CHAPTER 15
Consumer Decision Making and Beyond

LEARNING OBJECTIVES

After studying this chapter students should be able to understand:
1. What a consumer decision is.
2. The three levels of consumer decision making.
3. The four different views or models of consumer decision making.
4. In detail the model of consumer decision making originally introduced in chapter 1.
5. The nature and scope of consumer gift giving.
6. The significance of consuming and possessing.
7. The need for relationship marketing.

CHAPTER SUMMARY

The consumer’s decision to purchase or not to purchase a product or service is an important moment for most marketers. It can signify whether a marketing strategy has been wise, insightful, and effective, or whether it was poorly planned and missed the mark. Thus, marketers are particularly interested in the consumer’s decision-making process. For a consumer to make a decision, more than one alternative must be available. (The decision not to buy is also an alternative.)

Theories of consumer decision making vary, depending on the researcher’s assumptions about the nature of humankind. The various models of consumers (economic view, passive view, cognitive view, and emotional view) depict consumers and their decision-making processes in distinctly different ways.

An overview consumer decision-making model ties together the psychological, social, and cultural concepts examined in Parts II and III into an easily understood framework. This decision model has three sets of variables: input variables, process variables, and output variables.

Input variables that affect the decision-making process include commercial marketing efforts, as well as noncommercial influences from the consumer’s sociocultural environment. The decision process variables are influenced by the consumer’s psychological field, including the evoked set (or the brands in a particular product category considered in making a purchase choice). Taken as a whole, the psychological field influences the consumer’s recognition of a need, prepurchase search for information, and evaluation of alternatives.

The output phase of the model includes the actual purchase (either trial or repeat purchase) and postpurchase evaluation. Both prepurchase and postpurchase evaluation feed back in the form of
experience into the consumer’s psychological field, and serve to influence future decision processing.

The process of gift exchange is an important part of consumer behavior. Various gift-giving and gift-receiving relationships are captured by the following five specific gifting classification scheme: (1) intergroup gifting (a group gives a gift to another group); (2) intercategory gifting (an individual gives a gift to a group or a group gives a gift to an individual); (3) intragroup gifting (a group gives a gift to itself or its members); (4) interpersonal gifting (an individual gives a gift to another individual); and (5) intrapersonal gifting (a self-gift).

Consumer behavior is not just making a purchase decision or the act of purchasing; it also includes the full range of experiences associated with using or consuming products and services. It also includes the sense of pleasure and satisfaction derived from possessing or collecting “things.” The outputs of consumption are changes in feelings, moods, or attitudes; reinforcement of lifestyles; an enhanced sense of self, satisfaction of a consumer-related need; belonging to groups; and expressing and entertaining oneself.

Among other things, consuming includes the simple utility of using a superior product, the stress reduction of a vacation, the sense of having a “sacred” possession, and the pleasures of a hobby or a collection. Some possessions serve to assist consumers in their effort to create “personal meaning” and to maintain a sense of the past.

Relationship marketing impacts consumers’ decisions and their consumption satisfaction. Firms establish relationship marketing programs (sometimes called loyalty programs) to foster usage loyalty and a commitment to their products and services. At its heart, relationship marketing is all about building trust (between the firm and its customers) and keeping promises made to consumers. Therefore, the emphasis in relationship marketing is almost always on developing long-term bonds with customers by making them feel special and by providing them with personalized services.

CHAPTER OUTLINE
INTRODUCTION

1. This chapter takes a broader perspective and examines consumer decision-making in the context of all types of consumption choices, ranging from the consumption of new products to the use of old and established products.
2. It also considers consumers’ decisions not as the end point, but rather as the beginning point of a consumption process.

Use Key Terms consumer decision making & consumption process Here; Use Figure #15.1 Here

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WHAT IS A DECISION?

1. In the most general terms, a decision is the selection of an option from two or more alternative choices.
2. If the consumer has no alternatives from which to choose and is literally forced to make a particular purchase or take a particular action (e.g., use a prescribed medication), then this does not constitute a decision and is commonly referred to as a “Hobson’s choice.”
   a) In actuality, no-choice purchase or consumption situations are fairly rare.

LEVELS OF CONSUMER DECISION MAKING

1. Not all consumer decisions receive or require the same amount of effort in the information search.
2. Researchers have identified three specific levels of consumer decision making: extensive problem solving, limited problem solving, and routinized response behavior.

Extensive Problem Solving

1. When consumers have no established criteria for evaluating a product, or have not narrowed their choices, then they are in extensive problem solving.
2. At this level, the consumer needs a great deal of information to establish a set of criteria on which to judge specific brands and a correspondingly large amount of information concerning each of the brands to be considered.

Limited Problem Solving

1. At this level, consumers have already established the basic criteria for evaluating the product category but have not established preferred categories.
2. Their search for additional information is more like “fine-tuning;” they must gather additional brand information to discriminate among the various brands.
**Routinized Response Behavior**

1. At this level, consumers have some experience with the product category and a well-established set of criteria with which to evaluate the brands they are considering.
   a) They may search for a small amount of additional information.

2. Just how extensive a consumer’s problem-solving task is depends on how well established his or her criteria for selection are, how much information he or she has about each brand being considered, and how narrow the set of brands is from which the choice will be made.

