CONSUMER PSYCHOLOGY

HOW HUMANS THINK, FEEL, AND ACT IN THE MARKETPLACE

CONSUMER BEHAVIOuR

5E

PDF

AVERY · KOZINETS · MITTAL · RAGHUBIR · WOODSIDE

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.

OPEN MENTIS

MYCBBOOK

CONSUMER BEHAVIOR CONSUMER PSYCHOLOGY

How Humans Think, Feel, and Act in the Marketplace

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5E

OPEN MENTIS

CONSUMER BEHAVIOR
CONSUMER PSYCHOLOGY

How Humans Think, Feel, and Act in the Marketplace

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

5th Edition

OPEN MENTIS

OpenMentis.COM

We should
pursue self-
actualization.
We should pursue
as well and with
equal zeal the
goal of making our

self

worth-actualizing!

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

CONSUMER PSYCHOLOGY

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

BRIEF CONTENTS

SPECIAL TOPICS

1

WELCOME TO THE FASCINATING WORLD OF CONSUMERS
Where Offerings and Hopes Meet

What Future Consumers Will Wear!

The Hug Shirt™

41212 53234

Mirror Handbag

41212 5 13234

How consumers get their cool in the marketplace

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.

How Consumer Behavior is Defined and What Its Elements are

Five Visions of the Consumer Marketers Should Recognize

Consumer Needs and Wants and How Marketing Shapes Them

Five Resources All Humans Possess and Exchange in the Marketplace

Four Consumption Values Humans Seek in the Marketplace

Four Reader Types to Benefit from This Consumer Behavior Book

1 **2** **3** **4** **5** **6**

TO UNDERSTAND ▲ LEARNING O B J E C T I V E S ●●●

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 13 9 21

41212 5 13 9 21

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

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

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

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

WE ARE CONSUMERS—24-7!

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

EXHIBIT

Dear e-Diary—Here is My Consumer Behavior

by Ellen Tibbs

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

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

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

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

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

Ellen Tibbs is a college senior majoring in Business Administration

MY CB BOOK

CONSUMERS ARE FASCINATING

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

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

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

FIVE VISIONS OF THE CONSUMER

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

> After I purchased my new pants recently, I spent most of my free time thinking about the shoes I already have. Finally, I decided that I didn't have any shoes to go with my new pants. On Tuesday, I started my search at Payless, 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)

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

Doing Yoga

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

EXHIBIT **1.2**

A Consumer Interview

"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.

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

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

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.

Consumers as Revelers: Bo Ring Mud Festival South Korea

Photos courtesy of Arden E. John, 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.

WANT?
NEED?
SAME DIFFERENCE

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

SHIFT_the way you move

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

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

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

Utility

Social

Ego/
Identity

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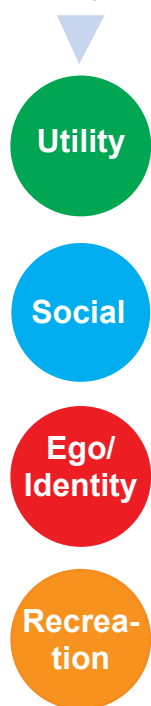
because we perceive these brands as very urbane and sophisticated and we also view our-selves as urbane and sophisticated. Or alternatively, we wear Free People and MINKPINK because we want to nurture our self-identities as being very "boho-chic."

Finally, **recreation value** comes from objects and activities when they recreate our moods and regenerate our mental ability—removing our fatigue and boredom, stimulat-ing 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 val-ues, 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 some-times choose a product to impress oth-ers, but sometimes we choose it purely to play out our sense of identity. In prod-uct categories that are consumed within the home and thus are not publicly vis-ible (e.g., shampoos, personal groom-ing, 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 physi-cal, utilitarian core, some social, ego/identity, or recreational value. Clothing, cars, colognes, and being seen in a Star-bucks Café sipping a $4.50 Tazo® Vanilla Rooibos Tea Latte offer these multiple values, for example.

We will dwell on these more in sub-sequent 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 fu-ture 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.

REST of the Topic Omitted.

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

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

SEEING THE FUTURE FIRST: MEETING CONSUMERS' LATENT NEEDS

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

Marketing Is All About Satisfying a Consumer Need

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

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

Eva Denmark
& Tools Design

417 12 5 13234

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

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

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

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

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

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

Would you buy these products?

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

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

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

Lechal haptic shoe
(Image: courtesy
Duceretech.com)

CREATING CONSUMER VALUE:
THE SUPREME PURPOSE OF BUSINESS

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

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

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

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

ENLIGHTENED MARKETERS: RESPONDING TO EMPOWERED CONSUMERS

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

CB 🔴 Notes

Pinterest Shows Us How That Lipstick Will Look on Our Lips

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

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

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

MyCBBook.com

Pages Omitted

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!

Romancing the Consumer 1

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

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

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

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

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

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

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

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

MY C B 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! Spr**a**y 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 Galaries 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.
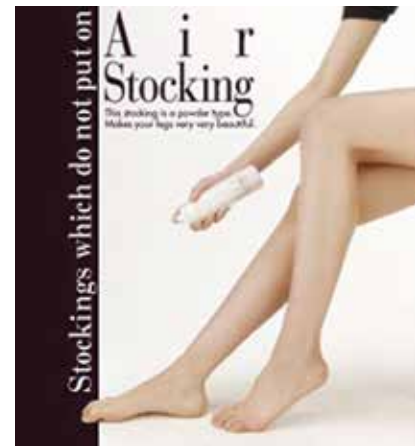
Alas, for the fish-net look, you will have to stay with the real thing. But in Air Stockings, you get to show your pedicured toes.

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.

Source: www.airstocking.com

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.

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!

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
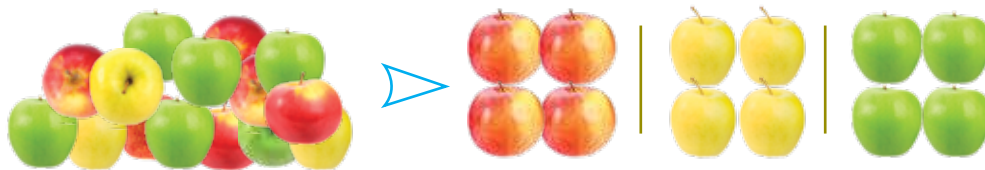
> **The readers of this book can be divided into two broad segments, in terms of their preference for covering this topic:**
>
> **SEGMENT A** desires to read up on a significant application as prelude to reading various CB concepts and theories.
>
> **SEGMENT B** believes that it is better to get a 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
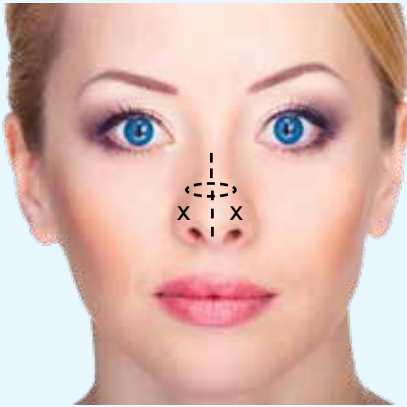
Look, I Got A New Face!

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 moti-vated to get what I want.

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 ● ● ●

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

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

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

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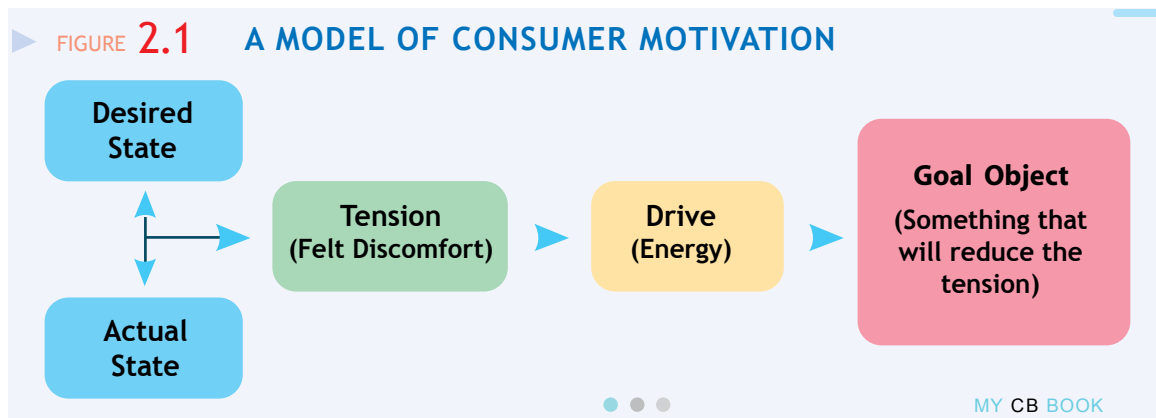
We are now ready to formally define *motivation*. **Motivation** is the human drive to attain a goal object. A **drive** is a force or energy that impels us to act. And a **goal object** is something in the world, the acquisition or attainment of which will bring us happiness.[3]

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?

> ▶ FIGURE **2.1** **A MODEL OF CONSUMER MOTIVATION**

Desired State → / Actual State → Tension (Felt Discomfort) ▶ Drive (Energy) ▶ Goal Object (Something that will reduce the tension)

MY CB BOOK

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

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76 212 5 132 21

The motivational power of desire for products

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

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."
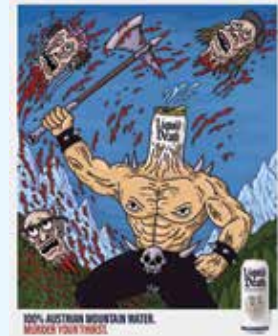
On its Web page, the brand explains itself:

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.

91212 5 13234

TO UNDERSTAND ▲ LEARNING **O B J E C T I V E S** ● ● ●

INTRODUCTION

Will you sign up to join the Liquid Death Country Club and help the satanic queen in her crusade? Will you seek out Liquid Death and will you make it your water of choice. Wait, before you decide, you do have the choice of a few other brands of water.

Consider Just Water.

Just was conceived by then 10-year-old Jaden Smith (born 1998), an American actor and son of renowned actor Will Smith. The water is packaged in a carton made from renewable materials. The body of the carton is made from paper; to keep the carton hold shape, the carton's neck uses plastic, but this plastic is not the kind that is made from petroleum; instead, it is the one that is made from sugarcane. The cap is made from sugarcane too. On the brand's website, Jaden explains the sourcing of water thus:

"We don't pump water and go. We only use 100% spring water. We only bottle excess water our community doesn't need. We pay fairly for the water we use."

Another notable new brand is Flow. It was launched in Canada in 2015 and introduced in the US in 2016. Entrepreneur Nicholas Reichenbach sourced it from a piece of land on his ancestors' property near Lake Huron in Toronto, Canada. The brand's website informs us: "It has heavy mineral count: potassium, magnesium, calcium, bicarbonate, and is naturally alkaline with pH 8.1." The water is packaged in a 100% cardboard wrap capped by a lid made from sugarcane fiber. Its Facebook page features the brand on a table amidst flowers and cut fruit. In June 2019, Gwyneth Paltrow's wellness company GOOP adopted Flow as its exclusive water.

• • •

As humans, we can't live without water. And for millennia, all we have wanted is water. Clean, safe, plain water. But now, we want much more: we want minerals, and we want electrolytes. And we want water with good karma—that it be produced, and consumed, with minimal environmental damage.

Marketers are vying to offer us all that and more. Liquid Death is going for our souls, promising to rescue it from whatever we want it to be rescued from. A Facebook fan (Anthony F.) found that promise in Liquid Death: "So deadly it killed the cancer in my liver. And also me as well. Hell isn't so bad, we have wi fi down here." Just Water focuses on sourcing the water from a non-depleting source and on paying a fair price for it to pump up the local economy. Finally, Flow, with its imagery of nature and soft colors aesthetic, and with Ms. Paltrow's endorsement, invokes in us feelings of harmony in nature, physical activity, meditation, tranquility.

Which of these brands will we choose? That depends on how we as consumers come to think of these brands. And any other brands. It depends on our perceptions, that is.

THE PERCEPTION PROCESS

Perception is a basic, fundamental, and inescapable process of the human mind. "Basic" in that any time we encounter anything—absolutely anything whatsoever—our minds must first perceive it before they can do anything else with it. "Fundamental" in that the perception we form of a thing plays a central role in whatever we do with that thing subsequently. "Inescapable" or inevitable in that we can't stop it and we can't control it. Just how do our minds do that?[1] Let us define our terms first.

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

FIGURE 3.1 **A MODEL OF THE CONSUMER PERCEPTION PROCESS**

MYCBBOOK

Exposure ▶ Attention ▶ Interpretation
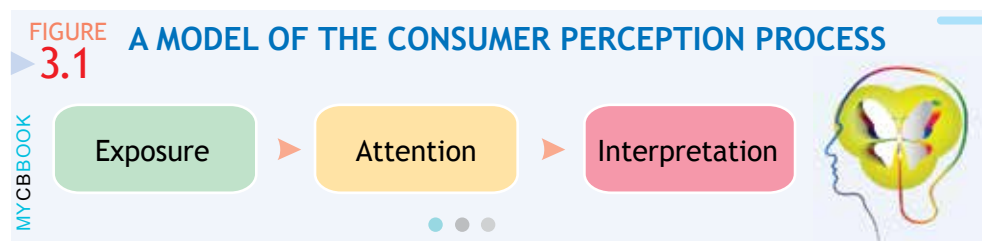
EXPOSURE

The Face-off with the Consumer

Exposure means that a stimulus has come within the reach of one or more of our five senses: seeing, hearing, smelling, touching, and tasting. A **stimulus** is any object or event in the external environment. Exposure determines whether a stimulus even has the opportunity to be sensed by the consumer.

> **Biology of Our Senses**
> When exposed to a stimulus, our senses sense it. What physical characteristics must a stimulus have in order for our senses to be able to detect it (e.g., how loud, how near)? This requires an understanding of the biology of our senses. A brief primer on human senses is presented later in this chapter (see *Choice Reading*).

Marketers have five means of exposing their product or service to consumers.

1. Product Display. If you wanted to see a product, where would you go? Right, to stores. Physical stores and online stores. Shelf space in stores is a scarce resource and brands vie to get prominent display space (e.g., eye-level). Small brands and entrepreneurs take their brands to consumer events such as art fairs, farmer's markets, etc. Brands big and small are able to display their products on the Web—on the brand's own website, on commerce sites such as Amazon, and on social media. Some brands launch as Web-only, called *digital natives*: Warby Parker (eyeglasses), Dollar Shave Club (razor subscription); Casper (mattress), Revelry (custom-fitted bridesmaids dresses). On social media, Instagram and Pinterest are becoming the prime sources for fashion-forward consumers to discover new beauty and apparel brands. Some recent launches: Paris 99 (founded by Paris Starn, a 24-year-old student), I.am.Gia, Réalisation Par.

2. Product Sampling. Some products need exposure not only to consumers' eyes but to other senses as well, such as the sense of taste (food and beverages), hearing (music), smell (colognes), and touch (skin products). Brands attain such exposure by *product sampling*, a small quantity of the product given away to consumers free of cost. Free samples can be given away in stores, at public events, and also sent in the mail.

3. Advertising. Advertising is the prime means of exposing the product to masses or niche segments alike. However, advertising does not come cheap and there is so much of it surrounding the consumer that most consumers tend to ignore most of it. To break through this clutter, ads have to be creative and relevant. Important though these elements of ad design are, they come into play at the next stage in the perception process (discussed

later). At the current stage—*exposure*—what matters the most is the right choice of media—where the ad is placed. If you were marketing *Pocket God* on a country music station, and if your target consumers—mostly teenagers—didn't listen to country music stations, then the commercial would not gain exposure with your target audience. If you advertised *Ghost of Tsushima* (launched on July 17, 2020) in *Vogue* or *Vanity Fair*, then again you would most likely miss your target audience. Thus, a proper choice of message delivery media is the most crucial and first step. A wrong choice can cause the first step itself to fail. No face-off with the consumer occurs, and, consequently, no perception is created.

Advertising media descend on consumers in two modes, *intrusive* and *non-intrusive*. **Intrusive media** disturb us in whatever we are doing at the moment. **Non-intrusive media** don't demand our attention away from our work of the moment; instead, they just hang out there, so to speak, for us to attend or not attend to them. TV is a prime example of the former. Magazine or billboards are examples of the latter. On social media, not only do the ads appear non-intrusively but also, in style, they match well with the main content—"'instagrammable' product photos" is a popular expression.

On TV, consumers often avoid commercials, sometimes by attending to other tasks and sometimes by switching channels, a process called **zapping**. And when consumers watch prerecorded programs (such as via Tivo), they fast-forward through the commercials, a process called **zipping**. To get past these commercial-avoidance habits of consumers, marketers must make their ads vivid and uniquely engaging. On American TV, Super Bowl commercials have attained a rare reputation of "must-see." You need a big budget, of course (the average cost of running a 30-second commercial in Super Bowl LIV, on February 2, 2020, was $5.6 million), but you also get a mega audience (Super Bowl LIV was watched by 102 million people).[2]

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

Product placement, if done adroitly, works wonders. In the James Bond films, Jaguar XKR is featured, and in the American film that spoofs James Bond, *Austin Powers*, actor Mike Myers endorses Shaguar (Jaguar). In the year 2002, when Austin Powers was playing in theaters, sales of Jaguar rose sharply in America.[3]

Perhaps the most memorable instance of product placement is in the 1982 film *E.T. the Extra-Terrestrial*, featuring Reese's Pieces. In the 2020 Oscar-winning movie *Parasite*, Apple laptop (with its iconic logo facing the camera) appeared prominently; in *Ford v Ferrari*, Matt Damon was seen gulping Coke; and Lincoln, Chevrolet, and Cadillac makes of cars appeared in four movies: *Once Upon a Time in Hollywood*, *The Irish Man*, *Marriage Story*, and *Joker*!

Product placements such as these benefit the brand by:
a. Increasing brand awareness This benefit would accrue, naturally, more for new and niche brands (e.g., Tempo, the newest hotel for millennials by Hilton; Reverb.com, an online marketplace for new, used, and vintage music gear).
b. Improving brand likeability If a brand is shown being used by actors who serve as aspirational models of behavior for some segments of viewers. (In *Once Upon a Time in Hollywood*, Brad Pitt sports a shirt with the logo of Champion, an auto-parts brand; curiously, this was not a placement, as the brand did not even know of it. For that reason, this "natural" brand appearance was even more powerful!)

5. Ambient Advertising. There is one kind of advertising that is *intrusive* in the extreme. It is actually in our face. Yet, it is welcomed by whoever happens to come face to face with it. And it is so different in its makeup that it should not even be called advertising. (That is why we gave it its own category.) An **ambient advertisement** is an artifact—a physical prop that resembles the whole or part of the product and/or visually captures and presents its function or distinction in a manner that it blends with the natural surrounds of a public place. A wall across the track at an underground station reads, "Come closer. We need you." It was signed by a local funeral services company![4]

S A V V Y
MARKETER

Rimmel Nail Polish
(Quick Dry?)

(Seen in London a few years ago)

ATTENTION
Breaking through the Noise

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

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

Attention can be defined as the allocation of mental processing capacity. When attention is given, the mind focuses on a stimulus, ready and willing to process further information from that stimulus. Getting attention is a major concern for marketers, because most consumers face a flood of stimuli. For a stimulus even to be noticed, it has to make its presence felt to one of our five senses. Thus, it should somehow "catch" our eyes, ears, or nose, or leave a taste on our tongue, or feel different on our skin (touch). On one or more of these five sensory characteristics, it should stand apart from the surrounding environment. That is, it should be vivid. **Vividness** refers to a stimulus's intensity and distinctness. Vivid sensory characteristics include bright colors, loud noises, strong aromas, strong tastes, or very rough or very silky textures. The key element required for producing the vividness effect is **contrast**—a stimulus' distinct difference from its environment or background. Although Lisa missed the Lucozade ad, she did stop to notice when she came to a page featuring Fleuvog shoes. Why? Vividness. The colors (a black body frame behind a red shoe) and the image are so stunning that they can't be missed, even in field of the peripheral vision of a reader cursorily browsing the magazine. Lisa made a mental note to check it out later at Fluevog.com.

Voluntary and Involuntary Attention

Attention comes in two forms: *voluntary* and *involuntary.* **Voluntary attention** is the attention given by choice—the consumer chooses to pay attention. **Involuntary attention** is forced on the consumer.[5] It is an intrusion. Now, it is the case that, initially, all advertising must catch involuntary attention; i.e., the attention the advertising catches is of the involuntary sort, at least initially. This is because the consumer seldom proactively seeks an advertisement. Lisa was just turning the pages of *Hello*; she was not looking for shoes. The Fluevog ad had to intrude upon her attention. It did so by being vivid.

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

Marketing Implications

All advertising (all marketing stimuli, for that matter) must necessarily first get involuntary attention. With our lives so over-cluttered with things to do and with so many stimuli from so many directions vying for our attention, consumer attention these days has become a scarce commodity. Some have called the present times *the attention economy.*[6]

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

This particular execution for Zelnorm® has a rare quality worth emulating that all students and practitioners of advertising must note: Anyone can get attention (by doing totally outrageous things, for example—remember the Paris Hilton Car Wash for the Carl's Jr. burger chain?). The creative challenge is to get attention in a manner so that the attention "prop" is not extraneous to the message.

INTERPRETATION
The Curse of Extreme Creativity

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

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

A recent ad from Budweiser depicted some idle young men who phoned each other simply to ask and reply with a one-word slang contraction, "Wasssup?" In a later version, one of these young men is sitting at a bar when a more mature customer walks in. The young man habitually asks, "Wasssup?" and the older gentleman unloads his full story. (YouTube it.) Now, the older man did understand the meaning of the slang term, but he didn't know that it was not meant to be taken literally. Among viewers too, many older consumers might miss the point of the "Wasssup?" ad series. And certainly, consumers in foreign cultures would be at a loss. This exemplifies, simply, a consumer's inability to interpret the ad. In order to make the ad interpretable, an ad creator must understand both the vernacular (slang language) of the target audience as well as its culture.

The Number 1 factor that helps interpretation by consumers is that the ad, both in its text and image, not be alien to the target consumers' knowledge base, including cultural symbols. For example, if we featured a ten-headed demon king, consumers other than of (Asian) Indian origin will be at a loss; if we featured a geisha, non-Japanese consumers may not be able to relate to it; and if we showed a map of the London Underground, most non-Londoner consumers are unlikely to be able to interpret it. Of course, this creative ad was apt because it was shown only in London.

S A V V Y
MARKETER

Upon exposure, this ad attracts attention due to an unexpected visual of a familiar product (the athletic shoe). It takes a moment to realize the shoe outline is actually a London Underground ("the Tube") route map. It takes a bit more of thinking to appreciate this image as a fitting context for the deodorant brand's promise, as the headline reads: *However you beat the Tube strike, Sure keeps you fresh with every move.*

The interpretation step in the perception process is complete as we realize that if we are going to beat the tube strike by walking, we had better use Sure to beat the perspiration and stay fresh.
Image: Courtesy of DLKW Lowe, London (U.K.)
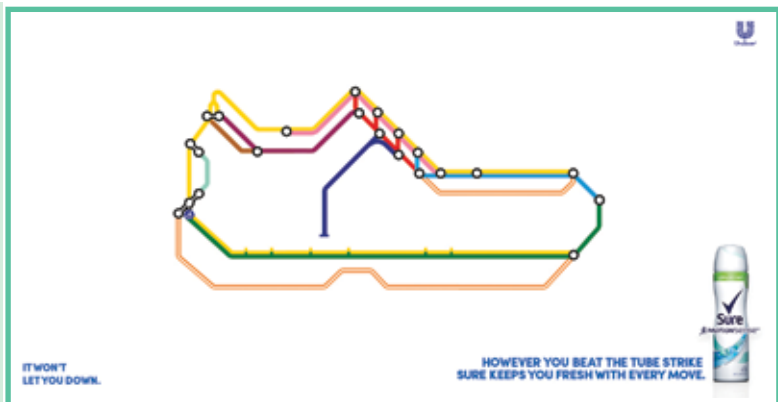
SENSORY MARKETING

Alluring You through the Senses

Sensory marketing refers to creating favorable product or brand impressions in the consumer mind by appealing to one or more of the five senses. Through sensory gratification, that is. To do so, the product, packaging, or brand messages are made intensely pleasing to the senses. Let us consider each sense, one by one.[18]

SOUND
The Magic of Melody

Marketers use jingles and music in advertisements to create the appropriate mood. Even the voices of the spokesperson and actors in an ad are chosen to match the brand's desired personality. Products are designed to produce the expected sound. To take one example, it has been found that consumers do not feel that a car door is securely shut unless it makes a sharp thudding sound when closed. So, even though it is possible to produce doors that close more quietly, car manufacturers now deliberately design their car doors to make a thudding noise. In stores and service facilities alike, marketers play the music that consumers will find enjoyable. Abercrombie and Fitch plays loud beats to keep its adolescent customers hopping; in contrast, Victoria's Secret pipes in soft melodies to set the mood for lingerie shopping. The sounds our cars make as we drive through changing surroundings—from city streets to highways to tunnels, and from wind to rain to snow—have we ever taken the time to enjoy them? Honda "celebrates" them in a 2-minute TV commercial that has a full orchestra play a medley of those sounds, introduced by the only spoken words in the commercial, "This is what a Honda feels like"! YouTube it and enjoy this outstanding example of sensory marketing.

TASTE
Thank Your Taste Buds for It

When companies introduce new foods and beverages, they conduct extensive taste tests, because taste is, by definition, a major factor in the marketability of all food and beverage products. Pleasurable taste can increase product consumption. For example, Aqua Vie markets water in seven flavors (Hydrator™) designed to increase water consumption among consumers. And it is because of the pleasures our taste buds seek that International Delight® coffee creamers come in 11 flavors (e.g., cinnamon hazelnut, southern butter pecan, etc.), and Arizona Iced tea comes in more than 20 flavors (e.g., Asia plum, ginseng, etc.), all to delight consumers with the sensory experience of taste.

