

MYCBBOOK

CONSUMER BEHAVIOUR

Human Pursuit of Happiness in
the World of Goods



Jill
Avery

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Kozinets

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5E

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

**TO CRAFT THESE
PRODUCTS AND
EXPERIENCES,
MARKETERS MUST
UNDERSTAND
THIS CONSUMER PSYCHE
UP CLOSE AND
PERSONAL.**

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MYCBBOOK

CONSUMER BEHAVIOUR CONSUMER PSYCHOLOGY

HUMAN PURSUIT OF HAPPINESS IN THE WORLD OF GOODS

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Jill Avery, Robert V. Kozinets,
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5E International

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Library of Congress Control Number: 2009936020

ISBN-13: 978-1-7359838-0-5

Printed in India

0 9 8 7 6 5 4 3 2

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WE SHOULD
PURSUE SELF-
ACTUALIZATION.
WE SHOULD
PURSUE AS WELL,
AND WITH EQUAL ZEAL,
THE GOAL OF
MAKING OUR
SELF WORTH-
ACTUALIZING.

DEDICATION

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

PREFACE

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

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

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

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

Now, we await your judgment on 5e.

Authors & Editors

FOR INTERNATIONAL READERS

We have included examples from diverse nations.

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

All of the concepts are applicable worldwide, of course.

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

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

We will value your opinion on 5e.

Authors & Editors



ACKNOWLEDGMENTS

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

TO YOU ALL, OUR SINCERE GRATITUDE.

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1

WELCOME TO THE FASCINATING WORLD OF CONSUMERS

Where Offerings and Hopes Meet

What Future Consumers Will Wear!



The Hug Shirt™

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

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



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

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

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

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

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



Mirror Handbag

*How consumers
get their cool in
the marketplace*

How Consumer Behavior is Defined and What Its Elements are

Five Visions of the Consumer Marketers Should Recognize

Consumer Needs and Wants and How Marketing Shapes Them

Five Resources All Humans Possess and Exchange in the Marketplace

Four Consumption Values Humans Seek in the Marketplace

Four Reader Types to Benefit from This Consumer Behavior Book

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TO UNDERSTAND

LEARNING

OBJECTIVES

Introduction

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

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

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



The Hug Shirt™



Twinkle T-shirt

41212 5 13921

41212 5 13921



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

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

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

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

WE ARE CONSUMERS—24-7!

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



Dear e-Diary—Here is My Consumer Behavior

by Ellen Tibbs

MONDAY

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

TUESDAY

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

WEDNESDAY

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

SATURDAY

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

SUNDAY

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



Ellen Tibbs is a college senior majoring in Business Administration

MY CB BOOK

CONSUMERS ARE FASCINATING

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

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

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

FIVE VISIONS OF THE CONSUMER

Consumer as Problem Solver In this vision, consumers are searching for solutions to the needs of daily life, looking for a product or service that will meet those needs in the best possible way. Once they find the “solution product,” they can relax and move on with their lives. The following self-report from a consumer illustrates this¹:

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

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

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

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

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



Doing
Yoga

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

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

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

“I Obey My Thirst!”

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

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

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



Jackie Cooper,
Makeup artist, Cincinnati, USA

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

INTERVIEWER: Ok. Thank you for your time.

MY CB BOOK

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

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

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

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

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

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

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

WHAT IS CONSUMER BEHAVIOR?

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

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

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

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

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

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

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

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



as political candidates seeking your votes are included. And, finally, ideas are included, such as vegetarianism or promoting mask wearing. The important point here is that casting your vote for a candidate is just as good an example of consumer behavior as is buying a brand of toothpaste; so is visiting a museum, choosing a college, downloading the Calm app, and then on it, listening to Matthew McConaughey Wonder, a sleep story he recorded in May 2020, displaying a “Save Our Environment” bumper sticker on your new car, or planning to donate to Stand Up To Cancer.

Photos courtesy of Arden E. John, South Korea



Consumers as Revelers: Bo Ring Mud Festival South Korea

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

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

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

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

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

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

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



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

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

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

The advertisement shows a silver Nissan 370Z sports car in profile against a dark background. Above the car is the Nissan Z logo. Below the car, the text reads: "WANT? NEED? SAME DIFFERENCE".

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

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



SHIFT_ the way you move

As shown \$37,460. 370Z Touring with Sport Package. Prices are MSRP excluding tax, title, license and destination charge. Dealer sets actual price. *Available feature. Always wear your seat belt, and please don't drink and drive. ©2019 Nissan North America, Inc.

EXCHANGE, RESOURCES, AND VALUE

Three Essentials of Consumer Behavior

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

EXCHANGE

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

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

RESOURCES

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

Five Resources

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

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

Five
Resources
Humans
Possess



Money

Time

Knowl-
edge

Energy

Social
Capital

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

VALUE

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

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

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

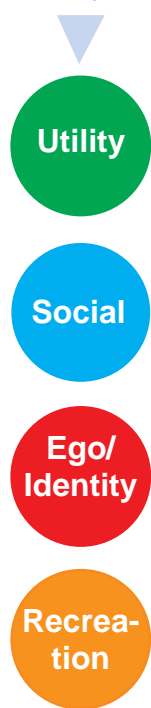
Thus, value comes in multiple forms. Basically, value accrues when some need is satisfied. Because human needs are countless, so also are forms of value. However, they can be categorized into four major types, captured in the acronym USER: (a) utilitarian, (b) social, (c) ego/identity, and (d) recreational.⁶

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

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

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

Four
Values
Consumers
Seek
in the
Marketplace



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

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

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

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

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

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



Are These Two People Consuming at This Moment?

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

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

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

DOES MARKETING CREATE CONSUMER NEEDS?

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

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

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



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

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

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



CONSUMER BEHAVIOR AS A FIELD OF STUDY

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

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

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

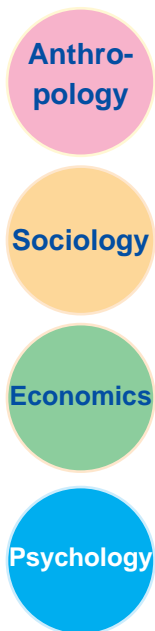
Economics is the study of goods—how they are produced, distributed, and consumed. As such, it also deals with how societies and individuals allocate their resources on what to produce and what to buy. Economics helps us understand how we spend money, why we save it, and how to gain maximum utility from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

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

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

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

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



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

CB Notes

DIRTY LEMON Teaches Us to Buy in a New Way

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

Welcome to the new face of shopping!

MyCBook.com

CONSUMERS: SAME AND DIFFERENT



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

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

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

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

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

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

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

1.3

SEGMENTATION OF CONSUMERS: THREE EXAMPLES

1 MOTIVATION (BENEFITS)

A BENEFIT SEGMENTATION OF FITNESS CLUB MEMBERS



Correctional Fitness

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



Maintenance Fitness

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



Build-up Fitness

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



Relaxation

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



Socialization

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

(A hypothetical example)

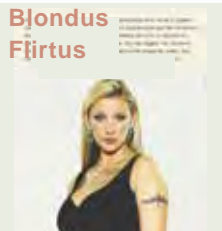
2 DEMOGRAPHICS+PSYCHOGRAPHICS

AGE AND LIFE OUTLOOK OF HOME BUYERS



Hunkus Maximus

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



Blondus Firtus

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



Mamma's Boy

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



Couples Permanentus

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



Oldus Affluentus

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

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

3 ATTITUDES

SEGMENTS BY ATTITUDE TOWARD ONLINE SHOPPING



Shopping Lovers

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



Adventuresome Explorers

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



Suspicious Learners

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



Technology Muddlers

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

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

Consumers Wanted

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

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



An Experiential Journey

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

1

Romancing the Consumer



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

If you were in London during a recent Summer, you would have witnessed a strange product on the feet of many people walking: flip-flops with live grass growing on them! A few weeks earlier, Krispy Kreme had surveyed over 1000 U.K. workers. Of the surveyed consumers, 72% said that they felt seriously stressed on a daily basis. And 81% of them said, further, that a simple walk through a park made them feel instantly relaxed.

The problem was that, for these urban dwellers, a park was not nearby.

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

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

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

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




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

MY CB BOOK

1

SUMMARY

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

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

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

1

KEY TERMS

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

1

YOUR TURN

REVIEW+Rewind

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

THINK+Apply

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

A Must Do

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

PRACTICE+Experience

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

CASE 1 Don't Wear Your Stockings! Spray Them

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

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

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

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

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

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

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

Said another: "I would rather wear this than a hose; it makes my skin smoother."