3. Routinized response behavior implies little need for additional information.

**MODELS OF CONSUMERS: FOUR VIEWS OF CONSUMER DECISION MAKING**

1. The term models of consumers refer to a general view or perspective as to how and why individuals behave as they do.

2. Four views will be examined:
   a) An economic view
   b) A passive view
   c) A cognitive view
   d) An emotional view

**An Economic View**

1. The consumer has often been characterized as making rational decisions.
   a) This model, called the economic man theory, has been criticized by consumer researchers for a number of reasons.
   b) To behave rationally in the economic sense, a consumer would have to:
      i) Be aware of all available product alternatives.
      ii) Be capable of correctly ranking each alternative in terms of its benefits and its disadvantages.
      iii) Be able to identify the one best alternative.
   c) This perspective is unrealistic because:
      i) People are limited by their existing skills, habits, and reflexes.
      ii) People are limited by their existing values and goals.
      iii) People are limited by the extent of their knowledge.

2. It has been argued that the classical economic model of an all-rational consumer is unrealistic for the following reasons:
   a) People are limited by their existing skills, habits, and reflexes.
   b) People are limited by their existing values and goals.
   c) People are limited by the extent of their knowledge.

3. The economic model is often rejected as too idealistic and simplistic.
A Passive View

1. The opposite of the economic view is the view of the consumer as basically submissive to the self-serving interests and promotional efforts of marketers (i.e., the passive view).
2. Consumers are perceived as impulsive and irrational purchasers, ready to yield to the arms and aims of marketers.
3. The principal limitation of this model is that it fails to recognize that the consumer plays an equal, if not dominant, role in many buying situations by seeking information about product alternatives and selecting the product that appears to offer the greatest satisfaction.
4. This view is largely unrealistic.

A Cognitive View

1. This view portrays the consumer as a thinking problem solver.
2. The cognitive model focuses on the processes by which consumers seek and evaluate information about selected brands and retail outlets.
3. Consumers are viewed as information processors, and this leads to the formulation of preferences, and ultimately, purchase intentions.
4. In contrast to the economic view, this view recognizes that the consumer is unlikely to seek all possible information, but will only seek information until he/she has what is perceived as sufficient information to make a satisfactory decision.
5. Consumers are presumed to use heuristics—short-cut decision rules to facilitate decision making.
   a) They also use decision rules when exposed to too much information—information overload.
6. This model depicts a consumer who does not have complete knowledge, and therefore cannot make perfect decisions, but who actively seeks information and attempts to make satisfactory decisions.

An Emotional View

1. Although aware of the emotional or impulsive side of consumer decision making, marketers have preferred the economic or passive models.
2. In reality, when it comes to certain purchases or possessions, deep feelings or emotions are likely to be highly involved.
3. Possessions may also serve to preserve a sense of the past and help with transitions in times of change.
4. When a consumer makes what is basically an emotional purchase decision, less emphasis tends to be placed on searching for prepurchase information and more on the current mood or feelings.

5. Unlike an emotion, which is a response to a particular environment, a mood is more typically an unfocused, pre-existing state—already present at the time a consumer “experiences” an advertisement, a retail environment, a brand, or a product.

6. **Mood** is important to consumer decision making in that it impacts when consumers shop, where they shop, whether they shop alone or with others, and how the consumer responds to actual shopping environments.
   a) **Mood** can be defined as a “feeling state” or state of mind.
   b) Some retailers attempt to create a mood for shoppers.
   c) Individuals in a positive mood recall more information about a product than those in a negative mood.

### A MODEL OF CONSUMER DECISION MAKING

1. The model looks at cognitive processes, problem solving, and to some degree, the emotional aspects of consumer decision making as well.
2. This is not an exhaustive review but a synthesis and coordination of relevant concepts into a whole.
   a) The model has three major components: input, process, and output.

### Input

1. The **input** component draws on external influences that provide information or influence a consumer’s product-related values, attitudes, and behavior.
2. Chief among these input factors are the marketing mix activities of organizations that attempt to communicate the benefits of their products and services to potential consumers and the nonmarketing sociocultural influences, which, when internalized, affect the consumer’s purchase decisions.

### Marketing Inputs

1. The firm’s marketing activities are a direct attempt to reach, inform, and persuade consumers to buy and use its products.
2. The impact of a firm’s marketing efforts is governed by the consumer’s perception of these efforts.
3. Marketers should be alert to consumer perceptions by sponsoring consumer research, rather than relying on the intended impact of their marketing messages.

***** Use Discussion Question #2 Here*****

Sociocultural Inputs

1. Sociocultural inputs consist of a wide range of noncommercial influences—comments of a friend, an editorial in the newspaper, a family member, and direct noncommercial sources of information.
2. The unwritten codes of conduct communicated by culture indicate right and wrong consumption behavior.
3. The cumulative impact of each firm’s marketing efforts, the influence of family, friends, and neighbors, and society’s existing code of behavior are all likely to affect the how and what of consumer purchases.

*****Use Discussion Question #2 Here; Use Figure #15.3 Here*****

Process

1. The process component of the model is concerned with how consumers make decisions.
2. Psychological field—represents the internal influences—motivation, perception, learning, personality, and attitudes—that affect consumers’ decision-making processes.
3. The consumer decision consists of three states: need recognition, prepurchase search, and evaluation of alternatives.