THE SENSE OF SMELL
Oh, the Spell of that Hypnotic Fragrance

Who among us, while strolling through the mall, has not been tempted to buy a Cinnabon, or Aunt Annie's pretzel, or a cup of Starbucks Café au lait? Smell plays a big role in attracting consumers to stores and products. At the very least, stores should have pleasing aromas.[19] Abercrombie and Fitch stores have a familiar musky smell that its loyal customers recognize because that is the scent in its signature men's cologne named Fierce. And New York-based supermarket Net Cost pumps artificial scents in its stores—scents of fresh-baked bread, milk chocolate, flowers, etc. Enviroscents is a company that sells AccScentHD, an aroma diffusing machine to airports, public theaters, hospitals, theme parks, and hotels. Who knows, next time we go to a Rainforest restaurant, we might even enjoy the aroma of a rainforest!

THE SENSE OF TOUCH

Touch Me, Touch Me Not

We all know the feeling: we are in a store, we read a sign that says "please do not touch," and we feel as if someone has clipped our wings. We feel that we have been denied one of our basic pleasures while shopping—tactile sensation. Tactile sensation is a significant consumption experience for a number of products. The texture of clothes, bedsheets, and towels; the temperature of food and beverages (which affects not only taste but also touch sensation); the consistency of skin ointments (moisturizing creams, aftershave lotions, bath oils, etc.)—these and many other product qualities bring consumers pleasure because they evoke tactile sensations.

Touch is so important to our experience of most of these products that, when not allowed to touch, as consumers we feel almost disabled—rendered helpless in judging and evaluating them. Fortunately, though, tactile surfaces have a rough visual code; that is, through a history of personal experiences of touching and viewing the same surface simultaneously, we learn to recognize the tactile feel of a material by its appearance. That is why we are sometimes content merely to look at the material or look at the picture of the product and evaluate its tactile properties. But often, there is nothing like the real thing and the opportunity to touch it. Recent research has found that the mere act of touching a pleasant product makes consumers want it more (the effect is opposite for inherently unpleasant products)![20]

This tactile sensory experience (along with the visual treat) is what makes shopping pleasurable. That is why WaNeLo (Want. Need. Love.), a pioneering and hugely successful online social shopping store, is partnering with Nordstrom to bring items trending on WaNeLo to 100+ Nordstrom stores. In the selected stores, Nordstrom will install a TV wall in its *Juniors* sections, where it will scroll 100 most popular items and then have those items in the store for customers to touch and feel, and buy.

SIGHT

The Eyes Never Had It So Good!

Finally, there is the sensory experience of sight. This experience works on two levels: visual identity and experiential pleasure.

Visual Identity When we think of any object, brand, product, etc., we visualize it. If we can see it, in our mind's eye, as distinct from other objects, brands, or products, then its visual identity has made an impression on us. Forming this impression means both that we are able to tell it apart from other similar products and that we have certain impressions about it. Brands do it by using brand logos, brand marks, or brand symbols. Thus, most consumers recognize McDonald's by its golden arches, Delta airlines by its stylized Greek letter delta, and Target by the red bull's eye.

Companies sometimes change their logos to keep the brand or company's image contemporary. In 2003, petroleum company BP Amoco changed its brand mark from a shield to a multi-layered sunflower. Note that the company still kept the core colors (green ground with yellow figure) but changed the icon. The old shield stood for protection and stability, but that image was not considered relevant anymore. The new figure looks more contemporary, so it certainly creates the perception of a modern company. But beyond that, the company intended the interlocking pattern of sunflower petals (technically called Helio's mark) to symbolize the sun, energy, and BP's commitment to environmental leadership.

Visual identity also comes from all other visual aspects of the brand, such as the color and design on the package (e.g., Arizona Iced Tea), or colors of vehicles and employee uniforms in a service company (e.g., UPS's brown).

Experiential pleasure Beyond the identity, the visual stimuli related to a brand also offer a pleasurable sensory experience (just as stimuli do through other senses). The packaging of Arizona Iced Tea is a treat for our eyes. And the visual cacophony of colors,

From a shield to a vibrant sunburst (named Helios, after the sun god of ancient Greece).

Attractive cans of Arizona Iced Tea

shapes, and textures in stores and on merchandise beckons millions of consumers to malls and stores, whether or not they intend to buy anything. Some brands have showcase stores like Victoria's Secret, Torrid, and Anthropologie to provide unusual visual sensory experiences. Some stores even commission renowned architects to design stores and merchandise displays that offer truly unique sensory experiences. Ed Tsuwaki, a well-known Japanese graphic designer, designed unusual swan-necked mannequins that now display clothing in *nakEd bunch* stores in Tokyo. And fashion retailer DAKS features in its flagship store on Old Bond Street in London a dramatic sculpture group designed by renowned Swedish artist Lars Nilsson.

No account of sensory marketing would be complete without the mention of a company that has turned it into an art form—Apple Computers. In 1998, the company introduced iMacs—housed in an egg-shaped translucent shell and five fruit colors that instantly changed the product category from pure hardware into designer decor eye candy! Then in 1998, the company introduced the iPod, a portable media player that instantly made it fashionable to walk around with white earbuds. iPod's main consumer utility was music (pleasure for our ears), of course, but it's lure resided in its appeal to two of our other senses: lovely to look at and inviting to the touch, with our fingers addictively spinning its click wheel!

Sensory Marketing 2.0. If we are a food brand, innovating new tastes takes magic. If we are a fragrance, coming up with new fragrances that consumers will like is also an accomplishment. Likewise, for music brands or for digital music players, to improve sound quality, and for clothing to improve the haptic feel of the texture. These are improvements in the product category's basic and core function, and as such accomplishments in sensory marketing, but merely in a basic sense. The real challenge of sensory marketing comes when a brand strives to create sensory delight beyond the product category's core function. This takes two forms:

1. Adding sensory experience to a non-sensory product. Non-sensory products' main performance is utilitarian, such as computers compute, appliances cook, wash, clean, heat, cool, etc. But if they are made attractive to look at, that is sensory marketing in the real sense. Design is becoming a new frontier in brand competition, and as already mentioned, Apple with its translucent shell iMacs was an early pioneer. Apple continued its design distinction with iPod and then iPhone (delightful to look at and addictive to touch), so that today visual design has become a major choice criterion for mobile phones for consumers. The same design aesthetic is now being applied to everyday household products. One example is Flexita grater—notice how designer Ely Rosenberg brings eye-candy magic to a purely utilitarian product.

Marketers are also harnessing visual experience in package design. Arizona Iced Tea was an early pioneer, now joined ranks by the likes of Bai or Bottle Up (a Dutch brand of water in bottles made from Braskem's I'm green polyethylene). An innovative example is Juicy Skins' carton design (currently available only in Japan), by Naoto Fukasawa, noteworthy for its visual textured presentation of the fruit inside.

2. Adding sensory delight for an additional sense. In this strategy, brands appealing to one sense endeavor to also appeal to an additional sense. For a food brand to add visual appeal, for example. An example is Cincinnati-based eatery, Yagööt Yogurt (Yagootyogart.com), which dresses up its yogurt concoctions with attractive add-on toppers, and, even more notably, makes its stores a visual delight.

Yagööt, a Cincinnati-based eatery, dishes out delicious, innovative concoctions built around its brand of yogurt. But it is its decor that irresistibly lures the eyes.

4

CONSUMER LEARNING, MEMORY, AND NOSTALGIA

From Classical to Cognitive

The Food of the Future Is Here!

41212 5 15 27

41212 5 13234

Engage me, and I will learn

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!

1 **2** **3** **4** **5** **6**

TO UNDERSTAND ▲ LEARNING   O B J E C T I V E S ● ● ●

INTRODUCTION

While the pop-up restaurant events serving 3D-printed food held in various cities by FoodInk have received rave reviews, the technology has not been adopted widely yet. The machines cost about $3,000, a small expense for restaurants. But before restaurants adopt them en masse, there has to be a strong consumer demand. And while the 3D-food printers are pricey for an average consumer, they are not out-of-range for the more affluent consumer class. What is needed is for consumers to learn to develop a taste and a desire for the machine-extruded, sculptured food.

Every marketer wants consumers to learn—learn the brand name, the product's benefits, its image, its story. The world of goods is filled with thousands of brands, and consumers learn about them over a lifetime. Some of these are things consumers are motivated to learn; others they learn inadvertently—without motivation, without trying, sometimes even without being specifically aware. Whether garnered with motivation or assimilated effortlessly, learning is critical to our growth as humans. And learning about the marketplace is absolutely essential for us to navigate the world of goods and pluck from it what will meet our needs and make our lives easier. And happier.

Since marketers are busy teaching consumers all sorts of things about their products, it would help to understand how consumers learn. We are going to explain consumer learning in this chapter, for marketers' benefit and for your benefit as well. Let us begin at the beginning: by defining learning.

Consumer Learning Defined

Learning is acquiring a response to a stimulus. Suppose you are in a fruit and vegetable store in an Asian country (or an ethnic store in your own country) and you see dragon fruit—a fruit you have never seen before. What would you do? And if you saw, say, passion fruit—a fruit you tried recently at a friend's home and liked—what would you do? Most likely, you would put the passion in your shopping basket and ignore the dragon. Thus, you would have learned a response to passions but not to dragons. And once you had acquired a response, you would use it automatically in similar future situations.

A learned response can be mental, or it can be behavioral. When we see a shirt with the Zara name on it, we conjure up an image of well-made, prestigious clothing (a mental response); when we hear Cardi B is coming to town, we quickly buy a ticket for her concert (a behavioral response). As humans, we learn because it helps us to respond better to our environment.

CONSUMER INFORMATION PROCESSING

Memory and Remembering

Inside the Supercomputer

Whereas the other three models of learning are applicable to non-human creatures as well, only humans have the capacity for cognitive learning, because only humans have the capability to process information. Here is the phone number for the University of Cambridge: 44 (0) 1223 337733; and for the Office of the Prime Minister of Canada: 613 992 4211; and, finally, for the White House: 202 456 1414. Can you memorize these? At least one of them? You are able to memorize the last one, or maybe even the middle number, right? This is because these are shorter, but also because they are only seven digits long (not counting the area code). Seven is also the number of digits (more exactly speaking, 'seven plus or minus two') a human can memorize at a time. Seven digits, seven letters, seven names, and so on. Psychologist George Miller has established through research that we are able to memorize seven bits of information, plus or minus two, at a time.[5] When we combine bits of information and treat the combined entity itself as a unit, with a meaning of its own, then that becomes a new single bit of information. This combination of bits into a new unit is called ***chunking***. Thus, 911 is a single bit or chunk that stands for the emergency phone number in the US and Canada (and in a few other countries such as El Salvador, Fiji, and Uruguay); it is 999 in the U.K. We can memorize seven bits of information, make it into a unit, and then move on to memorizing a new set of seven bits of information. Our minds also are able to quickly form into chunks some simple multi-digit numbers such as 3000, 6666, etc. (London Business School has cleverly chosen its number to be 44 (20) 7000 7000!) Furthermore, words we are already familiar with form a unit, no matter how many letters they may have. Thus, President's Delight as a brand name can be memorized quickly because both the words are already familiar.

> It is a good thing that many of our phone numbers are seven digits or shorter.

HOW CONSUMER MEMORY WORKS

Pulp Fiction Bookpurses, Will You Remember Them?

Pulp Fiction Bookpurses—the fun purses from Maddie Powers, made with vintage pulp-fiction book jackets with titles like *Don't Push Me Around* and *Boy Chaser*. Will we remember these titles, say, tomorrow? Or, instead, will our memory fail us?

Memory is a place in the human brain where information is processed and stored. It is like a warehouse that holds all we know and all we will ever know over our entire lifetimes. Memory refers to both this storage area and its stored contents. It is divided into three parts: sensory, short-term, and long-term.

Sensory Memory **Sensory memory** is the ability of our senses to keep information alive briefly. While watching TV ads, for example, only the sounds (voice and music, if any) will register on our auditory senses, and only the visuals will register on our vision senses—only these sensory features of the entire ad, not any meaning or message. These features remain there for less than a second, long enough for us to decide whether we should pay any attention. If we decided not to pay any attention, then they would vanish. That is why we do not remember some commercials at all.

Short-term Memory If we decide to pay attention to the sensations, then the information enters our short-term memory. **Short-term memory (STM)** is the part of the brain where information is being held and processed currently. Thus, STM is working memory; that is, we are currently working with it and on it. All new information enters from our senses first into STM. Here, we decide what to do with it: we can decide to memorize it, file it, use it for some imminent decision or action, or discard it altogether.

Long-term Memory **Long-term memory (LTM)** is the part of the brain where information we do not currently need is stored away. It is stored there in some organized way, so that, when needed in the future, it can be accessed. We place it there so that our minds are not constantly occupied with the huge amounts of information and knowledge

was, we develop a fascination with the life of yesteryear. We see an escape, a psychological distancing from the demanding times of the present. This sense of nostalgia is captured by scholars in this observation, "Nostalgia is associated with melancholy and is the alienation of human beings in society as a consequence of their own limitations and finitude."[15] To escape the alienating realities of present times, we want to go back, even if only in a small slice of our lives, and in bits and pieces, to that simpler lifestyle of yesteryear.

MARKETING WITH NOSTALGIA

Marketers respond to consumer hunger for nostalgia in three ways:

1. **Retro fashions and products**
1. **Memorabilia from the past**
1. **Nostalgic Lifestyle Islands**

Retro Fashions and Products Retro clothing, retro cars, retro music—what does *retro* really mean for these products? It means, simply, borrowing the product styles from a particular period of history. The late 1996 Beetle shares with its 1946 original only the exterior, egg-shaped signature body style. Everything else is different, not the least of which is that the original had the engine in the back! Yet the body style alone is enough to make the car a retro product, and it is enough to impart to consumers a nostalgic experience.[16]

Hot Topic has brought back characters and toys from the past; it sells both the actual merchandise and their imprints on T-shirts—e.g., Care Bears and My Little Pony as eye jewelry. [17] Crystal Pepsi came back in 2016 after 24 years of hiatus. Now the drink is re-released every year for a few months, the latest release being on Valentine's Day 2020.

Other retro offerings come in the form of vintage replicas of everyday products: rotary-dial corded phone, twin-bell alarm clock, turntables. Victrola vintage turntable is a three-speed player with built-in Bluetooth to wirelessly stream your music and it comes in a suitcase.

Memorabilia   The marketplace also offers consumers nostalgic gratification through **memorabilia**—products designed to capture the authenticity of a person, place, or event from a historic period. Thus, Elvis memorabilia, popular worldwide, is a vast collection of merchandise and images of Elvis. Likewise, memorabilia abound for film celebrities (e.g., Marilyn Monroe, James Dean, and Groucho Marx), for politicians (e.g., Ronald Reagan and Abraham Lincoln), and for movies (e.g., *E.T.* and *Star Wars*), among others. Michael Jackson's glove was auctioned off on Nov. 21, 2009 at the "Music Icons" auction at the Hard Rock Cafe in Times Square (NYC).

Nostalgic Lifestyle Islands The third market response is to create "islands" of particular historic lifestyles. An example is Colonial Williamsburg in Virginia—a showcase town of the colonial past. Another example is Club Med, the organized-vacation company, where resort properties are devoid of all modern-day amenities (e.g., no TVs or phones). The Chinese Gardens in Sydney will rent you Chinese period costumes to wear while you roam the gardens and take pictures as keepsakes. In USA, Museum of Ice Cream, launched in 2016, and is now available in New York City, San Francisco, Los Angeles and Miami. Among its display of a variety of ice creams, it has pools of brightly colored sprinkles. For children, it is just play as usual; for adults, who wallow in it just as much, it is a trip back ito their own childhood days. What these market offerings do for the consumer is to create nostalgic "experiences." If you want to try one such experience while visiting Tel Aviv, for example, plan to stay in a place called *The Cinema Hotel*.

Cinema Hotel, Tel Aviv
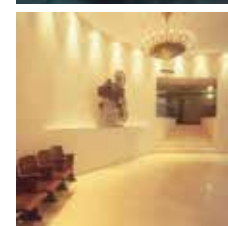
Lobby with projector

Beliefs about big things in life

This table is solid; Tylenol will cure a headache; it will rain soon—these are our *beliefs* about small things in life. Therefore, these beliefs do not qualify as values. Honesty is more important than profit; money is the source of happiness; it is our duty to help the poor and needy—these are our beliefs about big things in life, and are therefore our *values*. Values require us to "take a position" on basic choices we make in the conduct of our lives. As such they undergird and inevitably influence our opinions and choices on all matters, big and small. And, of course, they intimately affect the choices we make as consumers. If we believe in helping the needy, then we will donate to social causes (e.g., relief for Haiti). If we believe in free individual choice, then we would not favor government regulation of music, video games, movies, and the like. And, if we believe in individual responsibility, then we would hold ourselves, not fast food burger chains, responsible for our own eating behaviors.

How many end-states do we value? In other words, how many values are there? Psychologist Milton Rokeach identified 36 values, 18 in each of the two groups, called *terminal* and *instrumental*.[1] **Terminal values** are the goals we seek in life (e.g., freedom, wealth, salvation, etc.), whereas **instrumental values** are the means, paths, or behavioral standards by which we pursue those goals (e.g., honesty, altruism, etc.). We will shortly consider some consumer values of more direct use to marketers, but first let us review some more general values that affect our behaviors in life in general, not just in our role as consumers. Of course, values that affect our general behaviors also affect our consumption behavior.

FIVE SELECTED GENERAL VALUES

Equality. People with this value will consider everyone having the same rights and entitled to the same opportunities and same respect from others. They will not differentiate people by sex or race or any other demographics. Marketers will not give differential treatment to different people because of their demographics.

Honesty. People with this value will want to earn their living with honesty. And they will not want to defraud vendors. Thus, they will not make false insurance claims, for example.

Collective Good. People with this value will put collective good over one's personal benefits. In other words, they will not be selfish. Thus, in times of scarcity in the marketplace, they will not hoard.

Achievement. People with this value will strive for personal accomplishment and will respect people of achievement. In contrast those who do not have achievement as a value will be lethargic and will drift through life. In the marketplace, consumers with this value will appreciate entrepreneurs and skilled craftsmen and artists.

Compassion. People with this value will feel and express goodwill toward people who are weak or poor or helpless. Where possible, they will offer help. For example, during COVID-19, when cities were under lockdown, people with compassion as a value ordered takeout food from their neighborly restaurants more frequently than they needed, just to keep the small local entrepreneurs in business.[2]

FIVE SELECTED CONSUMER VALUES

Now let us consider some values that affect our behaviors as consumers more directly,

Environment. Environment as a value means we believe that we have to preserve our natural resources and not deplete them to satisfy our consumption desires. Consumers with this value will try to understand what impact their personal consumption has on the environment and seek ways to reduce that impact. There are many ways to reduce this impact: 1. Using products that use fewer resources in production, resources such as raw

materials, and water and energy; 2. Using products that do not pollute the environment, e.g., organic produce versus produce farmed with pesticides; (3) Using products that use materials that are compostable or recyclable; (4) Avoiding the use of products that produce excess non-recyclable materials, e.g., single-use plastic bags. In recent years, some retailers have stopped using plastic shopping bags and plastic straws with drinks and some products are now being made with old discards, an approach called *upcycle*. For example, in 2019, Tommy Hilfiger launched 100% recycled cotton jeans. The impact 7 billion consumers can make on our planet by more conscientious consumption can hardly be overstated.

Hedonism. Hedonism means seeking pleasure, especially sensory excitement or sensory delight. Consumers high in hedonism prefer leisure over work. Personal enjoyment trumps consideration for others; it also trumps personal accomplishment. This value leads consumers to engage more in "eat, drink, and be merry" behavior. Naturally, such consumers provide an attractive target for restaurants and places of entertainment, and for sensory products like movies, video games, rich, decadent food, etc.

Materialism. Materialism is a belief that acquiring material products brings happiness. People with this value desire as many products as possible. They also judge success—their own and others'—by the kinds and plethora of products one owns. In modern times, our materialism is making us a society of overconsumption.

Health. Health as a value means we consider our health very important and we are motivated to maintain and preserve good health. In a sense, everyone wants better health, but not everyone is willing to sacrifice the joys of delicious but fattening food or the comfort of sedentary lifestyles. People who value their health seek healthy food ingredients, such as organic produce and vegan restaurants. They avoid soda, sugar, and artificial ingredients.

Fair Trade. Many products in the industrialized world are now actually made in the third- world countries where workers are paid meagre wages and children are exploited as workers. To many consumers, unfair wages and child labor violate humanitarian values. Fair trade means products are certified that their production was made with fair trade practices. For example, Starbucks claims its coffee is fair trade, and this appeals to Fair Trade valuing consumers.[3]

> **CB Notes**
>
> **One Chinese traditional value is "Man-nature orientation"—the belief that man and nature must exist in symbiosis (as opposed to pursuing material progress rather than preserving nature). In a study of Chinese consumers, those who scored high on this value were found to be more ecologically conscious.[a]**

Photo Quiz 5.1

Match the value below with photos.

(There may be more than one image for some values, and no image for some.)

1. Achievement ——
2. Compassion ——
3. Environment ——
4. Hedonism ——
5. Materialism ——
6. Health ——

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THE INFLUENCE OF PERSONALITY ON CONSUMER BEHAVIOR

The role of personality, just like the role of values, is overarching—affecting all domains of consumer behavior. In a sense, personality is the conduit through which the influences of all other psychological or even biogenic characteristics flow. For example, a person genetically prone to headaches or allergies could bear the discomfort stoically, shunning early medication, or, alternatively, he or she could show hypochondriac tendencies and seek intense medication at the earliest onset of symptoms. (Stoicism and hypochondria are indeed personality traits.) A young person could be staid and be content with "consuming" TV all the time, while a 70-year-old with an active personality could be hiking and skiing. A woman could wear unisex clothes and smoke cigars with a macho image, and a man could be a heavier user of cosmetics (men's fragrances, of course) than the average woman!

Marketers use the concept of personality in brand communications, presenting their brands along with some desired symbolic personality meanings. To accomplish this, they use three related approaches. First, they give a brand the desired personality by showing certain symbolic images in conjunction with the brand—e.g., placing the brand in an outdoor, rugged setting to give it a rugged personality. Second, they carefully choose spokespersons and human models whose known professions, skills, styles, and moods depict the desired personality. And third, they depict the brand in use by typical "target" users whose style, mood, and the "activity of the moment" capture and convey the intended personality image.

Giving the Brand a Personality of Its Own

and less important, the ad reminded the reader. A stay in a big comfortable hotel room, on the other hand, just might boost a candidate's self-confidence noticeably before the interview, as any number of business travelers would verify. Yes, good things in life are not merely pleasurable to consume; they are also, at least for some consumers, a source of their enhanced self-concepts, an ingredient of their extended selves.[20]

If you are a marketer, then you would like to know whether or not the product you are selling is part of your target consumer's extended self. You can find this out by using a short questionnaire, shown in Table 5.8.

FIGURE **Possessions and the Extended-self**
5.4

EXTENDED-SELF

POSSESSIONS

Ethnic & Cultural Identity

Body

Competence & Success

Social Network

Social Roles

SELF

Personality Traits

Values & Character

Work Organization

Family Identity

MYCBBOOK

TABLE 5.8	MEASURE TO TEST IF A PRODUCT IS A PART OF THE EXTENDED SELF FOR CONSUMERS

Insert product name in each blank **Strongly Disagree**   1 2 3 4 5   **Strongly Agree**

1. **I feel emotionally attached to my ----------------------.** _____

2. **My ------------------ holds a special place in my life.** _____

3. **My ------------ is central to my identity, my sense of who I am.** _____

4. **If I lose my ------------------ I would feel a part of me was missing.** _____

5. **I take good care of my -----------------.** _____

6. **I trust my -----------------.** _____

Note: To score yourself, add all item ratings. The higher the score, the more that product is a part of your extended self, with 18 being the middle point. _____ (Your score)

Source. *In part adapted from K. J. Dodson, "Peak Experiences and Mountain Biking: Incorporating the Bikes in the Extended Self," Advances in Consumer Research, 1996, Volume 23,eds. K. P. Corfman and J. G. Lynch Jr., Provo, UT: Association for Consumer Research, Pages: 317 - 322. (Used with permission.)

MY CB BOOK

PSYCHOGRAPHICS

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

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

LIFESTYLE

Bohemians, Soccer Moms, and Other Consumer Types

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

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

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

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

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

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

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

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

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

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

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

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

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

Kids and Cul-de-sac consumers

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

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

APPLYING PSYCHOGRAPHICS RESEARCH

We are now ready to put some order to the vast array of lifestyle research options available to marketers eager to use them. (Remember, *lifestyles* is a term marketers use interchangeably with the term *psychographics*.) As marketers, we can use the following options to prepare psychographic profiles of our current or prospective customers.

General Population Lifestyles A psychographic research project can take a random sample of an entire population (say, of a nation) and identify lifestyle segments of consumers. Many market research companies (e.g., SBI) have already done this for individual countries. Marketing companies can simply buy these standard databases; most of these research surveys also include questions on consumer use of a wide range of products, and, based on product-use indexes, marketers can choose which psychographic segments to target for their product.

Subpopulation Lifestyles Instead of looking at the general population, we could, of course, sample a specific subpopulation and repeat the same research process. Thus, we could prepare a psychographic profile of, say, only women, or only college students. If we were selling women's cosmetics, for instance, then we had better limit our sample to women only. The same research companies that offer general population lifestyle profiles will be happy to slice the data by demographics for you (for a fee, of course).

Different consumers, different lifestyles

Domain/Product Specific Lifestyles Suppose our business is a travel agency; then we wouldn't want to target non-travelers. And we know also that all travelers are not alike. Therefore, we would want to identify psychographic segments among travelers only. Or if we were a sports marketer, then we would want to identify consumers interested in sports. For these purposes, we would limit our sample to domain-specific consumers. And in our AIO inventory, we would ask fewer questions about general psychographics and a lot more questions focused on traveling, or sports, or museum-visiting, or about whatever our domain of interest. Our focus could also be a product; e.g., lifestyles of organic food consumers, or heavy users of energy drinks.

Customers' Psychographics Finally, we could limit our survey just to our customers (current and potential). For example, if we are Harley Davidson company, we may want to prepare a psychographic profile of all Harley Davidson owners. We could even subdivide our customers into subgroups, such as commuters versus leisure riders, and then prepare separate psychographic profiles for the two subgroups.

