# AISECT UNIVERSITY ™

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# Consumer Behaviour

## (MBA Sem- 3)

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# UNIT-1

**Q-1- Define Consumer Behaviour.**

**Ans-1-**

**Consumer Behaviour** refers to "the mental and emotional processes and the physical activities of people who purchase and use goods and services to satisfy particular needs and wants."

"The behaviour that consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs."

Consumer behaviour refers to "the mental and emotional processes and the observable behaviour of consumers during searching, purchasing and post consumption of a product or service."

**Q-2- Discuss about "CONSUMER AND CUSTOMER"**

**Ans-1-** A consumer is anyone who typically engages in any one or all of the activities mentioned in the definition. Traditionally, consumers have been defined very strictly in terms of economic goods and services wherein a monetary exchange is involved. This concept, over a period of time, has been broadened. Some scholars also include goods and services where a monetary transaction is not involved and thus the users of the services of voluntary organisations are also thought of as consumers. This means that organisations such as UNICEF, CRY, or political groups can view their publics as "consumers."

The term consumer is used for both personal consumers and organisational consumers and represents two different kinds of consuming entities. The personal consumer buys goods and services for her or his personal use (such as cigarettes), or for household consumption (such as sugar, furniture), or for just one member of the family (such as a pair of shoes for the son), or a birthday present for a friend (such as a pen set). In all these instances, the goods are bought for final use, referred as "end users' or "ultimate consumers."

The other category of consumer is the organisational consumer, which includes profit and not-for-profit organisations. Government agencies and institutions (such as local or state government, schools, hospitals etc.)

buy products, equipment and services required for running these organisations. Manufacturing firms buy raw materials to produce and sell their own goods. They buy advertising services to communicate with their customers. Similarly, advertising service companies buy equipment to provide services they sell. Government agencies buy office products needed for everyday operations. The focus of this book is on studying behaviours of

individual consumers, groups and organisations who buy products, services, ideas, or experiences etc. for personal, household, or organisational use to satisfy their needs.

Anyone who regularly makes purchases from a store or a company is termed as "customer" of that store or the company. Thus a customer is typically defined in terms of specific store or company.

## Q-3- Discuss the concept of " BUYERS AND USERS"

**Ans-3-** The person who buys a particular product may not necessarily be the user, or the only user of this product. Likewise, it is also true that the person who purchases the product may not be the decision-maker. For example, the father buys a bicycle for his school going son (the son is the user), or he buys a pack of toothpaste (used by the entire family), or the mother is the decision maker when she buys a dress for her three-year old daughter. The husband and wife together may buy a car (both share the decision). It is clear that in all cases buyers are not necessarily the users of products they buy. They also may not be the persons who make the product selection decisions.

The question faced by marketers is — whom should they target for their promotional messages, the buyer or the user? Some marketers believe that the buyer of the product is the suitable prospect while others believe that the user of the product is the right choice, still others believe that it is safe to direct their promotional messages to both buyers as well as users. These approaches are visible when ads for toys and games appear during TV programmes meant for children, same products are promoted in magazines meant for parents, or there are dual campaigns designed to reach parents and children both (such as Discovery Channel programmes).

Whenever consumer behaviour occurs in the context of a multi-person household, several different tasks or roles as mentioned in the table below may be performed in acquiring and consuming a product or service.

## Q-4- Discuss about  Consumer Behaviour & Marketing Strategy

**Ans-4-** Consumer behaviour principles are applied in many areas of marketing as discussed below:

1)      Analysing market-Consumer behaviour study helps in identifying the unfulfilled needs and wants of consumers. This requires examining the trends and conditions operating in the marketplace, consumers' lifestyles, income levels and emerging influences. This may reveal unsatisfied needs and wants. The trend towards increasing number of dual income households and greater emphasis on convenience and leisure have led to emerging needs for household gadgets such as washing machine, mixer grinder, vacuum cleaner and childcare centres etc. Mosquito repellents have been marketed in response to a genuine and unfulfilled consumer need.

2)      Selecting target market- A review of market opportunities often helps in identifying distinct consumer segments with very distinct and unique wants and needs. Identifying these groups, learning how they behave and how they make purchase decisions enables the marketer to design and market products or services particularly suited to their wants and needs. For example, consumer studies revealed that many existing and potential shampoo users did not want to buy shampoo packs priced at Rs 60 or more and would rather prefer a low priced sachet containing enough quantity for one or two washes

3)      Marketing- mix decisions: Once unsatisfied needs and wants are identified, the marketer has to determine the right mix of product, price, distribution and promotion. Here too, consumer behaviour study is very helpful in finding answers to many perplexing questions.

4)      Product: The marketer designs the product to that satisfy unfulfilled needs or wants. Further deisions regarding the product concern to size. shape and features. The marketer has also to decide about packaging, important aspects of service, warranties & accessories etc.

5)	Price: The second important component of marketing mix is price. Marketers must decide what price to charge for product or services. These decisions will influence the flow of revenue to the company.  6) Distribution- The next decision relates to the distribution channel, that where and how to offer products and services for sale. Should the products sold through all the retail outlets or only through selected ones? Should the marketer use only the existing outlet which also sells competing brands? or should new exclusive outlets selling only the marketer 's brands created.  Is the location of retail outlets important from consumers' point of view? Should the company think of direct marketing?

7) Promotion- It is concerned with marketing communication with costumers. The more important methods are – advertising, personal selling, sales promotion public& direct marketing. The marketer has to decide which method would be most suitable to effectively reach the consumers. The company has to know target consumers, their location, what media they access have to & what are their media preferences

## Q-5- What do you mean by Purchase Situation?

**Ans-5-** Situations may affect consumer decision about product selection. Three factors particularly influence the marketing strategy with regard to purchase situation:

1)	 In-store purchase situation,

2)	Whether or not the purchase situation relates to gift giving,

3)	Whether or not the purchase situation is anticipated or unanticipated.

## Q-6- What is Gift-giving Situation?

**Ans-6-** Whether the product is being purchased for personal consumption or for giving a gift also influences purchases. Marketers offer a wide range of product for gift giving occasions.

Consumers arc likely to be more involved while purchasing a gift than purchasing the same item for personal consumption.. Gift giving more than just giving a physical product. Gifts arc given as an expression of love and caring; gifts are also given to gain return favours and some social and ritualised situation such as birthdays, are often independent of the givers actual desires. Research shows that wedding gifts tend to be utilitarian such as durable, useful, based on newlyweds need and often high performance: while birthday gifts are often enjoyable, unique, durable and tend to be fun. Thus, both gift giving and gift giving occasion influence consumers' purchase behaviour. Also. the relationship between the giver and the recipient too influences purchase behaviour.

Finding and selecting an appropriate gift often takes more time and consumer's involvement tends to be more even when the product type is less involving. To avoid any risk in product choice, consumers are likely to restrict their choice to a few well-known brands in a particular product category and also shop in stores with high-quality image.

## Q-7- What is Unanticipated Purchase Situations?

**Ans-7-** Sometimes purchase situations occur which are not anticipated. A common situation is when unexpected guests arrive and consumers have to rush for special shopping. A product failure or going out-of -stock are important situations and precipitate the need for making purchase decision. For example, the cooler fan suddenly stops working on a hot summer day, or the consumer finds a food item out of stock and may have to make a purchase trip immediately if' the

item is really important. It frequently happens in India that consumers learn about sudden hike in the prices of fuel and rush to petrol pumps to get their auto tanks filled before the new prices become applicable.

## Q-8- What is Usage or Consumption Situations?

**Ans-8-** The consumption situation refers, to the occasion of consumers' product use. When guests arrive the type and number of items served during meals change than what is generally consumed in the family. People use different dresses to wear at home & work . A consumer may use a particular brand of perfume for a special occasion & another one for daily use. Consumption situation may also influence choice of services . For example in healthcare 3 situations are seen- a) whether the health problem is major or minor, b) whether the health problem affects the consumer or the family member & c) whether the health problem occurs in the home or away from home.