*****Use Key Terms need recognition, prepurchase search, and evaluation of alternatives Here; Use Learning Objective #5 Here; Use Figure #15.3 Here*****

Need Recognition

1. Recognition of a need occurs when a consumer is faced with a problem.
2. Among consumers there seem to be two different problem recognition styles.
   a) Actual state types—consumers who perceive that they have a problem when a product fails to perform satisfactorily.
   b) Desired state types—the desire for something new may trigger the decision process.

*****Use Exercise #2 Here*****
Prepurchase Search

1. **Prepurchase search** begins when a consumer perceives a need that might be satisfied by the purchase and consumption of a product.
   a) The consumer usually searches his or her memory first.
   b) If no experience is present, then he/she may engage in an extensive search of the outside environment.
   c) Past experience is considered an internal source of information.
      i) The greater the relevance of past experience, the less of an external search
      ii) The degree of perceived risk can also influence this stage.
      iii) High risk situations will lead to complex information gathering, low-risk, simple search and evaluation.

2. The act of “shopping” is an important form of external information.
   a) According to a recent consumer study, there is a big difference between men and women in terms of their response to shopping.
   b) In addition to gender differences, research reveals that price considerations can also play a role in determining the extent of the search process.

3. An examination of the external search effort associated with the purchase of different product categories (e.g., TVs, VCRs, or personal computers) found that, as the amount of total search effort increased, consumer attitudes toward shopping became more positive, and more time was made available for shopping.
   a) The less consumers know about a product category and the more important the purchase is to them, the more time they will make available and the more extensive their prepurchase search activity is likely to be.

4. The Internet has had a great impact on prepurchase search.
   a) Web sites can provide consumers with much of the information they need about the products and services they are considering.

5. How much information a consumer will gather also depends on various situational factors.

6. At the most fundamental level, search alternatives can be classified as either personal or impersonal
   a) Personal search alternatives include more than a consumer’s past experience with the product or service. They include asking for information and advice from friends, relatives, coworkers, and sales representatives.

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1. When evaluating potential alternatives, consumers tend to use two types of information:
   a) A “list” of brands (the evoked set)
   b) The criteria they will use to evaluate each brand

2. **Evoked set**—**evoked set** refers to the specific brands the consumer considers in making a purchase in a particular product category.
a) The **inept set** consists of brands the consumer excludes from purchase consideration as unacceptable.

b) The **inert set** is those brands to which the consumer is indifferent because they are perceived as having no advantage.

c) The evoked set consists of the small number of brands the consumer is familiar with, remembers, and finds acceptable.

3. The five terminal positions in the model that do not end in purchase would appear to have perceptual problems. For example:

   a) Brands may be unknown because of the consumer’s selective exposure to advertising media and selective perception of advertising stimuli.

   b) Brands may be unacceptable because of poor qualities or attributes or inappropriate positioning in either advertising or product characteristics.

   c) Brands may be perceived as not having any special benefits and are regarded indifferently by the consumer.

   d) Brands may be overlooked because they have not been clearly positioned or sharply targeted at the consumer market segment under study.

   e) Brands may not be selected because they are perceived by consumers as unable to satisfy perceived needs as fully as the brand that is chosen.

4. The implication for marketers is that promotional techniques should be designed to impart a more favorable, perhaps more relevant product image to the target consumer.

5. **Criteria used for evaluating brands**—the criteria consumers’ use for evaluating brands are usually expressed in terms of important product attributes.

   a) When a company knows that consumers will be evaluating alternatives, they sometimes advertise in a way that recommends the criteria that consumers should use in assessing product or service options.

   b) Research shows that when consumers discuss such “right products,” there is little or no mention of price; brand names are not often top-of-mind; items often reflect personality characteristics or childhood experiences; and it is often “love at first sight.”

6. Research has explored the role of brand credibility on brand choice, and has found that brand credibility improves the chances that a brand will be included in the consideration set.

7. Three factors that impact a brand’s are:

   a) The perceived quality of the brand

   b) The perceived risk associated with the brand

   c) The information costs saved with that brand

8. Furthermore, the study indicates that trustworthiness is more important than expertise when it comes to making choices.
9. **Consumer decision rules**—consumer decision rules are referred to as heuristics, decision strategies, and information-processing strategies, and are procedures used by consumers to facilitate brand choices.
   a) These rules reduce the burden of decision making.
   b) **Compensatory decision rules**—a consumer evaluates brand or model options in terms of each relevant attribute and computes a weighted or summated score for each brand.
      i) The computed score reflects the brand’s relative merit as a potential purchase choice.
      ii) The assumption is that the consumer will choose the brand with the highest score.
      iii) A unique feature of a compensatory decision rule is that it allows a positive evaluation of a brand on one attribute to balance out a negative evaluation on some other attribute.
   c) **Noncompensatory decision rules** do not allow consumers to balance positive evaluations of a brand on one attribute against a negative evaluation on some other attribute. Forms include:
      i) **Conjunctive decision rule**—the consumer establishes a minimally acceptable level that is established as a cutoff point for each attribute.
         a) If any particular brand falls below the cutoff point on any one attribute, the brand is eliminated from consideration.
      ii) **Disjunctive rule**—this rule mirrors the conjunctive rule.
         a) The consumer establishes a minimally acceptable level as a cutoff point for each attribute.
         b) In this case if a brand alternative meets or exceeds the cutoff established for any one attribute, however, it is accepted.
      iii) **Lexicographic decision rule**—the consumer first ranks the attributes in terms of perceived relevance or importance.
         a) The consumer then compares the various brand alternatives in terms of the single attribute that is considered most important.
         b) If one brand scores sufficiently high on this top-ranked attribute, it is selected, and the process ends.
         c) The highest-ranked attribute may reveal something about the individual’s consumer orientation.