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MARKETING BY LIFESTYLE

PRODUCTS AS BUILDING BLOCKS OF LIFESTYLES

Lifestyles and Psychographics are very useful marketing tools today. Except for some entirely utilitarian products such as detergents, lawn mowers, hamburgers, etc., most products such as clothing, cars, electronics, home furnishings, and even grocery shopping bags come adorned with content and/or stylistic features that serve to express consumers' self-concepts and identities. Consumers use them to build their lifestyles. Therefore, it would make sense for marketers to use consumer psychographics to position their brands.

Same utility, different psychographics

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.

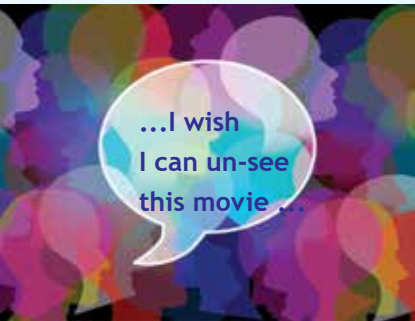**A Cool Consumer Research Project for You**

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

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

Joker

—Sinbaddylad, October 4, 2019 (5 Stars)

...I wish I can un-see this movie ...

Joker is crazy at the start, and crazy at the end. There is zero nuance, subtlety or character development. He sim-ply 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 under-standing of cinema.

Joker

—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).

Parasite

—Dustin D., March 4, 2020 (5 Stars)

My attitude tells me what to buy or not buy

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.

Parasite

—Alicia C., March 4, 2020 (1 Star)

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

1 **2** **3** **4** **5** **6**

TO UNDERSTAND ▲ LEARNING **O B J E C T I V E S** ● ● ●

*J*oker 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.
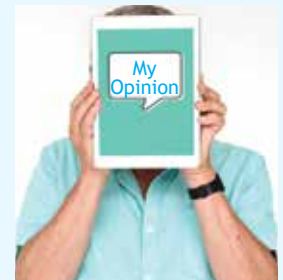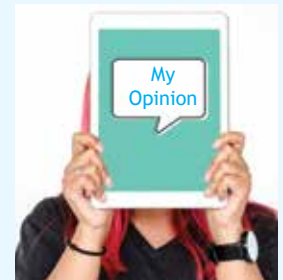
ATTITUDE: DEFINITION

Do you have it?

Do you have an attitude? Toward *Joker* (the movie) and *Parasite*? Toward wearing a mask during the COVID-19 pandemic? Toward *Chromatica,* the sixth studio album by American singer Lady Gaga, released on May 29, 2020. In Super Bowl LIV, played on February 2, 2020, Kansas City Chiefs defeated the San Francisco 49ers, but which is your favorite team? And which college courses did you like the most? The least? Which is your favorite drink—Coke, Pepsi, or the Dew? All of these questions are designed to elicit your attitudes. So, just what is an attitude?

In common parlance, when we refer to attitude as a concept, we simply refer to a person's "like" or "dislike" of something, his or her opinion about something. If you like something, then your attitude toward it is positive; if you dislike it, then your attitude is negative. However, to fully understand the nature of attitudes, we need to examine a classic definition of attitudes, offered by psychologist Gordon Allport: **Attitudes** are learned predispositions to respond to an object in a consistently favorable or unfavorable way.[1] This definition has several elements:

- **Attitudes are learned.** That is, no one is born with them. We were not born with an attitude toward *Joker* (the movie) or *Parasite*, toward the Super Bowl LIV winner or loser team, or toward football for that matter, or toward Coke and Pepsi, for example; instead, we have acquired (i.e., "learned") our attitudes during our time here on this earth. And how did we learn them? On the basis of some experience with or information about these things or persons.
- **They are targeted toward an object or a class of objects.** If we were to ask you what your attitude is or what your opinion is, you would ask, "Opinion about what?" or "Attitude toward what?" That "what" is the "object" in our definition—attitude toward an object. And that object can be anything—a brand, a product, a company, a class, a movie, a presidential candidate, and even an idea (e.g., the idea of 'freedom of speech'). Thus, we hold different attitudes toward different objects.
- **Attitudes cause responses.** That is, they are the reason we respond, or act, in a certain way toward these objects. Thus, we drink Coke and avoid Pepsi (or the other way around) because of our attitudes toward Coke and Pepsi. And our attitude toward Lady Gaga and her music makes us buy or not buy her albums.
- **The response that an attitude causes is consistent.** Thus, we don't buy Lady Gaga's music today and avoid it tomorrow. And we don't willingly eat sushi today and avoid it tomorrow. Instead, we act toward a given object the same way over a period of time; i.e., consistently.
- **Attitude is a predisposition.** By predisposition, we mean it is our "inclination." Thus, it resides in our minds. We are predisposed to doing (or not doing) something (not by birth; but by learning about an object). For example, we become predisposed (or inclined) to buy Apple Watch, and we become predisposed to eat Reese's Pieces.

Predisposition
Pregnant with meaning

This word, *predisposition*, is a wonderful word, pregnant with rich meaning. It is the key to the concept of attitude and to understanding the true nature of this concept. No other term can cut it as well. We could say, for example, that an attitude is our opinion about something, and broadly speaking we would be right, but opinion is what we think of something. That is all. It is not quite the same thing as predisposition. We could say attitude is our general evaluation of something—whether we view it as a good thing or a bad thing—and we would be approximately right. But the word *evaluation* does not quite capture it either. *Predisposition*—it means we have something in our minds—a thought, an opinion, an evaluation, a view, even a feeling—and that we are going to do something about it. We are going to act toward the object of our attitude. Predisposition makes us
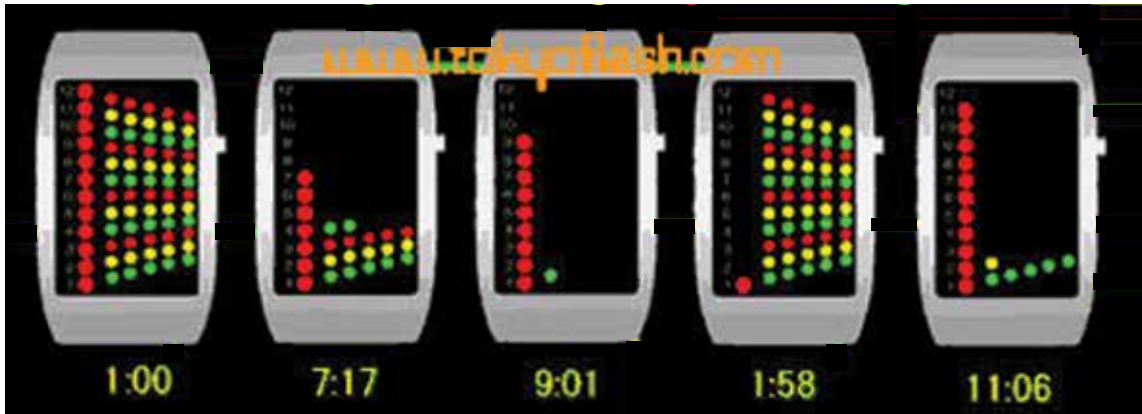
If you have never seen this Japanese watch before, then you can't possibly have an attitude toward it. Because no one is born with attitudes.

Now, look at it, grasp how time is read on this watch, and then decide if you like or dislike it.

You now have an attitude, and we mean attitude *toward the watch*. You just *learned* it. And now you want to get one—that is your *response*. You want it today, and you would want it tomorrow (consistency), unless, of course, you change your attitude itself (toward the watch). You will buy it as soon as the opportunity arises (predisposition). You can buy it from www.tokyoflash.com.

YOUR ATTITUDE IS WAITING FOR ACTION!!!

inclined to act. Thus, an attitude is our mental code to release some action toward something. It is an *action in waiting*.

Action in Waiting

This idea of attitude as predisposition and predisposition as *action in waiting* is very useful to marketers. Marketers are interested in predicting consumers' future actions or future behaviors. A behavior is something we *do*; an attitude (predisposition) is something we have in our minds. So, marketers use consumer attitudes to predict consumer behaviors. Thus, for example, if marketers knew that you had a positive attitude toward, say, *Cyberpunk 2077* (a video game released in September 2020) but a negative attitude toward *Animal Crossing: New Horizons* (the video game released in March 2020), then they could predict that you would be likely to buy *Cyberpunk 2077* but not buy *Animal Crossing*. Marketers want to predict consumers' behaviors—specifically whether consumers will or will not buy a product, *before* marketers invest the money to make and market that product.

Here, again, are the key elements in the definition of attitude:

(1) learned (2) predisposition, (3) toward an object, (4) to respond or act (toward that object and in a favorable or unfavorable way); (5) consistently.

MEASURING CONSUMER ATTITUDES

As marketers, we are interested in finding out what consumers' attitudes are toward our brand. Suppose we wanted to find out consumers' attitudes toward Dua Lipa's new album *Future Nostalgia* (released December 13, 2019). Before its mass production, we could play a sample of the tracks to consumers and ask them some questions that could reveal their predispositions. Something very simple like, "What do you think of this music?" However, to assess their attitudes on a numerical scale (so we can compare consumer attitudes across several brands and also across consumers), marketers use scales (a set of measurement questions like this are called *scales*). One such scale is shown below.[2] We can average the three items to arrive at the attitude score. Suppose this score comes to –1.67 for consumer Ross, -1.33 for consumer Joey, and +1.33 for consumer Chandler; then, Chandler's attitude toward Dua Lipa's 2019 music album would be favorable, Joey's attitude unfavorable, and Ross's attitude even more unfavorable. We can use this measurement method for any product, new or old.
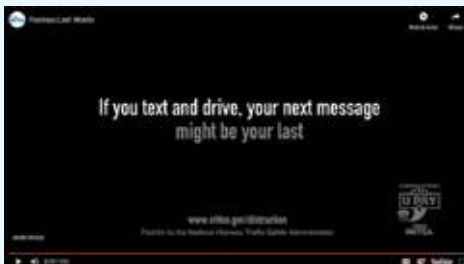
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7

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.

Seven Theories of Attitude Change

How Low Involvement Advertising Works

The Roles of Emotion, Humor, Fear, and Sex in Ad Appeals

Source Credibility and Match-Up Hypothesis

Five Factors of Persuasion in Inter-personal Selling

The Proposition That Consumers, Not Marketers, Control Attitude Change

1 **2** **3** **4** **5** **6**

TO UNDERSTAND ▲ LEARNING O B J E C T I V E S ● ● ●

In the US, every day nine people are killed in crashes involving a distracted driver. While there are many sources of distracted driving (talking to passengers, doing makeup, etc.), mobile phone use is the leading cause. In the U.S., there are 1.6 million car crashes every year due to texting and driving. In 2018, 2,841 people were killed—1,730 drivers, 605 passengers, 400 pedestrians, and 77 bicyclists, according to the NHTSA. Five seconds of reading an email is like driving the entire length of a football field blindfolded; taking your eyes off the road even for just two seconds doubles your chances of being involved in a crash.

Forty-eight states and the District of Columbia have passed laws making it illegal to text and drive. But laws alone are not enough to change our habits. We just can't resist the temptation to check the message we just received on our smartphones. Worse, we are so eager to keep updated on the number of likes on our posts so we may reassure ourselves how popular or clever we are that, ignoring factual evidence to the contrary, we tell ourselves that those statistics won't apply to us. Even if the invisible death wish does not stop us, the possibility, no matter how slim, that we could kill someone else, should drive us to abandon that temptation forever. Sadly, it does not. In 2010, when the AT&T campaign started, there were 3,267 deaths due to distracted-driving related accidents. In 2016, that number was up to 3,450! In 2018, that number went down to 2,841, but it is still 2,841 more people who, but for our temptation, could have lived to live their dreams.

Commercials such as the one by the NHTSA are trying to educate us about the suicidal (and homicidal) risks we take every time we give in to our smartphone addictions. The question is, do these campaigns, designed to change our attitudes and our behaviors, succeed?

Other consumer attitudes are neither as consequential nor (most of the time) as entrenched. But they are important for marketers to mold, in favor of their brands (without exaggerating the brand's real performance). In this chapter, we are going to describe various theories about and methods of changing consumer attitudes. These theories are essential building blocks, but they are also fascinating to read and learn. Attitude change, you'll find, is a fascinating topic, and it is also one of the most practical ones—a tool marketers deploy every day. So read on.

ATTITUDE CHANGE: SEVEN THEORIES

When you care versus when you don't

1. INVOLVEMENT AND THE THINK-FEEL GRID FOR ATTITUDE CHANGE

If you think of all the issues in your life that require decisions (e.g., which hairstyle to get for the upcoming college reunion) and all the product and brand choices you have to make (e.g., which cola to drink, which movie to see this weekend, which ear to pierce, etc.), your attitudes toward these issues and objects can be divided into four quadrants on a grid. This grid is formed by two axes (or dimensions): the "involvement axis" and the "think-feel axis."

High Involvement: Our involvement in some issues is high. Examples: what major should we choose in our college studies? Should we enroll in the U.S. Army? Should we paint our cars pink or green?

Low Involvement: Then there are issues in which our involvement is low. Examples: should we cross the lawn or take the pathway? Should we save the can for later recycling or just toss it in the nearest trash can?

Think: Some issues or product selection decisions call for rational thought. Examples: Which cereal is good for our health?

Feel: And then there are decisions we make by feelings or emotions. Examples: "Is there a less permanent way to show our love than to tattoo his/her name on our arms?

Cross these two dimensions or axes, and we can locate our attitude-change problem in one of the four quadrants. This grid was invented by the ad agency Foote, Cone, and Belding (FCB), so it is aptly called the FCB Grid.[5] See Figure 7.1.

Now, our message will have to be designed differently depending on the quadrant. First, in the two "THINK" quadrants, our message will have to be rational—this means that we will have to tell consumers what our product does and what concrete benefits it will deliver. In fact, marketing messages will have to be tailored to each quadrant.

HIGH-INVOLVEMENT THINK: In this quadrant, our marketing messages must convey as many features and benefits as our product has, giving consumers the strongest argument we can muster (e.g., "You should join the Army because it will train you in rare and useful skills, and you will learn discipline, stay fit, earn a good salary, and build a career.").

LOW-INVOLVEMENT THINK: In contrast, in this quadrant, consumers want to hear a rational argument, but they don't want to exert too much effort in thinking about it. They want to learn quickly one or two good things about the brand. Accordingly, in this quadrant, marketing messages should focus only on one or two simple rational brand benefits.

HIGH-INVOLVEMENT FEEL: In this quadrant, we will have to make the message emotional. Rather than tout the product's physical or rational benefits, we will have to move consumers emotionally—whether that emotion is fear, hope, love, guilt, pride, or whatever. "You should join the Army," we might say, "because it will make your nation proud, you will protect innocent civilians against barbarian oppression, and you'll serve an honorable cause."

LOW-INVOLVEMENT FEEL: Lastly, in this quadrant, marketers need to present the brand visually to create a positive impression, and/or set it up in a good mood setting. Essentially and foremost, the purpose of an ad here is to create a positive mood in the consumer—provide the consumer with a pleasant or humorous thought or image and cause him or her to smile or chuckle about the brand, thereby creating an *affectively* charged cloud in the consumer's mind. (Note: *Affective* is a technical term, meaning *emotional*.)

Exhibit 7.1 further illustrates the application of this model.

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MARKETER

FIGURE 7.1 **THE FCB GRID OF INVOLVEMENT**
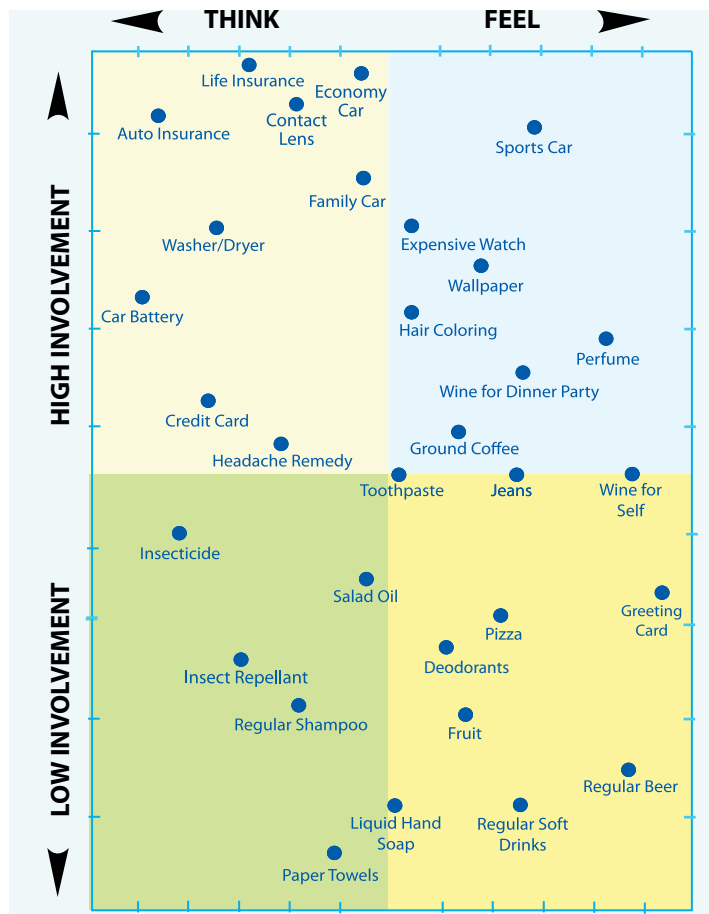
2. SHAPING ATTITUDES VIA MULTI-ATTRIBUTE MODELS

The essence of the multi-attribute model (TORA) is the multi-attribute format of the attitude structure (i.e., beliefs weighted by evaluation of belief content). (See Chapter 6.) Given this structure, we can change consumer attitudes in three ways[11]:

- **By changing a specific component belief, which can be accomplished by changing the perception of the corresponding attribute level or associated consequence.**
- **By changing the importance that the consumer assigns to an attribute or to the evaluation of that consequence.**
- **By introducing a new attribute (i.e., evaluation criteria) into the consumer's evaluation process.**

Let us consider the example of VerizonFiOS and Comcast Xfinity (the top two fastest ISPs rated by the PC magazine for 2020) discussed in the previous chapter.

To improve consumer attitude toward its brand, Comcast has the following options:

- **The company can improve its connection success rate and communicate this improvement to the consumer.**
- **Since it already has a superior rating on speed, it can try to emphasize the desirability of high speed, thus raising the speed's evaluation from the current rating of +2 to, say, +3.**
- **It can offer some new feature like a spam filter or privacy protection, and then communicate the importance of this new feature to the consumer.**

For technological products, this last option is particularly appealing. Since technological products are always evolving (e.g., portals like EarthLink, browsers, cell phones, PDAs, etc.), consumers are always looking for new features, and companies that can bring new features to the market sooner are more likely to win the battle for consumer attitude. Innovating new attributes is a new frontier of the attitude battle for all sorts of gizmos.
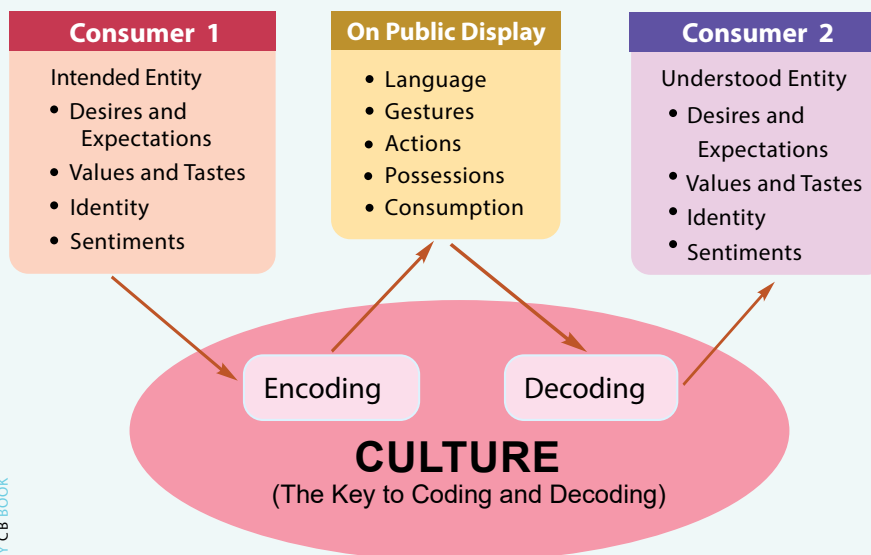
CULTURE: A WEB OF MEANING

If we were to put our fingers on the single most significant purpose of culture, and, indeed, its very essence, we would say it is *meaning*. Meaning is what culture is all about; culture serves as the conduit of all meaning in life. Much of our everyday living depends on social communications—our communication of 'what we mean' to other humans. All these social communications can be grouped into four categories: (1) desires and expectations—what we want and expect from others; (2) values and tastes—what our values, tastes, and preferences are; (3) identity—what our self-concepts and our identities are; and (4) sentiments—perhaps the most important, what our feelings toward others are, and what sorts of relationships we desire with them.

We communicate through language, in which we use words to mean more than they literally do; but even more frequently, we communicate through gestures, actions, public displays of our possessions, and consumption of products that have symbolic meanings. We choose the products we believe carry the intended meanings. Put another way, we encode our intent in these products. At the receiving end, our listeners and audiences decode the message, inferring our intent. Two people of the same culture understand the figurative meaning of words and gestures they exchange, and they understand the silent language of our actions, our possessions, and our consumption choices. People from two different cultures either may not see the same meaning, or they may misread it. Culture is the grand interpreter; it is the dictionary of the silent language.[8] See Figure 8.3.

► **MEANING COMMUNICATION WITHIN A CULTURE**

FIGURE
8.3

Consumer 1	On Public Display	Consumer 2
Intended Entity	• Language	Understood Entity
• Desires and Expectations	• Gestures	• Desires and Expectations
• Values and Tastes	• Actions	• Values and Tastes
• Identity	• Possessions	• Identity
• Sentiments	• Consumption	• Sentiments

Encoding   Decoding

CULTURE
(The Key to Coding and Decoding)
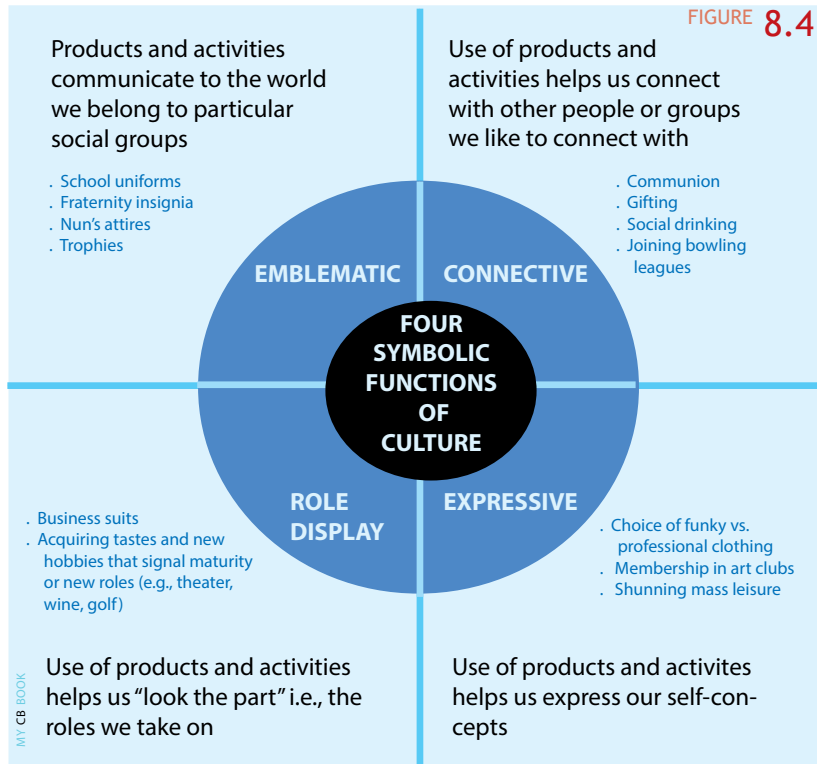
MY CB BOOK

Through culture I code myself. Through culture you decode me.

BLUE WITCH
Jessica Flint of Charlottesville (VA), as Lavinia from *Chrimson Cult*

Symbolic Functions of Culture

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

FIGURE **8.4**

Products and activities communicate to the world we belong to particular social groups

. School uniforms
. Fraternity insignia
. Nun's attires
. Trophies

EMBLEMATIC

CONNECTIVE

Use of products and activities helps us connect with other people or groups we like to connect with

. Communion
. Gifting
. Social drinking
. Joining bowling leagues

FOUR SYMBOLIC FUNCTIONS OF CULTURE

. Business suits
. Acquiring tastes and new hobbies that signal maturity or new roles (e.g., theater, wine, golf)

ROLE DISPLAY

EXPRESSIVE

. Choice of funky vs. professional clothing
. Membership in art clubs
. Shunning mass leisure

Use of products and activities helps us "look the part" i.e., the roles we take on

Use of products and activites helps us express our self-concepts

MY CB BOOK

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

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

Our clothing—casual or business?

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

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!

5

41212 5 13234

My referents—
love 'em, follow 'em!

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.

Various Types of Reference Groups

Three Forms of Referent Influences

Roles and Traits of Opinion Leaders

Innovation Adopter Categories and How Early Adopt- ers Influence Late Adopters

The Role of Media in Stimulating Market Conversa- tions

Word of Mouth/Mouse Marketing and Igniting the Fire of Buzz

1   2   3   4   5   6

TO UNDERSTAND   LEARNING   O B J E C T I V E S

INTRODUCTION

Kylie Jenner proved to be a savvy marketer. Even in a crowded category, her products were unique, the packaging had decidedly 'girly' color aesthetics, product images on the channel were bespoke. Yet the largest credit for this runaway success must go to a single factor: her celebrity glamor appeal. Other marketers hire influencers to promote their brands. In the case of this brand, the brand moniker itself belonged to a super-influencer.

Consumers are social creatures. As such, they live, work, play, and consume with groups of other consumers. They also get enchanted by celebrities and develop aspirations to look like them, consume like them. Influence of celebrities, role models, and peer groups on our brand choices is immense and pervasive. The purpose of this three-part chapter is to describe these influences and the intricate ways in which they both guide and constrain our behavior as consumers.

REFERENCE GROUPS

Limiting Extreme Individuality

Reference Groups are the persons, groups, and institutions that one uses as points of reference. These are people one looks to for guidance in establishing one's own values and behaviors.[1] Reference groups influence individual behavior by serving as points of reference, i.e., as sources of norms, values, and conduct.

