of the concept of hemispheric lateralization.

7. Why are both attitudinal and behavioral measures important in measuring brand loyalty?

Brand loyalty is the ultimate desired outcome of consumer learning. There is, however, no single definition of this concept. Marketers agree that brand loyalty consists of both attitudinal and actual behaviors toward a brand and that both must be measured. Attitudinal measures are concerned with consumers’ overall feelings (i.e., evaluations) about the product and the brand and their purchase intentions. Behavioral measures are based on observable responses to promotional stimuli—repeat purchase behavior rather than attitude toward the product or brand.

8. What is the relationship between brand loyalty and brand equity? What roles do both concepts play in the development of marketing strategies?

As mentioned in Question 7, brand loyalty is the ultimate desired outcome of consumer learning. The term brand equity refers to the value inherent in a well-known brand name. The value stems from the consumer’s perception of the brand’s superiority and the social esteem that using it provides and the trust and identification with the brand. For many companies, their most valuable assets are their brand names. With respect to strategies, because of the escalation of new-product costs and the high rate of new-product failures, many companies prefer to leverage their brand equity through brand extensions rather than risk launching a new brand.

9. How can marketers use measures of recognition and recall to study the extent of consumer learning?

Recognition and recall tests are conducted to determine whether consumers remember seeing an ad, the extent to which they have read it or seen it and can recall its contents, their resulting attitudes toward the product and the brand, and their purchase intentions. Recognition tests are based on aided recall, whereas recall tests used unaided recall.

EXERCISES

1. Imagine you are the instructor in this course and that you are trying to increase students’ participation in class discussions. How would you use reinforcement to achieve your objective?
Instructor’s Discussion

From an instrumental (operant) conditioning viewpoint, a professor should use positive reinforcement and reward students for participation through praises, keeping count of the number of times students participate, and giving a grade for class participation. If these means are used, however, students will learn to expect external motivations/rewards and, if these reinforcers are discontinued, will stop participating. A better approach may be to require students to prepare answers to questions and exercises given to them in advance of the class and to present their responses in class. Thus, students will be intellectually challenged, will clearly know what is expected of them, and will prepare for class discussions in order to avoid embarrassment in front of the class when they present their answers (i.e., due to internal motivation rather than due to external reinforcement).

2. Visit a supermarket. Can you identify any packages where the marketer’s knowledge of stimulus generalization and stimulus discrimination was incorporated into the package design? Note these examples and present them in class.

Because the average package on the supermarket shelf has about one-tenth of a second to make an impression, astute marketers usually try to differentiate their packages sufficiently to ensure rapid consumer recognition. Thus, national manufacturers create packages that provide unique sensory input, are heavily advertised, create instant recognition, and are distinctly different from other packages in the same product category (i.e., stimulus discrimination). On the other hand, a trip to the supermarket reveals that manufacturers of private and store brands often design packages that resemble those of national brands; they hope that consumers will generalize from the national brands that they are likely to instantly recognize to the lesser-known store and private brands.

S.T.A.R. PROJECTS

Ethical Issues in Consumer Behavior

S.T.A.R. Project #1
As indicated in the chapter, behavioral learning theories are sometimes referred to as stimulus-response theories because they are based on the premise that observable responses to specific external signals that learning has taken place. Behavioral theories are not so much concerned with the process of learning as they are with the inputs and outcomes of learning, that is, in the stimuli that consumers select from the environment and the observable behaviors that result. Which of the behavioral learning theories relate most closely conduct of good business ethics?
   a. Review each of the behavioral learning theories and briefly describe the theories that you perceive to be most closely associated with the ethical transmission of information for the purpose of learning.
   b. Create an example to illustrate your position in the above question.
Instructor’s Discussion

As indicated previously, Classical Conditioning is now seen as cognitive associative learning; not the acquisition of new reflexes, but the acquisition of new knowledge about the world. Marketers can use product line extensions, family branding, and licensing to capitalize on the principles of classical conditioning. The consumer may be viewed as an information seeker who uses logical and perceptual relations among events, along with his or her own preconceptions, to form a sophisticated representation of the world. Instrumental conditioning (operant) is the learning that results from exposure to relationships among events in the environment; such exposure creates expectations as to the structure of the environment.

With respect to ethical behavior in business, either position can be defended. In the case of classical conditioning, however, good business ethics can be seen as a “knee-jerk” or automatic reaction. Repeated exposure to proper behavior would produce this response through conditioning. Symbols would be important in this form of learning. In the case of instrumental conditioning, business ethics is often presented as a system of rewards or punishments learned through trial and error. Experience is the guide.

Small Group Projects

S.T.A.R. Project #2
Your group’s assignment is to learn about how Internet brokerage firms attempt to teach you about online trading. Have one part of your group analyze eTrade.com and the other part analyze Charles Schwab (www.charlesschwab.com). Each sub-group should construct a table that indicates how each of the Web sites attempts to enhance consumer learning. What behavioral learning theories does each Web site appear to be using? Gauge effectiveness of the effort. Share the information with one another.

Instructor’s Discussion

As students explore the two Web sites, they will observe two different techniques for transmitting information to consumers. Though both are considered to be excellent online traders, they follow different paths. Both, however, probably use instrumental conditioning rather than classical conditioning to get their points across. Have the student groups debate their findings. Was there consensus among the groups? If not, try to resolve the findings.