10. A variety of decision rules appear common. Nine out of ten shoppers who go to the store for frequently purchased items have a specific shopping strategy for saving money.
   a) Practical loyalists—look for ways to save on those brands and products that they would buy anyway
   b) Bottom-Line Price Shoppers—buy the lowest-priced item, with little or no regard for brand
   c) Opportunistic Switchers—use coupons or sales to decide among brands and products that fall within their evoked set
   d) Deal Hunters—look for the best “bargain” and are not brand-loyal

11. A synthesized decision rule, the **affect referral decision rule**, is the simplest, and is the consumer remembering past evaluations from his/her evoked set and selecting the brand with the highest perceived overall rating.
12. How do Functionally Illiterate Consumers Decide?—The National Adult Literacy Survey found:
   a) A bit more than 20 percent of American consumers did not possess the rudimentary skills in language and arithmetic needed for the typical retail environment
   b) Perhaps as much as half of all U.S. consumers lack the skills needed to master specific aspects of shopping, such as sales agreements and credit applications
   c) Despite the fact that functionally illiterate consumers have only 40 percent as much purchasing power as their literate counterparts, they may spend as much as $380 billion annually.

13. Research has found that functionally illiterate consumers do make decisions differently, in terms of cognitive predilections, decision rules and tradeoffs, and coping behaviors.

14. Going online to secure assistance in decision making—for the past several years researchers have been examining how using the Internet has impacted the way consumers make decisions.
   a) Three factors that have been researched are:
      i) **Task complexity** (number of alternatives and amount of information available for each alternative)
      ii) **Information organization** (presentation, format, and content)
      iii) **Time constraint** (more or less time to decide)

15. Lifestyles as a consumer decision strategy—an individual’s or family’s decisions to be committed to a particular lifestyle impacts their consumer behavior.
   a) Research suggests that 15 percent of Baby Boomers will be seeking a simpler lifestyle.

16. Incomplete information and noncomparable alternatives—in many situations consumers face incomplete information. They cope with this missing information in a number of ways.
   a) They may delay decision making until the missing information is available.
   b) They may ignore the missing information and work with available information.
   c) Consumers may change their decision-making strategy to accommodate the missing information.
   d) Consumers may infer or construct the missing information.
e) Consumers may conclude that none of their choices offer sufficient benefits to warrant purchase.

17. In applying decision rules—In applying decision rules, consumers may at times attempt to compare dissimilar alternatives.

18. A series of decisions—a purchase can involve a number of decisions rather than a single decision.

19. Decision rules and marketing strategy—an understanding of which decision rules consumers apply in selecting a particular product or service is useful to marketers concerned with formulating a promotional program.

OUTPUT

1. The output portion of the consumer decision-making model concerns two closely associated kinds of postdecision activity: **purchase behavior** and **postpurchase evaluation**.

2. The objective of both activities is to increase the consumer’s satisfaction with his or her purchase.

| ****Use Key Terms purchase behavior and postpurchase evaluation Here **** |

**Purchase Behavior**

1. Consumers make three types of purchases: **trial purchases**, **repeat purchases**, and **long-term commitment purchases**.
   a) Trial is the exploratory phase of purchase behavior in which consumers attempt to evaluate a product through direct use.
      i) When a trial is satisfactory, consumers are likely to repeat the purchase.
   b) Repeat purchase behavior is similar to brand loyalty.
      i) A repeat purchase usually signifies that the product meets with the consumer’s approval and that the consumer is willing to use it again and in larger quantities.
      ii) This form is closely related to **brand loyalty**.
   c) Trial is not always feasible, such as with big-ticket items and durable goods. In that case the consumer moves from evaluation directly to long-term commitment.

**Postpurchase Evaluation**

1. As consumers use a product, they evaluate its performance in light of their own expectations.

2. There are three possible outcomes of such evaluation.
   a) Actual performance matches expectations, leading to a neutral feeling.
   b) Positive disconfirmation is when the performance exceeds expectations (which leads to satisfaction).
   c) Negative disconfirmation is when the performance is below expectations.

3. An important aspect of the purchase process is reducing postpurchase cognitive dissonance—when consumers try to reassure themselves that their choice was a wise one.

4. The degree of postpurchase analysis relates to the importance of the product decision and the experience acquired in using the product.
5. The consumer’s postpurchase evaluation feeds back as experience to the consumer’s psychological field and serves to influence future related decisions.
6. A satisfied customer is one who feels that he or she has received “value.”
7. As an outcome of an evaluative judgment, value implies the notion of a trade-off of benefits—the features of the purchased item—versus the sacrifice necessary to purchase it.

The Decision to Do Nothing

1. Once in awhile, a consumer may go through the entire purchase decision-making process and decide not to buy or not to switch from one brand or service provider to another.
2. A recent study examining “why customers stay” with their current service providers found that the reasons vary by type of service and by culture.
3. Information load may be a reason why a consumer elects to do nothing.