Note that a reference group does not have to be a "group." It can be a person, such as one's parent, or a role model. And of course, it can be a group, like one's fraternity members. It can also be an organization or institution. Institutions are more permanent groups or entities with a pervasive and universal presence in a society, such as schools, religions, and families. Any person, group, or institution that serves as a point of reference is called a referent.

Because no one lives in isolation, every consumer has at least one referent— even Bohemians and Goth girls. Most have several. No one lives totally by himself or herself, for him/herself, and of him/herself.

What is a Group Anyway?

Just what is a group? A Group can be defined as two or more persons sharing a common purpose. The essential and defining quality of a group is a common purpose. To pursue this common purpose, group members:

    share some values

    recognize interdependency

    assume specific roles

    communicate mutual expectations and evaluations

    are able to provide some reward or punishment, tangible or intangible

Castellers—a Spanish sport team—forming human pyramids at a Spanish festival

Groups share goals and recognize interdependency
Photo courtesy of Brian Long, London

The buzz-bees (the carriers of buzz) differ from celebrity influencers in one aspect: they are not celebrities at all. "We weren't looking for celebrities," says Julie Roehm, the then communications manager at Ford Motor Company who managed a buzz campaign for the company's Gen Y model *Focus*. "We were looking for assistants to celebrities, party planners, disk jockeys—people who seemed to influence what was cool." She gave them a *Focus* to drive around for six months and simply be seen driving it.

Creating buzz is not easy. To be successful, a buzz campaign needs to keep certain principles in mind, summarized in Exhibit 9.1 (Recipe for Successful Buzz).

RECIPE FOR SUCCESSFUL BUZZ   EXHIBIT 9.1

Not every marketable product or service lends itself to buzz marketing. Based on a reading of various writings and after pondering many case histories, we suggest the following ingredients of a successful buzz campaign:

1. Unique product or message First and foremost, the product has to be unique and interesting enough to become the topic of social conversations. When someone sees the product, it should arouse curiosity so the consumer looks at the product closely and finds and learns something about it worth telling others.

2. Inherent human interest story Beyond uniqueness, what helps tremendously is that the product or topic be of inherent human interest (beyond its utilitarian value). Celebrity gossip spreads like a buzz because people find celebrities an interesting part of their world (e.g., a product like bow-lingual (a gizmo that translates "woof" and a dog's emotions, into words).

3. Scarcity and Mystery The product should not be in abundant supply. One that is easily available or easily seen will kill a buzz even before it begins. Of course, large-scale mass awareness is its ultimate goal, but in the initial stages of the buzz, the product should be rare, and the story about it should be known only to a select few.

4. Authenticity The buzz topic has to be authentic. A buzz maker can't sing rave praise about a product that turns out to lack any umph. In this respect at least, buzz is like all advertising: a false product performance claim kills a product; a false claim that is mass advertised kills it faster.

5. Free Agent The buzz-bees should be free agents, not hired hands. Buzz feeds on the apparent impartiality of the talker.

6. Non-commercialism Finally, and related to the principle of Free Agent, the buzz should have the appearance of a social phenomenon rather than commercial advertising.

These six ingredients are not absolute requirements, individually, but each is highly desirable and together their effect multiplies.

Further reading: Seth Godin and Malcolm Gladwell, Unleashing the Ideavirus (Hyperion 2001); Emanuel Rosen, The Anatomy of Buzz : How to Create Word of Mouth Marketing (Currency 2002).

MY CB BOOK

Peer-to-peer Marketing Peer-to-peer marketing is a special case of buzz marketing, where the goal is not just to spread the word but to get the target audiences to act on the word which comes from their peers. If you are a college student, you might have seen some fellow students sitting in the hallway at a table loaded with T-shirts, pens, or cookies; you fill out an application for, say, a credit card, and you get one of these prizes. They are just collecting some money for their campus organization, they will tell you—and they are—but they are not unbiased communicators by any standard. Yet, you happily comply, for the sake of friendship, if not for the freebies. This is peer-to-peer marketing.

Cyber-buzz **Cyber-buzz** is buzz through the Internet channel. Although all Internet-based brand messages are cyber-buzz, it is best to reserve the term to refer to "the voluntary forwarding, by consumers, of emails, or to posting on social networking sites like Facebook, Twitter, etc." The voluntary forwarding of an email implies that the content is inherently interesting, Many YouTube videos go viral because early viewers send or post links to their social media connections.

Viral Marketing We all know how a virus spreads—from one person to two, four, eight, sixteen, thirty-two, and so on. Only ten iterations later, it would reach 65,000 people. With still 10 more, it would have reached 66 million people! **Viral marketing** is the message and product design and placement in a manner that encourages consumers to spread the

message and the product news to other consumers voluntarily and exponentially. Viral marketing got a new life with the advent of the Internet. Here, the idea of viral marketing is simply to spread the message using the Internet channel. Viral marketing can occur in two ways: (1) voluntary (also called "organic") or (2) incentivized. *Voluntary viral marketing* occurs when a person (consumer) finds the message content so interesting that they feel the urge to share it and do so voluntarily, for example, by retweeting a tweet. In *incentivized viral marketing*, the marketer offers an incentive for sharing a message to a certain number of people. An example is a recent campaign by VF Corporation, the maker of Lee Dungarees. The company carefully identified 200,000 young Web surfers and emailed them a video, with a built-in click-through icon labeled.[15] In current times, a sure way to earn viral marketing for your brand is to create an ad or commercial or a short video and put it on the company's YouTube channel. But make the video content unexpected and enchanting in equal parts. One recent example is Evian Water's dancing virtual babies.

> **In a recent campaign, Evian invited adult actors and created their baby-lookalike digital doubles; the baby doubles then performed fragmented dance moves, which were filmed and the images later fed into a storefront window screen, which then their lookalike adults standing on the sidewalk emulated. With a linked Facebook page, the video of this doctored sidewalk "mirrored" performance garnered 100 million total views within weeks.**

Review Sites Review sites are Websites on which consumers can post their reviews or comments on a product, service, business, or person. Yelp is a popular site, with some 200 million reviews. In June 2020, the company boasted 178 million unique monthly visitors to its site (92 million via mobile). For services, recent upstart Angie's List (which acquired HomeAdvisor in 2017) claims 19 million reviews of home repair service providers. Many retailers provide consumers the opportunity to post their opinions about their products. Amazon.com is the granddaddy of them all, of course. Since it sells almost anything, it is the "go-to" source for consumers even if they are not looking to buy it from the site. For travel, Tripadvisor takes the lead, with 390 million unique monthly visitors. For movies it is Rotten Tomatoes, with 50.27 million monthly visitors in June 2020. For music it is AllMusic and Pitchfork. To review wedding venues and vendors, you could browse The Knot or WeddingWire.[16]

Why do consumers trust these review sites? Even though as readers, we don't know the reviewers, we trust them because their opinion is based on personal experience. Thus, experience, not expertise, is the basis of their advice. We use their advice because we assume a similarity between them and us.

Referent Influence in the Marketplace

Now You See It, Now You Don't

Reference groups, or referents, influence our consumer behaviors in three ways: (1) When we feel indecisive or inadequate to make product choice decisions, we ask referents whose opinions and judgment we trust. (2) Sometimes, people give us advice whether or not we want it. Sometimes this advice conveys factual material, such as which product would work better in a utilitarian or functional sense, and we take this advice if we trust their expertise. At other times, their advice is on matters of personal taste, such as what is in fashion or what purchases and consumption they consider undesirable. (3) Finally, referents influence us silently, just by being there, as we consider their implicit preferences and tastes in making our own choices. This "silent influence," so to speak, occurs both due to the normative factor—we expect to be rebuked if we ignore referents' tastes—and due to the identification factor—we relish imitating our heroes' tastes and consumption choices.

CB 🔴 Notes

This is How BzzAgent Does It!

BzzAgent is an organization that recruits consumers to serve as buzzers. Currently it has 1 million BzzAgents across the USA, Canada, and the UK. BzzAgents receive free products to try and then spread word of mouth offline and online. On the company Web site, they report their activity and receive a BzzScore which then influences their future assignments as well as some free gifts under a program called MyPoints. Campaigns typically run for 8 weeks. At the time of this writing, Herbal Essence Wild Naturals was running a BzzCampaign (April 29, 2015-June 24, 2015). Hundreds of BzzAgents had posted their BzzReports on the company's website. BzzAgent has a code of conduct for its ambassadors. It wants them always to reveal that they are involved with BzzAgent, and that they receive free samples. And they (the ambassadors) must always deliver their honest opinion based on their personal experience with the product.

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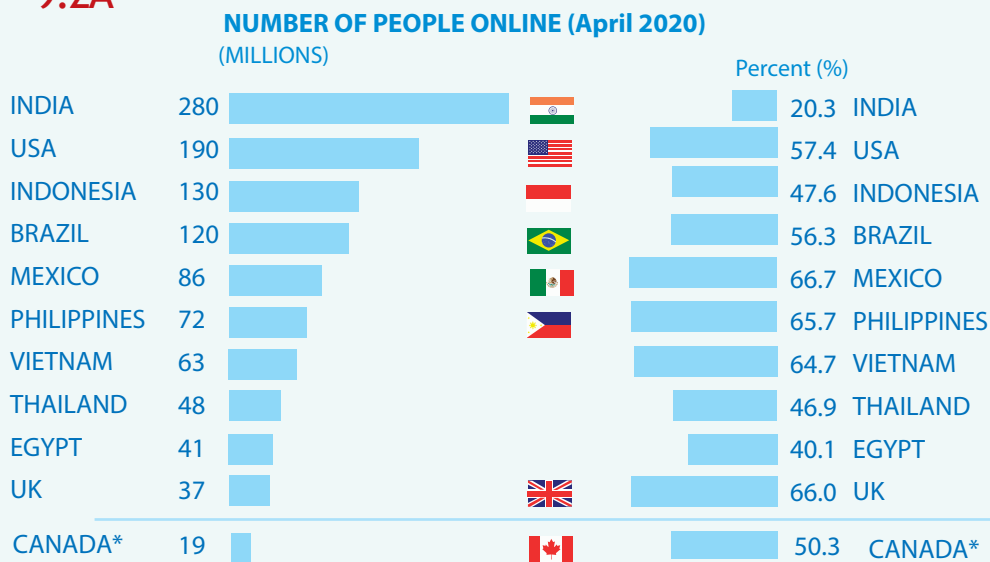
There are, literally, hundreds of SoNets: Facebook, Twitter, and LinkedIn are the most popular in North America and also widely in use around the world. But each country or region has its own favorite: WeChat and Sina Weibo in China, Tuenti in Spain, WhatsApp in Mexico, Latin America, and India.

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)		
	NUMBER OF PEOPLE ONLINE (April 2020) (MILLIONS)		Percent (%)
INDIA	280		20.3 INDIA
USA	190		57.4 USA
INDONESIA	130		47.6 INDONESIA
BRAZIL	120		56.3 BRAZIL
MEXICO	86		66.7 MEXICO
PHILIPPINES	72		65.7 PHILIPPINES
VIETNAM	63		64.7 VIETNAM
THAILAND	48		46.9 THAILAND
EGYPT	41		40.1 EGYPT
UK	37		66.0 UK
CANADA*	19		50.3 CANADA*

*Canada is 21st in rank.

Source: Based on information Facebook API, Internet World Statistics., and Worldknowing.com
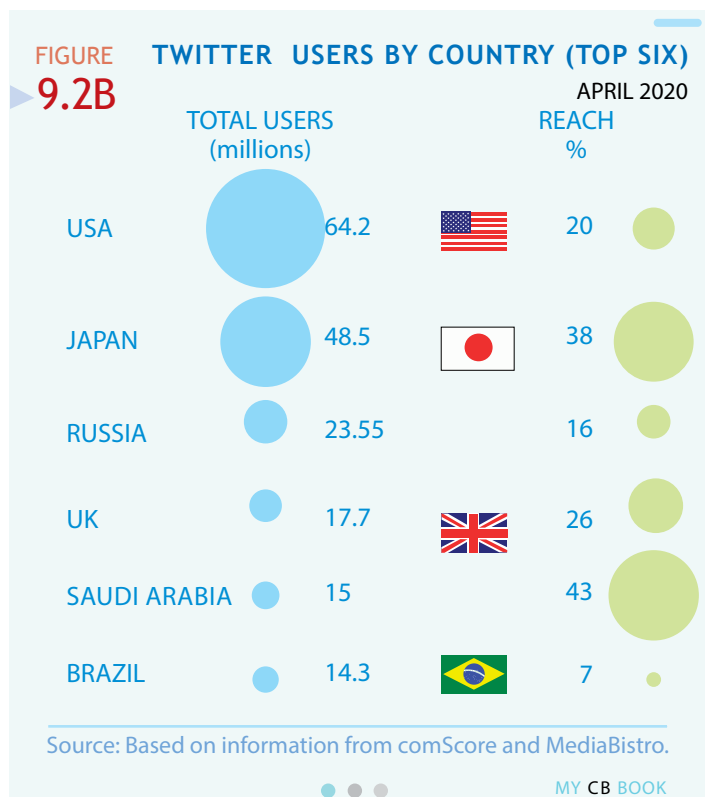
MY **CB** BOOK

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 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.

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

FIGURE 9.2B

TWITTER USERS BY COUNTRY (TOP SIX)

APRIL 2020

	TOTAL USERS (millions)		REACH %
USA	64.2		20
JAPAN	48.5		38
RUSSIA	23.55		16
UK	17.7		26
SAUDI ARABIA	15		43
BRAZIL	14.3		7

Source: Based on information from comScore and MediaBistro.

MY CB BOOK

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.

1 **2** **3** **4** **5** **6**

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.
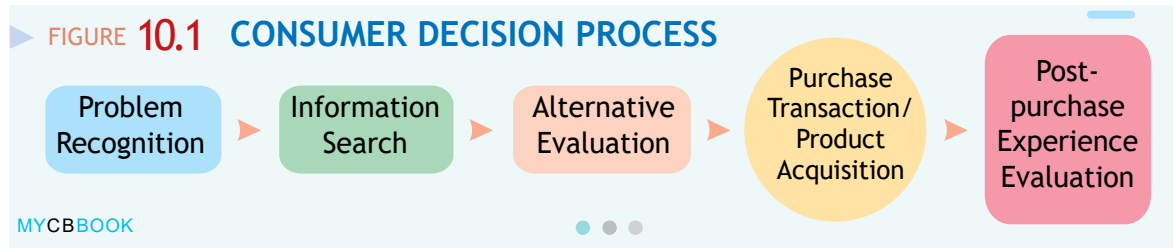

(Photo Courtesy of Gaetano Pesce)

Some of us lamp by Gaetano Pesce

THE CONSUMER DECISION PROCESS

Once a consumer does make up his/her mind to buy a product, he/she must then decide which brand to buy, when to buy it, and where to buy it. These decisions at various levels of hierarchy can all be called *alternatives*, and the consumer's task is to choose from among the available alternatives. That decision-making process consists of the five steps shown in Figure 10.1.

▶ FIGURE **10.1**   **CONSUMER DECISION PROCESS**

Problem Recognition ▶ Information Search ▶ Alternative Evaluation ▶ Purchase Transaction/ Product Acquisition ▶ Post-purchase Experience Evaluation

MY**CB**BOOK   ● ● ●

STEP 1:   ## PROBLEM RECOGNITION

You are combing your hair, looking in the mirror, as usual. You are about finished, and then something about your eyes catches your attention. Under your eyes, some dark rings are beginning to form! In consumer behavior, we would say that you have just "recognized a problem."

The decision process begins when a consumer recognizes a problem to be solved or a need to be satisfied. As a consumer, you notice, for example, that you are hungry and need to get some food, or that you are running low on your Keurig K-Cup Pods and need to reorder them, or that you are no longer able to read traffic signs from far away and you need a new vision prescription, or that your new date, found on Bumble, is into wines and that you need to sign up for a quick online course on wine appreciation.

As this last example shows, a consumer "problem" is not necessarily a physical problem, such as a hungry stomach or dark circles under the eyes. Rather, a **consumer problem** is any state of deprivation. It is a state wherein a consumer feels discomfort—physically or only mentally. In other words, it is a gap between the current state and the desired state, as felt by the consumer in his/her mind. You may recall from Chapter 2 that this gap is also called a "need"—problem recognition and need recognition are, then, one and the same thing. We will call this the Gap Concept of Consumer Need (see Figure 10.2).

Correspondingly, **problem recognition** is the consumer's realization of the gap between his/her current state and the desired state. It occurs as soon as the consumer becomes dissatisfied with his/her current state and wants to do something to achieve a desired state. (See Figure 10.3.)

Four Avenues of Problem Recognition

What causes us to recognize problems? Basically, there are two causes: internal stimuli and external stimuli. **Internal stimuli** are perceived states of discomfort arising from something inside us. This can be a physical condition of our bodies (e.g., hunger or thinning hair), or it can be a psychological condition, originating in our minds (e.g., boredom, or anxiety about the exam). **External stimuli** are sources of information we see outside—in the marketplace and on the street. Seeing certain things makes us want those things. We smell coffee beans in a mall store, our body begins to crave coffee (a current state of discomfort), and our minds say it is time to have some coffee. We stumble on a Pinterest board featuring the concept car Null EV, and we begin to dream of driving it (desired state).

External stimuli come in two forms: *problem stimuli* and *solution stimuli*. A **problem-stimulus** is one in which the problem itself is the

Null EV Concept Car
Courtesy of Designer: Jeongche Yoon

availability, and perceived value vis-à-vis costs. (See Figure 10.7.)

In a sense, the features we want simply reflect our motivations and needs at a greater level of detail. Thus, we not only need food, but we also need hot, nutritious, and tasty food. We not only need a phone to meet the need to communicate anytime and anywhere, but we also need to be able to charge it wirelessly. Next, if a solution feature is not available in the product (in any of the available alternatives), we would not even think of it as required. Note, however, that not all features of a product become evaluation criteria—only those that meet some need or address some motive. Thus, a motive and an available feature together make an evaluation criterion.

Finally, if a feature costs money, then we have to assess its value relative to its cost—*value* here being defined as the benefit to be derived from that feature. A phone with wireless charging costs $100 extra? Well, we will do without it. Thus, when we enter the marketplace, so to speak (that means when we start the search process), we have an initial and tentative set of criteria in mind; later, we add more (or drop some of the features in the initial set) as we gather information.

Determinant Attributes

Thus, evaluation criteria comprise a subset of product attributes. We apply evaluation criteria to appraise alternatives. Often some of these evaluation criteria fail to distinguish among alternatives, because the alternatives under consideration are equal or on par. The evaluative criteria on which the alternatives differ from one another become determinant evaluative criteria, more formally known as **determinant attributes**. (See Figure 10.8.)

Marketers should constantly monitor competing brands and consumers' evaluative criteria so as to understand which brand features have become *determinant attributes* for their product categories.

FIGURE 10.8 DETERMINANT ATTRIBUTES

All Brand Attributes
Evaluation Criteria
Determinant Attributes

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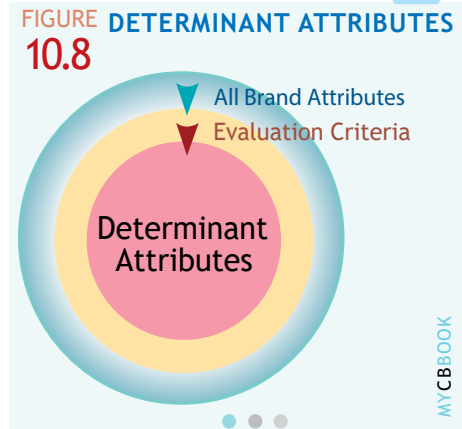
DECISION MODELS: COMPENSATORY AND NONCOMPENSATORY

Beauty Contests and Brand Battles

First, let's talk about models of a different kind. You might be familiar with beauty contests. Beauty contestants are first scored in different categories: talent, looks, outlook (attitude toward self and worldview—remember, contestants are often asked a question or two about some big issue in life), etc. Then the judges add up all the scores. Sitting in the audience, you might wish that they gave more weight to talent; your friend, who is also watching the show, might wish that they based their final choice exclusively on looks. These are all *judgment models*; your judgment model is different from that of the event organizers, and, in turn, your friend's judgment model is different from yours. Very simply, **judgment models** are procedures and rules for taking into account various qualities of an alternative. Their utility? Very simply, again—they guide our choice decisions.

Just so we can talk about these judgment models (also called *decision rules* or *choice rules*), consumer researchers have given them more specific, technical names. They have divided them into two broad categories: compensatory and noncompensatory.[8]

THE COMPENSATORY MODEL
More of these if less of those

In the **compensatory model**, the consumer arrives at a choice by considering all of the attributes of a product or service (or benefits from a product or service) and by mentally trading off the alternative's perceived weaknesses on one or more attributes with its perceived strengths on other attributes. A consumer may go about making this calculation in two ways. First, he or she might simply add the number of positive attributes, subtract

TABLE 10.3 APPLYING COMPENSATORY MODEL TO THE CHOICE OF A WIRELESS SERVICE				
	Importance	Verizon	Sprint	AT&T
. Reliability	5	8	7	5
. Customer-Service	3	6	4	8
. Voice quality	2	6	7	4

Total weighted score for: Verizon = 8x5 + 6x3 + 6x2 = 70
Sprint = 7x5 + 4x3 + 7x2 = 61
AT&T = 5x5 + 8x3 + 4x2 = 57
Therefore, this specific consumer will choose Verizon.

MY CB BOOK

the number of negative attributes each alternative has, and then choose the one that has the most positive and fewest negative attributes.

Whereas we sometimes do make decisions based on a simple numerical count of the pluses and the minuses, often we do not consider each plus or minus as equally significant. Some features are clearly more important than others, and every minus may not cancel a plus on some other feature.

Therefore, we use a truer version of the compensatory model. This, the second, more systematic approach, is to weigh every product attribute in terms of its relative importance. Let us say that we want to make a choice between wireless service providers Verizon, AT&T, and Sprint (since April 2020, operating under the aegis of T-Mobile). To keep the example simple, let us say there are just three evaluation criteria that we will use: reliability (calls not dropped, calls dialed correctly), voice quality, and customer service. Suppose we could rate each of the three services on these three criteria on a 0 to 10 rating scale (where 0 means very poor and 10 means excellent). Suppose we could also assign an importance rating by dividing 10 points among the three attributes: 5, 3, and 2—reliability is most important to us, so we assign it 5 out of 10 points; customer service is next most important, and we assign it a 3; and to voice quality we assign a 2 (the importance scores add up to 10). Table 10.3 shows one consumer's ratings (note that these are one consumer's hypothetical ratings and do not reflect the actual quality of these three services). Now, all we do is multiply the quality levels with importance weights and add them up for each company. The highest score is 70, for Verizon (see Table 10.3), so using this judgment model, we would choose Verizon.

COMPENSA-TORY

This model is called *compensatory* because a shortfall on one attribute may be compensated for by a good rating on another attribute. In the above hypothetical example, Verizon is actually not as good on customer service as is AT&T, and not as good on voice quality as is Sprint (all these being hypothetical statements, of course), but these shortcomings are more than compensated for by its superiority on reliability, which is of the highest importance to our hypothetical consumer.

NONCOMPENSATORY MODELS

No substitutions, please

NON-COMPENSA-TORY

While sometimes we want it all (so we consider all the features or qualities and accordingly use the compensatory model), sometimes we just want one feature or maybe two. Or we want a few features to a certain degree, but we don't necessarily want them to the max. If there were one particular feature that we wanted, and if an alternative didn't have that feature, then it will be out, no matter what other features it had—those other features won't compensate. We call these judgment procedures *non-compensatory models*, and we will discuss four of them: conjunctive, disjunctive, lexicographic, and elimination by aspects.[9] To help us remember these, let's also give each of them a phrase:

1. **Conjunctive model**   **"Must have at least this much of these."**
2. **Disjunctive model**   **"Okay I am flexible; must have either this or that."**
3. **Lexicographic model**   **"I will take the best on the most."**
4. **Elimination by aspects** **"At least this much on the most."**

SATISFICING

No matter what decision model they use, consumers as decision makers can never consider and appraise all of the alternatives exhaustively. Indeed, consumers *do not* typically make the most optimal choices. As already pointed out, the use of lexicographic, EBA, or other noncompensatory models might eliminate a brand from further consideration based on the first attribute, even though the brand's other features could have made the brand more attractive in overall terms. Yet consumers are perfectly happy making choices by using noncompensatory models. This is a concept that Nobel Prize-winning economist Herbert Simon calls *satisficing*.[14] **Satisficing** refers to a consumer's (or a decision maker's) acceptance of an alternative that he or she finds satisfying, even though there might be a better alternative. Thus, even ardent comparison shoppers finally give up and buy the product or service they find most acceptable from among those they have considered so far, even though they recognize that there might well be a slightly or even substantially better product or service or deal at the next store. This is *satisficing*. If you are a satisficer (note it is *satisficer*, not *satisfier*), don't worry; most consumers are, most of the time!

CHOOSING EXPRESSIVE PRODUCTS

Or the Art of Buying Diamonds, Cologne, and Lingerie

The decision processes we have described, especially the decision models, seem to work well for appliances, cars, office products, tools, etc. But surely we wouldn't buy, you would argue, diamonds, cologne, dresses, or lingerie this way. In fact, for many of these products, we just fall in love with them at first sight. How do consumers choose emotional products?

To address this issue, consumer researchers have divided products into two categories according to whether they serve, primarily, utilitarian (i.e., functional or performance) needs or, instead (and primarily), social-psychological needs or motives. We would call the former *functional* and the latter *expressive*—we use the latter to express ourselves and our personalities, moods, lifestyles, and tastes. We assess functional products (such as appliances and tools) by assessing their performance features; we process the information, and use the judgment models we described earlier. We call this the **information processing mode (IPM)**. In this mode, "the consumer acquires information about brand attributes, forms evaluative criteria, judges the levels of these attributes in various brands, and combines these attribute-levels for overall brand evaluation."[15]

Emotional Choices

In contrast, expressive products are chosen for their social-psychological value. They are assessed with what is known as the **affective choice mode (ACM)**. In this mode, affect ('affect' is used here as a technical word, a noun, meaning 'liking') for the brand ensues based not on attribute information but on judgments that have three properties: holistic, self-implicative, and nonverbalizable. That is, individual attributes matter less than the overall style, appearance, and total impression (holistic); the product or service is judged in relation to oneself, as in, "How will *I* look in this dress?" (self-implicative). Also, the decision cannot be verbalized since it was based on nonverbal cues (i.e., picture, appearance) and vicarious emotional experience. See Figure 10.9.