DISCUSSION QUESTIONS

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



Source: www.airstocking.com

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

A Case Study
at the end of
every chapter?

RESEARCHING THE CONSUMER



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

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

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

QUALITATIVE AND QUANTITATIVE

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

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

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

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

Incidentally, you have just participated in quantitative survey research!

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

MARKET SEGMENTATION

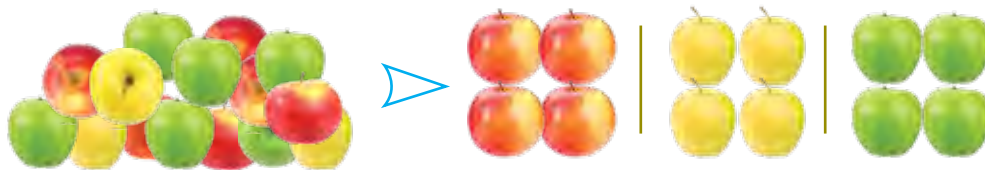
WHERE MARKETING STRATEGY MEETS CONSUMER RESEARCH

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

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

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

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



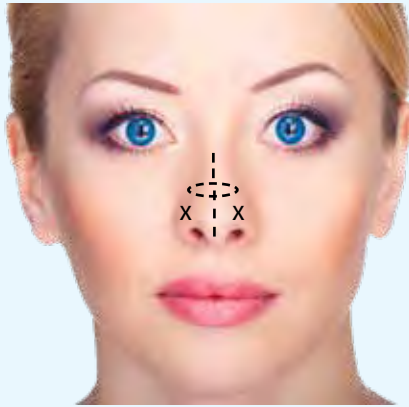
The readers of this book can be divided into two broad segments, in terms of their preference for covering this topic:

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

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

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

2

CONSUMER MOTIVATION,
EMOTION, AND INVOLVEMENT*The Fire that Lights Within*

Look, I Got A New Face!

Welcome to Brazil. We are famous for our beaches, of course. But today, let us show you another face of Brazil, that of being “the world’s epicenter of plastic surgery”!

Brazil overtook the USA in 2014 and has maintained that lead with 1,498,237 surgeries in 2019, with the USA a close second at 1,492,327.



When it comes to plastic surgery, Brazil has an interesting history. In the 1950s a doctor named Ivo Pitanguy convinced the government that self-loathing or low self-esteem due to poor looks is harmful to health. Since that time, in Brazil, plastic surgeries are viewed as “essential health.” Most health insurance companies cover it and, in public hospitals, plastic surgeries are free or at a very low cost, especially for low income or poor people. At his clinic, Dr. Pitanguy, now known as “the pope of plastic surgery” himself performed pro bono or charity surgeries for the poor.

In public hospitals, where surgeries are free, there is a long queue of patients with waiting times of several months or even several years! Facilities are in poor condition. But young resident physicians are eager to perform such surgeries on “low-income patients” as they see it as an opportunity to get training.¹

Brazil is known to have the best plastic surgeons. But the procedures are not easy. Consider Rhinoplasty, the procedure to reshape our noses. A long incision is made on the bridge between the two nostrils. Then with tweezers, the skin is lifted up as if it were the hood of a car. And then, with a scalpel, the bone is cut and the cartilage is shaped.

Despite the risk and pain, Brazilian women seek plastic surgeries in droves. They consider their looks and body shape essential ladder to finding a good job, a good husband, or even a good date. One more thing: Unlike in the USA and other nations, face or body augmentation procedures are not considered a taboo topic; so, women admit having undergone the procedure and display their new face proudly. And yes, Brazil’s beautiful beaches play a prominent role: They present ample opportunity to showcase your augmented bodies or reshaped faces!

I am motivated to get what I want.

41212 5 13234

Consumer Motivation as a Fundamental Inner Force

Maslow's Hierarchy of Needs and Its Fluidity

Unconscious Consumption Motives and Methods of Researching Them

Emotions and Moods: Definition, Types, and Measurement

Hedonic Consumption and Its Four Forms

Consumer Involvement and Its Role as a Yardstick for Consumer Actions

1

2

3

4

5

6

TO UNDERSTAND

LEARNING

O B J E C T I V E S

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

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

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

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

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



CONSUMER MOTIVATION

The Why Behind the What

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



3 6 2 1 2 9 9 3 2 2 1

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

The Fundamental Inner Force

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

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

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

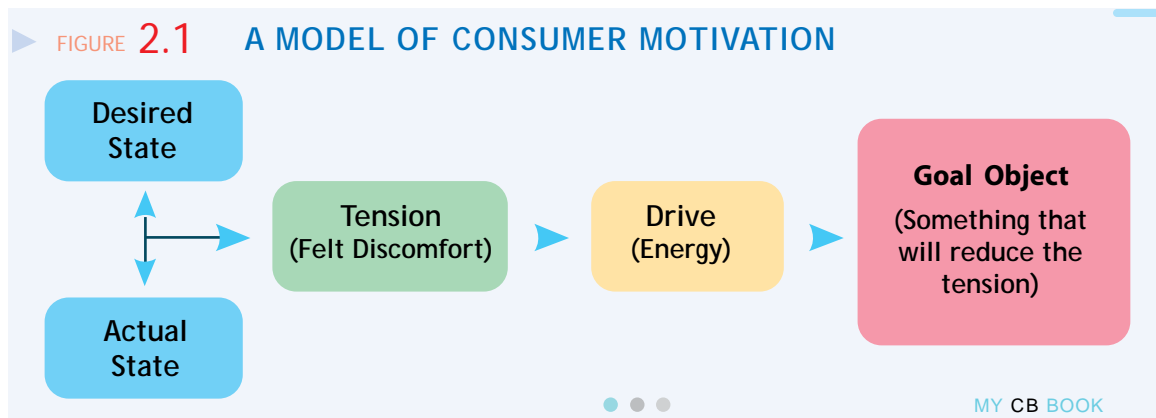
We are now ready to formally define *motivation*. **Motivation** is the human drive to attain a goal object. A **drive** is a force or energy that impels us to act. And a **goal object** is something in the world, the acquisition or attainment of which will bring us happiness.³

A MODEL OF MOTIVATION

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

What about needs and wants?

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



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

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

Well, then, from where do needs come?

Innate Versus Learned Needs

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

Biogenic Versus Psychogenic Needs

Another classification of needs is biogenic versus psychogenic needs.

What our bodies need

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



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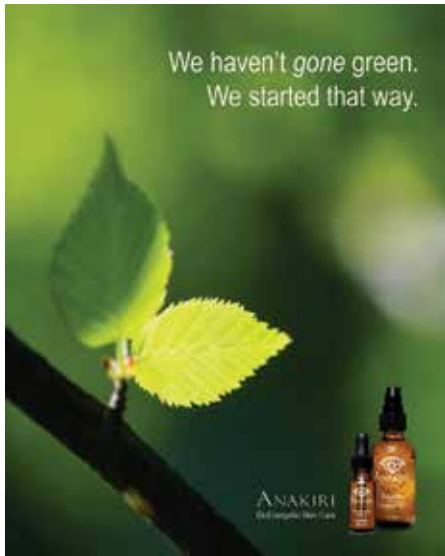


Volkswagen. Das Auto.

The motivational power of desire for products

Image courtesy of Mudra Communications, India.

76 212 5 132 21



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

substances (e.g., spicy food, caffeinated beverages, and narcotics), which we develop because of the conditioning of our bodies and tastes. Thus, strictly speaking, not all biogenic needs are innate needs. We learn some of them through repeated use, and, with strong wills, we can use our minds to extinguish them. But until we do so, the conditioned cravings of our bodies do qualify as biogenic needs.

And what our mind needs

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

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

Then what about a facelift?

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

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



Why is a facelift a psychogenic need?

Approach-avoidance Motives

Things we seek and things we avoid

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

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

Avoidance motivation is the desire to protect oneself from an object, such as a bee sting or a stale or unhygienic burger. Technically, approach and avoidance motives are called, respectively, *appetitive* and *aversive*. Of course, one consumer’s poison may be another’s nectar. Vegetarians love tofu, but avoid meat; most non-vegetarians love meat,

naturally, and some of them may not like tofu.

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

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

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

A Universal Dictionary of Motivations

How many products do you own? How many will you buy this year? If you will buy a hundred products, do you have a hundred motivations?²⁵

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

G.Q. marries I.Q.

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

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

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

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

SAVVY MARKETER

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

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

MASLOW'S MODEL OF HIERARCHY OF NEEDS

Humans live for bread and then more!