CONSUMER GIFTING BEHAVIOR

1. The amount of money spent and feelings generated by gifts make them an interesting part of consumer behavior.
2. Gifting behavior is the process of gift exchange that takes place between a giver and receiver.
   a) It includes gifts given to (and received from) others and gifts to oneself, or self-gifts.
3. Gifting is symbolic communication with implicit and explicit meanings.
4. One of the models of gifting reveals the following five gifting subdivisions:
   a) Intergroup gifting
   b) Intercategory gifting
   c) Intragroup gifting
   d) Interpersonal gifting
   e) Intrapersonal gifting
5. Intergroup gifting occurs when one group exchanges gifts with another.
6. Intercategory gifting is an individual giving a group a gift, or a group giving an individual a gift.
7. An intragroup gift is a gift that a group gives itself.
8. Interpersonal gifts occur between two individuals.
9. An intrapersonal gift occurs when the giver and the receiver are the same individual (a self-gift).
BEYOND THE DECISION: CONSUMING AND POSSESSING

1. Historically, consumer behavior studies have focused on the product, service, or brand choices.
2. We now see that the experience of possessing, collecting, or consuming things contributes to consumer satisfaction and overall quality of life.
3. Consumer choices might be viewed at the beginning of the consumption process rather than at the end.
   a) The choice or purchase decision is the input of the process.
   b) The input stage includes a consumption set and a consuming style.
   c) The process stage consists of using, possessing, collecting, and disposing of things and experiences.
   d) The output stage would include changes in feelings, attitudes, and behaviors, as well as reinforcement of a lifestyle.

*****Use Learning Objective #15.6 Here; Use Figure #15.6 Here*****

Products Have Special Meaning and Memories

1. Consuming is a diverse and complex process.
2. It includes utility of a product, the psychological use of the product, memories, etc.
3. As a consequence, some possessions create personal meaning for consumers and/or help them maintain a sense of the past.
4. Some people maintain their identity after major changes in their life by linking to their past.
5. Older consumers are often faced with the issue of how they should dispose of special possessions.

Relationship Marketing

1. Many firms are pursuing relationship marketing programs in order to build loyal usage and a commitment to their company’s products and services.
   a) It is built on trust that grows from keeping promises.
2. The goal of relationship marketing is to build strong, lasting relationships with a core group of customers.
3. The emphasis is on developing long-term bonds, making consumers feel good about the company, and giving the consumer some kind of personal connection to the business.
4. A review of the composition of 66 consumer relationship marketing programs revealed three elements shared by more than 50 percent of the programs.
   a) Fostering ongoing communication with customers (73 percent of the programs)
   b) Furnishing loyalty by building extras like upgrades and other perks (68 percent of the programs)
   c) Stimulating a sense of belonging by providing a “club membership” format (50 percent of the programs)
5. Like personal relationships between individuals who are willing to do favors for each other, “relationship” marketers offer loyal customers special services, discounts, increased
communications, and attention beyond the core product or service, without expecting an immediate payback.

a) A new form of relationship marketing has resulted as Internet usage has increased. The term used on the Internet is “permission marketing.”

6. Although direct marketing, sales promotion, and general advertising may be used as part of a relationship marketing strategy, relationship marketing stresses long-term commitment to the individual customer.

7. A recent study suggests that the “marriage” of market research and database marketing can result in improved promotional marketing to participants in a firm’s relationship marketing program. The study notes that the ability to satisfy consumer needs can be improved by using the following dimensions:

a) Cognitive
b) Affective
c) Conative
d) Situational
e) Social norms

8. Ultimately, it is to a firm’s advantage to develop long-term relationships with existing customers, because it is easier and less expensive to make an additional sale to an existing customer than to make a new sale to a new consumer.

9. Research indicates that consumers today are less loyal than in the past, due to six major forces:

a) The abundance of choice
b) Availability of information
c) Entitlement (consumers repeatedly ask “What have you done for me lately?”)
d) Commoditization (most products/services appear to be similar—nothing stands out)
e) Insecurity (consumer financial problems reduce loyalty)
f) Time scarcity (not enough time to be loyal).

10. A recent study lists six areas in which a loyalty building strategy can result in cost savings:

a) Reduced marketing costs
b) Lower transaction costs
c) Reduced customer turnover expense
d) Increased cross-selling success
e) More positive word of mouth
f) Reduced failure costs

*****Use Key Term relationship marketing Here; Use Learning Objective #15.7 Here; Use Figures #15.12, #15.13 and #15.14 Here; Use Table #15.5 Here*****

DISCUSSION QUESTIONS

1. Compare and contrast the economic, passive, cognitive, and emotional models of consumer decision making.

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The economic view portrays consumers as making rational decisions. Clearly, this model is not characteristic of most consumption situations because consumers are rarely aware and knowledgeable of all the product alternatives in any given situation, and of all the features and benefits of the product offerings they can choose from. Thus, they are often unable to make rational decisions. The passive view depicts the consumer as basically submissive to the self-serving interests and promotional efforts of marketers. Consumers are perceived as impulsive and irrational purchasers, ready to yield to the arms and aims of marketers. The cognitive view depicts consumers as problem solvers where they cognitively process information, seek out products and services that fulfill their needs, form preferences, make choices, and engage in postpurchase evaluations of their selections. Such decision making is characteristic of consumption situations where consumers are highly involved with purchases and experience high levels of perceived risk. The emotional view states that consumers often have deep emotions or feelings regarding many purchases. This is typical of consumption situations where consumers place more emphasis on their current moods and feelings and less emphasis on prepurchase information. In such cases, a product is bought on an impulse —on a whim—or because the buyer is emotionally driven. Emotional advertising appeals include stressing nostalgia, fantasy, and being “seduced” by the product.