The implication of this distinction is two-fold. First, for expressive products, you would not seek much feature information, but this would not mean that you don't

How would you choose between these two shirts? Most consumers use ACM for choosing between expressive products.

THE BIASED DECISION MAKER
THE APPARENT IRRATIONALITY of CONSUMER DECISIONS

Suppose in a retail store there were two brands of coffee makers, A and B. Brand A was priced at $75 and had a quality rating of 4 stars, and Brand B was priced at $125 with a quality rating of 5 stars. Suppose further that 60% of consumers bought Brand A and 40% bought Brand B. Now suppose the retailer adds a third brand, C, which is also priced at $75, but is rated 3 stars. We would expect this not to change consumers' preferences—consumers are rational and would clearly see that Brand C is inferior to Brand A and is therefore irrelevant to their earlier preferences. That is, the 60% who had preferred Brand A earlier should still prefer Brand A, and, likewise, 40% who had preferred Brand B should still prefer Brand B. This is what rational theory (anchored in "pure" economics) would predict.

Yet, in the research lab and in practice, this is not what consumers do. Instead, now more consumers choose Brand A (say, 70 or 75%). Why? This is what behavioral economics attempts to describe and explain—the economics of what humans actually do (as opposed to what humans should do—follow the economics of the rational human mind, or "classical" or "pure" economics). Behavioral economists have studied human decisions in practice to understand the psychological reasons behind seemingly irrational behaviors. Our minds are not objective thinkers, behavioral economists tell us; rather, our minds have certain biases that make them process information non-objectively and violate the principles of rationality. We call them decision biases. Below, we highlight a select few of them.[a]

ATTRACTION AND COMPROMISE EFFECTS

The above retail store scenario captures what is known as **attraction effect**—the idea that the presence of an inferior option makes another option more attractive. The condition is that the new irrelevant option must be clearly inferior (Brand C costing the same as Brand A but has lower quality rating).

Now suppose that Brand C was instead priced at $125 and rated four stars. This would make Brand C inferior to Brand B; therefore, it would make Brand B more attractive. And more consumers (say, 50 or 55% of them compared to 40% earlier) would now choose Brand B.

In such retail scenarios there is another phenomenon behavioral economists have discovered. Suppose that the third option the retailer adds is Brand L, which is priced at $90 and rated 4.5 stars. That is, Brand L is neither clearly inferior nor superior to either of the two brands. Research has found that a significant number of consumers would now buy Brand L; Brand L would draw consumers from both Brand A and Brand B. This is called the **compromise effect**—defined as consumer proclivity to avoid extreme options in preference to the middle (i.e., compromise) option.

The compromise effect is a heuristic (rule of thumb) consumers use, namely, that extreme options entail higher risks and, therefore, it is safer to go with the middle option.[b]

LEFT-DIGIT EFFECT

Have you ever wondered why retailers mark items with prices ending in 9 (e.g., $1.99, $2.99, etc.) and why consumers succumb to that practice, choosing an item priced at $1.99 over the one priced at $2.00? This is because of what is known as **left-digit effect**—the

$2.01 $1.99
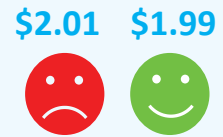
tendency of human brains to code the left-most digit more quickly than the subsequent digits in a number. Thus, when consumers see the two brands at $2.99 and $3.00, their brains quickly code the prices respectively as $2 and $3; consequently, they perceive the first item as a better value. Note that the same effect is not obtained when the two options are priced at $3.49 and $3.59, or even $3.69 (i.e., even with a 10 or 20 cent difference compared to only a 1 cent difference between the $2.99 versus $3.00 options). This proves that the effect is not a *9-ending digit effect* (as was previously believed by some researchers); rather it is a left-digit coding effect. Granted that eventually (by that we mean a few micro-seconds later) our minds do notice all of the digits and realize that the items are nearly equally priced, but by that time the immediate and instant processing of the left-digit by our automated (i.e., unconscious) brains has already made its mark and we unthinkingly choose the option with a lower left-digit price. And this effect is not limited to prices. A dish with 199 calories will be seen as healthier than the one with 200 calories, and a car with 30 mpg will be perceived to have higher fuel efficiency than one with 29.99 mpg![d]
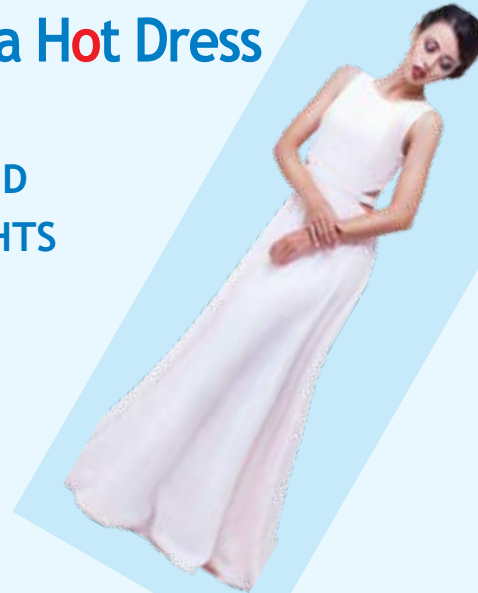
11 CONSUMER POST-CHOICE EXPERIENCE

Doubt, Satisfaction, Voice, and Loyalty

582 5 13234

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. :)

I doubt because I care!

1 **2** **3** **4** **5** **6**

TO UNDERSTAND ▲ LEARNING O B J E C T I V E S ● ● ●

INTRODUCTION

Everyone has heard at least one story like this. It would be nice if, after making an important decision, we could put the agonizing choice problem to rest and move on. Alas, the reality of life is different. Whether it is a wedding dress or a hairdo, a car or a suit, a paint color for living room walls, or tattooing the name of our significant others on our bodies—every important choice decision unleashes a new train of thoughts and feelings. Ranging from doubt to gloating and from guilt to elation, these post-choice mental processes deeply influence our experience with a product and, indeed, our experience with life-as-a-consumer itself. In this chapter, we describe these processes.

POST-CHOICE EXPERIENCE

After the Choice Has Been Made

Let us pick up the threads from the previous chapter. In that chapter, the decision process was shown as a five-step process. Our goal at that point was to maintain the widely respected five-step process model, along with the standard nomenclature for the last two steps. Our goal in the present chapter is to unravel those last two steps in greater detail. We have redrawn these last two steps in Figure 11.1.

Decision Confirmation

As mentioned in the previous chapter, the outcome of Step 3 of the five-step decision process, namely, *alternative evaluation*, is, actually, not *purchase*, but rather *choice identification*—acknowledging one of the alternatives as the one to choose. This is when the alternative evaluation step culminates and the consumer says, "Okay, this is the one I will buy." *Choice identification* sets in motion a whole spectrum of thoughts and feelings in the consumer's mind, comprising the next set of steps.

Immediately following the *choice identification* step comes *decision confirmation*—reaffirming the wisdom of one's decision. After a consumer makes an important decision, he or she experiences an intense need to reassure him/herself that it was the right decision. On the flip side, the consumer wants to avoid disconfirmation. This step occurs immediately after choice identification and continues through product purchase (acquisition) and consumption. Sometimes, following an important decision and after the purchase is made, consumers also experience *post-purchase cognitive dissonance*—also known as buyer's r morse—post-purchase doubt about the wisdom of one's choice.[1]

To reduce dissonance consumers seek further positive information about the chosen alternative and avoid any negative information about it. They reread product literature (or, rather, they selectively give a second look to what they had considered the attractive highlights in the product description and visuals), review the brand's positive features, selectively scan for new positive online reviews, and avoid competitors' advertisements, for example. They also seek out friends to tell them about their purchases, hoping that their friends will validate their decisions by praising their choices.
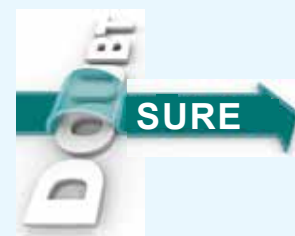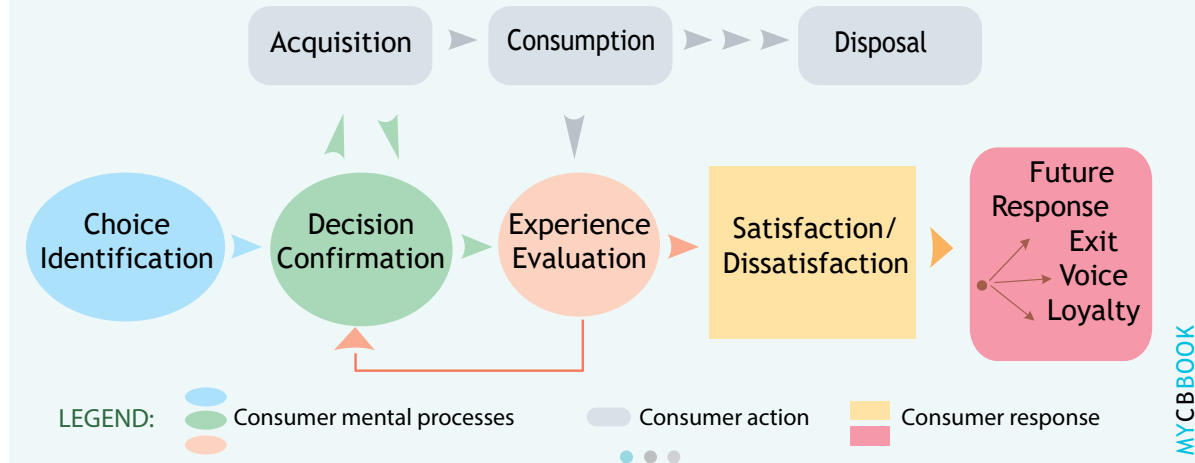
SURE

FIGURE
► 11.1

A MODEL OF CONSUMER POST-CHOICE PROCESSES

LEGEND: ⬭ Consumer mental processes   ⬭ Consumer action   ▭ Consumer response

MYCBBOOK

Fighting Buyer's Remorse

S A V V Y
MARKETER

Marketers can put this principle to use: After the purchase (say, during product or service delivery), the salesperson could review with the customer all the features of the product or service, some of which the consumer might not have noted before. Marketers might also communicate directly with recent buyers, reiterating the merits of the product or giving additional information about the post-sale customer support available from the company. For example, a car dealership might send a letter to recent buyers, assigning a specific customer service representative by name in the dealership's service department.

Experience Evaluation

After the dissonance has been resolved and the wisdom of the decision is confirmed, the consumer acquires or purchases the product. Of course, there can be certain barriers that delay or derail the actual purchase. For our present purposes, we assume that the consumer has acquired the product. We assume also that the post-purchase dissonance, if it occurred, has also been put to rest. After the acquisition, the next action is, naturally, consumption. However, we sometimes acquire products we never end up using—such as when we acquire a product as a gift, when we make impulse purchases for which we later lose enthusiasm, or when we acquire products in anticipation of future events or conditions (e.g., travel to a specific destination, a theme costume party, or a slimmer body) that never materialize. That said, for the majority of products we acquire, consumption does occur. With this next action step comes the mental process of "experience evaluation." The experience of using the product and the realized benefits feedback into the "decision confirmation" process, further affirming the wisdom of the choice or, occasionally, disconfirming it.

How do we evaluate our consumption experiences? Or, in fact, do we always evaluate them? The answer is that sometimes we do, and sometimes we don't. This depends, you guessed it, on our involvement with the product, and on what we call **preference finality**—the certitude (versus tentativeness) of our judgment that had caused us to prefer and buy this product in the first place.

Consuming Mindlessly

In an earlier chapter, we defined *enduring involvement* as the interest consumers take in the consumption of a product or service on an *ongoing basis*. Of the hundreds of products and services we use in our lives, we use and consume most of them routinely or mindlessly. We simply do not have the time or the motivation to think about them at the time of each consumption incident. On the other hand, everybody is very enthusiastic about some products or services. In consuming these, we are conscious of the consumption experience, appraising and relishing it continually (e.g., wine drinking by wine connoisseurs). Thus,

12 CONSUMER AS SHOPPER

Store Choice, Loyalty, and Impulsivity

I Want These Shoes. Where Can I Get Them?

"**T**rendy 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!

1   **2**   **3**   **4**   **5**   **6**

TO UNDERSTAND   ▲   LEARNING   O B J E C T I V E S ● ● ●

INTRODUCTION

JustFab (now shortened from the original Justfabulous) was founded in 2010. The founders are two serial entrepreneurs, Adam Goldenberg and Don Ressler, who had the vision to combine the fashion sense of a personal shopper with the power of the Internet to build a community of fashion seeking consumers.

The company sources products, designer brands and all, under the direction of its 13 celebrity stylists. Its Web site displays products in panels of four across, arranged by style (e.g., for boots: flat, fuzzy, lace-up, wedge, combat, etc.), and within each style, some 30 more options that we can view with a simple click on "more." For a flat price of $39.95 (a few items are priced lower, e.g., $19.95, and a few higher, but not by much; e.g., up to $45.99), the online store offers choices galore, sure to please the fashion-forward consumers of every ilk.

This automated acquisition of new items for our wardrobes is an interesting experiment in new and emergent shopping options. Marketers innovate new shopping experiences for consumers to meet diverse needs of consumers. To offer these experiences, both in emergent and conventional retail venues, marketers must understand their consumers—their motives, shopping strategies, and their store choice factors. This chapter is a primer on these topics.

A Planet Full of Shoppers

We are a planet of shoppers. Every day millions of consumers get out of their homes to hit the stores.* Two of the most important questions every marketer, every store manager has to ask are: (1) How do consumers choose which stores to visit, and (2) Once in the store, what influences their buying behavior? In this chapter, we examine these questions.

In this chapter, we ask you to wear your usual consumer hat, but we also ask you, occasionally, to wear the hat of a store manager. For now, you can keep your consumer hat on. Let us begin with an exciting new concept in retail stores, pop-up stores.

*(Year 2020 was an exception when, sadly, COVID-19 forced us to curb our desire for shopping in physical stores.)

POP-UP STORES
Now You See It, Now You Don't!

Welcome to a new concept in retailing—**pop-up stores**. The concept, so named by creative folks at an online enterprise called *Trendwatching.com*, started some 15 years ago (Target was a pioneer) and has since been embraced by a handful of brands: Levi's, The Gap, Nike, Comme des Garçons (a German clothing company), Marc Jacobs, and even Hermès and Prada, among others.

Pop-up stores are physical stores set up for a short duration, at a fixed location, and independent of any multi-vendor event. Thus, mobile shops (e.g., food trucks) are excluded as are temporary shops set up at a fair or trade show. Pop-up stores may be in conventional retail spaces (e.g., in a mall) or in a non-retail public space (e.g., in a public park); they may feature the vendor's regular merchandise, or special merchandise exclusive to the pop-up event. The stores may merely exhibit their merchandise, or they may, in addition, enable consumers to buy it as well.[1] Some recent examples:

The Skimm During the Christmas 2019 holidays, The Skimm, a news and opinion online media company that appeals to millennials, opened a pop-up store in New York. It helped customs find gift items from a collection of over 150 products in fashion, home décor, makeup, fitness, and technology categories. The make-shift space had product samples sourced from partner merchants, over a hundred brands, for shoppers to view, but the actual orders were placed online by shoppers for shipment to their homes. This innovative event by the media company was befitting because many of its subscribers already looked to it for advice on fashion and technology products.

Goop Goop is a lifestyle brand founded by American actress Gwyneth Paltrow with merchandise ranging from sportswear to skincare to candles and crystals. In an effort to launch in Asia, in April-May 2019, the brand set up a pop-up store in Tokyo's fashionable Roppongi district. The shop was set up in a temporary structure in the middle of Midtown Garden, away from the shopping area. There was, of course, her iconic café, serving vegan items on the menu and healthy desserts like Chia Pudding with Berries.

Lidl, Chateaux Noir Lidl, a German supermarket chain with 761 stores in the UK (100 stores in the USA) staged a pop-up store on November 8 and 9, 2019 in Soho, London, focused on wine tasting. (Wine is one of the hundreds of products the chain sells.) Visitors entered a room painted in candy cane stripes, fondly called within the company "Discombobulation Chamber," hopefully to stun and awaken our senses. Next, the visitors were blindfolded and taken to an entirely dark room where waiters who poured wine wore night-vision-goggles. The company was being guided by research finding that 35% of British consumers choose a wine based on bottle design and 27% based on the label. The goal of the event was to help consumers appreciate wine, with bottles and labels kept in the dark. Admission tickets were sold at £4.0 with proceeds donated to NSPCC (a children's charity in the UK).

The pop-up stores are intended to serve three purposes:

1. Online retailers open them to give their online stores a "physical face," so to speak;
2. Brick and mortar retail companies may open them in new markets to make residents familiar with their merchandise, which these residents may later buy at the company's permanent stores; and
3. To introduce new merchandise, which will later be sold at the merchant's regular stores.

Pop-up stores create heightened consumer excitement. This is because of their temporariness, the rarity of merchandise, special prices, and event-like experience. When consumers go shopping (anywhere), product purchase is not their only purpose. Often they have multiple motives, and they are able to satisfy a much broader range of these motives in a pop-up event than in regular, permanent stores.

Of course, permanent stores too cater to various consumer motives. Let us look at what these shopper motives are. Keep your consumer hat on.

SHOPPER MOTIVES

I am a shopper, but I don't have to buy anything, do I?

Shopping refers to all activities the consumer undertakes while in the store—permanent or pop-up, physical or virtual. This set of activities includes "walking through stores at a relaxed pace (or navigating a Web site), examining merchandise, comparing products, interacting with sales staff, asking questions, trying things on, and ultimately, though not always, making purchases."[2]

Consumer researchers have identified a number of consumer shopping motives:[3]

Browsing Browsing refers to looking at merchandise without a specific purchase-intent. Browsers may end up buying something as a result of browsing, but they do not start out with the specific intent to acquire something. For some consumers, browsing is a habit, almost a personality trait. For them, browsing-motivated shopping trips often occur as independent, stand-alone activities. For others, it is an extension of a purchasing event, extending the visit just to look around.

Bargain Hunting Some consumers go shopping mainly to look for bargains, often without an imminent need for a product and without a specific purchase intent. Bargain-hunting is a subcategory of browsing—the latter can be undertaken to discover a terrific bargain, but it may also be undertaken to discover new and interesting merchandise.

Socializing Shopping offers many an opportunity for social interaction with other people. Some hope to run into friends while at the mall. Some enjoy interacting with salespersons. Many stores hire employees who are similar in demographics and even psychographics and tastes to the intended target consumers. Indeed, some stores even become hangouts for consumers who want to meet other consumers with similar tastes, such as Barnes & Noble for those wanting to meet other people with literary interests.

Seeking Status Good store employees often attend to consumers with respect and courtesy, responding to their needs for information and assistance, especially at high-end stores. If you want to try on a suit, for example, they will carry the suit for you to the dressing room and wait for you outside while you try it on. Thus, store visits can give consumers a sense of social status.

Market Learning Many find that visiting stores can be a good way to acquire information about what is new in the marketplace. Some consumers have a strong interest (i.e., enduring involvement) in particular product categories, and they like to stay well-informed about these. Computer buffs want to learn about the latest software; music fans about new albums; and fashion experts about new styles in clothing. **Market mavens**, described earlier in this book, often visit stores to satisfy this motive.

Recreation Visiting stores can also be fun. Many stores are set up to provide sensory experiences: the rock video blasting at Hot Topic, the mellow tunes at Victoria's Secret, the strong aromas in coffee bean stores, and the fragrant air of The Body Shop. Even the hustle and bustle of people walking or chatting can be very stimulating. In fact, some writers have argued that, for many consumers, going shopping is therapeutic, a means of overcoming loneliness, boredom, or depression,[4] and satisfying their *hedonic* motive.[5]

Self-Gratification In contrast to all other motives, this one does require making a purchase. The act of purchasing, however, is not driven as much by the utility of the product or service, but rather by the sense of rewarding oneself by spending money. You might have felt such gratification if you have ever bought something to cheer yourself up when you felt depressed, or, alternatively, when you felt that you deserved a reward.

Acquisition The most obvious reason to go shopping is, of course, to buy something. In this case, consumers engage in information search directed at a specific product category. The search can be extensive or quick, depending on the risk involved, but it begins with the intent of buying and ends when the desired option has been identified.

CB ● Notes

**Virtual Test Drive
Courtesy of Audi**

Audi City London was the car brand's showroom in Mayfair, London from 2012 to 2018. It had only one car on display. But customers could see any of its models, and even custom-build one—on a digital screen. Using multi-touch tables, customers could customize their cars, from engine and power train to interiors to sound systems. The customized cars were then projected on a *Powerwall*—interactive large digital screens that showed 3d images and 360-degree views, with all sound effects. And customers could have a virtual driving experience (seated behind the steering wheel) via their virtual reality (VR) headsets.

In closing the store in June 2018, the company said it now planned to integrate the digital experience in all of its stores.

Its West London Store is a seven-floor landmark with a drive-in reception and a cafe lounge.

The most important point is that consumers have a repertoire (i.e., assortment) of stores at which to shop. The choice of a specific store from the repertoire is based on the exigencies of the specific situation—for example, whether it is an emergency, a major shopping trip, or a filler trip, or whether one of the stores in the repertoire is running a price special, etc.[21]

Figure 12.3 shows the flow chart. This flow chart is most applicable to food shopping. Because shopping for groceries is repetitive, a sort of pattern emerges, as consumers divide shopping over "regular," "filler trips," and "special trips."[22]

FIGURE
▶ 12.3

A FLOW CHART OF CONSUMERS' STORE CHOICE DECISION PROCESS

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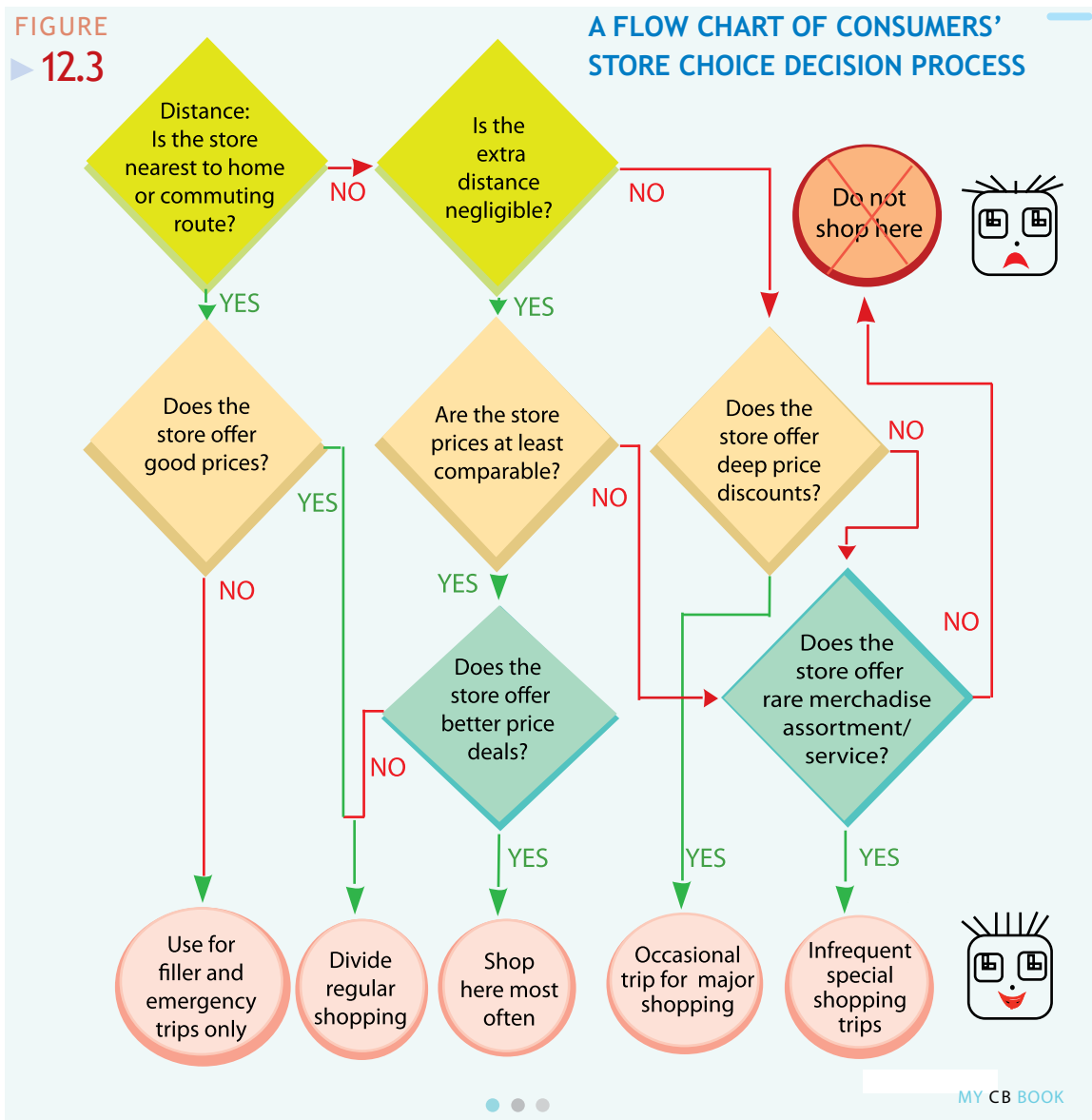
Battle of the Stores—How They Differentiate Themselves

Since merchandise quality, assortment, and price all play important roles in consumer choice, retailers try to distinguish themselves on one or more of these criteria. Supermarkets tend to offer a medium assortment of merchandise at moderate prices, levels considered acceptable by the mass market. Some supermarkets, such as Food Lion, and some supercenters, such as Meijer, feature lower prices. Warehouse stores such as Costco offer a limited selection of merchandise, but at very attractive prices. Specialty stores, such as Jungle Jim's in Fairfield, Ohio, or H-E-B Foods in San Antonio, Texas, focus on merchandise selection and assortment. Some supermarkets such as Harris-Teeter make fresh produce their special attraction. Some stores specialize by organic merchandise or plastic-free packaging or

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.