S.T.A.R. Project #3
Family branding is the practice of marketing a whole line of company products under the same brand name. This strategy capitalizes on the consumer’s ability to generalize favorable brand associations from one product to others. Your group assignment is to analyze two separate family branding giants—Kellogg’s and C.W. Post cereals. Go to both of the company’s Web sites and make a list of all the products that are under the respective corporate umbrellas. After
reviewing the material in the chapter on family branding, evaluate which organization appears to be superior. How did your group determine this? What behavioral learning principles does each appear to be using? Provide supportive evidence.

**Instructor’s Discussion**

Students will find the Kellogg’s Web site (www.kelloggs.com) and C.W. Post (www.postcereals.com) to be rich information warehouses of information. Students will be somewhat surprised by the amount of brands housed by either of these two megabrands. If the class is large and more work in this area is needed also try General Foods.

The student group should be encouraged to be creative with its evaluation scheme. There is ample information in the chapter that can be used in the evaluation method construction. Be sure to compare the student methods as each group makes its presentation.

**Using the Internet to Study Consumer Behavior**

**S.T.A.R. Project #4**

Recognition and recall tests are conducted to determine whether consumers remember seeing an ad, the extent to which they have read it or seen it and can recall its content, their resulting attitudes toward the product and the brand, and their purchase intentions. A number of syndicated research services conduct recognition and recall tests. One such organization is the Starch Readership Service (see www.starchresearch.com). This service evaluates the effectiveness of magazine advertisements. See Figure 7-13 for an example of an ad that has been “Starched.”

a. Go to the Starch Readership Service Web site and describe other services that Starch provides to marketers and advertisers.

b. Which of these services (beyond the Readership Service) seems to most closely match the marketer or advertiser’s desire to learn how consumers learn, recognize, and recall information?

c. After reviewing the information about the Starch services found in the chapter and seen on their Web site, pick a magazine ad and devise your own method for measuring recognition and recall. How does your method match that of Starch? How does your method differ? Try administering your test method to five fellow students. Critique your results.

**Instructor’s Discussion**

Students should benefit from the information found on the Starch (Roper) Web site. There are several Starch methods that will be of interest. Be sure that students explain why they believe the Starch tests fit with the queries in “b” above. Students, once they have carefully read the material in the chapter and visited the Web site, will produce some interesting recognition and recall tests. Present the best of these in class. Ask two to three students to present the results of their magazine ad test. All can learn from this experience.

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**S.T.A.R. Project #5**

As indicated in the chapter, the basis of co-branding (in which two brand names are featured on a single product) is to use another product’s brand equity to enhance the primary brand’s equity. Notice the synergy that occurs when Nabisco combines its name with Ocean Spray to form Cranberry Newton’s. Your assignment is to go to the Web and find three examples where companies doing business on the Internet have formed co-branding opportunities. List the examples you have found and comment on what you perceive to be the strategies behind these moves. Lastly, suggest a co-branding opportunity among e-commerce companies that has yet to materialize. Comment on why your suggested opportunity would be a good one.

**Instructor’s Discussion**

This assignment asks students to be creative with their search of the Internet. If they become stuck, suggest automotive companies, organizations such as NASCAR, non-profits such as the United Way, computer companies, soft drink companies, and music companies. Remember, Peter Pan peanut butter is great when pre-mixed (co-branded) with Welch’s grape jelly.

**CASE COMMENTS**

**Case One: The Dental Care Aisle of Confusion**

1. This case illustrates one of the disadvantages of using the concept of stimulus generalization in building up and extending the product lines of popular and well-established brands. Multiple versions of products may produce consumer confusion and even dissatisfaction. For example, consumers may not be able to quickly find the items they seek in store shelves crowded with many versions of a given product. Furthermore, since stores generally alternate the product versions they sell (because it is impossible to carry all the items produced), sometimes, the consumer’s chosen product may not be available in the store where he or she generally shops.

2. This question has no definitive answers. It is designed to enhance the students’ understanding of the challenges marketers face in balancing satisfying consumers’ needs with the necessity to compete with strong brands, producing the same type of hard-to-differentiate products, on every conceivable front.

3. This question requires the student to apply the case material to a personal consumption situation.
Case Two: HSBC’s “Different Values” Campaign

1. The HSBC “Different Values” advertising campaign illustrates an understanding of the consumer learning process. If consumers correctly decode (“decoding” is discussed in Chapter 9) the message the first time they see an ad from this campaign, they will understand the benefit (that is, the “central theme”) that HSBC is attempting to convey. Because of “advertising wearout,” consumers are unlikely to pay great attention when they see the same ad again. However, they are likely to notice an ad conveying the same central theme they had already been exposed to (or learned) in a different way. Using different objects to illustrate the same theme is an effective way of utilizing repetition in the learning process. The HSBC campaign also illustrates an effective positioning strategy – a concept that is discussed in Chapter 6.

2. The HSBC campaign utilizes interesting visuals and is also thought provoking. Therefore, consumers who initially notice the ads are likely to notice subsequent ads and recall them. The approach used in these ads is clever and somewhat more “intellectual” than many other campaigns.