2. What kinds of marketing and sociocultural inputs would influence the purchase of: (a) a TV with a built-in VCR; (b) a concentrated liquid laundry detergent; and (c) fat-free ice cream? Explain your answers.

Students’ answers will vary. Students should see marketing inputs as the firm’s marketing efforts to reach, inform, and persuade consumers to buy and use its products. These inputs take the form of specific marketing-mix strategies that consist of the product itself (including its package, size, and guarantees); mass-media advertising, direct marketing, personal selling, and other promotional efforts; pricing policy; and the selection of distribution channels to move the product from the manufacturer to the consumer. Sociocultural inputs consist of a wide range of noncommercial influences, such as the comments of a friend, an editorial in the newspaper, or usage by a family member or an article in Consumer Reports. The influences of social class, culture, and subculture, though less tangible, are important input factors that are internalized and affect how consumers evaluate and ultimately adopt (or reject) products. Unlike the firm’s marketing efforts, sociocultural inputs do not necessarily support the purchase or consumption of a specific product, but may influence consumers to avoid a product.

3. Define extensive problem solving, limited problem solving, and routinized response behavior. What are the differences among the three decision-making approaches? What type of decision process would you expect most consumers to follow in their first purchase of a new product or brand in each of the following areas: (a) chewing gum, (b) sugar, (c) men’s aftershave lotion, (d) carpeting, (e) paper towels, (f) a cellular telephone, and (g) a luxury car? Explain your answers.

Again, students’ answers will vary. They should demonstrate a clear understanding of the three decision frameworks. With extensive problem solving, the consumer has no pre-
established criteria to evaluate the product category or brands. The consumer has not narrowed the brand alternatives into an evoked set. With limited problem solving, the consumer has established basic criteria for evaluating the product category or brand. The consumer has no clear preferences among the brands in his or her evoked set. With routinized response behavior, the consumer has some experience with the product category. The consumer has established criteria with which to evaluate brands in his or her evoked set. Also, little or no additional information is needed to make a brand choice. The strategies which one might expect consumers to follow in their first purchase of a new product or brand clearly depend on how involved they are with the purchase. Because involvement is consumer-related rather than product-related, there are no standardized answers to the second part of this question. Here are some suggestions: (a) chewing gum—limited problem solving; (b) sugar—routinized response behavior; (c) men’s aftershave lotion—limited problem solving; (d) carpeting—extensive problem solving; (e) paper towels—routinized response behavior; (f) a cellular telephone—extensive problem solving; and (g) a luxury car—extensive problem solving.

4. a. Identify three different products that you believe require reasonably intensive prepurchase search by a consumer. Then, using Table 15-2 as a guide, identify the specific characteristics of these products that make intensive prepurchase search likely.

   b. For each of the products that you listed, identify the perceived risks that a consumer is likely to experience prior to purchase. Discuss how the marketers of these products can reduce these perceived risks.

   Students’ answers to this question will demonstrate that products requiring intensive prepurchase search are ones with high consumer involvement and high perceived risk, and are also likely to be expensive and infrequently purchased (e.g., cars, personal computers, stereo systems).

5. Let’s assume that this coming summer you are planning to spend a month touring Europe and are, therefore, in need of a good 35mm camera. (a) Develop a list of product attributes that you will use as the purchase criteria in evaluating various 35mm cameras. (b) Distinguish the differences that would occur in your decision process if you were to employ compensatory versus noncompensatory decision rules.

   Students’ answers will probably focus on personal criteria and fail to apply the text content. Be prepared to lead the students to relate their process and the decision-making process described in the text. For example, when using a compensatory decision rule, you would evaluate each brand in your evoked set in terms of the intrinsic product features or attributes that you believe to be important. For instance, if your criteria for this camera include compactness, ease of picture taking, and high picture-quality, a compensatory decision would require you to evaluate each brand in terms of all three criteria in order to arrive at a final choice. In using a noncompensatory decision rule, you would evaluate each camera brand in terms of a single relevant criterion. For instance, if you feel that picture quality is the most
important criterion for selecting a camera, you would purchase the brand believed to deliver the highest quality photographic results.

6. **How can a marketer of a very light, very powerful laptop computers use its knowledge of customers’ expectations in designing a marketing strategy?**

   The marketer should be aware of what the consumer expects from the laptop computer, because if the product fails to operate as the consumer expects it to, he or she might return it, not buy products under that brand name again, and spread unfavorable word-of-mouth about the company. The promotion for the computer must not build up unrealistic expectations about the product by promising, for example, an easy-to-use product (because virtually all personal computers are complex products and users must spend a considerable amount of time learning how to operate them properly). The positioning approach used must be designed to deliver benefits that are congruent with those consumer needs and expectations uncovered by research studies.

7. **How do consumers reduce postpurchase dissonance? How can marketers provide positive reinforcement to consumers after the purchase in order to reduce their dissonance?**

   Marketing strategies to reduce postpurchase dissonance include: (a) ads which reassure buyers that they made the right choice; (b) reassuring messages and text within the instruction manuals; (c) extensive warranties, guarantees, and service; (d) a mechanism to obtain further information about the product (e.g., an 800 number, a corporate service center); (e) postpurchase contacts with buyers by mail or phone (e.g., a “welcome back” postcard mailed by a travel agent to a client returning from a vacation that was arranged by the same travel agent).