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

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/

TO UNDERSTAND ▲ LEARNING O B J E C T I V E S ● ● ●

INTRODUCTION

Men and women differ in many ways as consumers. Their needs and preferences differ for many product categories. As everyone knows, men and women differ in the kind of clothes they wear. Yes, there is unisex clothing, yet there are clothes that only women will wear, e.g., a skirt, dress, or a blouse. Along with clothing, of course, the accessories differ as well: shoes, purses, scarves, jewelry, etc. Also, women's personal grooming needs are different, so the makeup and skin conditioners they buy are also different from what men would buy. Beyond these three product categories, should marketers also design and offer different products in other categories? Do men and women prefer different products, seek different leisure activities, and shop differently? Do they respond to different product presentations and advertising appeals? Why did Chick Beer fail to appeal to women, even though the marketer went to great lengths to craft the new product and its branding? At the heart of that failure is a concept called *gender role*.

GENDER

Men are from Mars, Women are from Venus

First, a clarification. The terms "sex" and "gender" are sometimes used interchangeably but mean different things. Sex is defined as "either of the two major forms of a species that differ biologically and are typically referred to as male or female; in contrast, 'gender' refers to the roles and traits typically associated in a society with one or the other sex."[1] Thus, sex is biological; gender is sociological.

Every society has men and women, but not in equal numbers. In the world as a whole, their numbers are about equal (male to female ratio, 1.017), but across nations, their ratio varies widely—from 0.84 to 3.02 (see Table 13.1).[2] We can observe vivid differences in their consumer behaviors, but these vary from one society to another. These differences emerge from three sources: (1) biology; (2) motivations and psychology; and (3) socialization and cultural norms.

Biology creates different needs in men and women, and some of their consumption is determined by those needs (e.g., lighter sports equipment for women). In terms of motivation and psychology, beyond the popular literature (such as the book *Men Are from Mars, Women Are from Venus*) stereotypes, men and women differ in their mental makeup—such as women are more nurturing (to be discussed below). Finally, society socializes men and women into different roles and imposes different expectations for dressing, careers, and domestic responsibilities. Indeed, many of the consumption and behavioral differences attributed to biology and the psychological makeup of the two genders are instead culturally-induced differences. But defying old stereotypes, women are now taking up careers historically assigned to men, and men are engaging in homemaking and child-rearing tasks. One factor that shapes these changes is *gender roles*—the social roles assigned to a person based on sex. Let us see how.

TABLE 13.1 SEX RATIO 🔍		
(Selected Countries)		
	M/F	Rank
Nepal	.845	1
Russia	.864	9
Japan	.954	46
UK	.977	79
USA	.979	85
Canada	.986	96
Netherlands	.993	108
China	1.053	183
India	1.081	189
UAE	2.240	200
Qatar	3.024	201
World	1.017	

Note: These are ratios in the total population. At birth, they range from 1.13 (highest, China) to 1.02 (lowest, Togo and Guinea). The total population ratios are affected by male vs. female survival rates and net immigration.

World Bank/United Nations World Population Prospects, 2019.

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GENDER ROLE IDENTITY CONSUMPTION

"Real men don't cry!"

"Real men don't cry." This popular adage is a window into our attitudes toward the sexes—our ideas of what men and women are supposed to do. **Gender role identity** refers to how society thinks of a person simply by virtue of the sex of that person. In other words, society says, "you are a man (or woman), so this is how you are supposed to behave." Every person adopts some notion of gender roles and molds his/her own behavior and his/her expectations of others based on gender. Gender role identity has two components: (1) work and career, and (2) personality and behavior.[3]

Work and Career

Some societies hold notions about what a man's job is and what a woman's job is. Because these notions are based entirely on gender, these are termed "traditional sex role attitudes." **Traditional sex role attitude** refers to a view that a woman's place is in the home and a man's place is out of the home, working and earning a living. In contrast are **egalitarian sex role attitudes**—the view that men and women are both equal and must share equally in all tasks. In this view, women are as entitled to and capable of pursuing a career as men are.

In societies that hold traditional sex role attitudes, if women work at all, their jobs are usually in more subservient roles (e.g., office secretary). In contrast, with the egalitarian sex role attitudes, women are viewed as entitled to all sorts of jobs—in the Army, in science and technology, and in politics and business. Indeed, recent surveys report just such a trend: many women are remaining employed, while their male spouses are laid off and are assuming the role of male homemaker. For women that do work, there is a wage gap. In the USA women make 82 cents for every dollar a man makes (2018); In Canada, 75 cents; in the UK, 87 cents. Of course, some women also earn more than their male counterparts (USA, 38.1%; Canada, 31%; UK, 19%).[4]

We must clarify that while the homemaker role was historically assigned to women because of traditional sex role attitudes, in modern times not all homemaking reflects traditional sex role attitudes. In many otherwise egalitarian families, women assume the homemaker role simply for practical reasons (e.g., the man in a higher paying job). Although she stays home and assumes the homemaking chores, in all other matters the couple function as equals, making decisions jointly. Today, if a woman lists her occupation as homemaker, as marketers we should not assume that she does not play a significant, if not a major, role in important family purchase decisions.

Personality by Gender

Research shows that there are some differences in the personalities of women versus men. Men are supposed to exhibit masculine behaviors, and women feminine behaviors. **Femininity** refers to the personality traits of compassion, sensitivity, and politeness. Persons with these traits tend to value interpersonal relationships over self-centered gains. **Masculinity** refers to the personality traits of independence, competitiveness, assertiveness, and instrumentality—valuing things and people merely for their utility.

The overall life orientation of persons with masculinity traits is **instrumentality**—"how a particular object or person would be useful to me, and what it will do for me personally." In contrast, the overall life-orientation of femininity is **expressiveness**—how an object or person facilitates or hinders expression and experience of emotion and interpersonal relations. (See Table 13.2.)

In general, men are more focused on individualistic goals, whereas women are more focused on the goals of the groups of which they are members (e.g., family, neighborhood, coworkers, or society). Personal victory is more important to men, whereas women are more concerned with how everybody involved feels in a situation. So, masculinity is focused on achieving goals without concern for the interaction process; in contrast, femininity is focused on goals related to the interaction process itself—that the people involved in the interaction feel good about the outcome.[5]

These traits are gender-determinant. This is because, in large part, society channels our socialization according to biological sex. Men are socialized to possess more masculinity, while women are socialized into more feminine roles. Of course, this socialization is not polarized for all people. Some men possess more feminine than masculine traits, and some women possess more masculine than feminine traits.[6]

TABLE **13.2**	**MASCULINITY & FEMININITY TRAITS**	
	MASCULINITY	**FEMININITY**
Life Orientation	**Instrumentality**	**Expressiveness**
Valuing people	**For their utility**	**Just because they are persons**
Attitude and behavior	**Competitive** **Independence** **Unemotional in relations**	**Cooperation and harmony** **Nurture and dependence** **Derive emotional satisfaction in relations with others**
	Selfish attitude	**Helping attitude**

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Differences in Men and Women as Consumers

One of the popular stereotypes about men as shoppers is that they focus on buying what they went to the store to buy, and that they do not look around. This stereotype has been confirmed by extensive observational studies. These studies confirm that men move faster through stores and do less browsing. "And they also shop the way they drive—never asking for directions!"[7] They like to read the product information on their own. In contrast, women like to get information by asking a store employee. In one study at a wireless phone retailer, men were observed walking into the store, walking up to the product display, reading the product information, taking a brochure and a blank application, and walking out to return later. Women, on the other hand, entered the store, walked directly up to the customer service counter, and had all their questions answered by a salesperson.[8] And as an example of focused shopping, men were found to take fewer items of clothing to the fitting or dressing room than did women. (See Table 13.3.)

We should note that many of the differences are relative to a time period and to particular societies. As gender roles change, marketers should be on the lookout for the changing patterns of male/female differences in consumer behavior.

TABLE **13.3**	**MEN WOMEN DIFFERENCES IN SHOPPING**
MEN	**WOMEN**
Finding Merchandise	
Men don't like to ask for directions in the store, but attempt to find it on their own.	**Women would readily ask any available store employee, "where is -------------"?**
Browsing	
Men move faster in the store and tend not to engage in much browsing. They focus on what they came to buy.	**Women move at a relaxed pace and browse through merchandise even if they came to the store with a definite purchase in mind.**
Seeking Product Information	
They like to get their product information by reading merchandise tags, pack-labels, brochures, etc.	**Women like to get their information not by reading labels, etc., but by asking a salesperson.**
Trying Things On	
Men try out what they must. In a clothes store, they will take only a few clothes to the dressing room, the clothes they have already decided to buy provided they will fit. Trying a product is the last stage in their purchase decision.	**Whatever be the product—lipsticks, perfume, underwear—women will try a lot of styles or variations. Trying a product is just a part of the consideration process for them, not a final stage in the decision.**
SOURCE: Compiled from *Why We Buy: The Science of Shopping*--Updated and Revised for the Internet, *The Global Consumer and Beyond* (Paperback), Paco Underhill, Simon & Schuster; Upd Rev edition, 2008. (Used with permission.)	

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S A V V Y **MARKETER**

A Concept *Car for Women by Women* from Volvo (Photo courtesy Volvo Corporation)

POPULATION PYRAMIDS

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

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

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

EXHIBIT 13.1

UNITED STATES — 2020, 2050
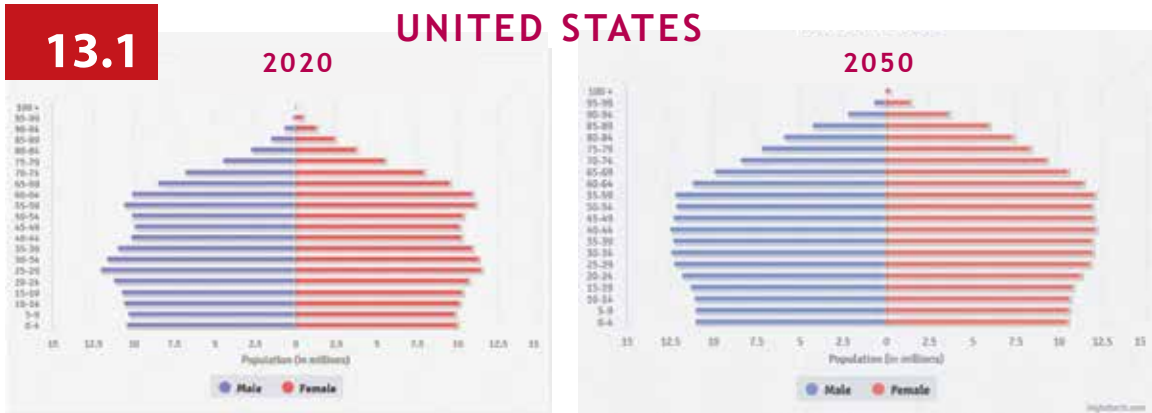
CANADA — 2020, 2050
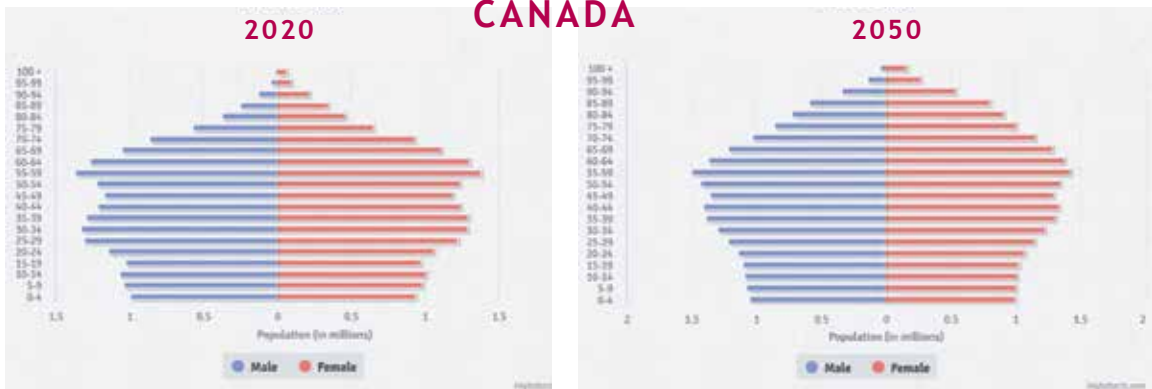
U.K. — 2020, 2050

AGE BASED CONSUMER SEGMENTS

Consumer behaviors differ markedly across age groups. To understand how, we will be using the U.S. as an illustration throughout. To some extent, the differences are universal—i.e., 20-year-olds everywhere tend to have some of the same mindsets and some of the same lifestyles and product tastes, which are different from the mindsets and tastes of 30 or 50 or 70-year-olds, no matter where these 20, 30, 50 or 70-year-olds live. Just as surely, though, at least some of the differences between 20 and 30 and 50 and 70-year-olds are going to be country and culture-specific. To capture these differences, marketers must study diverse age groups in the countries and cultures they are serving.

Various Age Generations in North America

In many ways, a young person (say, 25 years old) fifty years ago behaved like a young person behaves today, and a 25-year-old will behave the same way 50 years from now. At the same time, there are important differences simply because that was then and this is now. Therefore, to understand consumer psychology, marketers need to divide the population not only by age but by time period, and then examine a group of consumers born in a particular time period. This manner of grouping consumers is called "generations." For example, the well-known Generation X is identified not by age but by the year of birth. Everyone born between 1964 and 1976 is a Generation Xer and will remain so no matter how old he or she becomes. Let us consider major generations.[19]

BABY BOOMERS

Seeking the Fountain of Eternal Youth

Born between 1946 and 1964, baby boomers numbered about 73 million in 2019.[20] They were dubbed baby boomers because in 1946 the birth rate suddenly sky-rocketed (soldiers came back from war and made, well, babies!) and subsided by 1964. Actually, only 76 million babies were born in USA between 1946 and 1964, of whom 65.2 million were living by 2012 (Current numbers are unavailable.) About 11 million boomers currently living in America were born outside of the USA.[21] Although their mental makeup and consumer behaviors are likely to be different, it is customary to count them as boomers.

As a group, baby boomers are educated and affluent. This group contributes disproportionately to the $75,000-$200,000+ income groups. In education, the gender gap has narrowed for this group, compared with earlier generations. About one-half of boomer women have had some college experience, and one-fourth are college graduates. The employment rate among baby boomers is high. Three out of four baby-boomer men and one in every two women have full-time jobs. Unlike the preceding generations, nearly four out of five baby-boomer women are employed outside the home.[22] About 60 percent of boomer households are married couples. Among boomer households with children, about one in four is a single-parent household, mostly (9 out of 10) headed by a female.

Of course, baby boomers are a broad group. The youngest boomer (born in 1964) turned 56 in 2020, and the oldest (born 1946) turned 74. Clearly, the younger boomers and older boomers are at different life-stages. The younger boomers still have children in college and busy careers, and are burdened with the home mortgage and their children's college tuition. One phenomenon many of the younger boomers are experiencing in the new millennium has resulted in their being dubbed the "Sandwich Generation"[23]—a generation sandwiched between the twin burdens of caring for their own children as well as their aging parents. This latter burden is becoming heavier

Population in millions

Starbucks, Panera Bread, and Barnes & Noble, for leisure reading as well as serious work, they are at the forefront of what has been termed the "Third Place" (after the home and employer) economy. And it is this generation that has, within the last five years, made food trucks all the craze.

Driving the *Third Place* economy

4. Short on Money but High on Taste. Although the Older Millennials are well into their careers, they have the expense of forming new households (some are married, some have newborn babies). The Younger Millennials are either in college or, due to the recent economic downturn, awaiting their first jobs. As such, their financial resources are constrained. A full 30% still live with their parents and 46% depend on financial support from parents. Yet, they have good taste and want to buy unique and high-quality products. They seek deals, but they are not looking for products that are on sale; rather they want deals for products they want.[28]

Marketing Opportunity

With these psychographics of Millennials, how can companies market to them? Below is a quick guide.

EXHIBIT

| 13.2 | Marketing to MIllennials | A Guide |

1. Meet them on the street **Take your products to the city street. Homebuilders need to shift focus from sprawling suburban housing developments to city center lofts with aesthetic architecture and layout. Millennials like to do experimental cooking, look for a convenient fitness center, and need convenient home delivery of all kinds of stuff they buy online, and the loft apartments need to be structured around these must-haves. Merchants of boutique brand clothing, convenience food stores, drinking, dining, and entertainment need to locate their retail outlets in city centers and also take their wares to urban events through nomadic vendor outlets (e.g., food trucks).**

2. Imbue your brand with a character **Millennials want brands that give them identity but it is they (as a group) that give those brands the identity they want. The brand name imprints should be, therefore, subtle. Abercrombie & Fitch, for example, recently decided to migrate its logo and brand name from the prominent display on the outside of the garment to an inside tag. Also, Millennials want to buy authentic brands—brands that stand for more than the bottom line. Accordingly, they like to patronize brands that support social causes. An ace example is Chipotle, with its mission as "cultivating a better world." And Whole Foods likewise has its equally homespun mission statement chalk-boarded on its walls inside the store: "our deepest purpose as an organization is helping support the health, well-being, and healing of both people and the planet." TOMS is another Millennials favorite, as it donates one pair of shoes to the poor for every pair sold; besides, its shoes are unique, comfortable, and purposely understated.**

3. Offer deals as adventure **Millennials seek unique and high-quality products, but they are hounds for deals and they will buy them only if they are priced for great value or if there is a deal on them. A coupon in the newspaper or via direct mailing does not appeal to them, for it is available to everyone. Rather it is the new generation of couponing such as Groupon and Living Social that makes them feel especial and connected to the brands on social media and online.**

4. Sync with their mobile life **Millennials are on their smartphones all the time. Before buying anything, they check their mobiles—find out movie times, check out current merchandise in stores, do price comparisons, take a picture of the product and share it with friends, asking for their advice, read restaurant reviews on Yelp, etc. Wouldn't it make sense then that marketers meet them there, in social media and on mobiles? Marketers need to make their Web sites mobile-friendly, and more importantly, sync their entire interface with customers' smartphones. Starbucks is a prime example: Its app allows consumers to order and pay via their smartphones, and then be rewarded with free games and music downloads via the same mobile app. Taco Bell is a pioneering convert. On October 28, 2014, it "went black" on all of its digital media presence, with a simple notice: The new way to Taco Bell isn't on the Internet. It's #OnlyInTheApp. Readers could click on the app icon at the bottom of the notice to download the app (for Apple and Android).**

Further reading: Millennials: Breaking the Myths, Nielsen, 01-27-2014; "Getting Millennials to Discover Your Brand Means Creating A Shared Experience," Greg Vodicka, Millennial Marketing, 11-24-2015; *Marketing to Millennials: Reach the Largest and Most Influential Generation of Consumers Ever*, Jeff Fromm and Christie Garton, Amacom, 2013.

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*

The Difference Between Race and Ethnic Identity	**V**arious Ethnic Segments in Consumer Populations	**R**eligious Identity as a Consumer Demographic	**T**he Differences Among Income, Wealth, and Social Class	**T**he Psychology of Poverty and Consumer Behaviors of Various Social Classes	**T**he Concepts of Social Mobility, Status Discord, and Masstige Consumption
1	**2**	**3**	**4**	**5**	**6**

TO UNDERSTAND ▲ LEARNING O B J E C T I V E S ● ● ●

INTRODUCTION

Hair. Short, long, silky, thin, thick, blonde, dark, graying, brittle, oily, kinky. No matter what shape it comes in, it is on our heads, and we love it. We spend anywhere from 50 to 300 hours a year on it.[1] How much time we spend depends in part on the type of hair we have and/or keep. That depends , in turn and in part, on our ethnicity. And on our religious affiliations as well. And how much money we spend on our hair depends on our incomes, and on our tastes, which in turn depend on our social classes.

Many other consumption behaviors also depend on these four characteristics—ethnicity, religion, income, and social class. All are also very sensitive issues—calling for discourse with an open mind. In the marketplace, marketers ignore them at their own peril. Or harness them to serve diverse consumers. Let us learn more about them.

ETHNICITY VS. RACE

Your Biocultural ID

Hello, what race are you? Yes, we know, it is impolite to ask. And politically incorrect. But you want some Sulfur8 for your braids, some apHOGEE shampoo, Afrikan Beauty Shea Butter Skin Care System, tamales, tortillas, Pan de Muerto, silk sarees, naan, basmati rice, bowls of pho and skeins of soba, hand-pulled mein and hand-pulled udon, don't you? We are marketers, and we can't offer you these products if we don't know your race. At any rate, you can't really hide your race and ethnic identity—it is writ large on your face and on your persona. Most of the time. Besides, ethnicity is a matter of pride with you, as it should be, and as it is with us. So let us talk about it.

Products courtesy of Berry Fletcher Berryfletcherproducts.com

Race or Ethnicity: Which Do We Mean?

Political incorrectness is not the only problem when discussing race and ethnic issues. There is no consensus among scholars as to the definition of these terms or the criteria on which race and ethnic distinctions should be made. Skirting this controversy, we would define these two terms as follows:
- **Race** refers to the distinctions among humans based on their genes, from which stem basic physical differences among humans.
- **Ethnicity** refers to distinctions among people based on their national or cultural heritage.

Thus, race is a biological concept. It is rooted in the differences in the biological makeup of humans and represents one of the three such distinctions that physically separate people as a group—the other two biological distinctions being age and sex. In contrast, ethnicity is a sociological concept.

MY CB BOOK .COM 343

MONEY AS A CONSUMER DIFFERENTIATOR

Money is another factor that (after age, gender, race, and ethnicity) visibly distinguishes us in society. It's writ large on our personae—in the clothes we wear, the houses we live in, the cars we drive, and the restaurants we frequent.

It also determines, at least in part, our attitudes toward the world and our market choices. Money affects them all. Money and a few other things, actually—like our education, occupations, and pedigrees. These characteristics are captured in the twin concepts of (a) income and wealth, and (b) social class. Let us consider each in turn.

INCOME AND WEALTH

First things first. Let us define income and wealth. A person's **income** is the amount of monetary earnings that person receives periodically on a more or less regular basis. This can comprise wages and salaries, or income from one's business if self-employed. Income is of course only one component of a person's financial resources. Other components are inherited wealth, savings, and lottery winnings. A consumer's total financial resources are collectively known as "**wealth**." Your wealth is what determines whether you are poor or rich, or somewhere in between. For most consumers, though, their income is the principal or even the only determinant of their wealth. Therefore, our discussion of consumers' financial resources centers on income.

INCOME AND CONSUMER SPENDING

One universal fact of life in all societies is that income is not equally distributed across the population, and also that a vast majority of the population earns a low income, whereas a very small percentage of people earn a very high income. See Figure 14.6.
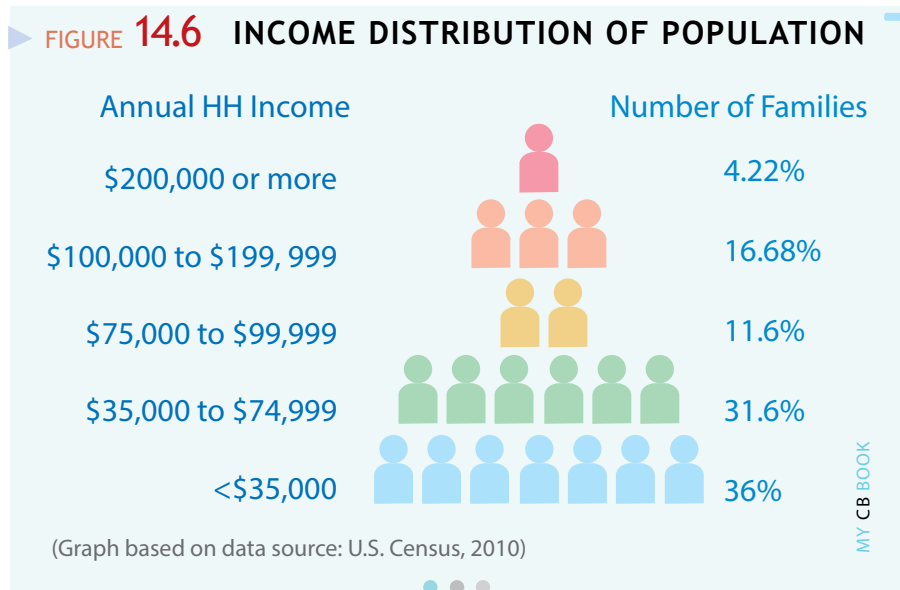
Food, Clothing, Or Video Games—What Do You Want To Buy With Your Money?

How do consumers allocate their money over different product categories, such as food, clothing, transportation, etc.? Although no two families will spend their money in exactly the same way, there is, on average, quite a consistent pattern of how income is allocated over expense categories.

Poor families spend their incomes largely on food, housing, and some basic clothing. As income increases from low to moderate levels, people tend to eat more food, and also more of the foods that are not considered staples (which are therefore more expensive). Thus, with rising income, the amount spent on food increases; however, as a proportion of income, it remains the same. Subsequently, as income increases even further, the proportion spent on food declines—after all one can eat only so much!

The proportion of income spent on housing rises with income in the very low-income range, but then it remains fairly constant. As regards clothing, automobiles, and luxury goods, expenditures on these items rise sharply with income, until a very high upper limit

▶ FIGURE **14.6** **INCOME DISTRIBUTION OF POPULATION**

Annual HH Income	Number of Families
$200,000 or more	4.22%
$100,000 to $199, 999	16.68%
$75,000 to $99,999	11.6%
$35,000 to $74,999	31.6%
<$35,000	36%

(Graph based on data source: U.S. Census, 2010)

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SOCIAL MOBILITY AND STATUS DISCORD

Are we going up or down?

Over several years, it is possible for a person to move in and out of a social class, such as from lower to middle class or vice versa. When a person moves to a higher social class, it is called **upward mobility**. Contrarily, movement into a lower class is called **downward mobility**. Each type has two forms: (a) across generations, when grown-up children rise above the social class of their parents or fall below it, and (b) over time, the same person moves into a different class.

A principal factor producing cross-generational mobility is education; children of lower social class parents get a higher education and move into better paying jobs. Sometimes, of course, adult offspring of wealthy parents may experience downward mobility because, although they make good money, living on their own they can't afford the lifestyle of their wealthy parents.