The five need categories in Maslow's theory are:

1. **Physiological needs**
2. **Safety and security needs**
3. **Belonging and love needs**
4. **Esteem and ego needs**
5. **Self-actualization needs⁶**

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

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

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

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

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

relationships with others.

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

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

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

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

How the hierarchy works

The storm inside the Pyramid

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

The point of the hierarchy is that consumers have to feel at least some modicum of comfort at one level of their needs before they become concerned about the next “higher”

FIGURE 2.2 Maslow's Model of Hierarchy of Needs



3

CONSUMER PERCEPTION
& SENSORY MARKETING*The Only Brand Reality that Matters***Drink Liquid Death.****A Bold New Experiment in the Art of Watering Our Bodies!**

Liquid Death was created in June 2019 by Michael Cessario, former creative director of Netflix and also a promoter of punk and heavy metal bands. The brand of water is described as 100% mountain water from the Austrian Alps, served in ice-cold sustainable cans.

Yes, the water is packaged in a tallboy aluminum can, embracing the pro-environmental anti-plastic movement. The can's label is gold color with an image of a skull drawn in line art. An associated video (:60) shows a demon with an ax, violently smacking a slew of people drinking from the can, causing blood to spew out, thus symbolically murdering your thirst. A longer (1:31) video shows a satanic queen of an underground world (hell?) lamenting the fact that plastic bottles have polluted the earth above and are now seeping into her world, and she is on a crusade to torch them out of their plastic bodies. It calls out to help the demons bring #DeathToPlastic by getting involved at keeptheunderworldbeautiful.org.

The brand invites us to join the Liquid Death Country Club (which is supposedly located somewhere in hell) and to join it, you have to "sell your soul."



On its Web page, the brand explains itself:

Let's be clear. Liquid Death is a completely unnecessary approach to bottled water. Because unnecessary things tend to be far more interesting, fun, hilarious, captivating, memorable, exciting, and cult-worthy than "necessary" things.

Necessary Things: Breathing, colonoscopy.

Unnecessary Things: Smashing a guitar on stage and lighting it on fire or jumping over 14 Greyhound buses on a vintage motorcycle.

We started Liquid Death with the totally evil plan to make people laugh and get more of them to drink more water more often. How? By taking the world's healthiest beverage and making it unnecessarily entertaining.

100% Stone-cold Mountain Water, Death to Plastic. Murder Your thirst.

*I see it,
therefore it is.*

4

CONSUMER LEARNING,
MEMORY, AND NOSTALGIA*From Classical to Cognitive*

The Food of the Future Is Here!

Imagine a restaurant where everything is 3D-printed. Everything—tables, chairs, plates, utensils, and the food itself. This is exactly what the scene was at FoodInk, a pop-up restaurant in London, for 3 days in 2016. The restaurant admitted 10 diners per sitting for a nine-course menu, at £250 a head, with dishes printed as the diners watched.

The food is printed by machines made and supplied by byFlow, a Dutch startup. The company supplies the ingredients, recipe books, and software. The ingredients are all natural and are puréed, and then they flow out of syringes on plates. The food is sculpted in beautiful designs, and extraordinary taste is the principal goal of the chef in crafting the recipe and in choosing the all-natural ingredients.

The machine enables chefs to experiment with new dishes, and also create artistic designs that were not possible before. Says Jan Smink, the celebrated Top Chef and Ambassador of byFlow.

By using the Focus 3D Printer I'm able to make forms and shapes that would otherwise not be possible. I can surprise my guests with a unique experience that is very tasty as well.

In 2018, visitors to Horecava 2018, the biggest Food Industry event in The Netherlands, could taste some of the dishes.

The machines are now available for home use from an array of makers. The byFlow printer weighs only 16 lbs, folds down in a suitcase for easy portability, and takes a mere 20 seconds to set up and be print-ready.

FoodInk plans to bring the experience to all the iconic cities in the world. One may be coming to your city soon!



*Engage me,
and I will
learn*

5

CONSUMER VALUES, PERSONALITY, SELF- CONCEPT, AND LIFESTYLES

How We Choose Products to Build Our Lives' Mosaics



Silo—Eat Here and Delight Your Palate and Your Soul Alike!

Welcome to Silo!

Silo, the world's first zero-waste restaurant, is nestled between artists' studios and a craft brewery, in the Hackney Wick district in East London, UK.

Here the tables are made by a local craftsman from sustainable ash and recycled plastic packaging. Some tables and stools in the bar area are “grown,” as mycelium, a kind of fungi grown inside preformed molds then baked to harden. The furniture is robust enough for heavy use, of course, but it is also compostable.

The restaurant has its own flour mill, makes its own oat milk, churns its own butter. All other ingredients arrive from suppliers in reusable bins, and all dinnerware is made from recycled plastic and none is single-use type. Its chefs follow a “nose to tail” and “flower to root” ethic, meaning all parts of an animal or a plant are used up. So as to not waste any food ingredients, trimmings and cutoffs from one dish are utilized in another dish. Leftover food is composted and the compost sent back to farms, thus “closing the loop.” Both the dishes and the ambiance feel fine-dining.

The company website boasts:

At Silo we choose to provide quality through purity, adopting a more primitive diet with techniques both modern and ancient. We choose food sources that respect the natural order, allowing ingredients to be themselves without unnecessary processing. By creating everything on site from its wholeset form we can capture real food, and real food tastes better.

Open since November 2019, the venue is a two-floor physical enclosure, constructed by materials such as cork, mycelium, and upcycled leather. A large hand-crafted counter is made from upcycled plastic packaging. The ceiling is iron-beamed, and scarlet nets hang down, holding slabs of felted wool. The place could easily be mistaken for a museum.

“Silo has the scale and gravity of a place of worship,” writes Tim Hayward in *Financial Times*.

Read more at: “The man behind Silo, the world's first zero-waste restaurant,” Tim Hayward, *Financial Times*, March 6 2020; Silo zero-waste restaurant features sustainable food,” Natasha Levy, April 23, 2020, [Dezeen.com](https://www.dezeen.com); www.silolondon.com.

Restaurant images are courtesy of Fraser Communications, UK.



*I want my
consumption
to reflect my
values*

41212 5 13234

The Definition of Values and Their Role in Consumption

1

TO UNDERSTAND

The Difference Between Personality and Self-Concept and Ways to Measure Each

2

LEARNING

Self-Concept, Our Multiple Selves and the Role of Possessions in Extended Selves

3

O B J E C T I V E S

Psychographic Segmentation: VALS™ and other Lifestyle Portraits of Consumers

4

Status Consumption and Voluntary Simplicity

5

Geodemographics: How Where We Live Defines Us

6

Silo. Its founder and master chef Doug McMaster has a singular mission: to help us reduce the negative impact of our food consumption on our planet, without sacrificing the pleasures of our palates. According to USDA, over 30% of all food in the US is wasted. And restaurants discard 84% of unsold food, equal to \$160 billion annually. In the US, food waste and packaging account for nearly half of the material sent to landfills. Worldwide, food waste accounts for 8% of greenhouse gas emissions.

There are other restaurants on the same crusade: Nolla in Helsinki, Wolf in Los Angeles, Instock in Amsterdam, among others. The question is, will enough consumers patronize them. That depends on our core beliefs about climate change and our value system on consumption as a human activity.

Values are the foundation of all our thoughts and actions. Both as humans and as consumers. They also form the core topic of this chapter. Because our values constantly guide, covertly and overtly, our preferences and actions, we develop into unique people, psychologically speaking, different from other people. This “psychological person” is called personality, and its mirror image, *self-concept*. We live our self-concepts by choosing our objects of consumption, weaving them into the mosaics of our lives, called lifestyles. As consumers we buy products not only because we need them as biological beings, but also because we need them to live out our lifestyles.

We cover these concepts in this chapter. For marketers’ benefit, of course, but even more importantly, for our own good. We must understand why we live the way we do. Read on.



CONSUMER VALUES

Definition

Should we really care about our environment? Should universities have minority quotas for student admissions? Was it right for the NFL to ban Colin Kaepernick in 2017? Or was the apology issued in 2020 in the wake of George Floyd protests warranted? Should governments ban all violent video games targeted at children? Should a fast food burger chain be held responsible if a consumer got heart disease from eating its fattening burgers? All these questions call for “value judgments.” Our answers will depend on what our values are.

Values are desired end-states of life and preferred paths to achieving them. As such, they constitute the purposes and goals for which we believe human lives should be lived—ours and others’. Thus, if we value not depleting the resources of our planet, then we will not consume without considering its ecological impact. Values are our beliefs about big things. Beliefs are our conceptions of what something is, or should be.

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Why Be An Influencer When You Can Be A Follower?