## Q-9- What do you mean by Nominal Decision Making?

**Ans-9-** At one end of choice continuum is nominal decision making, also referred to as nominal problem solving, habitual decision making, or routine problem solving. Recognition of need is likely to lead directly to an intention to buy. Information processing is very limited or non-existent. There is generally low-involvement with most low-priced and frequently purchased products, which are consumed on an ongoing basis and involve nominal decision making. A problem is recognised, consumer's internal search from long-term memory
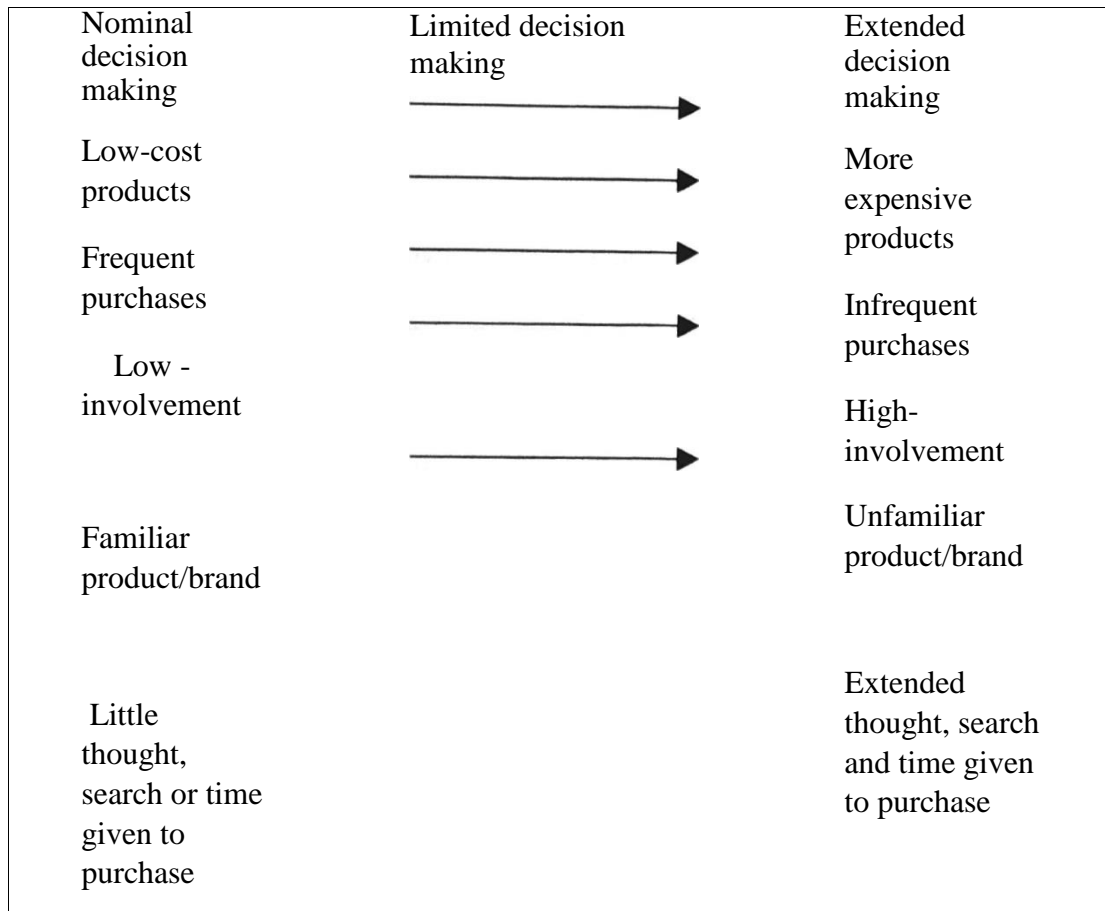Comes up with a single preferred solution, the preferred brand is purchased and no brand evaluation occurs unless the brand fails to perform as expected. Some of these decisions are so nominal that the consumer does not even think of purchasing an alternative brand.
For example, a consumer notices that she/he is nearly out of Aquafresh toothpaste. When at the store, the consumer simply picks it up from the shelf or asks for it without any consideration of alternative brands, its price or other relevant factors.

Nominal decision making is generally the outcome of continued satisfaction with a brand which was initially chosen after an extended decision making process, or the consumer does not attach much importance to the product category or purchase. The consumer buys Aquafresh toothpaste without further consideration because it meets her/his overall needs, even though using the best available toothpaste is important to her/him. In the second situation, consumers may not attach much importance to salt or sugar they buy for household consumption. Having tried Tata Salt and found it satisfactory, they now repeat purchase it without any thought when needed. In this category sales promotions can lead to considerable brand switching.

**Q-10- Draw the chart showing continuum of consumer decision making**

**Ans-10-**

| Nominal decision making | Limited decision making → | Extended decision making |
|---|---|---|
| Low-cost products | → | More expensive products |
| Frequent purchases | → | Infrequent purchases |
| Low - involvement | → | High- involvement |
| Familiar product/brand | → | Unfamiliar product/brand |
| Little thought, search or time given to purchase | | Extended thought, search and time given to purchase |

**Q-11- What is Limited Decision Making?**

**Ans-11-** Limited decision making is usually more straightforward and simple. It involves internal (long-term memory) and limited external search, consideration of just few alternatives, simple decision rules on a few attributes and little post purchase evaluation. Buyers are not as motivated to search for information, or evaluate each attribute enthusiastically, but actually use cognitive shortcuts. According to Wayne D Hoyer, when the level of consumer involvement is lowest, limited decision making may not be much different than nominal decision making. For example, while in a store, the consumer notices a point-of-purchase display of Nescafe and picks up one pack based on her/his memory that its aroma and taste is good. If the consumer's decision rule is to buy the cheapest brand of instant coffee available, she/he looks at different brands of coffee for prices and buys the least priced brand. Sometimes emotional factors may influence limited decision making. For instance, a consumer may buy Colgate Total toothpaste instead of her/his regular brand just because she/he desires a change and not because of dissatisfaction with earlier brand. Such a decision may involve just reading of what is written on the carton and noticing that it has some different flavour than the brand she/ he had been using.

**Q-12- Discuss the nature of Information Search**

**Ans-12-** The process of information search refers to what the consumer surveys in her/his environment for appropriate information to make a reasonable purchase decision. Generally, when a consumer recognises a problem (such as low level of fuel in the car tank), in a reflexive manner, she/he first thinks or remembers how she/he usually solves this type of problem. This might produce a satisfactory solution by remembering that just ahead on the same road there is a petrol pump, stops there and gets the petrol. If the consumer happens to be unfamiliar with the city and not sure about the location of the nearest pump, then. to collect additional information, she/he stops at a roadside soft drink vendor, buys a Cola and asks the pet son foc

After problem recognition, the first stage is recalling and reviewing relevant information stored in the long-term memory to determine if a satisfactory solution is known, what are the characteristics of alternative solutions and how to compare the suitability of' each solution etc. The recall may be immediate or may occur slowly as a result of conscious effort to brine the information to mind. This process is known as internal search. In case the internal search fails to come up with an appropriate solution, the consumer focuses his attention on the external search process and attempts to collect information from a variety of sources to solve the problem.

Previously stored information in the consumers' long-term memory resolves many problems. For example, to get relief from headache, the consumer recalls a brand of headache remedy, Dispirin, which she/he views as a satisfactory solution based on earlier experience. No further information search for a solution or evaluation is likely to occur. The consumer purchases the recalled brand. This type of purchase decision is referred to as nominal decision making.

# UNIT-2

## Q-13- Discuss about choice based on Attitude versus Attributes

**Ans-13-** Consumers are likely to use any of the two approaches. S P Mantell and F R Kardes found that attitude based choice involved the use of general attitudes, impressions, beliefs, intuition, or heuristics. Consumers do not make attribute-by-attribute comparisons at the time of purchase. Instead they may base their decision on a combination of these. A common approach would be to form overall preferences based on attitude-based processing about brands. The final choice is reached by undertaking a brand-by-brand comparison based on price. For example, when consumers objected to the withdrawing of original Coke, their objections were not based on an analysis of specific attributes but on an overall feeling about the brand.

Attribute-based choice requires the knowledge of specific attributes at the time of making a choice and comparison of each brand alternative on specific attributes. This involves much effort and the process is time consuming compared to attitude-based choice process but is likely to result in an almost optimal choice. What choice process the individual consumer would use in a specific situation would be determined by the interaction between her/his motivation, availability of information and individual and situational factors. Generally, the importance of making an optimal decision is related to the value of the product under consideration and the consequences associated with a non-optimal decision. Thus, higher the value of the item the more need for optimal decision making. For example, a consumer is more likely to make the attribute-based choice for lap top computer or laser printer than for an inexpensive watch or a gas lighter.

Mita Sujan found that attribute-based choice is more likely when consumer involvement with the brand is high;
also, Douglas M Stayman, Dana L Alden and Karen H Smith noie that attribute-based choice is likely when consumers are more knowledgeable about Consumers are more likely to use attribute-based choice when they possess more attribute-based information in their memory and can easily access relevant information about all brands under consideration.
It is important to appreciate that even for important products, consumers make many decisions which appear to be attitude-based choices without collecting much information

from external sources. However, many others do undertake extended information search in similar purchase situations. For most products and services including expensive and important ones, marketers' approach can be to provide attribute-based comparisons in their advertising, packages and displays etc. in an easy to process format and making their particular brand the focal point of comparison by listing the brand first, perhaps in coloured or bold type. Marketers' messages must focus on providing information and experiences (using spokesperson) that produce a strong attitude-based position. Marketers must also provide performance levels and supporting information to help develop preference among consumers who make attribute-based choices.