Mobility within the same generation comes mainly from shifts in one's career or in business outcomes. In societies that believe in meritocracy, like the U.S. and Western Europe, a competent, hardworking, and motivated person can often rise in his or her career. These societies have an **achieved social class** system In contrast, this does not usually happen in tribal societies and underdeveloped countries. There, one's social class is determined by birth, period. These societies have what is called an **ascribed social class** system**.**

STATUS DISCORD

When the four factors of social class are not congruent, a state of what we term *status discord* occurs. It takes two forms:

A. STATUS CRYSTALLIZATION

Are we "status crystallized"? No, it won't make us cool, rich, or high status; but it sure will give us less cause for worry. Because the social class is made up of four factors, two persons could be placed in the same class and yet have considerably different incomes, occupations, or education. When all components are in sync, the consumer is likely to experience what Sociologists call ***status crystallization***—a condition when all components of social class become consistent. When the components are out of sync, status crystallization will be missing and the consumer would experience psychological unease.

B. UNDERPRIVILEGED AND OVERPRIVILEGED

Those earning substantially below the median income feel **underprivileged**; those earning substantially above the median are **overprivileged**. Both groups have to strive to keep up the appearance of the social class defined by their education and occupation—for example, "a young executive with an MBA." The underprivileged struggle to keep up with the Joneses—buying homes, cars, and leisure activities that show the tastes of their fellow executives. At the other end, the overprivileged curb their desires to indulge in super-luxury for fear that they would be envied by their peers and be perceived as flaunting their disproportionate wealth. What the overprivileged do is buy better things that would not be vividly conspicuous.

From Class to Mass—Pushing the Class Boundaries

There is a new market these days. Consider Starbucks. It sells plain coffee for $1.25 to $1.50. (We can get plain—though not identical—coffee for 75 cents at a convenience store). And then, there is a mouthful delicious menu of such coffee-latte drinks as White Chocolate Mocha, Tazo® Chai Latte, and Iced Caramel Macchiato that sell for 3 to 5 dollars. Why would consumers spend this kind of money? Simply because, these days, a considerable segment of middle-class consumers want some prestige. So they are buying

15

CONSUMER RELATIONSHIP WITH BRANDS

Loyalty, Romance, and Brand Tribes

Skittle Creates An Ad to show to just one person—A Super**f**an!

Brands to adore. Brands to love.

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.

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.

1   **2**   **3**   **4**   **5**   **6**

TO UNDERSTAND ▲ LEARNING O B J E C T I V E S ● ● ●

INTRODUCTION

Marcos Menendez was a superfan, but who was he, really? Nobody knows! There is a Twitter page for him (Narcoz @magikmarcos); the page was created on January 1 of that year, just weeks before the Super Bowl, so some commentators made an observation that perhaps the whole persona of Marcos was created by the company. That means maybe he was a superfan, maybe he was not. How did the company make that determination? And what made him the superfan? On July 5, 2020, at the time of writing, Marcos had only 442 followers.

The story and news surrounding this commercial that actually never aired had received, by the day of the Super Bowl, more than 1 billion impressions. And the campaign went on to garner as many as 40 prestigious awards from such bodies as Adweek and Cannes Lions.

The lesson of the story, for our purpose and context here, is not the outside-the-box creativity in conceiving the campaign. Rather the lesson is that brands would go to any lengths to get their consumers not just to buy the brand but also to become ardent fans. Brand fandom among consumers is the Holy Grail of a brand marketer's dreams. In this chapter, we will examine consumers' relationships with brands, ranging from habitual adoption to brand loyalty to deep brand fandom.

BRAND LOYALTY: THE CONCEPT

Choosing the Same Brand Repeatedly

At first, brand loyalty seems like a simple idea. Ask consumers if they are loyal to any of the brands they use—shampoos, soft drinks, colognes, whatever. They are likely to say, yes, they have bought the same brand of shampoo, drunk the same soda, and used the same cologne for many years. Therefore, they would say, they are brand loyal. Or, conversely, because they don't stick to the same brands, they are not brand loyal, they would tell us.

Pretty good, at least for starters. Indeed, early marketing scholars viewed brand loyalty just this way—as the consistent purchase of the same brand. Every time a consumer repurchased a product (shampoo, cologne, wine, jeans, shoes, frozen pizza, motor oil, a hospital for delivering one's babies, or whatever), if the consumer bought the same brand of a product or service repeatedly, then that consumer could be considered a brand-loyal consumer for that product category.

THE POWER OF BEHAVIOR SCANS

Measuring consistent purchases is easy. Actually, marketing science has mastered this task. Here is how it works. When you buy a branded product, it gets scanned at the checkout register. So, if you are buying the same brand again and again, then the marketer knows, even without asking you, that you are a brand loyal consumer. Because the scanner is recording your behavior (i.e., which brand you bought), it is called a *behavior scan*. Of course, the marketer would have to know it is you at the cash register buying that item. For this, the store might give you a loyalty card that you scan every time you shop. Also, some marketing research companies such as A.C. Nielsen recruit a research panel from a national sample of consumers. The company runs a program called Homescan, wherein panel members are given a small hand-held scanner and asked to scan the UPC of everything they buy—groceries, medicine, clothes, shoes, electronics—when they return home from shopping.[1] That is how, from behavior scan data, marketers can tell not only which brands command loyalty, but also what demographic groups of consumers are loyal to specific brands.

From Behavior Scan to Mind Scan

This way of defining brand loyalty—consistent repurchase of the same brand—is based on behavior, i.e., what consumers actually do, and is therefore called *behavioral brand loyalty*. And the ease of measuring it (by behavior scans) is wonderful. There is only one problem: It is based on what consumers DO, not what consumers THINK. For marketers, this is not good enough. Here is why.

Suppose your coworker always hangs out with you. Hangs out, that is all. You have no idea what your coworker THINKS of you. Would you feel certain your coworker is a loyal friend? Would you feel confident that if a new coworker joined your company, your current, constant buddy would not desert you? No? Why then should merely consistent repurchase assure marketers that a consumer is brand loyal?

The problem with behavioral brand loyalty is that it only shows that consumers repurchase the same brand, not whether they actually like the brand more than other brands. A consumer could buy the same brand merely out of habit or convenience, without thinking much about it. This kind of loyalty cannot be stable; if a competing brand offers a price deal, the consumer would perhaps readily buy the cheaper brand.

Therefore, marketing scholars have argued that in measuring brand loyalty, we should also assess consumers' attitudes toward the brand. That is, we need to move beyond behavior-scans to mind-scans. That is *mind-scan*, not brain-scan. *Mind-scan* means probing what is on consumers' minds, and this we can do by asking questions, as we did in Chapter 6, to measure consumer attitudes.

Only if the consumer attitude toward a brand is more favorable than it is for competing brands should the marketer consider that consumer to be loyal to that brand. This way of looking at brand loyalty—that is, a greater liking for the brand—is called **attitudinal brand loyalty**. This can be measured by asking consumers to rate various brands in terms of how much they like each brand or which brand they prefer the most.

Brand Loyalty as Attitude-Based Behavior

Marketing scholars who had initially proposed behavioral measures of loyalty began to later view loyalty in both behavioral and attitudinal terms. A leading consumer researcher Jacob Jacoby proposed a new definition of brand loyalty: "Brand loyalty is the biased (i.e., nonrandom) behavioral response (i.e., purchase), expressed over time, with respect to one or more alternative brands out of a set of such brands, and is a function of psychological (decision-making, evaluative) processes."[2] Another leading marketing scholar, George S. Day, a professor at the Wharton School, has defined brand loyalty as "consisting of repeated purchases prompted by a strong internal disposition." The phrase "internal disposition" refers to a favorable attitude. Thus, true loyalty incorporates both a behavior and an attitude.[3]

Adapting these scholarly definitions, we define **brand loyalty** as consumer commitment to a brand based on favorable attitude and preference, manifested by the consistent repurchase of the brand. Remember four key elements: consistent repurchase, favorable attitude, preference, and commitment. That is, not only does the consumer buy the brand repeatedly, but they also like the brand (hold a favorable attitude), prefer it over other brands (show preference), and have commitment to it. Commitment means the consumer would stick around, not be lured by competing offers. In personal relations and brand relations alike, this is what commitment means, and commitment is what is required to claim loyalty.

TABLE 15.1 ILLUSTRATIVE MEASURES OF BRAND LOYALTY

Rate the following statements using this scale:

Strongly Disagree   1   2   3   4   5   Strongly Agree

Existence of Loyalty (Name the product category _____)

1. In this product category, I have a favorite brand. ___
2. When buying—, I always buy my favorite brand no matter what. ___
3. If my favorite brand of— is not available in the store, I would go to another store rather than buy a substitute brand. ___

Loyalty toward a Specific Brand (Name the brand _____)

4. I like this brand very much. ___
5. This brand is my favorite brand. ___
6. I prefer this brand to all others. ___
7. In the past, almost all of my purchases of this product have been this brand. ___
8. In the past, I have gone out of my way to buy this brand. ___
9. I am committed to buying this brand in the future. ___

Note 1. Specify the product category, such as yogurt, detergent, soft drink, jeans, athletic shoes, etc. Do not write the section headings on the survey form itself.
Note 2. Compute the average across these statements (the first three and the last six, separately). The closer the score is to '5' (meaning "strongly agree"), the stronger the brand loyalty.

Source: Author's research files

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Thus, to measure true brand loyalty, we must assess all four elements. And these can be assessed through paper and pencil questions, as shown in Table 15.1. In that table, the first three statements are meant to assess whether the consumer is loyal to any brand in a product category at all. The next six statements measure the extent to which a consumer is loyal to a specific brand. Note that these six statements capture all four elements of brand loyalty: attitude, preference, actual behavior, and commitment to repeated future behavior. Of course, you can use the same statements to measure consumer loyalty toward your competitors' brands as well.

So Should We Abandon Behavior Scans?

No, let's not go overboard. To begin with, recall what we learned about *attitudes* in an earlier chapter. Attitudes underlie and produce behavior. And, normally, attitudes and behaviors are correlated. Thus, measuring behavior implies tapping into attitudes as well—most of the time. Behavior scans give us automated measures of behavior—who is buying which brands. We should continue, therefore, to use behavior scans, and then periodically supplement them with measures of attitude (including preference and commitment, of course) by surveying consumers. Indeed, this is what marketing research companies that maintain behavior scan consumer panels do (such as A.C. Nielsen Research). In effect, they have the best of both worlds. Now, we have the complete picture.
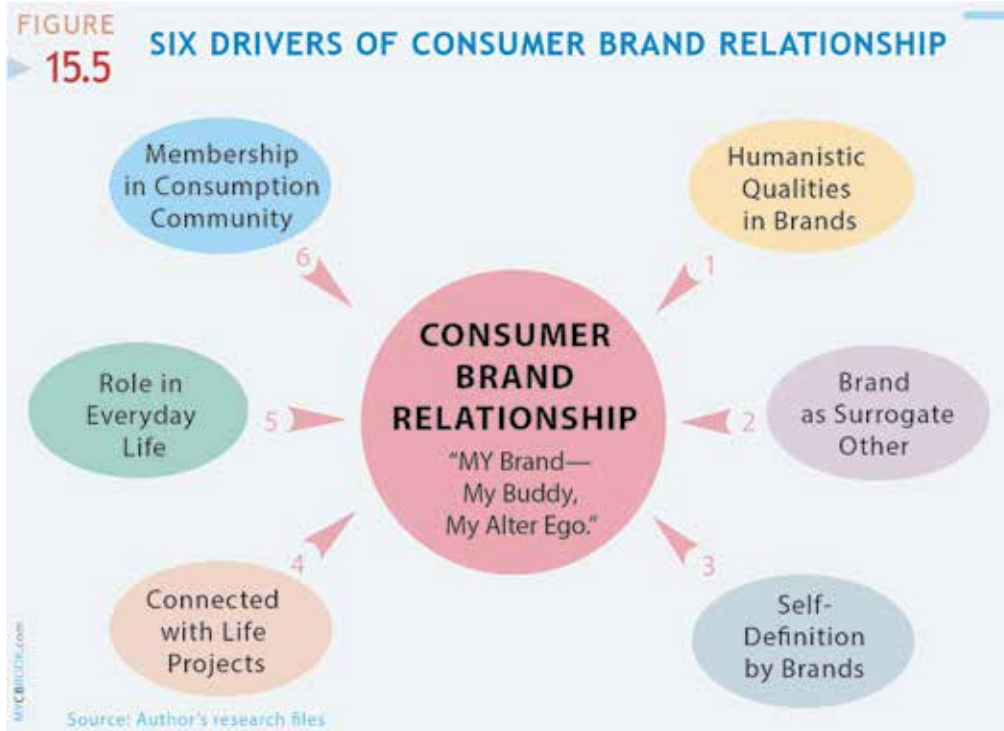
CONSUMER LOYALTY

Brands and More

The concept of loyalty that marketing scholars have developed for brands applies equally well to stores, service suppliers, and other vendors. To refer to all of these targets of loyalty, we can use the general term *consumer loyalty*. Thus, **consumer loyalty** is a consumer's commitment to a brand or a store or a supplier, based on a strongly favorable attitude and preference, and manifested in consistent repatronage.

Accordingly, store loyalty can be defined as a consumer's predominant patronage of a store, based on a favorable attitude and preference. That is, the consumer shops at that store (more than at any other store for that type of merchandise) and has a more favorable attitude toward that store.

FIGURE 15.5 SIX DRIVERS OF CONSUMER BRAND RELATIONSHIP

Membership in Consumption Community

Humanistic Qualities in Brands

Role in Everyday Life

CONSUMER BRAND RELATIONSHIP "MY Brand— My Buddy, My Alter Ego."

Brand as Surrogate Other

Connected with Life Projects

Self-Definition by Brands

Source: Author's research files

A SOCIETY OF CONSUMPTION COMMUNITIES

Consumption communities are groups of people who share the consumption of a brand or product. Thus, Mac computer users are a consumption community, and so are all the revelers at the Dave Matthews Band concert, grunge dressers, and cross-dressers. Members of a consumption community come from a wide range of demographics. They are not all computer whiz kids; rather, they are homemakers, students, retirees, blue-collar workers, white-collar professionals, etc. In general, consumption community members are not homogeneous in demographics. Rather, it is the enthusiasm and emotion of using the brand or product that binds them.

Consumption communities play an important role in modern societies. This is best explained by sociologist Daniel J. Boorstin:

> The modern American, then, was tied, if only by the thinnest of threads and by the most volatile, switchable loyalties, to thousands of other Americans in nearly everything he ate or drank or drove or read or used. …. Americans were increasingly held to others not by a few iron bonds but by countless gossamer webs knitting together the trivia of their lives.[18]

In the Pre-industrial Age, communities were formed on the basis of religious, political, ethnic, or geographical ties. The bonds between members were strong, members interacted frequently, and they shared many interests. But in the Post-industrial Age, these communities became much weaker, and neighborhoods are now a collection of inhabitants who often remain strangers to one another. Instead, product consumption-based communities have burgeoned. There are consumption activities that occur in public spaces or in proprietary market spaces such as bowling alleys, billiard clubs, tennis clubs, health clubs, and nightclubs. Consumers identify themselves as being part of a community merely by virtue of sharing a common consumption product or service.

Consumption communities are everywhere, more than we realize. The most known is, probably, the Harley Owners Group (HOG). But there are also communities of Miata, Citroën, and MINI Cooper owners; participants in yoga classes, marathon runs, Latin dance lessons, etc.; collectors of baseball cards and Renaissance paintings.

BRAND ATTACHMENT

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

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

Why would we feel attached to some brands and not others? Again, marketing scholars have contemplated this question and have come up with three factors: (1) Problem solver—the brand is an outstanding solution to one of our recurring important problems or needs, particularly our social and identity needs; (2) Pleasing aesthetics— the brand's appearance, style, and use interface or use experience are pleasing to our senses; and (3) Personal values promoter—the brand reflects and promotes the human values we ourselves espouse and want to live by. Not all three need be present in any one product, but the more a brand has all three of these, the more brand attachment it will generate.[20]
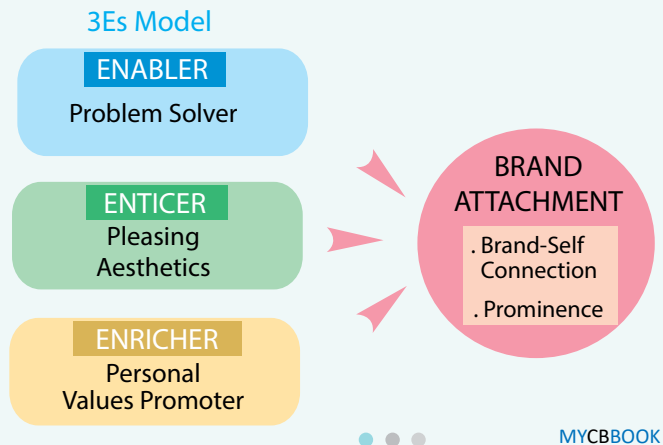
CB 2.0

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

Think of any brands that you yourself are attached to

FIGURE   DRIVERS OF BRAND ATTACHMENT

3Es Model

ENABLER
Problem Solver

ENTICER
Pleasing Aesthetics

ENRICHER
Personal Values Promoter

BRAND ATTACHMENT
. Brand-Self Connection
. Prominence

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Rest omiited

What did millennials and Gen Z go crazy for in 2020? Robinhood!

Robinhood is a mobile app that allows you to trade financial stocks at zero fee. It was founded in 2013 by two young Stanford graduates, Vlad Tenev and Baiju Bhatt. After graduating in math and physics, the duo went to work for financial firms on Wall Street, building algorithms for stock trading. There, they became fascinated by Occupy Wall Street, a protest movement against economic inequality, launched in September 2011, spurred by the idea that the fruits of capitalism never reached the 99% of the population. They realized they were working for the other 1%. So, they left their jobs, returned to Palo Alto, and started planning their next venture. In 2013, they launched Robinhood.

The founders' goal was simple: To serve the hitherto underserved population, people who could not invest in stocks because investing was expensive and complicated. Most trading firms at the time charged about $10.00 a trade and their website interfaces were cluttered and complex. The Robinhood mobile app was minimalist and easy to navigate (e.g., a clearly visible "buy" button). Also, they allowed fractional stocks, so that, for example, if you had only $1000.00 to invest and you wanted to buy Amazon ($3115 at the time of writing), you could buy it!

Although starting in November 2019, other major trading firms had also dropped their trading fee to zero, the appeal of Robinhood went beyond just the zero-fee trades. Its founders themselves are young like Gen Z, thus

Rest omiited

Daily financial news podcast

Postmates becomes the official on-demand delivery partner of the NFL

Clear eyes, full hearts... can't lose when you're the official anything of the National Football League. ICYMI: last night, the NFL brought back football (the least socially distant of all sports). ICYM the score: Postmates won the marketing game.

THE TAKEAWAY The NFL powers an entire economic ecosystem... Postmates is the official delivery partner of the NFL. ...

(Source: www.snacks.robinhood.com, as posted on September 11, 2020.)

Enable. Trading ability at zero fee. Allows fractional stocks. Simple guides make us trade with confidence.

Entice. Minimalist, simple mobile interface; push notifications. Newsfeed from fellow community members.

Enrich. The podcasts broaden our knowledge about companies. Knowing the skinny on all the cool companies is inherently empowering.

FIGURE ▶ 15.6 **FOUR ESSENTIAL ELEMENTS OF CONSUMPTION COMMUNITIES**

Consciousness of the kind
1

High Context 4

CONSUMPTION COMMUNITIES

2 Geographical Proximity

3 Temporal Convergence

Source: Author's research files
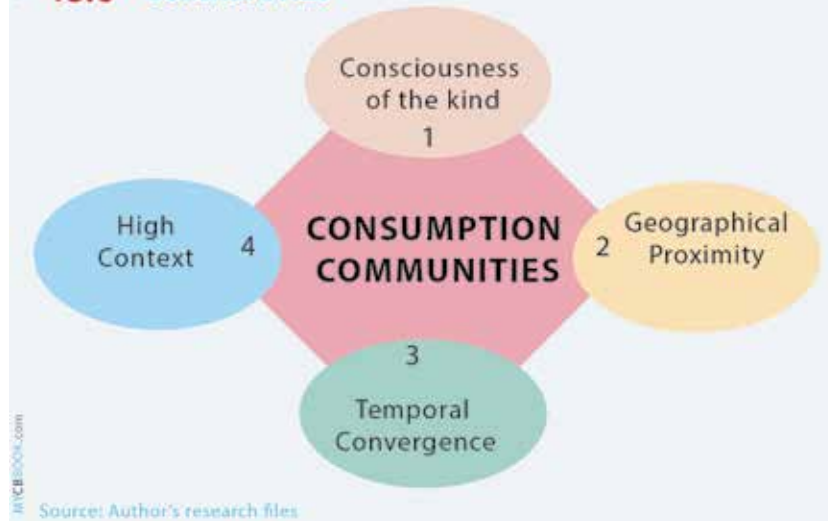
BRANDFESTS

Party Time for All Brand Lovers

Brandfests are events that bring consumers together in geo-temporally concentrated events and entail coordinated activities and brand happenings. Since here all four elements come together, brandfests are an excellent way to build a brand community. The Saturn owners who came to Spring Hill, Tennessee one recent summer were participating in a brandfest. Jeep organizes camps for its owners and fans, called Jeep Meet. Brandfests must meet all four criteria mentioned above for a consumption community to exist.

Brandfests connect consumers with the rest of the community of consumers, of course, but they also deepen consumers' relationships with the brand and with the company.

BRANDFESTS AND BRAND BONDING

Brandfests are a great way to bond the consumer with your brand. Your customers already like the one specific unit of the brand that they own. Now suddenly, they are face to face with the company behind the brand; they tour the plant, see the product being "born," and they talk to the designers and makers of the brand, who are proud of their creation. The hosting role the company plays inevitably endears the company to them.[23]

You take them behind the scenes and show them the full life of the brand—in flesh and blood, so to speak. Through product demos, product use, and maintenance lectures and seminars, you also teach them the hidden features of the brand. And you also show them newer brand concepts in the works, thus feeding their brand excitement further.

Equally important, they see an incredibly large group of other brand users—they realize in no uncertain terms (if they didn't already know) that there is really a community out there, totally fanatic and evangelical about the brand. And, most of all, they have fun (music, food, conversations, new friends). Can anything beat this kind of event in building consumer bonds with the brand?

In the context of a Jeep Meet, for example, a relationship with a product means that consumers become more involved in an off-road jeep qua vehicle—e. g., as one brandfest attendee reported, "Earlier I was not into off-road trips; now I will be, using my off-road vehicle." Brand involvement also deepens, as illustrated by a quote from another brandfest attendee: "Toward the brand Jeep, I feel more affectionate, so I'll buy other things that are Jeep related."

(Translation:
To see the full half is a choice. A
choice we want to make.)
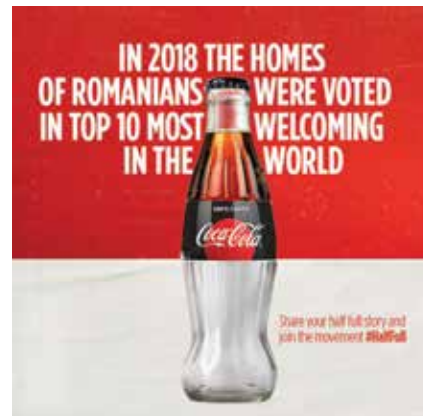
Coke Romania Creates A 'Half Full' Bottle

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?

Photo Quiz

15.1

Write down the *Three Factors of Brand Loyalty* and then match images to each.

(Assume every person shown here is loyal to their brand of jeanswear. There may be more than one image for some and none for some other Factor):

1. _____ ____ ____

2. _____ ____ ____

3. _____ ____ ____

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15   **SUMMARY**

We began this chapter with a description of *brand loyalty*. We defined behavioral *brand loyalty* as consistent purchase of the same brand, and attitudinal brand loyalty as a high liking for the brand. Combining these two concepts, *brand loyalty* is the consistent repurchase of the same brand based on a favorable attitude toward and preference for it. We then presented a model of brand loyalty, which is based on three factors: performance, self-connection, and consumer involvement.

To take our understanding of brand loyalty to a higher level, we presented a comprehensive model of brand loyalty. This model highlights positive and negative forces pertaining to market and consumer factors. We also described four drivers of brand equity. And finally, we discussed the concept of brand personality and outlined its five dimensions, nicknamed *SECTS*.

In the final section, we presented a fascinating topic: consumption and brand communities, and how they get formed. These communities manifest shared public consumption and play an important role in modern-day consumption. Members often exhibit, often, tribe-like rituals and norms for product usage, and they accessorize their use of products and even themselves with brand paraphernalia. Companies can foster brand communities by organizing brandfests, which serve to create and foster relationships among consumers and brands and the companies that stand behind those brands.

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   O B J E C T I V E S   ● ● ●

INTRODUCTION

   "**N**ew 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

DECEPTION: ETHICS IN MARKETING

Marketers give us products, we consume them. They charge us money, and, as consumers, we are happy to pay. We derive the benefits we seek from those products, and marketers get financial rewards in return. This exchange relationship is mutually beneficial. But as is true of all relationships, these marketer-consumer relationships also have to rest on mutual trust. Unfortunately, that trust is sometimes broken—from both sides. Some marketers occasionally engage in opportunistic practices that make them exorbitant sums of money but at the cost of consumer wellbeing. Many of these practices positively harm the consumer; others detract from the benefits the consumer was promised. These malpractices can be grouped into four categories:

Marketing's Curse

Selling Unsafe Products

Unfair Pricing

Misinforma-tion

Over-com-mercialism

1. **Selling unsafe products**
2. **Unfair Pricing**
3. **Misinformation and deception**
4. **Intrusion and Over-commercialism**

1. SELLING UNSAFE PRODUCTS

All products have the potential of being unsafe—even seemingly safe products. The milk we drink could upset our stomachs, the clothes we wear could give us skin irritation, the electric bulb could ignite a fire, and our cell phones could, conceivably, permeate our brains with some unfriendly, IQ-depleting electromagnetic waves. We depend on marketers to ensure that the products they put out in the market are safe. Fortunately, most of them are—both because most marketers act responsibly and because our governments are watching them. (More on specific governmental agencies, later.)