Italian fashion brand Diesel is well-known for its convention-breaking advertising. In Spring 2019, the brand ran a campaign titled “Be A Follower,” designed by Publicis Italy.

In TV ads it pokes fun at influencers, featuring real-life influencers such as Jennifer Grace, Kristen Crawley, Japanese twins, and Bloody Osiris.

In one spot, Japanese pop star pink-haired twins Ami and Aya are seated at a table in a fancy restaurant. The whole time they were busy trying to get the best shot of their food on plates rather than actually enjoy eating it. Then the camera moves to a scene where a group of friends is gorging on food, uninhibited by any table manners. The copy reads: “Influencers have hard time eating. Be a Follower. Diesel for successful living.

In another spot, fashion model and Instagram celebrity Elias Riadi is in a hotel room, struggling forever to untie the laces of the ankle-wrap boot off his date's foot. Meanwhile, two adults jump into the back seat of an old car, undo their clothes in seconds, and get on with the act. The text reads: Influencers take too long to undress. Be a Follower. Diesel for Successful Living.

Print ads (shown here) carry on the same theme, capturing “average consumers” in everyday moments of enjoyment.



Diesel clothes for your body. Diesel brand for your mind.

Imagine yourself to be the consumer the company is trying to appeal to. Does this message appeal to you? Why or why not?

Next, visualize who will it appeal to? Describe that person in terms of demographics and psychographics.

Next, build a research project around it. Select a few consumers to interview. Select them based on your description of the kind of person the brand message might appeal to. Show them photos of the Diesel brand and ask if they like the brand and their interest in buying it. Measure their liking and interest using numerical scales.

Now show them the three print ads. Interview them on their interest in the brand, measuring it using the same scale. Next interview them to figure out their mental makeup-values, motivation, self-concept, lifestyle.

Do you find the brand and brand message appeals to consumers with a particular lifestyle and self-concepts. Do these people believe that the clothing they wear is part of their extended selves. What kind of identity do they imagine the brand will give to its wearers.

Write a report of your findings.

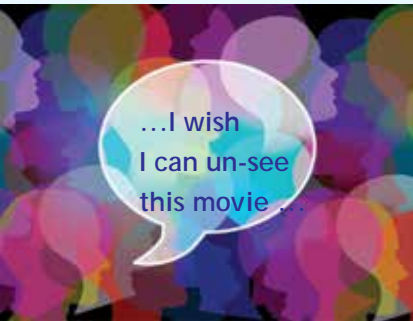
A Cool
Consumer Research
Project for You

6

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

Anyone Who Calls This A Masterpiece Is ...

41212 5 13234



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

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

—Sinbaddyad, October 4, 2019 (5 Stars)

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

—robobeatnik, November 12, 2019 (2 Stars)

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

—Dustin D., March 4, 2020 (5 Stars)

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

—Alicia C., March 4, 2020 (1 Star)

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

The Definition of Attitude and Its Properties

The ABC Model of Attitude and Its Measurement

Know-Feel-Do Hierarchies and How Involvement Affects Them

Four Functions that Attitudes Serve for Consumers

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

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

1

2

3

4

5

6

TO UNDERSTAND

LEARNING

O B J E C T I V E S

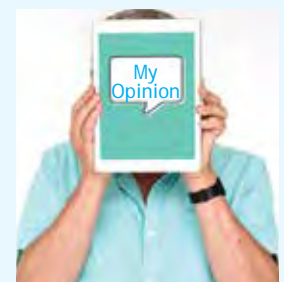
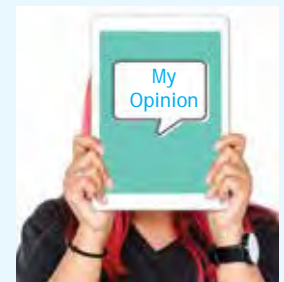
Joker opened on October 4, 2019 and collected total global revenues of \$1.074 billion (as of March 5, 2020). It was a nominee for Best Picture for the 2020 Oscars and won the Best Actor award for Joaquin Phoenix. *Parasite*—produced in South Korea—opened in February 2019 and earned worldwide revenues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

In the marketplace, consumer attitudes rule!

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

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

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



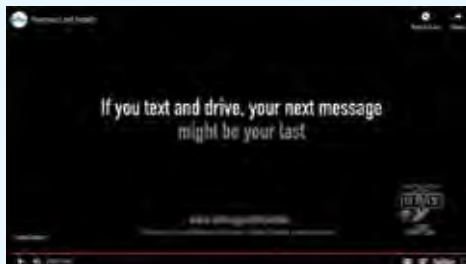
7

MOLDING CONSUMER ATTITUDES—

MANAGING MARKETING COMMUNICATIONS

The Art of Persuasion

Dear Driver: Read Your Text Message Now and Let Your Car **Kill** Someone!



The 30-second mostly black-and-white TV spot titled “Famous Last Words” opens on a flashback shot of a young girl walking, holding her mom’s hand. Cut to the present day, and we see family members and friends walking behind a casket. Her dad is delivering the eulogy:

Funny thing about Hanna, she never crawled, she went straight to walking. She was such an eager little girl, always looking for the next amazing thing. I know that Hannah loved every one of you.

At the :20 mark, another flashback, the camera zooms in on a car crash scene where a police officer picks up a bejeweled, purple-framed phone from the wreckage. On the phone screen, we see the message, “I’m running late” (followed by two emojis). And then the words “SMH.”

At the :28 mark, we see a black screen with text in white, “If you text and drive, your next message might be your last!”

The spot was created by The Tombras Group for National Highway Traffic Safety Administration (NHTSA) and ran from 2015, through its last airing on April 15, 2019.

Separately, since 2010, AT&T has been running another emotionally moving campaign titled “It Can Wait.” The commercials show the deadly accidents caused by even one second of distraction of texting. In one such TV ad, a mother is shown checking the number of likes on a video she had uploaded on her social media earlier, and, in that split-second of distraction, her car knocks out a teenager on a bike!

My attitude listens to facts, but sometimes it is also a slave to my habits.

8

CONSUMERS' CULTURE AND MEANING TRANSFER

Our Shared Code for Living

Open to The World and See What Happens. More Together.



*Myths, rituals,
customs—Spices of
our culture*

On March 2, 2020, Facebook launched a new ad campaign in India with a TV commercial that showed people with faces and clothes sprayed on with color.

The 60-second TV commercial opens in an urban neighborhood in India, showing a group of young friends throwing colored powder in the air, their faces already covered in color. One of them posts a photo of the moment on Facebook with the words “Happy Holi.” Ketan, one of their Indian friends living in Romania, sees the post, takes a shot of snow on the street, and posts it with the caption: “My Holi is white.”

Empathizing with Ketan, who is sad, missing the homeland festival of colors, his friends in India find Ketan’s Romanian friends on Facebook and request them to make Holi colors in Romania and give Ketan a taste of Holi. The Romanian friends do just that and invite Ketan to come out to play color. As these friends splash the colored powder on his cheeks, Ketan is thrilled and joyful.

The commercial ends with a voiceover, “Open to the world and see what happens. Who knows, for you, the whole world might open up. More Together.”

Holi is a national holiday in India on the last full-moon day of March. In 2020, it fell on Friday, March 2. The festivities begin with a public bonfire, one in every neighborhood, starting in the late evening and lasting well into the night. The next morning, people come out (usually in old, worn clothes, so they could discard them later), and they splash friends and family, even strangers, with color. Then in the evening, after bathing and donning new clothes, people visit friends (as many as 10 of them, in quick sequence) where friends offer their visitors sweets (Indian desserts). The occasion is also used to bury old fights and grudges. With the bonfire, the grudge and ill will has all burned away. The sentiment behind the splashing of colors and the evening visits is to rekindle the old friendship again.

The Facebook ad can be watched at <https://www.youtube.com/watch?v=cAaxtZ9mvqE>

9

REFERENCE GROUPS,
OPINION LEADERS, AND
E-FLUENTIALS*Experts, Heroes, Minders, and Connectors*Dear 180 Million Followers:
Buy This Lipstick And Be **Like Me!**

On November 18, 2019, world-renowned beauty company Coty acquired a 51% stake in a cosmetics company that was launched only four years earlier by a teenager. Coty paid the company \$600 million! The young company is Kylie Cosmetics and the teenager, then 18, was Kylie Jenner, half-sister to the famous (Kourtney, Kim, and Khloé) Kardashian sisters. Jenner started the company with one product, Kylie Lip Kits, a collection of three lip liquid lipsticks. She had produced only 5,000 units of each shade, priced them at \$29.0, placed them on her Instagram channel and the stock sold out in 24 hours. In July 2016, she collaborated with half-sister Khloé and expanded the line with Koko x Kylie Collection. The collection also sold out immediately. In November 2018, Kylie signed a deal with cosmetics retailer Ulta, bringing the online-only brand to physical stores.