## Q-14- What is affective choice (feeling-based choice)?

**Ans-14-** The purchase decision of certain products is primarily based on affective choice or what we call feeling-based purchases. For example, a young girl goes to a ready -to-wear clothing store to buy a dress she would wear for the annual college dinner. She examines several dresses, tries a few and finally decides that in one particular dress she looks pretty attractive. She looks forward to

making a great impression in the party and buys that dress. Such choices do not fit well with either attitude-based or attribute-based criteria and tend to be more holistic in nature. The brands are not divided into distinct components and each of them is evaluated separately from the whole. The evaluation is simply based on how the product makes the consumer feel while he/she is using the product or service. Probably most of us can recall certain purchases we made based on our overall feelings associated with product usage.

**Q-15- Discuss the nature of evaluative criteria.**

**Ans-15-** Consumers' evaluative criteria refer to various dimensions; features, characteristics and benefits that a consumer desires to solve a certain problem. For example, a consumer's evaluative criteria for a laptop computer may include processor speed, operating system, memory, graphics, sound, display, software included, cost and warranty etc. However, for another consumer the set of evaluative criteria may be entirely different for the same product. Any product feature or characteristic has meaning for a consumer only to the extent that it can provide a desired benefit. Consumers who want to avoid dental cavities would use the toothpaste that contains fluoride in its formulation. For this particular consumer fluoride content would probably be the most important evaluative criterion; Fluoride feature is important because it provides a desired benefit, otherwise it has no value. What is more important for marketers is to stress and convince consumers about the benefit that a particular feature provides rather than mentioning the feature only

**Q-16- What do you mean by Needs?**

**Ans-16-** Every person has needs. Some of these needs are basic to sustaining life and are born with individuals. These basic needs are also called physiological needs or biogenic needs and include the needs for air, water, food, shelter, clothing and sex. Physiological needs are primary needs or motives because they are essential to survival. Acquired needs are learnt needs that we acquire as a result of being brought up in a culture and society. For example, needs for self-esteem, prestige, affection, power and achievement are all considered as learned needs. Acquired needs are generally psychological, resulting from an individual's subjective psychological make up and relationship with others and are considered as secondary needs or motives.

Needs may also be classified even more basically; utilitarian or hedonic. A consumer's utilitarian needs focus on some practical benefits and are identified with product attributes that define product performance such as economy or durability etc.

Hedonic needs relate to achieving pleasure from the consumption of a product or service and are often associated with emotions or fantasies. Hedonic needs are more experiential as they are closely identified with the consumption process. For example, a hedonic need might be the desire to be attractive to the opposite sex. The evaluative criteria for brands are usually emotional rather than rational (utilitarian).

**Q-17 – What do you mean by Goal?**

**Ans-17-** Human behaviour is goal oriented. Marketers are particularly interested in consumer's goal-oriented behaviour that concerns product, service or brand choice. They want consumers to view their products or brands as those that would best satisfy their needs and wants. To satisfy any specific need, there are a number of solutions or goals. For example, to satisfy hunger any type of food is good enough but the individual consumer's goal may be a chicken roast. The goal selection depends on an individual's personal experiences, physical capacity and prevailing cultural norms

and values and whether the goal object is accessible. Another important factor is the self-image the individual holds about herself/ himself. A person acquires or would like to acquire products perceived as closely reflecting the self-image the individual holds about self. Specific goal objects are often chosen not only because they satisfy specific needs but also because they are perceived as symbolically reflecting the individual's self-image. Without needs there are no goals. Needs and goals are interdependent and neither can exist without the other.

## Q-18- Discuss about accuracy of consumer judgement of evaluative criteria.

**Ans-18-** If a consumer decides to buy a laptop computer, she/he is likely to make direct comparisons of brand attributes such as price, processor, memory and display clarity etc. However, these comparative judgements that the consumer makes might not be completely accurate. For example, a Pentium processor and a G4 processor are not the same. A Pentium 1.5 GHz processor does not mean that it is faster than G4 power processor 800 MHz. The consumer may not be able to make direct comparisons of quality. Instead, he might rely on price or brand name to indicate quality. Even though the average consumer is unlikely to be adequately trained to make comparative evaluations of brands based on complex evaluative criteria, yet most consumers frequently make such judgements.

Sensory discrimination refers to an individual's ability to distinguish between apparently similar stimuli. The minimum amount of difference that becomes noticeable between two stimuli is called just noticeable difference this would mean that one brand could be perceived as different from another only if the difference equals. This ability of sensory discrimination is not well developed in most individuals and they, typically, do not notice relatively small amounts of differences between brands or changes in brand attributes (such as taste, sound, or difference in display clarity etc.). For example, certain brands of flat panel TV monitors claim to be using superior technology. However, it is difficult for most consumers to notice any important differences in clarity and colour rendition. Besides product complexity, some aspects of performance can only be judged after prolonged use to make brand comparisons. P M Parker found that the inability of consumers to accurately evaluate many modern products could result in buying a lower quality product at higher price than necessary.

To simplify decisions, consumers often use heuristics or mental shortcuts that allow them to use some dimensions as substitutes for others (also called surrogate indicators). For example, many consumers use price as an indicator of quality for certain products. In these instances one attribute (price) is used to stand for another attribute (quality). Reliance of one indicator as a substitute for another is a function of its predictive value and confidence value. Predictive value refers to an individual's perception that one attribute is an accurate indicator of the other. Confidence value denotes the individual's ability to distinguish between brands on the substitute

Indicator. For example, a consumer might firmly believe that the ingredients mentioned on the pack of a food product accurately indicate its nutritional value (high predictive value) but not use them as indicators because of an inability to make complex comparisons between brands (low confidence value).

**Q-19 – Discuss & classify MOTIVES**

**Ans-19-** Several schemes of classifying motives have been suggested which group motives on the basis of one unique characteristic of interest. One such scheme distinguishes physiological versus psychogenic motives. Physiological motives are concerned with satisfying biological needs of the individual such as hunger, thirst and safety etc. and psychogenic motives focus on satisfying psychological needs such as achievement, affection, or status etc. One important characteristic of psychological motives is that they are learned. These acquired or secondary motives exert very powerful influence on people

According to another scheme, motives are classified as conscious versus unconscious. Conscious motives are those of which people are quite aware such as hunger, while for unconscious motives people are often not aware, such as consumers buy expensive clothes for their "good fit" and may not be aware that they are satisfying the need for status.

Motives have also been classified as positive versus negative. Positive motives attract consumers towards desired goals, while negative motives direct them to avoid unpleasant consequences. For example, fear can influence consumers into buying water purifiers.

**Q-20- Discuss the statement " Needs & Goals are dynamic"**

**Ans-20-** The nature of needs and goals is not static; they keep on recurring, changing and growing s as a result of an individual's changing physical condition, environment, experiences, learning and social interactions. Once existing goals are attained, new ones are formed. If, for any reason, the goals are not attained, the individuals either continue striving for them, or may develop substitute goals. Some important reasons why motivated behaviour never comes to an end include the following:

1)      Needs are never completely satisfied or permanently: At nearly regular intervals we become hungry and need food to satisfy this recurring need. Similarly, most people experience the social need and regularly seek company of others, their affection and approval. Even in the case of more complex and abstract psychological needs such as need for power, no one ever seems to be completely and permanently satisfied with whatever one has and keeps on striving for more.

2)      New needs emerge: At any given time a need may be predominantly active but as soon as it is satisfied another need emerges. According to Maslow, a hierarchy of needs exists. As lower-order needs are fulfilled, new higher-order needs become active.

3)      Success and failure influence goals: Research has shown that individuals who are successful in achieving their goals usually aspire to achieve higher goals. This probably happens because success gives them more confidence in their ability. On the other hand, those who meet with failure, sometimes lower their levels of

4)      Substitute goals are formed: When someone is unable to achieve a specific goal to satisfy certain needs. It may, however, not be as satisfactory as the original goal but would be sufficient to just satisfy and relieve tension.

**Q-21 What is "FRUSTRATION AND DEFENCE MECHANISMS"**

**Ans-21-** Failure to achieve a goal often gives rise to feelings of frustration. Probably there is nobody who has not experienced frustration that comes from the inability to achieve some goal. Individuals react differently to frustration. Some are adaptive and find a way to circumvent the barrier while some others choose a substitute goal if modified efforts fail. Still others may take it

as a personal failure and become a victim of anxiety. Some more common forms of Individual reaction to frustration can be of the following type:

⇨ **Aggression:** As a result of experiencing frustration, some individuals exhibit aggressive behaviour in an attempt to keep their self-esteem intact. Frustrated consumers write letters to editors, or take the help of consumer forums.

⇨ **Rationalisation:** A person who rationalises is not really telling lies because the individual is not consciously aware of the cognitive distortion as a result of experiencing frustration. The individual convinces herself/himself that the goal is not really worth the effort. Another defensive approach adopted by individuals is to redefine a frustrating situation by coming up with explanations as to why they could not attain their goals.

⇨ **Regression:** In reaction to frustration people sometimes exhibit immature or childlike behaviour by throwing the merchandise or fighting with shopkeeper rather than settling the matter amicably.