Policing by government agencies can, however, never eliminate unsafe products completely. A recent study by Consumer Reports magazine found that dozens of unsafe products do manage to find their way onto retail shelves. And many items banned in the U.S.A. end up in foreign markets. In the U.S.A., the injuries and property damage caused by unsafe products cost some $700 billion annually.[1] What is required is a commitment on the part of marketers to ensure product safety.

Sometimes, products that are potentially unsafe enter the marketplace without the marketer's awareness of their being unsafe—such as when milk gets contaminated or when third party suppliers accidentally use a restricted ingredient (e.g., peanuts in a product labeled peanut-free). Conscientious marketers cooperate with the government in withdrawing such products from the market as soon as they are detected. (See *CB Notes*.)

2. UNFAIR PRICING

Nobody wants to pay more. But consumers don't resent a price just because it is high; rather, they resent it when they believe it is unjustified; when they suspect that the marketer is indulging in **price gouging**—a practice wherein the seller hikes up the price just to take advantage of some short-term shortage or emergency circumstances. With the onslaught of the COVID-19 pandemic, the #1 gripe of American consumers was gouging by retailers. In Philadelphia, for example, one store doubled the price for a pack of face masks. On Amazon.com, some third-party sellers had listed a two-pack 12-ounce-bottles of Purell for $149, and a single pack of Clorox wipes for $44.25; even the shipping fee was hiked, $14.59 for a box of sanitizers![2] According to research,[3] consumers infer price unfairness on the basis of three judgments:

a. **Internal reference price;**
b. **Differential pricing to different customers; and**
c. **Opportunistic price hike by the seller.**

CONSUMER NEGLIGENCE AND CONSCIENCE

Marketers' misdemeanors—Ponzi schemes, deceptive advertising, and price gouging—become widely known because of the publicity they receive. But often consumers too indulge in marketplace behaviors that are unwholesome. Three types of behaviors deserve this moniker:

1. **Unethical behaviors**
2. **Illegal acts**
3. **Negligent consumption practices**

1. Unethical Behaviors

Unethical consumer behavior is one where a consumer provides false information to the seller in order to gain a benefit that would not have been available under full and honest disclosure of information. The "seller" can be a business firm or a government agency providing public benefits to the needy. Examples include: lying about your age to get a favorable price (e.g., senior citizen price, or half-price ticket for youth); lying about your status, e.g., being a student, being in the military, or a veteran. Of course, such lies can be foiled easily—for example, the seller can simply ask for proof; but for small transactions, sellers would rather not bother. A movie theater may not mind honoring a customer's claim of being a student, especially if the theater is not sold out. Other unethical practices include: telling the cashier a wrong price on an item; eating an item in the store without paying for it; over-sampling a free sample; punching in the wrong product code at self-checkout machines (e.g., buying organic fruit but punching in the code for regular).

One dishonest practice is called **deshopping**—buying an item with the intent to use it and return it, and then making good on this intent. For example, a consumer buys a dress for prom, wears it to the prom, and the next day, returns it.[14]

The basic *golden rule* of ethics is "don't do unto others what you wouldn't want others do to you." In the context of consumers, we propose a parallel maxim:

Don't do anything you wouldn't want the marketer to know about.

2. Illegal Acts

Some consumer behaviors are not merely unethical, they are also illegal. For example, presenting a false ID to procure products that are banned, acquiescing to or helping a minor (underage) drive a vehicle or consume alcohol, driving while intoxicated, and insurance frauds. In insurance frauds, a consumer can misreport the condition of the vehicle, understate the extent and kinds of usage of the vehicle (one gets a better rate for limited driving and for non-commercial use), report a broken item as stolen or vandalized, claim a false theft; claim beneficiaries long deceased, etc. These acts are not merely misdemeanors or minor felonies but crimes punishable by law.

Research has identified a few factors that make us more or less prone to engaging in unethical (whether illegal or not) practices:[15]

. **Personal morality:** Consumers with a more intense sense of personal moral values are less prone;

. **Materialism:** Materialistic consumers are more prone;

. **Self-esteem:** the degree to which one holds oneself in respect and above doing "lowly" things, suppresses unethical behaviors;

. **Self-monitoring:** a personality trait that refers to how much people are conscious of and are able to monitor their ongoing behavior in diverse social situations. Self-monitoring suppresses unethical behaviors.

. **Machiavellianism:** another personality trait,

FACTORS OF CONSUMER UNETHICAL BEHAVIOR

FIGURE **16.1**

Personal Morality · Materialism · Self-esteem · Self-Monitoring · Machiavellianism → CONSUMER UNETHICAL BEHAVIOR ← Identification with Merchant · Degree of Satisfaction

MY CB BOOK
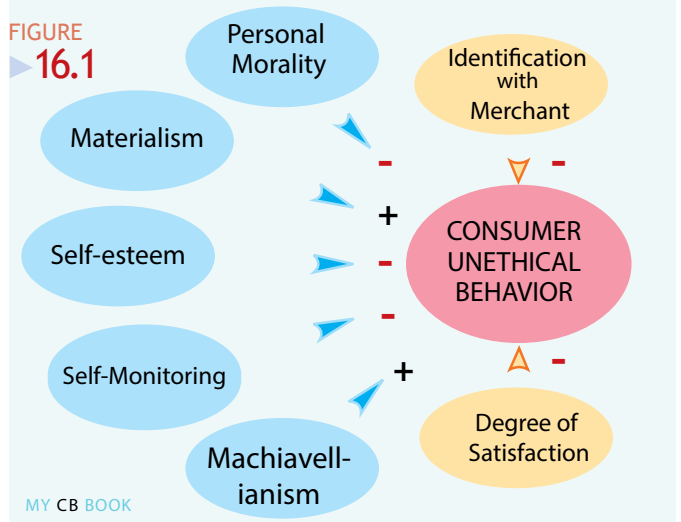
THE ENLIGHTENED CONSUMER

As we write this, the world is engulfed in COVID-19. For weeks and months now, consumers around the world had been learning to live an alternative lifestyle. In a May 2020 survey of a national sample of Americans by the author, consumers reported acquiring a new perspective on life: appreciating nature more, appreciating family and friends more, not running the rat race, even becoming less materialistic. Certainly, post-COVID, some consumer will seek out experiential consumption more rather than pure acquisition of material goods. But consumers are eager for stores to open, and retailers can look forward to increased foot traffic, especially if they offer experiential shopping.

In the area of environmental sustainability, there was already evidence of the rise of consumer awareness. A 2008 survey by the market research firm TNS, impressive in scope (interviews with 13,000 consumers in 17 countries), revealed a pleasantly surprising finding: A staggering 94% of Thai respondents and 83% of Brazilians were willing to pay more for environmental friendliness; and even in the Western world, used to years of abundant consumption, as many as 45% of British and 53% of American respondents were willing to dig deeper into their pockets to help the environment. Among U.S. consumers, 26% reported that they actively sought environmentally friendly products.[34] In a 2018 global survey by Nielsen, 73% of consumers said they would definitely change their consumption habits to reduce their environmental impact.[35]

Enabling this consumer desire for sustainable consumption are the sustainability initiatives of some select, enlightened business firms. Case in point: in 2007, Proctor & Gamble set itself a 5-year goal of developing and marketing at least $50 billion in cumulative sales of "sustainable innovation products." By the end of 2011, it had reached $40 billion goal post. Then it set new 2020 goals such as using 100% renewable or recycled materials for all products and packaging. It reached most of its 2020 goals by 2018, so in 2018, it launched what it called *Ambition 2030*. Some goals under this vision:

- Reduce our use of virgin petroleum plastic in packaging by 50%;
- Tide purclean™ is certified 65% bio-based, with 100% recyclable packaging, and is produced at a plant that sends zero manufacturing waste to landfill.
- Herbal Essence commits enabling everyone to experience the positive power of nature, supporting biodiversity.[36]

Other noteworthy companies with a high commitment to sustainability are Apple, Disney, Nike, Starbucks, and Patagonia.

Will consumers embrace such new products? Global Footprint Network, an international research agency, calculates for each country whether its ecological footprint exceeds its biocapacity. For USA this deficit is 122%; for the UK, 300%; for India: 173%; China: 278%; Netherlands 487%. In contrast, countries like Canada, Sweden, and New Zealand have a positive balance: their ecological footprint is less than their biocapacity:

EXHIBIT **16.8**

Earth Overshoot Day 1970-2020

1 Earth   1.6 Earth

Source: Global Footprint Network
National Footprint and Biocapacity Accounts 2019

Canada, 95%, Sweden, 48%, Bhutan, 12%. Singapore takes the dubious prize for negative deficit: 9,950%: its ecological footprint is 9,950% times its biocapacity!

The organization also calculates Earth Overshoot Day—a day on which humanity's demand on ecological resources in a given year exceeds what earth can regenerate in that year. As Exhibit 16.8 shows, in 1970 that date was December 31, implying a perfect balance. Since then, that date has been moving earlier and earlier in the year, reaching August 1 in 2019. COVID-19 had a silver lining effect, pushing that date forward to September 25. Beyond September 25, we will be running a deficit again.

One recent trend to curb our ecological footprint is new brands of eco-friendly products and stores that offer zero-waste shopping.

- In the USA, No Tox Life makes zero-waste deodorants, shampoos, shaving creams, toothpaste, etc.

- Unboxed market is Toronto's first one-stop zero-waste grocery store, opened in September 2018.

- Get Loose, located at Hackney City Farm in East London, brands itself as "a social enterprise that exists to provide quality organic foods at competitive prices, without disposable packaging."

- Library of Things, also based in London, encourages people to borrow rather than buy and own items one needs infrequently, like tools and small appliances.

- Komodo has been creating and perfecting its range of affordable, on-trend eco-fashion for 30 years. Based in north London, its whole supply chain is Soil Association and GOTS certified.

- Verto Homes designs and builds Zero Carbon Smart Homes, which are not only built with sustainable materials but also produce and consume their own renewable solar energy. The first Zero Carbon Home development was launched in 2015 in Cornwall - and the company aims to be the UK's largest sustainable house-builder by 2021.

- Eco-Freako (in Roberts Creek, BC, Canada) offers reusable organic cotton handkerchiefs and bedding.

- Dutch supermarket chain Ekoplaza opened in its Amsterdam branch, in February 2018, what it called the "world's first plastic-free aisles," with more than 700 products, offered in bulk or reusable or recyclable packages.

If this trend catches on, a zero-waste store may be coming soon to our city. And we do not have to live in New York State to abandon the single-use plastic bag voluntarily. According to Earth Policy Institute, worldwide, a trillion of them are used each year. 170 bags per adult (age 15 and over) per year. On Amazon.com, there are more than a hundred styles of eco-friendly reusable bags, some in bespoke designs. Indeed, consumer behavior theory would tell us that a good behavior we adopt voluntarily will bring us greater gratification.

As students of consumer behavior, we have the opportunity to rethink our consumption—to resist the temptation to indulge in abusive and excessive consumption—compulsive shopping, mindless eating, reckless driving, texting while driving, buying or consuming without paying, and ecology-deteriorating consumption. That is the call of our new age. It is an invitation to us to become:

A World-class Consumer: Educated. Ethical. Enlightened.

CB 🔴 Notes   **Good Behavior as the New Currency in the Market**

Railway station platforms are favorite hangouts for neighborhood youth in India. Watching the trains and the hustle and bustle of throngs of people getting into and out of the rail cars is a good pastime. To enjoy this variety of leisure, you need a ticket to enter the platform. However, many enterprising young men enter the platform without a ticket.

To stop this free-loader practice, one station (Anand Vihar) tried an experiment: At the entrance, they installed a squat machine. Do 30 squats and the machine spews out a ticket, free!

Wandering on a railway platform has never been so good for our bored minds. And it has never been so good for our lazy bodies!

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16   SUMMARY

In this chapter, we covered three broad topic areas: questionable marketing practices, government regulation of marketing practices, and consumers' unethical behaviors. Among questionable marketing practices, we discussed (a) selling unsafe products, (b) unfair pricing, (c) misinformation and deception, and (d) intrusion and over-communication.

Product safety is closely monitored by the U.S. government's Consumer Product Safety Commission, in Canada by Health Canada, and in the UK by the Health and Safety Executive (HSE). Most marketers ensure that products they sell are safe. Conscientious marketers voluntarily recall products if and when they are discovered to be unsafe.

Unfair pricing is a practice where the seller charges a price to take advantage of a situation, a practice also called *price gouging*. Consumers suspect price gouging when the price is too high to be justified by possible costs, when it exceeds their "reference price," and when they see sellers exploiting a temporary situation. They also perceive unfair pricing if the price charged to them is disproportionately higher than the price usually charged to other comparable customers.

Misinformation and deception in advertising and selling take the form of product benefit claims that are untrue or exaggerated. Deception in advertising and in selling messages is regulated by the U.S. government's Federal Trade Commission and in the UK by the Advertising Standards Agency (ASA).

The fourth practice, and the last on our list, is intrusion and over-communication. By nature, advertising intrudes on our activity of the moment, and when repeated frequently (over-communication), it becomes irritating. Commercial messages also are criticized as a cause of materialism and corrupted values (instant gratification, obsession with one's body, etc.), a concern especially for advertising directed at children.

Next, we discussed the role of the government in protecting the consumer. By regulation and laws, governments mandate many of consumers' choices (e.g., wearing a helmet) and constrain others (smoking in public buildings). It also facilitates desirable consumption by making infrastructure facilities available (e.g., a biker's path on city streets). Finally, and most importantly, through its various agencies and laws, the U.S. Federal Government, and state governments as well, monitor many marketer practices, guaranteeing four basic rights to consumers: the right to safety, the right to be informed, the right to be heard, and the right to choose. Similar laws exist in most other countries.

Of special concern are children as targets of commercial messages. In addition to the government agencies, a self-regulatory organization called the Children's Advertising Review Unit (CARU) of the Better Business Bureau (BBB) closely monitors advertising directed at children. Children are also protected online by a law enacted in April 2000, called the Children's Online Privacy Protection Act (COPPA).

In the third and last section, we discussed consumers' own behaviors—unethical or self-damaging. We discussed five such practices: compulsive consumption, shoplifting, feeding our bodies badly, reckless driving, and eco-unfriendly consumption. For the first three of these, we presented a three-factor model, comprising consumer values and motivations as well as environmental facilitators/deterrents. For reckless driving, we presented recent scientific proof that the use of cell phones while driving is dangerous and therefore "very unwise." Finally, for ecological consumption, we developed a comprehensive model wherein three fundamental factors (environment as a value, personal benefits/costs, and normative pressures) produce pro-ecology attitudes. To transform these attitudes into behavior, public infrastructure and marketplace solutions play a facilitative role.

Thus, for consumer wellbeing, and, in turn, marketers' as well, all three players in the marketplace—marketers, consumers, and public policy—need to have strong ethical values.

16   KEY TERMS

Compliance
Compulsive buying
Compulsive consumption
Consumer Bill of Rights

Corrective advertising
Cyber privacy
Deceptive advertising
Impulse control disorder

Lemon law
Negligent consumer behavior
Price gouging
Verifiable benefit

16   SUMMARY

REVIEW+Rewind

1. List the four marketing practices discussed in the chapter that could be harmful to consumers. Explain each briefly.
2. What factors lead consumers to infer the incidence of price gouging? What could marketers do to avoid consumers wrongly suspecting that they (the marketers) are engaging in price gouging?
3. Name the four approaches by which the government influences consumer behavior, and give an example of each.
4. Name some agencies involved in consumer protection. Then name some regulations or laws for the same purpose.
5. What four rights did President Kennedy's Consumer Bill of Rights give consumers?
6. How does FTC define deceptive advertising? And what is meant by "corrective advertising"?
7. List any five guidelines that COPPA has proposed.
8. List any five unethical consumer behaviors.
9. Explain the three factors in the three-factor theory of compulsive buying.
10. Draw the model of consumer shoplifting.
11. What factors lead to consumer obesity? Which of these factors is the consumer (versus the marketer) responsible for?

THINK+Apply

1. Is consumer deception always to be blamed on the marketer? Are consumers also to blame? Why or why not?
2. Why do some thinkers consider advertising a bad thing? Do the issues in those criticisms bother a typical consumer? Why or why not?
3. List any three negligent consumer behaviors. Then propose an action plan to reduce their incidence. Think of actions for each party: public policy, the marketer, and the consumer him/herself.
4. List any five unethical consumer behaviors you are aware of from your everyday life. Next, suggest what could be done to motivate the

consumer away from these behaviors.
5. Review the model of consumer shoplifting. Then write a memo for the management of a mall on possible actions to reduce shoplifting in their malls.

PRACTICE+Experience

1. Interview a few consumers about their personal experiences with price gouging. Next, ask them, for each specific instance, what made them conclude that the vendor (or marketer) was price-gouging.
2. Interview a few consumers to ask what sort of behaviors they would consider unethical on the part of consumers. Ask them if they personally know of any incidents of unethical consumer behaviors. Then ask them why, in their opinion, some consumers engage in these behaviors. Summarize your findings.
3. Interview a few consumers (if possible, overweight consumers) about their concerns about the growing obesity problem? Next, obtain their views about the extent to which the consumer versus fast-food chains and food marketers, in general, are responsible. Ask them if they are aware of nutrition information now available on Web sites of individual fast-food chains and in the restaurants, and if they use it and why or why not? Ask them why consumers in general may not use such information? Summarize your findings.

In the Marketing Manager's Shoes

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

EPILOGUE

MARKETING MEETS THE CONSUMER

Insight, Foresight, and the Marketer Response

Feeling Pizza Fatigue?
Popeyes to Your Rescue!

In July 2020, Popeyes—An American fast food restaurant chain serving fried chicken—stalked pizza delivery drivers. One of its own drivers followed a pizza chain's delivery driver to the pizza customer's house. After the pizza delivery person left the customer's house, the Popeyes driver knocked and asked the resident if they would like to swap their pizza for Popeyes' Family Meal. If the customer agreed, he handed over the Popeyes Family Meal he had carried with him. The driver was Connor Martin, a writer and short-film director, and he followed only 12 drivers over 3 days in Portland, Oregon. How many customers took the swap deal is a closely guarded secret. The video of this prank was posted on the chain's Twitter page the next day.[1]
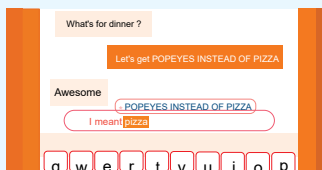
Then, later in July, the chain ran a social media campaign to get customers to "navigate" friends and family members to order Popeyes instead of pizza. In a short video posted on YouTube, the company explained how to do it in three easy steps.

Step 1: Borrow a loved one's phone.

Step 2: Search "Text replacement"

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

     Shortcut: (Type in) "pizza"

Next, the video shows what happens:

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

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

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

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

MARKETING
RIGHT

Responsive Offering
Presentation

Deep Consumer
Profiling

Segmentation &
Target Identification

MY CB BOOK

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

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

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

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

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

Everything in this book about consumers will help a marketer fulfill this role responsibility. Consumers experience approach-avoidance conflicts; they make attributions

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

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

E	SUMMARY

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

E	KEY TERMS

Frame-forming   Deep consumer profiling
Personalization   Responsive offering presentation

E	YOUR TURN

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

Photo **Quiz** **E**

a

b

c

d

e

The bike helps me deliver fast.

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

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

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

1. _____ ____ ____
2. _____ ____ ____
3. _____ ____ ____
4. _____ ____ ____

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

Welcome to the fascinating world of consumers and consumption!!

● ● ●

THE ENCHANTED CONSUMER
POSTMODERN CONSUMPTION EXPERIENCE
The Esoteric and the Experiential

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

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

At the Santa Monica Place shopping mall in Los Angeles, CA, there is a 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

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 though 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 tagline 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 *netnographe*rs. They perform ethnography—a technique from anthropology—on the Internet. The insights they discover can be amazing. Let us study their ways.

Ethnography: Inside A Culture

Let us first meet Netnography's elder sibling, *ethnography*. The word *ethnography* literally means 'writing about a culture.' Anthropologists, who specialize in studies of culture, employ this method and use "participant observation" as their approach. This means that, in order to write about a culture, an ethnographer will live in a community as a member, observing and participating in the life of that community. Ethnographers study the unique meanings, practices and products of particular social groups. Because it is a technique of careful observation and reflection, the most important instrument in conducting an ethnography is not a machine, a recording device, or a piece of software. It is the ethnographer. Professional ethnographers hone their skills with many years of fieldwork. They learn how to observe fine details, to record them unobtrusively, to learn new languages, to use interview techniques, and to carefully analyze meanings.

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

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

Now Meet Netnography

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

GENDER BENDER BRAND HIJACKS AND CONSUMER REVOLT

The Porsche Cayenne Story
Jill Avery, Harvard Business School, USA

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

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

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

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

Brands are Gender Identity Markers

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

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

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

Marlboro vs. Virginia Slims

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

Diet Coke vs. Coke Zero

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

RESEARCHING THE CONSUMER

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

Laskerville—a code-named small town outside Chicago. The town has a population of 8,000 to 10,000, not counting the three or four visitors who slip in and out of town. You can see them in the market square, in local bars, at car dealerships, even at 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.

Lest you shudder at the thought of someone watching you in the supermarket, remember a supermarket is a public space and surveillance cameras are watching you in retail stores all the time anyway. More importantly, all consumer research, if done properly and ethically, aims to bring more value to you, the consumer. As marketers, we can learn a lot by simply observing shoppers quietly; and by hanging out with consumers. Actually, there are a number of other methods of researching the consumer, each with its own charms and challenges. In this chapter, we describe them all—the various methods of researching the consumer.

Two Types of Consumer Information: Qualitative and Quantitative

Consider these two questions:

Q1. Why do you like Rainforest Cafe? Is it because of their:
  1. Food quality;   2. Menu variety;   3. Atmosphere;
  4. Value price;   5. Other

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

These two questions are meant to obtain two different types of information, respectively called *quantitative* and *qualitative*. **Quantitative information** is information collected in a form that can be easily coded into 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.**
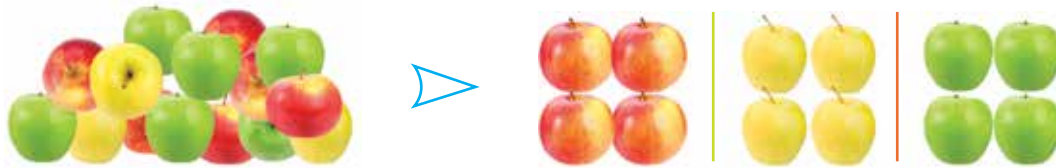
In an absolute sense, seldom are any two consumers entirely identical. In this sense, then, every consumer is a segment unto himself/herself. But many of the differences are minor, and for practical reasons it is wise to not pay heed to every little difference. We end up grouping consumers, therefore, 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

Short Bursts of Action on Social Media

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

Social + Digital

Easy Stimuli to Kickstart Your Practice Projects

From Drawing
Perceptual Maps
to Crafting *Brand Personalities*

Experiential Learning

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.)

SOCIAL + DIGITAL 3

In How Many Ways Can You Serve A Burger?: Here Are Two of Them

#1 See How Ugly Our Burger Is!

In February 2020, in the U.S. and Europe, in print and TV ads, we confronted a stale burger covered in mold, the kind we would cringe to see and smell, let alone buy and eat. Yet this was exactly what Burger King was showing us, proudly. At first, our immediate thought was that the chain was perhaps parading its competitor's burger product, in a mean streak of disparaging its arch-rival burger chains, as competitors sometimes do. But no, it was its own burger, with its logo prominently displayed right by the stale burger's side. Here is the skinny on it.

Three months earlier, a man from Utah had unveiled a burger he had purchased from McDonald's in July of 1999 and had put it in a coat pocket and forgotten about it. In 2013, his wife had accidentally found it, still in the coat pocket, still in good shape. So, he revealed it to the world, in a video that went viral. After that, he placed it in a tin box to see if the burger would last even longer. At the urging of the public, he brought it out again in January 2020. The pickle had disappeared but the patty and bun were intact in their original form.

Some time ago, Burger King had announced that it had removed artificial preservatives from the Whopper in several European countries, and in many of its U.S. restaurants.*

So, now in this ad, Burger King was showing its own burger that was 28 days old, gone stale because it contained no preservatives. The single-line text printed next to the burger read: The Beauty of No Artificial Preservatives

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*According to industry reports, McDonald's had also announced in 2018 that it was removing artificial colors, flavors, and preservatives from seven of its burgers.

Note: images are for illustration only and are not purported to resemble the brand or its products or the ad materials .

2 Please Visit McDonald's First

In December 2018, Burger King unleashed a social media campaign that took you first to rival McDonald's, en route your final destination, a Burger King restaurant!

You would first download Burger King's mobile app. And on the app, you would find a coupon for a Whopper for a penny. But the coupon will download only if you were within 600 feet of a McDonald's. Imagine what the company had to do, technology-wise, to make this possible: It had geofenced over 14,000 McDonald's restaurants across the U.S.! After downloading the app, we could place our order in the app and then the app would direct us to the nearest Burger King restaurant.

According to industry reports, in 9 days, the app was downloaded 1.5 million times and sales tripled during the promotion. On billboards that display a short message built with individual letter cutouts, its billboard featured the short message B I L L I O N S S W E R V E D. (Notice the extra letter *W!*)

DISCUSSION QUESTIONS

Q1. What do you think of the two campaigns? Do you like or dislike them? Why?

Q2. Which campaign will "build the brand" better? Or rather we should say, they both build the brand but in different ways. What are those different ways?

Q3. Will the ads involve a low involvement or a high involvement behavior? Explain how?

Q4. Create a survey to measure consumer attitudes toward Burger King Whopper. Then show the real stale burger ads to them. (You can find it on the Internet.) Next, measure their attitudes.

Based on multiple sources: "Burger King Just Launched a New Ad Campaign Featuring a Moldy Whopper," Irene Jiang, Business Insider, Feb 19, 2020. "Why Burger King is Proudly Advertising a Moldy Whopper," David Griner, Adweek, February 19, 2020. "Burger King Breaks the Mold with New Advertising Campaign," Foodmanufacturing.com. "The Inside Story of Burger King Campaign That Changed the Brand's Entire Outlook on Marketing," Fernando Machado, Adweek, May 17, 2019. "Campaign of the Year: Burger King's 'Whopper Detour,'" Natalie Koltun, Mobile Marketer, December 9, 2019.

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

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 band 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 *affect* 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.

Authors

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

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