Before 2015, Jenner had been a reality TV star for nearly a decade, and she had built an enviable following of dedicated fans on multiple social platforms. From the start, the brand was featured not only on the brand's web site (kyliecosmetics.com) but also on a dedicated Instagram channel (@Kyliecosmetics), on which she had millions of followers. In addition, she promoted the brand constantly on her personal Instagram channel (@Kyliejenner), which, as of June 5, 2020, had 179.5 million followers. Her followers came to the social media channel to find products that had bespoke visual aesthetics. And Jenner kept them engaged with posts featuring the photos of the brand and herself. Also, she maintained that celebrity mystique—for instance, when a rumor started that she was pregnant, she neither confirmed nor denied the rumor, and then she delivered her baby in secret. Nothing engages celebrity fans more than a mystery like that. A few weeks later, Jenner posted her photo with her baby daughter. And then she introduced a collection named after her daughter, *Stormi!*

In March 2019, *Forbes* magazine estimated the net worth of the company at more than \$1 billion and named Jenner “the Youngest Self-Made Billionaire Ever” on the planet!

Further reading: “Behind Kylie Jenner’s success in a saturated cosmetics industry,” By Lizzy Hillier, *Econsultancy.com*, December 4th, 2019; “A Timeline of Kylie Jenner’s Beauty Brand,” by Layla Ilchi, *Women’s Wear Daily (WWD.com)* on November 20, 2019. “At 21, Kylie Jenner Becomes the Youngest Self-Made Billionaire Ever,” by Natalie Robehmed, *Forbes*, March 5, 2019.

Note: The images are for illustration only and are not purported to resemble the real brand.

My referents—
love ‘em, follow ‘em!

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REFERENT INFLUENCE ON SOCIAL MEDIA

Now as we enter the third decade of the new century, social media has become a powerful new source of social influence. **Social networking sites** (let us call them *SoNets*) are Web portals that enable consumers to have their own Web pages, invite others to join their personal online group of friends, and share content and messages with one or many among them.

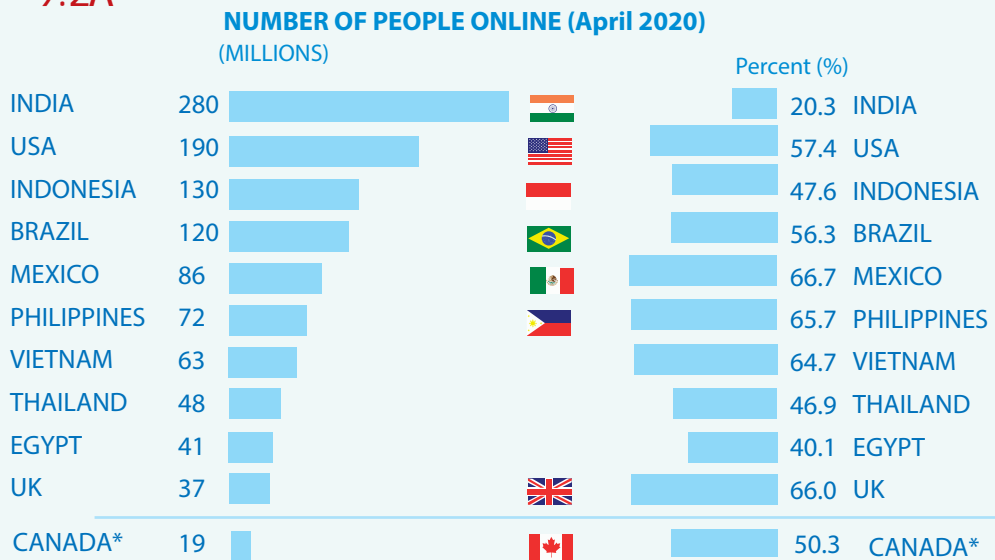
There are, literally, hundreds of SoNets: Facebook, Twitter, and LinkedIn are the most popular in North America and also widely in use around the world. But each country or region has its own favorite: WeChat and Sina Weibo in China, Tuenti in Spain, WhatsApp in Mexico, Latin America, and India.



The granddaddy of all these is, of course, Facebook. Launched in February 2004, As of June 2020, it reported more than 2.5 billion average monthly users. According to a recent estimate, about 4.57 billion people use the Internet (out of 7.59 billion world population), and 2.95 billion of them are on social media. Figure 9.2A and 9.2B show the penetration of two major social media networks—Facebook and Twitter—for top ten countries.¹⁷

Consumers use Sonets for a variety of reasons of course, such as for keeping up with friends and associates, for news, for posting content, and for entertainment. Increasingly, they now also use it for keeping

FIGURE 9.2A FACEBOOK USERS BY COUNTRY (TOP TEN)



*Canada is 21st in rank.

Source: Based on information Facebook API, Internet World Statistics, and Worldknowing.com

MY CB BOOK

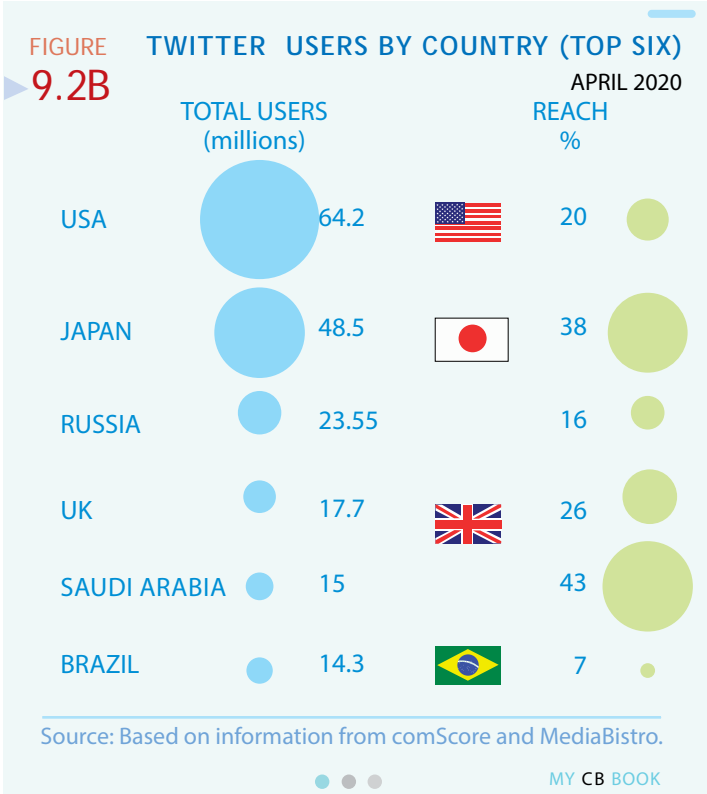
up with trends on what to buy, and specifically to check out recommendations on brand pages as well as in their news feeds.

Although dated but still relevant, a January 2015 survey of a random national sample of some 3000 consumers by Deloitte found that consumers were influenced significantly in their purchase decisions by social media recommendations. More specifically, the study found that (1) shoppers were 30 percent more likely to make a purchase the same day when they use social media to help shop either before or during their trip, and (2) consumers who use social media during their shopping process are four times more likely than non-users to spend more on purchases.

On social media, consumers tend to trust recommendations not only from friends but also from just anyone who may have posted an opinion. Often, they do not even ask, “Can I trust this person?” Rather, just the mere presence of a recommendation or a comment acts as an item of information to consider in their deliberation. A negative comment makes them abandon what they might have been contemplating buying; a positive comment makes them act on their intent to buy. And these online recommendations exercise both informational and identificational influences. The role of social media in channelling referent influence is unmistakable: Social media recommendations now serve to provide consumers with much needed “social proof” on the advisability of their intended purchases.

Social media recommendations now serve to provide consumers with much needed “social proof” on the advisability of their intended purchases.

Social Proof. Social Proof is the evidence that a lot of other people are engaging in a particular behavior, using a particular product, or have a favorable (or unfavorable) opinion about a product, place, or person.¹⁸ When we don’t have any personal knowledge about a product or service we observe whether any other people are using that product or service. Trying to choose between two restaurants with similar menus in a new city, we tend to go to the one more crowded. The review sites described earlier (e.g., Yelp) offer this social proof to millions of consumers. Social media do one better: People on our social media feed are not strangers. Thus, the social proof that consumers find on social media serves them almost like advice coming from a personal friend.