8. **The Gillette Company, which produces the highly successful Sensor shaving blade, has recently introduced a clear gel antiperspirant and deodorant for men. Identify the perceived risks associated with the purchase of this new product and outline a strategy designed to reduce these perceived risks during the product’s introduction.**

   Because Gillette is a well-known company, consumers have little to worry about wasting time and money (i.e., little or no financial and time loss risks) or buying a product that will not work properly (i.e., no functional or physical risks). Therefore, Gillette’s promotional messages for the new product should capitalize on the firm’s image of quality, an image that was strongly reinforced by the success of the Sensor blade, by depicting the firm as a marketer of a complete line of men’s grooming products and toiletries. Gillette already has an extensive marketing network and should use it to promote and distribute the new product. Indeed, ads for the new antiperspirant mentioned the Sensor by name, and the packages of this well-established shaving blade included coupons for, and free trial-size samples of, the company’s new men’s grooming products (an apparent utilization of stimulus generalization).
9. Albert Einstein once wrote that “the whole of science is nothing more than a refinement of everyday thinking.” Do you think that this quote applies to the development of the consumer decision-making model presented in Figure 15.3?

Students’ answers will vary widely. Help them to see that the model presented in Figure 15.3 ties together many of the ideas on consumer decision making and consumption behavior discussed throughout the book. It does not presume to provide an exhaustive picture of the complexities of consumer decision making. Rather, it is designed to synthesize and coordinate relevant concepts into a significant whole. The model includes input into consumer decision making, the process of the decision, and its output. Thus, this model is congruent with Einstein’s view.

EXERCISES

1. Find two print advertisements: one that illustrates the cognitive model of consumer decision making and one that illustrates the emotional model. Explain your choices. In your view, why did the marketers choose the approaches depicted in the advertisements?

Instructor’s Discussion

The objective of this exercise is to illustrate that the different views of consumer decision making are often depicted in advertising. Help the students identify the elements of the advertisement that would tap into the information process of the cognitive process. Require students to identify the emotive and mood elements of the emotional appeal.

2. Describe the need recognition process that took place before you purchased your last can of soft drink. How did it differ from the process that preceded the purchase of a new pair of sneakers? What role, if any, did advertising play in your need recognition?

Instructor’s Discussion

Answers will vary by student. Have students focus on how their need for a soft drink arose. Did the student simply realize that he/she was thirsty, was it the act of eating, or did some input, an ad, or comment from a friend arouse the need? In the case of a new pair of sneakers, the student’s problem recognition might have been caused by the wearing down of an old pair, by an ad for a new, more advanced or more fashionable brand, and/or by the fact that peers were switching to a new type or brand of sneakers. Because sneakers are a highly visible product, a marketer can arouse the need for the product by showing how it helps the wearer to gain approval and prestige among peers. Some students might also point out that an ad depicting a sports celebrity wearing a particular pair of sneakers can trigger the need for the product.
3. List the colleges that you considered when choosing which college or university to attend and the criteria that you used to evaluate them. Describe how you acquired information on the different colleges along with the different attributes that were important to you and how you made your decision. Be sure to specify whether you used compensatory or noncompensatory decision rules.

Instructor’s Discussion

Students’ answers will vary from extensive information searchers to choosing based on convenience or parental direction. This exercise will demonstrate the complexities of prepurchase search during a high-involvement decision bearing a high degree of personal relevance and commitment. It may also show what was a high involvement decision for some was low involvement for others. Was risk a factor?

4. Select one of the following product categories: (a) compact disc players, (b) fast-food restaurants, and (c) shampoo, and: (1) write down the brands that constitute your evoked set, (2) identify brands that are not part of your evoked set, and (3) discuss how the brands included in your evoked set differ from those that are not included in terms of important attributes.

Instructor’s Discussion

Answers will vary among students. Help the students explore why brands were included and excluded from their evoked set. Generally, those brands not included in the evoked set are the ones that are perceived as being of lower quality, having fewer features, being less stylish, and being less heavily promoted. Discuss the implications for marketers.

5. Select a newspaper or magazine advertisement that attempts: (a) to provide the consumer with a decision strategy to follow in making a purchase decision, or (b) to reduce the perceived risk(s) associated with a purchase. Evaluate the effectiveness of the ad you selected.

Instructor’s Discussion

This exercise is designed to illustrate how two of the concepts described in this chapter are utilized in advertisements.

S.T.A.R. PROJECTS

Ethical Issues in Consumer Behavior

S.T.A.R. Project #1
As a consumer behavior expert for a nationwide clothing manufacturer you have been asked to address a consortium of Better Business Bureaus via a nationwide interactive TV/Satellite
hookup. When you arrive at the TV studio where the broadcast will occur you learn that the sponsors have also invited a speaker from Ralph Nader’s consumer organization to address the same audience. This speaker will contend that consumers should use an economic view in consumption decisions. Your presentation was to assert that consumers primarily use a cognitive view in making their decisions. As the unannounced “debate” begins, your fellow speaker labels your company as being one that dupes consumers through mass media advertising and plays on the consumers’ emotions and passivity (addiction to mass media for information) to sell products. Considering the response and the ethics of what was just done, formulate a response to support your position with respect to the cognitive view of consumer decision making. How could you ethically come out of this “debate” on top?