⇨ **Withdrawal:** People often resolve their frustration by withdrawing from the situation. For example, a person who feels difficulty in driving a car may stop doing so and may decide that it is cheaper and convenient to use a three-wheeler auto or a taxi.

⇨ **Projection:** Sometimes an individual redefines a frustrating situation by blaming other persons or objects as the reason for her/his failures. It is common to see auto drivers blaming the other person after an accident. After failing in an examination, students often blame the prevailing conditions in the institution.

⇨ **Autism:** The thinking, which is almost completely dominated by needs and emotions (daydreaming) without relating to reality, is called autism. This is a way to achieve imaginary fulfilment of one's needs. For example, some consumers may daydream that by using a certain product they would become very attractive.

⇨ **Identification:** Sometimes subconsciously people identify with other persons or situations to resolve their feelings of frustration. From the marketers' point of view this is an important defence mechanism that consumers use. We often see commercials and ads using slice-of-life format in which an individual experiences a frustrating situation and then overcomes the problem by using the advertised product or service. If the consumer identifies with the frustrating situation, it is likely that she/he would adopt the suggested solution and purchase the advertised product or service. A number of commercials are seen every day for antidandruff shampoos, skincare products, deodorants, mosquito repellents, detergent and so on.

⇨ **Repression:** Some people resolve frustration by forcing the need out of their mind. The needs sometimes emerge in an indirect manner. For example, a couple not having children may have many pets to fulfil their need. Socially acceptable form of repressed behaviour is termed as sublimation.

## Q-22- What do you mean by motive arousal?

**Ans-22-** The concept of motive arousal concerns what actually energises consumers' behaviour. Many of the needs of an individual remain dormant for long periods. The arousal of any particular set of needs at any given point of time gets triggered by an individual's Physiological condition, emotional or thinking processes or due to situational stimuli.

⇨ **Physiological Arousal:** Deprivation of any bodily need such as food, water and other life sustaining necessities activates the need. Most of the physiological cues are involuntary and often arouse some related needs. For example, a person may heat up water to take a bath and may also make a note to buy a geyser.

⇨ Emotional Arousal: Sometimes latent needs are stimulated because a person gets involved in thinking or daydreaming about them. This occurs when consumers are desperate about unfulfilled needs. For example, a young man who wants to become a cricket player may identify with Sachin Tendulkar and use products endorsed by him commercially.

⇨ Cognitive Arousal: Sometimes just random thoughts may stimulate arousal of needs. An ad "home away from home" may remind a person of home and he may suddenly become aware of his need to call his wife or children.

⇨ Situational Arousal: A certain situation confronting a consumer may also trigger arousal. This can occur when the situation attracts attention to an existing bodily condition. For example. Seeing an ad of Coca-Cola or a display suddenly makes one aware of being thirsty. The need would have been present but was not strong enough to trigger arousal. Similarly seeing a kitchen activate the need to buy that gadget

## Q-23- What do you mean by System of Needs?

**Ans-23-** For many years' psychologists and others have attempted to develop a comprehensive list of motives. Most authorities agree about specific physiological needs but there is marked disagreement about specific psychogenic or secondary needs. Here it's important to read & understand Maslow's Hierarchy of needs

## Maslow's Hierarchy of Needs

In a hierarchy of motives, the most influential motive is seen as enjoying the most dominant position and so on through the entire list. The hierarchy of needs proposed by Abraham H Maslow is perhaps the best known. Maslow classified needs into five groupings, ranking in order of importance from low-level (biogenic) needs to higher-level (psychogenic) needs and suggested the degree to which each would influence human behaviour. According to this scheme, individuals strive to fulfil lower-level needs first, before, higher-level needs become active. The lowest level unfulfilled need of an individual serves to motivate her/his behaviour. When this need is fairly satisfied, a new higher order need becomes active and motivates the individual. If a lower-order need again becomes active due to renewed deprivation, it may temporarily become more active again



Self-actualisation (self-fulfilment)

Ego needs (success, prestige, self-respect)

Social needs (friendship, affection, belonging)

Safety and security needs (protection, order, stability, certainty)

Physiological needs (air, water, food, shelter, clothing, sex)

✎ Physiological Needs: According to Maslow, the first and most basic level of needs is physiological. These needs are essential to sustain biological life and include air, water, food, shelter, & clothing - all the primary biogenic needs. Physiological needs are very potent when they are chronically unfulfilled.

✎ Safety Needs: After physiological needs, safety and security needs acquire the driving force and influence an individual's behaviour. These needs are concerned with much more than

only the physical safety and include routine, familiarity, security certainty and stability etc. For example, the labour unions in India provide members the security of employment.

✒        Social Needs- The third level, social needs, include love, affection, acceptance, belonging, friendship etc. People need warm & satisfying human relationship with others. People have strong attachment with their families & are motivated by love & affection.

✒        Ego Needs- The fourth level is concerned with ego needs. These needs include reputation, prestige, status, self-esteem, success & independence etc.

✒        Self-Actualization- Maslow believed that most people are unable to satisfy their ego needs sufficiently & as a result of this are unable to move to the fifth & last level. Self-actualization refers to a person's desire to achieve or become what one is capable of. People express this need in different ways. The only common thing is that they all seem to be striving for excellence in whatever they are doing. They work single – mindedly for years to achieve what they want.

## Q-24- Discuss about Motivation Research.

**Ans-24-** The term motivational research refers to qualitative research employed to uncover subconscious motivations of consumers. The methods used involve disguised and indirect techniques to probe consumer's feelings, attitudes and emotions concerning a product, or service, without triggering defence mechanisms which can lead to misleading results.

Marketers soon realised that motivation research had some shortcomings. Sample sizes of consumers were small and hardly representative of the total market and the findings were based on subjective analysis. Based on the same data. two different analysts could produce different reports offering subjective explanation for consumer behaviour under consideration.

Motivation research is mainly used in the development of promotional themes that can reach beyond consumers' conscious awareness and appeal to unrecognised needs. It is also used to explore consumer reactions to new product ideas and advertising copy at an early stage to avoid any costly mistakes.

## Q-25- Discuss the concept of SENSATION (EXPOSURE TO STIMULI)

**Ans-25-** Sensation is the immediate and direct response of sense organs to simple stimuli such as an advertisement, a brand name, or a package etc. Sensitivity to stimuli varies among individuals and depends on the quality of sensory receptors. For example, some people have more acute hearing or sharper eyesight.

Sensation for a stimulus depends on differentiation of input. A relatively static and unchanging environment provides little or no sensation even thou h the sensor in ut is strong. For example, a person living near a busy railway station would probably receive no sensation from car or train horns or other traffic noises. Increase or decrease of one or two honking horns would never be noticed. When the quantum of sensory inputs is high, the senses fail to detect small differences in sensory inputs.

## Q-26- What is "Attention" ? Discuss

**Ans-26-** Attention occurs when the stimulus activates one or more sensory receptor nerves and the resulting sensations reach the brain for processing. Human beings are constantly exposed to numerous stimuli every minute of the day. This heavy intensity of stimulation to which we are

exposed should serve to confuse us totally but it does not. The reason is that perception is not a function of sensory input alone. An important principle of perception is that 'raw sensory input alone does not elicit or explain the coherent picture of the world that most adults possess.' Perception is the outcome of interaction of physical stimuli from external environment and an individual's expectations, motives and learning based on earlier experiences. The interaction of these two types of very different stimuli creates, for an individual, a very private and personal picture of the world. Since every individual is unique because of needs, wants, desires, expectations and experiences, no two people perceive the world precisely the same way.

## Q-27- What is Interpretation of Stimuli?

**Ans-27-** A number of factors influence individuals that may distort their perception such as – physical appearances, stereotyping stimuli. Irrelevant stimuli, first impression, jumping to conclusions & halo effect etc.

⇨ People may or may not consciously recognise that they tend to attribute the qualities, which in their opinion are associated to certain individuals, to others who may resemble those persons.

⇨ Stereotyping .Stimuli: People tend to form pictures in their minds of the meanings of different types of stimuli. This stereotyping the stimuli helps them to develop expectations about how specific events, people, will turn out to be. For example many people carry the picture of politician or police behaviour in their minds.

⇨ Irrelevant .Stimuli: In certain situations consumers are faced with difficult perceptual judgement. In such circumstances they often respond to somewhat irrelevant stimuli. For instance they may consider the colour of washing machine in making final purchase.

⇨ First Impression: First impressions are often lasting even when the perceiver is not exposed to sufficient relevant or predictive information. For instance just a years ago the word ' 'imported" was enough for a large number of consumers to form favourable impressions about many products such as wristwatches, shoes. Clothes and many other different products.

⇨ Jumping to Conclusions: Some people seem to have a strong tendency to draw conclusion based on insufficient information. They seem to be impatient about examining all the relevant evidence, which may be necessary to draw a balanced conclusion. This is often the reason that strong arguments about a product or service are presented first in ads.