10

CONSUMER DECISION MAKING
Rational and Emotional

Choosing—It Is a Privilege. It Is a Hassle.

ON BUMBLE, THERE ARE PLENTY OF **OPTIONS**:
NOW SWIPE RIGHT CAREFULLY



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

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

—Rachel, 25



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

—Lisa, 25



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

—John, 30



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

—Carl, 32

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

Some of my decisions intrigue me!

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

Five Steps in the Consumer Decision Process

Four Avenues of Problem Recognition by Consumers

Two Strategies and Five Determinants of Consumer Information Search

Compensatory and Noncompensatory Decision Models in Alternative Evaluation

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

The Role of Involvement as a Pervasive Arbiter of Choice Processes



TO UNDERSTAND

LEARNING

O B J E C T I V E S



INTRODUCTION

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

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



LAYERS OF DECISIONS

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

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

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



(Photo Courtesy of Gaetano Pesce)

Some of us lamp
by Gaetano Pesce

41212 513921

11

CONSUMER POST-
CHOICE EXPERIENCE*Doubt, Satisfaction, Voice, and Loyalty*

Cold Feet in a Hot Dress

SECOND
THOUGHTS

I haven't felt even a slight tinge of fear or doubt about marrying Chris. I am worried about being a good wife, yes. I am worried that I'm forgetting something important that I need to do to make the wedding and reception events go smoothly, yes. I am worried that I will forget my passport as we are trying to hop on the plane to Mexico, yes.

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

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

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

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

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

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

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

*I doubt
because
I care!*



12

CONSUMER AS SHOPPER

Store Choice, Loyalty, and Impulsivity

I Want These Shoes. Where Can I Get Them?



“Trendy chic, Classic cool, or Grand glam—How would you define your style?” asks this store’s web site, as it pokes us to take a small quiz. The quiz presents a selection of styles (usually five in each panel) and asks which would you choose for a casual evening out, which ensemble (on a different panel) you would prefer for a gala evening out, and which celebrity (shown decked out in diverse styles) you prefer, etc. And then a stylist curates and compiles a selection of shoes, clothes, and purses that match your style preferences. You can store these in your “my boutique,” for later consideration. Each item is available for a price of \$39.95, and shipping is free.

This Web-only store is open only to members, but the membership is open to all, for a monthly fee of \$39.95. With your profile on file, the store will ship, on the first of every month, an item for your wardrobe. Don’t worry, you can return the item for an exchange, free of charge. Or, instead, you can shop and make your own selection for the forthcoming month. Happily, the store allows you to skip a month and you can skip as many months as you like, accumulating credit for future purchases. Your “personal shopper” is one of the 13 celebrity stylists featured on its Web site, with their bios and style looks. The stylists source and curate the merchandise and also keep an eye on your

tastes as you accept or return the item they selected for you. You keep the option to shop and choose, but you don’t have to; your personal shopper does it for you, adding an item every month to your wardrobe automatically. This is the “self-driving car” of retail, so to speak!

The name of this wonderful store is JustFab. Check it out at JustFab.com.

*I want stuff
from the store
but I don't
want to have to
shop!*

13

GENDER AND AGE IN
CONSUMER BEHAVIOR*Two Permanent Markers of Our Identities*Dear Woman, Just for You, We Colored
This Beer Pink!

Back in 2011, a woman entrepreneur named Shazz Lewis founded a company in Easton, MD, named Chick Brewery. On the company website, she described the idea as:

One day, we were in our local store looking for an interesting beer to take home, and thought "Isn't it strange that out of hundreds of beers, none are designed to appeal directly to women? In fact, most are clearly marketed to men."



So, she decided to make a beer specifically for women. After trying several concoctions, she settled on one. The beer was light American ale, with a fruity flavor and a hint of apple and/or peach. It had just 97 calories (even less than a typical light beer did then), 3.5 carbs, and 4.2% ABV. And the brew itself was also pink in color. She got the beer brewed in a craft brewery, Minhas Craft Brewery, in Monroe, WI. And, yes, the beer was called Chick Premium Light Beer.

The label on the bottle was pink with the line art of a black dress featuring a neckline adorned with white diamond stones. With the black dress art, the bottle in fact looked like the figure of a woman. And the case pack was in the shape of a purse, also pink in body and black label. The package carried a tagline "Witness the chickness!" And marketing material used the message "We love Chick Flicks, Chick Lit, and now we can love Chick Beer!! Enjoy!

This message was supposed to resonate with women. Unfortunately, the resonance never happened. One reviewer commented:

"Feminists and beer-loving women have been asking for sexism and more respect when it comes to beer, and Chick Beer is doing just the opposite."
(Kelsey Wallace)

No sales data are available, nor is it known how long the brand survived. One thing is sure, it never took off and it died quickly.

Further Reading: Kelsey Wallace, Douchbag Decree: Chick Beer, the "Beer for Women" July 28, 2011, Bitchmedia.org; <http://independentbeers.com/2011/11/review-chick-brewing-company-chick-beer/>

My age and gender define me but I have no control over them!!



Why “Made for Women” Might Be a Turnoff?

In the summer of 2016, a Harvard professor and his doctoral students gave a test to a random group of women. They presented them with two items from Hillary Clinton's campaign, a cheap bumper sticker and a more expensive button. Both the sticker and the button said, “Hillary, the Candidate for America.” Naturally, a majority of women (60.8%) chose the more-expensive-looking gift, the button. Next, a second group of women was given the same task, with one difference: They were offered the same sticker as the first group; but the button they were offered read “Hillary, the Candidate for Women.” Among this second group of women, only 47.5% chose the button! That is, the choice of button (the more expensive gift) fell from 60.8% to 47.5%!



In 2018, the professor and his students repeated the study with a different product. Again, there were two groups created by a random method. Each group was presented a choice of two calculators that were colored purple and green. The green calculator was presented without any description or tagline. However, the purple calculator was presented to one group without any tagline, but to the second group with the words “For women.” That was the only difference between how the two calculators were presented. Which color calculators did the women choose? In the group that was presented the purple calculator without any words or tagline, 51 percent chose the purple calculator; in contrast, in the other group, the purple calculator (which had the label, “For women”) was chosen only by 24% of the women!

In a parallel study, done with a group of men, respondents were presented the same two calculators (purple and green) and no other label. Purple calculator was chosen by 31.9% of men (the other 68.1% choosing the green calculator). But in a parallel group of men, when the purple calculator was presented with a label “For men,” the percentage of men choosing the purple calculator rose to 47.3%!

This phenomenon is explained by the concept of *collective gender identity* and, relatedly, “*collective marginalized gender identity*.” **Collective gender identity** refers to a gender member's perception of how society regards his or her gender. For example, if a woman believes that society holds women in general in low regard, then for that woman, the female gender is “marginalized.” Now the interesting research finding is that when a woman believes that her gender is marginalized (i.e., that women are held by society in low regard), then that woman will avoid products or brands promoted as “made for women.” In the purple calculator study, men's preference for purple “For Men” labeled calculators went up because men believed that society did not hold the male gender in low regard; that, instead the male gender was held in high regard. Therefore, labeling something “For Men” actually increased the value of that merchandise for male consumers; in contrast, because women as a gender were perceived to be marginalized, labeling something as “For Women” reduced the value of that merchandise for women consumers.

“Calculators for Women: When Identity Appeals Provoke Backlash,” Harvard Business School NOM Unit Working Paper No. 19-086, 28 Pages Posted: 6 Feb 2019; Luhtanen, R., & Crocker, J. (1992). “A collective self-esteem scale: Self-evaluation of one's social identity,” *Personality and Social Psychology Bulletin*, 18, 302-318.

13

KEY TERMS

Baby boomers

Cognitive age

Consumer socialization of children

Democratic justice

Egalitarian sex role attitude

Family

Family life cycle

Femininity

Gender role identity

Generation X

Generation Y

Households

Intergenerational Influence

Masculinity

Millennials

Population pyramids

Signaling

Traditional sex role attitude

14

ETHNIC, RELIGIOUS, AND
CLASS IDENTITY
IN CONSUMER BEHAVIOR*The Three Indelible Markers of Our Identities*

Let's Talk Hair!

I am mixed w/black and white and I have really coarse hair... I keep it short cause it's hard to keep clean and good looking. I've tried a lot of different products, but I need some advice on what products I should use that will give me those small sexy curls...

* * *



I have relaxed hair but I am about to go to the Caribbean on vacation for 1 week. So I got my hair braided so that I would not have to style it every morning. However, I also plan to spend a lot of time swimming. Is braiding recommended? If so, how should I take care of my hair after swimming? If you don't recommend braiding, and you advise me to go back to my original relaxed hair, how should I take care of my relaxed hair after swimming?