Instructor’s Discussion

This scenario asks students to consider their actions when placed in a difficult role. First, the debate was unannounced and, therefore, preparation for a debate would be minimal. Second, the speaker that students would be matched against has an aggressive agenda. Lead students through a response format. Should they attack, be submissive, be explanatory, take the high road, or refuse to participate? This might be good training for the unexpected encounter.

S.T.A.R. Project #2
Examine Figure 15.3. Notice the three main sections—input, process, and output. Where within the model would the greatest potential for ethical dilemmas lie? Where within the model would be the place where the opportunity to excel in good ethical behavior would be greatest? How could a company use this model to guide its ethical behavior toward consumers? Explain your thoughts.

Instructor’s Discussion

This question is intended to make students think as they answer the last series of questions in the text. Use an open forum to get student ideas. Encourage creativity. Remind students that good ethical behavior is not inconsistent with excellence in understanding consumer behavior.

Small Group Projects

S.T.A.R. Project #3
Your group’s assignment is to pick a product category such as personal computers, clothing, cars, or recreation. Using your chosen category, chart, outline, or diagram how consumers make purchase decisions in the chosen area. Focus on need recognition, pre-purchase search, and evaluation of alternatives. Lastly, your group should pick a “reporter” to summarize your group’s findings for the entire class.

Instructor’s Discussion

This assignment is a good summary for the group experience and the basic substance of the course and text. Add product categories for a large class to ensure that every group has a separate
discussion area. Use this as a basis for discussion on how the product and its importance to the consumer effects the way they make decisions.

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

Your group’s assignment is to explain the levels of consumer decision making. Review the material in the text on extensive problem solving, limited problem solving, and routinized response behavior. In order to explain the levels, construct examples that differ from those presented in the text. Next, show how your examples could become one of the other forms. What would need to change in the purchase environment for the change(s) to occur? How would this change (changes) impact the strategic decision making of the manufacturer(s) of your product example(s)? Write a short summary report that outlines your group’s findings. Discuss your findings with other class members. Note the similarities and differences with other groups.

**Instructor’s Discussion**

This project will aid the groups to summarize the consumer behavior process shown in the text and give further reinforcement to learning associated with the levels of consumer decision making. Pick the best examples and have student groups discuss their examples in class.

**Using the Internet to Study Consumer Behavior**

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

Review Table 15-2 before beginning this assignment. Your task is to go on a prepurchase search via the Internet. The product category is up to you. You can either search for a product via the Internet that you will eventually purchase in a store or the search can be for a product that would be purchased online. Once you have completed your prepurchase search, list the factors that impacted your search. How do these factors match to those listed in Table 15-2? Is the Internet a good way to search for products? Comment. Lastly, write a summary report about your experience and whether you thought it was beneficial or not. Be sure to describe your successes and failures encountered during the search process.

**Instructor’s Discussion**

This assignment asks students to use the Internet to do a prepurchase search and then to comment on their experiences. The assignment also affords students the opportunity to review the situational factors shown in Table 15-2. Pick a few students to discuss their experiences while on their search. Try picking one student who has never searched for products via the Internet (yes, there will be some) and one student who is an experienced Internet searcher and shopper. Contrast the information provided by these two students.

**S.T.A.R. Project #6**

Consumer decision rules, even though you use them everyday, are often difficult to understand. Before beginning this assignment, review the consumer decision rules found in the chapter. Once this is done, examine the illustrations provided in Table 15-7 as a way of summarizing the various rules. Your assignment is to design your own new BMW (see the design feature at
www.bmw.com). As you design your new car, consider the decision rules that are impacting and formulating your decisions. Once you have designed your new car, download a picture of the car and list all the features you have included in your ideal car (another download feature of the Web site). Write a short summary report that describes what you did, what decision rules you used, and how these rules influenced your overall decision process. Discuss your efforts with the class. Show your new car.

Instructor’s Discussion

This assignment lets students have some fun designing their own luxury car and at the same time learn about decision rules. As students complete the assignment be sure to have them show their new car, explain what decision rules were used, and how the rules influenced their decision-making process. The results are often surprising.

CASE COMMENTS

Case One: You Will Never Travel Alone

Clearly, students might consider quite a few factors when making this decision. First and foremost might be whether the particular brand and model of car navigation system that they believe would be the best choice for them. Need recognition is the first factor, followed by a pre-purchase search and evaluation of alternatives. If it is clear that the product has significant advantages over the competition, then the purchase is more likely. In addition to this are the external influences such as the firm's marketing and the socio-cultural environment etc. Perceived risks can be offset by the fact that the firm has extensive customer back-up and support systems, making the product far less of a risky purchase in the mind of the customer. This also impacts on the suitability of the product as a potential gift. The product is user-friendly, compatible with many other systems (such as mobile phones), has patented unique technology which means that the product is always adaptable and improvements are being made and finally the product is ideal for parts of the world that have poor road networks as the coverage is global and complete.

Case Two: Chelsea Tractors

SUVs are status symbols and can be considered to be a gift or a reward car. The vehicles are not purchased for their utility and neither are they purchased for their economy or efficiency. They are not even used off road. In many cases they are predominantly female purchases. Consumers purchase them as a reward to themselves, regardless of additional costs that may be incurred as a result of their choice.