⇨ Halo Effect: This refers to a tendency to evaluate one attribute or aspect of stimulus to distort reactions to its other attributes or properties. This is frequently seen in case of brand or line extensions where the marketer takes advantage of a brand's reputation. For example, Dettol soap, Lux shampoo and Ponds soap etc.

## Q-28- Why  images are important to consumers?

**Ans-28-** An image is a total perception of something that individuals form by processing all the information they are exposed to over time. Research indicates that consumers develop enduring perceptions or images about brands, prices. Stores and companies. These inferences are consumers' beliefs about products or services. Consumers may associate an Omega or Rolex watch with quality because of their advertising or word-of-mouth communications from friends.

Individuals develop a self-image of themselves and certain brands carry a symbolic value for them. Some products seem to match this self- image of an Individual while others do not. According to Russell W Belk'. Consumers attempt to enhance or preserve their self-images by purchasing

products that they believe correspond to or agree with their self-images and avoid buying products that do not fit their self-images.

## UNIT-3

## Q-29- What is  REINFORCEMENT ?

**Ans-29-** Reinforcement is anything that increases the strength of response and tends to induce repetitions of the behaviour that preceded it. Reinforcement or repeated positive outcome influences the likelihood that a response will be repeated. Reinforcement can be of two types: positive reinforcement and negative reinforcement. Positive reinforcement consists of events that strengthen and increase the likelihood of specific behaviour by the presentation of a desirable consequence. For example, using a cold remedy that relieves the painful symptoms is likely to result in repeat purchase in future, if there is need. The negative reinforcement is an undesirable or unpleasant outcome that strengthens and encourages the likelihood of a specific behaviour by the termination or withdrawal of an undesirable consequence. For example Colgate toothpaste commercial shows the consequence of bad breath and encourages consumers to buy Colgate toothpaste. Punishment and negative reinforcement are not the same. Punishment is applied to discourage behaviour. For example, fines for driving under the effect of alcohol are a form of punishment to discourage motorists from driving after consuming liquor.

Advertisers of toothpastes, anti-wrinkle creams, headache and cold remedies, mouthwash, deodorants, burglar alarms, life insurance and many other products and services make use of fear appeals relying on negative reinforcement

## Q-30- Discuss about COGNITIVE LEARNING THEORY

**Ans-30-** Where choices are made deliberately, such as consumers' purchase of a product or service, the consequences could result in positive or negative reinforcement. Rewarding experiences will cause positive reinforcement of a particular behaviour (in this case, purchase of the product) and increase the likelihood of repurchase of the same product. Negative reinforcement would result from bad experiences with the product and the consumer would most likely avoid purchasing the same product. Premiums, discounts and showing satisfied customers are attempts to reinforce consumers' purchase behaviour of particular products.

Behavioural learning theories have been criticised for adopting a mechanistic view of consumers, putting too much emphasis on external stimuli and ignoring important internal psychological processes. Cognitive learning approach has dominated the field of consumer behaviour in recent years. Learning that takes place as a result of mental activity is termed as 'cognitive learning'. Cognitive theorists do not endorse the view that learning is based on repetitive trials leading to the development of links between stimuli and responses because consumer behaviour typically involves choices and decision-making. According to their view, learning is an intellectual activity based on complex mental Processes involving motivation, perception, formation of brand beliefs, attitude development and change, problem solving and insight. Even sudden learning may also result when someone is faced with a problem. Typically, though, we are most likely to look for

reliable information, indulge in analysis, evaluate what we learn and try to make a balanced decision. As we acquire more experience and familiarity with different products and services, our cognitive ability and learning increases to compare various product attributes improves.

## Q-31- What is "Memory"?Discuss

**Ans-31-** Memory represents the information that an individual retains and stores and that she/he can recall for future use. Experience has shown that whatever material consumers learn, often they are unable to retrieve it readily. Memory processes are extremely important to the understanding of consumers. Cognitive theorists are particularly concerned in learning how the information gets stored in memory, how it is retained and how consumers retrieve the stored information during brand evaluation. There are several views regarding the structure of memory and how it operates. According to one concept called activation model, consumers have a large memory store. At any given point in time only a portion of that memory can be activated for use and the remaining inactive portions of memory are not available to recall information stored in memory. A general belief is that there are three separate 'storehouses' for sensory $^m$emory, short-term memory and long-term memory. However, each of these should not be taken as separate physical entity but as a distinct process of memory functioning having separate characteristics.

## Q-32- What is Involvement Theory?

**Ans-32-** According to Harold H Kasserjian, consumer behaviour and advertising researchers have extensively studied the concept of involvement. Consumer involvement is considered as an important variable that can help explain how consumers process information and how this information might influence their purchase or consumption related behaviour. Judith L Zaichkowsky has noted that there is no agreement about how to define involvement and measure the degree of involvement. However, there is wide agreement that the degree of involvement has a very significant effect on consumer behaviour. Zaichkowsky has done extensive review of involved problems in conceptualising and measuring involvement. She has observed that although there is no single precise definition of involvement, there is an underlying theme focusing on personal relevance. She has developed an involvement construct that includes three antecedents:

1)      Traits of person, such as needs, importance, interest, values and unique experiences.
2)      The characteristics of the stimulus, such as differentiation of alternatives, communications media and message content.
3)      Situational factors, such as purchase or use occasion for a particular product.

These antecedents can influence the consumer's degree of involvement depending on how she/he responds to the advertising, the advertised product and the actual purchase decision.

High-involvement purchases are those which are considered very important to consumers such as complex, expensive, risky, or ego-intensive products and require extensive information processing. Conversely, low-involvement purchases are not really important to consumers, have little relevance and evoke very limited information processing. Marketers like to think that consumers are involved with their products. This is understandable because they themselves are highly involved with their products. They realise that involved consumers have greater likelihood to pay attention to their advertising and evaluate their brands carefully and to become brand-loyal consumers. Where consumers appear to be uninvolved, marketers attempt to induce involvement by incorporating new involving attributes to products or by associating products to involving situations and issues. For example, Milkmaid had the attributes all the time to be used for preparing sweets and desserts. It is fairly later in its life cycle that the company promote[d] it for this usage. Tea has always been promoted as a refreshing beverage. But now it [is] often promoted for lowering the risk of heart stroke and cancer.

### Q-33-What are the  dimensions of involvement ?

**Ans-33-** The concept of involvement seems to have a number of important facets:

1)	Involvement Variables

A number of variables are believed to precede involvement and influence its nature and extent. These variables are believed to be the sources that interact with each other to precipitate the level of consumers' involvement at any particular time and situation.

The variables related to person refer to personal needs, values, interests and experiences etc. For instance, a person who is deeply interested in computers is very likely to have personal interest in computer related magazines, such as Digit, PC Quest and Computers @ Home etc. to learn about new developments in processors, hard drives and other related products. stimulus/object variable refers to products or stimuli that consumer perceives to be closely related to her/his values, experiences and interests etc. and will stimulate higher degree of involvement. For example, in case of computers, one should not expect the same level of involvement for all consumers. Pradeep K Korgaonkar and George P Mochis found that the degree to which consumer perceives differences in various product alternatives can also influence the level of involvement. The extent to which brands can be substituted, number of brands available in a product category and performance features all influence a consumer's perceived differentiation and affect the resulting degree of involvement experienced.

The extent of risk perception the consumer has with purchase decision can also influence the level of involvement. The perceived risk is the outcome of consumer's perception of the chances of potential degree of resulting unfavourable consequences from making a purchase decision, such as financial loss, physical or psychological harm. As already discussed, research have suggested that

the level of involvement may also be influenced by promotional messages and the media used.