* * *

I decided to grow out of my relaxer and wear my hair natural... overcoming my psychological struggle in accepting my naturally curly hair... The book has great tips on options for growing out of a relaxer... [It] is a must-read for the black woman who has even slightly considered wearing her natural hair.



* * *

*My ethnicity.
My needs.
My identity.*

Note: The three comments are from, respectively, Lightskinguy posted on Afrohair.com forum; a question asked on Lady De Q and A thread on Afro Hair.com; and a reader review of the book *Let's Talk Hair*

15

CONSUMER RELATIONSHIP
WITH BRANDS*Loyalty, Romance, and Brand Tribes*Skittle Creates An Ad to show to
just one person—A Superfan!

Skittles, the maker of rainbow color candies, created a very unorthodox commercial in February 2018, the week of the Super Bowl LII. Three weeks prior to this, the company had released another commercial, which was just an announcement for the forthcoming Super Bowl commercial, informing us that the company's Super Bowl commercial will not be broadcast on TV; rather it will be shown only to one person!

In the interim, the company released four short commercials featuring actor David Schwimmer (of the TV Show *Friends* fame), with unusual scenes, such as a beam of light coming out of his eyes, or he talking to his sandwich; in each, Schwimmer was shown asking the same question, "Is this the scene from the new Skittles ad that is going to be shown to only one person?"

Then, on Super Bowl Sunday, as promised, the company did not air the ad on TV networks. Instead, they took it to the home of Marcos Menendez, a 17-year-old high school student, living in Canoga Park, CA. As Marcos watched the commercial on his laptop, in his house,

they live-streamed his reactions on Facebook. As the camera was focused on Marcos, not on the screen on which the ad was playing, the world never saw the commercial. Only one person in the world saw it. Marcos was, you see, the superfan the company had identified a few weeks ago.

*Brands
to adore.
Brands to
love.*

Note: The images are for illustration only and do not resemble the person or the brand.
Source: "Skittle Makes 'Super Bowl' Ad To Be Seen By Just One Fan," Karlene Lukovitz, Media Post, January 17, 2018; "How Skittles Won Nearly 40 Marketing Awards with One Super Bowl Ad," Ampy Vasquez, LinkedIn, September 3, 2018.



Coke Romania Creates A 'Half Full' Bottle

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

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

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

What if we saw the half-full side more often.

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

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

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

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

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

Discussion Questions:

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

16

MARKETERS, PUBLIC POLICY,
AND THE SLIGHTLY
UNETHICAL CONSUMER*Deceived, Intoxicated, and, Finally, Enlightened*

NY STATE BANS PLASTIC BAGS

Starting March 1, 2020, all plastic single-use carryout bags (other than an exempt bag) are banned from distribution by anyone required to collect New York State sales tax. Under the law:

- Cities and counties are authorized to charge a five-cent paper carryout bag reduction fee. This means that in these areas, a consumer will be charged 5 cents for each paper carryout bag provided at checkout. Customers are free, of course, to bring their own bags.
- Stores will still be required to collect plastic bags and other film plastics from consumers for recycling.

The New York State's Department of Environmental Conservation (DEC, NY) Website has the following message for consumers:



As a consumer, you can help and #BYOBAGNY—Bring Your Own Bag. Keep reusable bags in your car, or clip folding reusable bags onto your commuting bag or purse so you always have them handy. ... Remember that every time you use a reusable bag, you are doing your part to prevent litter and waste. Using reusable bags makes sense and is the right thing to do.

The *Bag Waste Reduction Law* applies to more than just grocery stores. Whether you're going to the grocery store, clothes shopping, or to a home improvement store, make sure to bring your reusable bags.

To reduce the spread of germs, separate meat, fish or poultry, fresh produce, and ready-to-eat foods in separate bags. Dedicate one bag for meat, fish, or poultry, another for fresh fruits and vegetables, and another for ready-to-eat foods.

Wash reusable grocery bags often. Cloth reusable bags should be washed in a washing machine using laundry detergent and dried in the dryer or air-dried. Plastic-lined reusable bags should be scrubbed using hot water and soap, then air-dried. Before storing, be sure both cloth and plastic-lined reusable bags are completely dry. Reusable Bags are best stored in a cool, dry place when possible.

(Source: <https://www.dec.ny.gov/chemical/50034.html>)

I like what marketers offer but I have to be vigilant.

Four Questionable Marketing Practices

Four Public Policy Avenues to Protect Consumers

The Consumer Bill of Rights

Regulation of Advertising to Adults and Children

Negligent CB: Compulsivity, Shop-lifting, Obesity, Reckless Driving, and Ecological Abuse

Three-Factor Model of Ecological Consumption

1

2

3

4

5

6

TO UNDERSTAND

LEARNING

OBJECTIVES

INTRODUCTION

“New Yorkers use an estimated 23 billion plastic bags annually—one bag every 12 minutes—and approximately 85% of this staggering total ends up in our landfills, waterways, and streets,” reads a post on the DEC, NY Website.

These environmental and societal benefits notwithstanding, the law was challenged in a court of law. The challengers were Poly-Pack, a plastic bag manufacturer and New York City Bodega Owners’ Association. Their argument was that implementing the regulation will be confusing for retailers. The State argued that the enforcement will be “soft”—no fines will be imposed and the emphasis will be on educating the consumers.

Earlier in March 2013, the then Mayor Michael Bloomberg of New York City had issued The Sugary Drinks Portion Cap Rule. The rule would bar restaurants from selling sugar-sweetened drinks in cups larger than 16 ounces. That rule was also opposed—by PepsiCo and independent bottlers, who argued that the ounce cap was arbitrary and was not backed by scientific evidence. New York Supreme Court ruled that the New York City Board of Health, in adopting the sugary drinks portion cap rule, exceeded the scope of its regulatory authority.



In this chapter, we examine marketer practices that deceive and harm consumer interests. To counteract these, we describe how governments and public policy protect the consumer against marketer malpractices. Next, we examine consumers’ own behaviors that are self-destructive, as if the consumer were intoxicated on consumption. Ranging from addiction to crime to mindless indulgence, these constitute what some call “the dark side” of consumer behavior. Finally, we describe an emerging trend of islands of enlightened behavior, among some marketers and among some consumers, embracing the move toward an ethic of more mindful and sustainable consumption.



STOP PLASTIC POLLUTION

MARKETING MEETS THE CONSUMER

Insight, Foresight, and the Marketer Response

Feeling Pizza Fatigue? Popeyes to Your Rescue!

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

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

Step 1: Borrow a loved one's phone.

Step 2: Search “Text replacement”

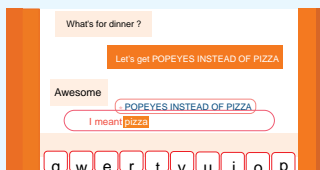
Step 3: Phrase: (Type in) “Popeyes instead of pizza”

Shortcut: (Type in) “pizza”

Next, the video shows what happens:

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

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



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

Segmentation and Target Identification

5Ps of Marketing

Deep Consumer Profiling

The Concept of Personalization

CB-Informed Marketer Response Strategy

Being a Marketer: Responsibility and Privilege

1

2

3

4

5

6

TO UNDERSTAND

LEARNING

O B J E C T I V E S

Seeking Love from Consumers

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

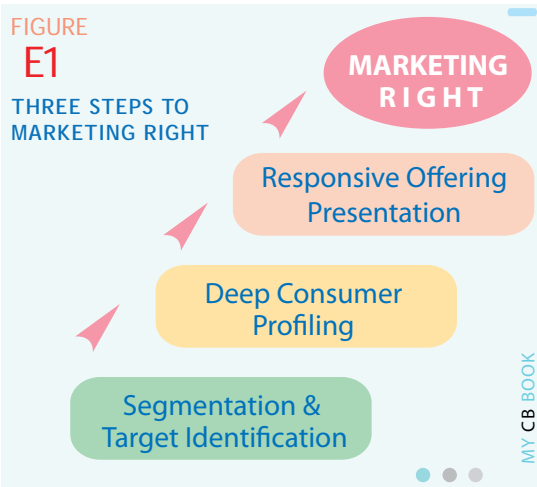


Consumer Insights and The Marketer’s Response

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



FIGURE
E1
THREE STEPS TO
MARKETING RIGHT



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

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

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

SEGMENTATION AND TARGET IDENTIFICATION

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



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

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

FRAME-FORMING

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



DEEP CONSUMER PROFILING

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

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

RESPONSIVE OFFERING PRESENTATION

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

Fashioning 5Ps of Marketing

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

fuel economy or high performance, style, or comfort?