Different situations that consumers face can also affect the degree of involvement they will experience in making purchase decisions. For example, consumers buy candles for emergency use without much involvement at all but if the candles are needed for being placed on wife's birthday cake, the consumer may become more involved in the purchase. Consumers buy pens for everyday
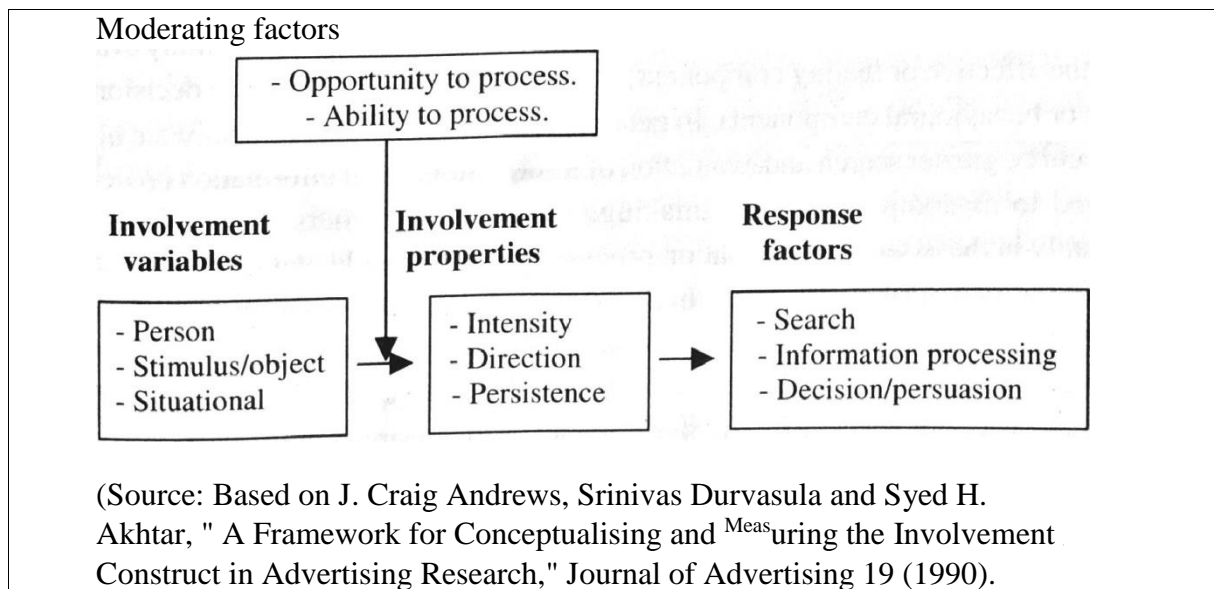
use without much involvement but if the pen is to be presented as a gift, then the level of involvement might increase significantly.

2)    Moderating Factors

Many conditions may be present to limit the influence of involvement variables. For example, a consumer is contemplating the purchase of a cellular phone and the commercial she/he is watching would be quite interesting to her/him. Suddenly somebody noisily knocks on the door and this distracts her/his attention from the advertisement, or the consumer may not possess much knowledge about a particular product and fail to understand some of the information contained in ads. This would limit the evaluation of alternative brands in a satisfactory manner. Such situations may limit the opportunity and the ability to process the information and influence the level of involvement.

3)    Involvement Properties

A consumer's involvement represents an internal state and may be viewed to have three main characteristics, as shown in figure 8.7.



Moderating factors

Opportunity to process.
Ability to process.

Involvement variables
- Person
- Stimulus/object
- Situational

Involvement properties
- Intensity
- Direction
- Persistence

Response factors
- Search
- Information processing
- Decision/persuasion

(Source: Based on J. Craig Andrews, Srinivas Durvasula and Syed H. Akhtar, " A Framework for Conceptualising and $^{Meas}$uring the Involvement Construct in Advertising Research," Journal of Advertising 19 (1990).

Major Dimensions of Involvement

**Q-34- Discuss about Consumer Attitudes.**

**Ans-34-** Martin Fishbein has reported that there are more than 100 different definitions of attitude. More than five decades ago, Gordon W All port presented a frequently used definition of attitudes. He said, "Attitudes are learned predispositions to respond to an object or class of objects in a consistently favourable or unfavourable way."A cognitively oriented definition given by D Krech and R Crutchfield says, "An attitude is an enduring organisation of motivational, emotional, perceptual and cognitive processes with respect to some aspect of our environment." This definition views attitudes as being composed of cognitive (knowledge), affective (emotional) and conative (behavioural) components. The word object 'used in this definition' is broad in its meanings and include specific consumption or marketing related things (e.g. product category , product. brand. service. possessions, issues, people, ads, price, or retailer etc.).

There is general agreement that attitudes are learnt. In a consumer behaviour context this would mean that our attitudes are formed as a result of what we learn from our personal experiences with reality, product usage, the exposure to advertising, or word of-mouth information from relatives, friends and acquaintances etc.

Attitudes are relatively consistent and are reflected in an individual's behaviour but are not necessarily unchangeable. Attitude consistency is more observable when all the conditions are favourable. For example, an Indian consumer may have a highly favourable attitude towards German cars but the matter of affordability may intervene and she/he finds Maruti Esteem as a more realistic choice.

## Q-35- Discuss the functions of attitude

**Ans-35-** Understanding functions of attitudes helps in learning how they serve consumers. According to Daniel Kartz, attitudes perform four important functions

⇨ Utilitarian function
⇨ Value-expressive function
⇨ Ego-defensive function
⇨ Knowledge function

### Utilitarian Function

This attitude function serves consumers in achieving desired benefits. We hold certain brand attitudes partly because of a brand's utility. If a product has been useful in the past, our attitude

towards it is likely to be favourable. For example, a consumer who considers quick relief as the most important criteria in selecting an anti-cold remedy will be directed to the brand that offers this benefit. On the other hand, attitudes will discourage the consumer away from brands that are unlikely to fulfil the "quick relief" criteria.

### Value-expressive Function

Attitudes reflect the consumer's self-image, values and outlook, particularly in a high involvement product. If a consumer segment holds positive attitudes toward being "in fashion," then their attitudes are likely to be reflected in this viewpoint. For example, the self-image of a young man buying a motorcycle may be of a macho, domineering person who likes to gain an upper hand. Advertisers often appeal to the value expressive nature of attitudes by implying that purchase or use of a certain product will lead to desired achievement, self- enhancement, or independence.

### Ego-defensive Function

Attitudes formed to protect the ego, or self-image, from anxieties and threats help fulfil this function. Ads for many personal care products such as mouthwashes, toothpastes, deodorants, anti-pimple creams and cosmetics, etc. serve as a good example. Advertising capitalises on the fear of social embarrassment and rejection and greater social acceptance through use of certain products. This encourages consumers in developing a positive attitude towards brands associated with social acceptance, confidence, appreciation, or being attractive and desirable to the opposite sex.

**Knowledge Function**

Individuals generally have a strong need for knowledge and seek consistency, stability & understanding. To fulfil this need attitudes help organise the considerable amount of information to which they are exposed every day. They ignore irrelevant information and store what is meaningful to them. The knowledge function also reduces uncertainty and confusion. Advertising is a means of acquiring information about products and services. Comparative advertising attempts to change consumers' attitudes towards the advertised brand by emphasising its advantages over the competing brand.

**Q-36 – What are the factors inhibiting the relationship between beliefs, feelings and behaviour?**

**Ans-36-**

1)      Lack of consumer involvement: A favourable attitude requires a need or motive before it can be translated into action. Also, attitudes are less likely to reflect behaviour for low-involvement products.

2)      Lack of purchase feasibility: According to A Sahni, consumers may have a very positive attitude towards a particular brand but may not have the ability. For example, a consumer may evaluate an Omega watch very positively but the watch is not a realistic alternative due to insufficient funds. Thus, attitudes are not always related to behaviour.

3)      Lack of personal experience with the product: Ida E Berger and Andrew A Mitchell have reported that when consumers have personal experience with the product, their attitudes are more likely to be related to subsequent purchases. Lack of products experience may cause weakly held attitudes that are not related to behaviour.

4)      Lack of relation between consumer's values and beliefs: If consumers' brand beliefs are not closely linked to consumers' values, attitudes are unlikely to be linked to behaviour. For example, many consumers believe that Personal Point's weight loss programme is very effective but this belief is not going to predict their behaviour if consumers have no interest in losing weight.

5)      Effect of market conditions: A steep increase in the price of a favoured brand may influence consumers to switch to other cheaper alternative, with no change in attitudes. Sales promotions may influence consumers to buy a less preferred brand, or unavailability of the preferred brand may cause consumers to buy less preferred brand, with no change in attitudes.

6)      Purchase situation: Researchers generally measure brand attitudes independent of intervening factors (purchase situation). J A Cote, J McCullough and M Reilly observe that many items are purchased for, or in, specific situations.

7)      Poor attitude accessibility from memory: Consumers store brand beliefs in long-term memory as a cluster of beliefs. Russell H Fazio and Martha C Powell have reported that lack of a relationship between attitudes and behaviour may be because some attitudes are so weakly held that they are not accessible.

**Q-37- What do you understand by ATTITUDE CHANGE STRATEGIES? Discuss**

**Ans-37-** An important strategy consideration for most marketers is to affect alteration of consumer attitudes and reinforcing the existing positive attitudes about their brands to ward off any competitive attacks. In fact, reinforcing attitudes is comparatively easier than changing attitudes. Most advertising for well-known brands attempts to maintain and reinforce positive attitudes. "Taste of India," "Hamara Bajaj," "Believe in the best," and "Just Do It;" are some of the long-running campaigns attempting to reinforce consumer attitudes.

In attempting to change consumers' attitudes, one very basic or fundamental consideration should be the degree of consumers' involvement with the product or service.

=> It is easier to change beliefs than desired benefits. Marketers could attempt either to change brand beliefs or change the benefits consumers' desire by changing the value of attributes.

=> It is easier to change brand beliefs than brand attitudes.

=> Changing attitude is more relevant vehicle than beliefs for hedonic products.

=> It is easier to change attitudes for low involvement products.

=> It is easier to change weak attitudes than strong ones.

=> It is easier to change attitudes of consumers who have less confidence in their brand evaluation.

**Q-38- What is MULTI-ATTRIBUTE MODELS AND ATTITUDE?**

**Ans-38-** On the basis of Fishbein's multi-attribute model, four strategies can be considered to change attitudes:

1)      By changing the values consumers place on product attributes
2)      By changing consumers' brand beliefs
3)      By changing brand evaluations
4)      By changing behavioural intentions

Changing Values Placed on Product Attributes: Most consumers consider some product attribute to be more important than others. Marketers often try to convince consumers about the superiority or importance of those attributes on which their brands are relatively strong. This requires attempting to convince consumers to reassess the value associated with a certain attribute. For example, Apple computers do not have a floppy drive and convince consumers that floppies are not reliable for storing data. Epson attempts to convince consumers that its inkjet printers need no change of printing head every time the ink cartridge is changed. A marketer may convince consumers that bad taste is good quality in a mouthwash.

Changing Consumers' Beliefs: A common and effective approach adopted by most marketers to changing attitudes is to focus on the cognitive component. The strategy of changing beliefs focuses on shifting beliefs about the performance of brand on one or more attributes. Alternatively, marketers attempt to shift the importance consumers place on certain attributes to those attributes on which their brand is stronger. This can be done by introducing new attributes in the brands and emphasising the importance of existing ones.

Changing Brand Evaluations: This strategy focuses on influencing consumers' overall brand attitudes without an reference to specific attributes. This can be accomplished by associating a positive feeling with product usage. Nescafe Commercial "ho shuruhar din aise" is one such attempt. "When you care enough to send the very best" ads of Hallmark cards is another example of associating feelings with the brand. Some brands make a claim that it is the largest selling brand, or the others are trying to imitate.

Changing behaviour: Consumers' purchase or use behaviour may precede the development of cognition and affect. According to D S Kempf, behaviour can lead directly to affect, to cognitions, or to both at the same time. Consumers frequently try inexpensive new brands in the absence of any prior knowledge or affect.

## Q-39- Discus the  KATZ FUNCTIONAL THEORY AND ATTITUDE CHANGE

**Ans-39-** Daniel Katz pointed out four functions performed by attitudes. As already discussed these functions include utilitarian function, value-expressive function, ego-defensive function and knowledge function.

Changing Attitudes Through Utilitarian Function: One very effective approach to changing brand attitudes is to show how the product can solve a problem not considered earlier. Teflon has found multiple uses; M-Seal is used for sealing leakages, however auto repair shops and garages use it for levelling minor dents and deep scratches (this second utilitarian function has not been promoted by the manufacturers). Nestle successfully convinced consumers that Milkmaid is very suitable for preparing desserts and sweets. New uses of a product are often helpful in inducing favourable change in consumers' attitudes towards the brand because they satisfy a set of utilitarian functions.

Changing Attitude Through the Value-expressive Function: Attitudes reflect our general values, lifestyles and outlook. It is difficult to change value-expressive function because these relate to personal values and are very important to people. For example, committed vegetarian consumers would not use products that contain animal fats. Anchor White toothpaste is trying to convince this group of consumers that it is 100 per cent vegetarian and approved by Vegetarian Society of London. A large segment of the younger generation in our country has positive feelings toward wearing latest fashion clothes and most ads of ready to wear garments are capitalising on this value-expression function.

Changing Attitude Through Ego-defensive Function: Very strongly held attitudes often serve the ego-defensive function and are least likely to accept outside influences. A cigarette smoker or tobacco chewer   is quite likely to ignore any information about the dangers associated with smoking or tobacco chewing. This is an ego-defensive function and results in an attempt to deliberately avoid painful information. A positive advertising approach would be to suggest the steps that they can take to minimise or reduce the usage of towards. Such an approach may prove to be helpful in influencing attitudes.

Changing Attitudes through the Knowledge Function: This approach of changing attitudes is based on consumers' cognitive needs. Knowledge function facilitates the information-processing task. Most marketers attempt to create a clear and unambiguous positioning for their brands to develop favourable consumer attitudes.  Apple computers have created a definite positioning and communicated detailed information to convince consumers about the superiority of its different models. Apple's customers have developed strong attitudes and would not change to any other brand of computers

## Q-40- What is POST-PURCHASE ATTITUDE CHANGE? Discuss.

**Ans-40-**. Two theories are more relevant to post-purchase attitude change:

1)      Cognitive dissonance theory

2)      Attribution theory

Cognitive Dissonance Theory

Leon Festinger suggested that consumers experience a feeling of doubt, discomfort or anxiety after making a relatively high-involvement purchase decision. These feelings have been referred to as cognitive dissonance. Purchase decisions, particularly of expensive items, require some amount of compromise and due to this reason feelings of dissonance are quite normal; nevertheless, they are likely to cause uneasiness about the choice made.

The probability that consumers will experience dissonance and the intensity of this dissonance, depends on:

- The degree of commitment. If it is easier to alter the decision, the consumer is less likely to experience dissonance.
- The importance of the decision. If the purchase decision is more important, it is more likely that the consumer will experience dissonance.
- The difficulty of choosing among alternatives. Decision difficulty depends on the number of alternatives considered, the number of relevant attributes linked with each alternative and the extent to which each alternative possesses the attributes not resent in the other alternatives. If it is difficult to choose from among the alternatives, it is more likely that the consumer will experience dissonance.
- The individual's personality characteristics. Some individuals have a greater tendency of experiencing anxiety than others. If the individual happens to be of nervous type, it is more likely that he / she would experience dissonance

Kenneth B Runyon suggested five strategies to reduce dissonance favourably influence consumer attitudes towards the products

1)      Provide additional product information and suggestions for product care and maintenance through brochures or advertising.

2)      Provide warranties and guarantees to reduce post-purchase doubt.

3)      Ensure good service and immediate follow-up on complaints to provide post-purchase support.

4)      Advertise reliable product quality and performance to reassure recent purchasers of product satisfaction.

5)      Follow up after the purchase with direct contacts to make sure the customer understands how to use the product and to ensure satisfaction.

Attribution Theory

According to attribution theory (D J Bem), consumers seek to determine causes (attributions) for events, often after the fact. The theory suggests that consumer attitude formation and change is the result of consumers' looking at their own behaviour and making judgements about it. For example, if a consumer regularly uses Colgate toothpaste, looking at own behaviour she/he may conclude that she/he likes the toothpaste (she/he has a positive attitude towards the brand). Consumers are

also likely to take all the credit themselves for any success (internal attribution) and attribute failures to others or external causes (external attribution).

To influence attitudes favourably, marketers should give consumers positive reasons for their purchases after the act. This requires that marketers offer high-quality products and allow consumers to perceive themselves as the reason for choosing the right brand ("I am capable of selecting the right product.") For example, a consumer purchases a brand of toothpaste at a discount of 30 per cent. Subsequently she/he attributes the purchase to large discount. This is unlikely to favourably influence consumer's attitud$^e$ towards the brand of toothpaste (the consumer tells herself/himself, "I bought this bran$^d$ because it was cheap."). Marketers must communicate important non-price reasons $^{to}$ repeat purchase the same brand.

### Q-41- Discuss the concept Actual Self

**Ans-41-** There is in fact no one actual self because consumers have different role identities. A consumer can be a husband, father, employee and a member of some club or voluntary association. In specific situations, one of these roles will be dominant and influence the individual's behaviour. The actual self is the outcome of the combination of individual's different roles. Consumers' actual self-influences their purchases in accordance with the images they have of themselves and thereby attain self-consistency. Research studies confirm that consumers' purchases are influenced by their self-concept.

An owner's self-image is reflected in her/his car and also this self-image is similar to her/his image of others who own the same car. Robert E Burnkrant and Thomas J Page have reported that self-concept and brand image relationship is somewhat complicated as consumers change their self-concept in different situations. For instance, an individual may have one self-concept during a business negotiation and another one on the occasion of friend's marriage.

### Q-42- What is Actual Self?

**Ans-42-** The concept of ideal self is closely related to an individual's self-esteem. The gap between actual self and ideal self-determines the degree of one's self-esteem. Greater the difference between the two, lower the self-esteem. Marsha L Richnis has reported that ad themes and images often produce greater discrepancy between consumers' actual self and ideal self. Glamour advertising that depicts attractive models and luxurious lifestyles creates a world that is unreachable for most consumers. As a consequence, consumers feel a sense of inadequacy based on a comparison of their actual self with the portrayed idealised images. Advertising tends to pull down consumers' self-esteem when it attempts at increasing the disparity between actual self and ideal self.

The desire for both self-consistency and self-esteem could be conflicting. Consumers making purchases in accordance with their actual self may be attaining self-consistency but may be falling short of enhancing their self-esteem. Consumers usually purchase products or services in accordance with their actual self. However, if there is greater discrepancy between actual self and ideal self, resulting in lower self-esteem, they are more likely to purchase products on what they would like to be (ideal self) rather than what they are (actual self). Such consumers are more likely to be influenced by appeals to their fantasy, such as a product use attracting opposite sex, or products with macho image etc.