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



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

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

Place Marketers have a choice of a wide array of retail stores and distribution channels.

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



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

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

THE ENCHANTED CONSUMER

POSTMODERN CONSUMPTION EXPERIENCE

The Esoteric and the Experiential

Choice Reading ▶

A Special Topic

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

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

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

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

OBJECTS OF DESIRE



DEEP MEANING IN CONSUMPTION

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

SPECIAL TOPICS

- | | | | |
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PSYCHOLOGY MEETS ECONOMICS:

Why Consumers Can't Count Their Money Correctly

Priya Raghubir, Stern School of Business, New York University

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

The “Irrational” Consumer Goes to Market

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

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

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

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

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

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

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

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

PERCEPTION

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

REFERENCE POINTS

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

- **A free ticket evaluated against a full price ticket of \$936 will seem to be a much greater benefit to the consumer than the same ticket valued against a full price ticket of \$475.**

CONSUMERS in SEARCH of PROPER PLEASURE

How Brand Stories Help Consumers Enact Dramas in Their Lives

Arch G. Woodside, Boston College, USA

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

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

“So Where the Bloody Hell Are You?”

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

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

Jung on Myths and Icons

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

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

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

How Consumers Experience Brand Stories

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

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

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



Robert V. Kozinets, York University, Canada

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

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

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

Alt.Coffee: Coffee Wisdom on the Net

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

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

Ethnography: Inside A Culture

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

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

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

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

Now Meet Netnography

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

GENDER BENDER BRAND HIJACKS AND CONSUMER REVOLT

The Porsche Cayenne Story

Jill Avery, Harvard Business School, USA

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

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

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

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

Brands are Gender Identity Markers

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

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

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

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

Marlboro vs. Virginia Slims

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

Diet Coke vs. Coke Zero

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

RESEARCHING THE CONSUMER

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

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

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

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

INTRODUCTION

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

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

Let's you shudder at the thought of someone watching you in the supermarket, remember a supermarket is a public

space and surveillance cameras are watching you in retail stores all the time anyway.

More importantly, all consumer research, if done properly and ethically, aims to bring more value to you, the consumer. As marketers,

we can learn a lot by simply observing shoppers quietly;

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



Two Types of Consumer Information: Qualitative and Quantitative

Consider these two questions:

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

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

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

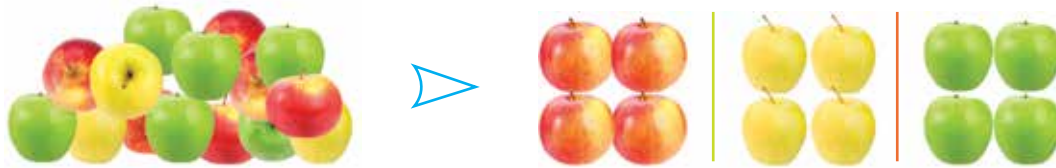
These two questions are meant to obtain two different types of information, respectively called *quantitative* and *qualitative*. **Quantitative information** is information collected in a form that can be easily coded into a numerical value. **Qualitative information** is information that is collected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

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

MARKET SEGMENTATION

WHERE MARKETING STRATEGY MEETS CONSUMER INSIGHTS

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



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

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

1. A manageable number

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

2. Internally homogeneous, mutually heterogeneous

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

3. Segment size

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

4. Segments should be measurable

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

5. Segments should be accessible

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

CASES + Experiential Learning Projects

Short Descriptions of- Marketplace Happenings

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

CASES

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Short Bursts of Action on Social Media

From the *Miller Lite's*
Unfollow Call to the
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Challenge

Social + Digital

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Easy Stimuli to Kickstart Your Practice Projects

From Drawing
Perceptual Maps
to Crafting *Brand*
Personalities

Experiential Learning

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CASE 1

Desigual Loves Your Selfie Obsession



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

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

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

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

DISCUSSION QUESTIONS

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

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

EXPERIENTIAL LEARNING EXERCISES



Harness Your Creativity to Craft
Marketing Artifacts

Experiential Learning 1

Give Your Brand A Personality of Its Own

This is a new brand of cologne (we have hidden the brand name). We wanted to give our brand a personality of its own. So here are five options we developed.

We placed the bottle in five different surroundings. Two of these are two different styles of dressers and three of them are men with visibly different styles and, quite possibly, three different personalities as well. This is, you will recall, the “classical conditioning” method of human learning—when we see a brand paired with another object, this other object being the one toward which we already have a perception, the image we hold in our minds of this paired object rubs on our newly formed image of the brand itself!

Of course, we will choose only one of these five personalities.

Your Challenge

Develop five alternative personalities for each of the three pairs of shoes shown here. Two of those options must use an object or setting and three of them three different types of persons.

For each option, create a collage placing the brand alongside the image you decide to pair your brand with. Thus, you will have a total of 15 potential print advertisements for these shoes.



Giving
the Brand
a
Personality
of Its Own



Note. Rather than using the dressers or models shown here, you must find your own images. You may find images of objects and persons on the web or on any of the stock image sites such as freepik.com, pixabay.com, depositphotos.com, 123rf.com, istockphotos.com, or shutterstock.com, etc.

GLOSSARY

A

| | |
|------------------------------------|--|
| Acculturation | Learning a new culture. |
| Achieved social system | When one can change social class through effort and accomplishments. |
| Active audience theory | Holds that consumers are actively processing the information in the ad, and that it is they who are persuading themselves. |
| Actual self | Who a person currently is. |
| Adoption of an innovation | Consumer acceptance of an innovation for continued use. |
| Advocate sources | Sources that have a vested point-of-view to advocate or promote. |
| Affective choice mode (ACM) | A choice decision making mode wherein <i>affect</i> or liking for the brand ensues based not on attribute information, but based on judgments about how the product will reflect the person. |
| Agonistic gifts | Gifts are intended to gain an immediate personal advantage. |
| Agreeableness | Being friendly, sympathetic, warm, kind, and good-natured. |
| AIDA | Sequence of four stages, or four mental states, that an adopter goes through: awareness, interest, desire, and action. |
| AIO inventory | AIO stands for “activities, interests, and opinion,” and it comprises a set of statements to which respondents indicate their agreement or disagreement on a numerical scale. |
| Altruistic | Gifts are those given largely for the recipient’s benefit, with no consideration of immediate personal gain. |
| Animism | The belief that objects (products) possess souls, i.e., they have consciousness just like humans do. |
| Anthropology | The study of humankind in its habitat. |
| Anthropomorphizing | Giving the brand a humanlike quality |
| Approach motivation | The desire to attain a goal object. |
| Approach-approach conflict | Choosing between two desirable options |
| Approach-avoid conflict | When we find an object desirable as well as undesirable. |
| Appropriation | The process of making something one’s own. |
| Arousal seeking | the drive to maintain our stimulation at an optimal level. |
| Arts | Represent a society’s appreciation of the aesthetic experience as well as the society’s values, obsessions, and life-conditions. |
| Asceticism | The tenet of Buddhism which teaches rigorous self-denial and active self-restraint in consumption. |
| Ascribed or assigned group | Is one in which membership is automatic—you don’t have a choice. |
| Ascribed social system | When one’s social class is determined by birth. |
| Aspirational group | When a person is not already a member of the group (real or symbolic) but desires and expects to become a member. |
| Assimilation | Occurs when a stimulus is perceived to belong to a category. |
| Associated network | A network of various concepts organized and stored in memory. |
| Assortment | A store’s assortment is the number of different items the store carries. |
| Atmospherics | The physical setting of the store (includes lighting, colors, cleanliness and organization, scents, and background music). |
| Attention | Allocation of mental processing capacity. |
| Attitude hierarchy | Refers to the sequence in which the three attitude components occur. |

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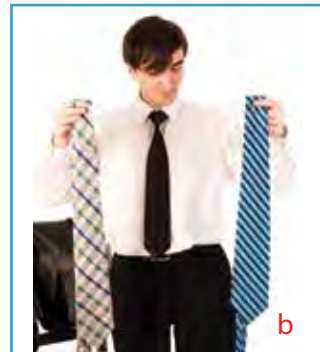
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Photo Quiz

5.2

Which of these two consumer behaviors is likely to be influenced more by personality than by self-concept?

1. More by personality
2. More by self-concept

Explain your answer.

There is one Photo Quiz in every chapter.

Designing a photo quiz for every chapter was one of the most challenging thing we did for this edition. Somehow we did it. Hope your students like it.

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