The role of self-concept is expressed in the following sentences:

1)        An individual has self-concept, which is formed through interaction with parents, peers, teachers and influential others.

2)        The self-concept is of significant value to the individual.

3)        Since the self-concept is valued, individuals strive to enhance or maintain it.

4)        Certain products serve as social symbols and communicate a social meaning about those who own or use them.

5)        Products used as symbols communicate meaning to oneself and others, creating an impact on the individual's self-concept.

6)        Individuals often purchase or consume products, services, media to enhance or maintain a desired self - concept

## Q-43- What is PSYCHOANALYTIC THEORY?

**Ans-43-** Freud'S psychoanalytic theory proposes that every individual's personality is the result of childhood conflicts. These conflicts are derived from three fundamental components of personality: Id, Ego and Superego. According to the theory, the id (or libido) is the source of an individual's strong basic drives and urges such as hunger, sex, aggression and self-preservation. The id operates on what is called the 'pleasure principle', that is, to seek immediate pleasure and avoid pain. The id is entirely unconscious and not fully capable of dealing with objective reality. Many of its impulses are not acceptable to the values of organised society. A newborn baby's behaviour, for example, is governed totally by the id.

The ego is the individual's conscious control. It comes into being because of the limitations of the id in dealing with the real world by developing individual's capabilities of realistic thinking and ability to deal suitably with her/his environment. Ego operates on what is called the 'reality principle'. It is capable of postponing the gratification until that time when it will be suitably and effectively directed at attaining the goals of the id in a socially acceptable manner. For example, rather than manifest the need for aggression in an antisocial manner, a consumer can partially satisfy this need by purchasing a powerful motorcycle. The ego is the individual's self-concept.

The superego constitutes the moral part of an individual's personality. It represents the ideal rather than the real, defines what is right and good and it influences the individual to strive for perfection. It operates in the unconscious and often represses certain behaviour that would otherwise occur based on the id, which could disrupt the social system.

According to Freud, the ego manages the conflicting demands of the id and the superego. This usually results in realistic compromises between very basic strivings and socially acceptable behaviour. These compromises are believed to be occurring at an unconscious level. Freudian psychology says that quite a sizeable part of human behaviour is unconsciously motivated. The way the child manages these conflicts, especially the sexual
Conflicts, determines the adult personality. Unresolved conflicts in childhood result in 'defence mechanisms', which are said to be unconsciously determined tension-reducing strategies used by ego.

## Q-44-What is SOCIAL/CULTURAL (NEO-FREUDIAN) THEORY?

**Ans-44-** Freud's understanding of personality focused mainly on observations of emotionally disturbed people. A number of Freud's foremost disciples, particularly Carl Jung and Alfred Adler, disagreed from his view of personality. They believed that social and cultural variables, rather than biological drives, are more important in the development of an individual's personality. They also believed that insights into personality development should also be based on normal persons'

functioning in their environment and not by focusing on observation of emotionally disturbed people alone. These social theorists, also referred as Neo-Freudian school, viewed individuals as striving to win over the feelings of inferiority and searching for ways to gain love, security and relationships. They emphasised that childhood experiences in relating to others produce feeling of inferiority, insecurity and lack of love. Such feelings motivate people to make themselves perfect and device methods to cope with anxieties resulting from feelings of inferiority.

Carl Jung believed that an individual's culture created an accumulation of shared memories from the past such as caring and nurturing female, heroes and old wise men. He called these shared memories as 'archetypes'. It is not unusual to see such archetypes in advertisements that strive to take advantage of positive shared meanings in a particular culture. For instance, a large number of ads show caring mother, devoted housewife, heroes with macho image, rishis and wise grandmother etc.
Jung identified a number of personality types, such as sensing-thinking, sensing-feeling, intuiting-thinking and intuitive-feeling etc.

- Sensing-thinking Personality: Individuals with this personality type make rational, objective decisions. They are logical and empirical in their approach, are inclined to be highly involved, extensive problem solving orientation, weigh economic considerations, are price sensitive and avoid any risks. They identify themselves with material objects or "things" and have short-term perspective in making decisions.
- Sensing-feeling Personality: They are moved by personal values rather than logic and believe in personal experience. They follow a "subjective" orientation in making decisions, are inclined to consider others when making a decision and share risks. They are status conscious and have short-term perspective in decision-making.
- Intuiting-thinking Personality: Such individuals take a broad view of their own situation and the world. Though they heavily rely on imagination and consider a wider range of options, yet use logic in making decisions. Such individuals are not averse to taking risks while making decisions and their perspective is long-term.
- Intuiting-feeling Personality: Their view of personal situations or world is broad. They use imagination in considering a wide range of options in making a decision, are quite likely to consider others' views and show least sensitivity toward prices. They are also inclined to seek novelty, take risks and time horizon is indefinite in making decisions.

### Q-45 What is Emotion ? Discuss with the help of a chart

**Ans-45-** R P Bagozzi, M Gopinath and R U Nyer note that emotions are strong, relatively uncontrolled feelings that affect our behaviour. All of us experience a wide variety of emotions
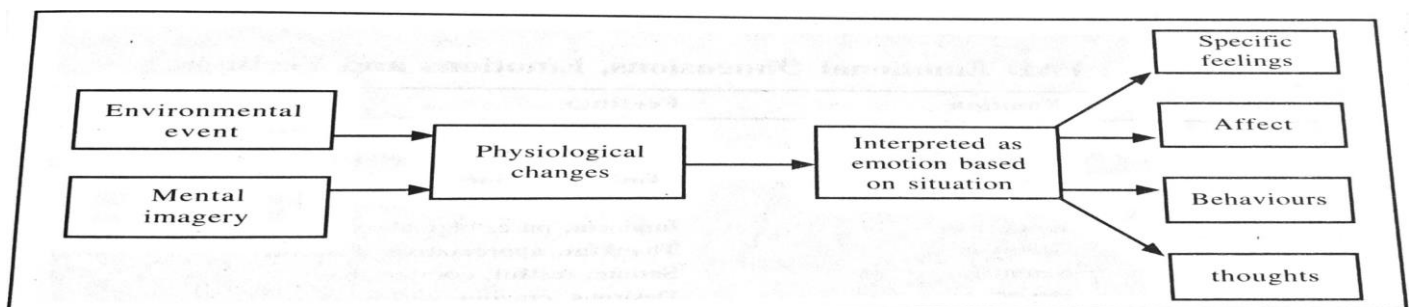


Figure 8.1: Nature of Emotions

which are generally evoked by events in the external environment. However, it is possible to generate emotions by internal processes, such as imagery.

Emotional experiences tend to have some elements in common, such as physiological changes, cognitive thought, associated behaviours and subjective feelings.

Arousal of emotions is followed by physiological changes such rapid breathing, dilation of pupil, increased perspiration, increased pulse rate and often raised blood pressure blood sugar levels.

**Q-46- Discuss about Psychographic Segmentation.**

**Ans-46-** The concept of market segmentation emerged as an extension of the marketing concept in the latter part of 1950s. It is based on the simple observation that all the existing and potential consumers are not alike, there are significant differences in their needs, wants tastes, background, income, education and experience etc. and these characteristics change over time with lifestyle changes.

When marketers provide a range of product or service options to serve diverse consumer preferences, they are more satisfied and happy. Market segmentation is a positive force for both marketers and consumers alike.

When segmentation is based on personality or lifestyle characteristics, it is called psychographic segmentation.

Consumer lifestyles can have important implications for market segmentation, communication and new product ideas. For example, day care centres, household cleaning services, foods ready for microwave oven, tiffin services or fast foods will obviously appeal more to consumers whose lifestyle demands convenience and saving time, such as dual-career couples and working women.

**PSYCHOGRAPHICS SEGMENTATION**

When segmentation is based on personality or lifestyle characteristics, it is called psychographic segmentation. Consumers have a certain self-image and this describes their personality. There are people who are ambitious, confident, aggressive, impulsive, conservative, modern, gregarious, loners, extrovert, or introvert etc. Some motorcyc<sup>le</sup> manufacturers segment the market on the basis of personality variables such as macho image, independent and impulsive. Some producers of liquor, cigarettes and apparel etc. segment the market on the basis of personality and self-image. Marketers, often are not concerned about measuring how many people have the characteristics as they assume that substantial number of consumers in the market either have the characteristics or want to have it.

**Q-47- What is "LIFESTTYLE"?**

**Ans-47-** It is an indicator of how people live and s end their time and money. What people do in their spare time is often a good indicator of their lifestyle. For example, John L Lastovicka, John P Murray, Erich A Joachimsthaler, Gaurav Bhalla and Jim Sheurich in their study identified two lifestyle segments that were most likely to drink and drive: good timers and problem kids. Good timers are partygoers, macho and high on sensation seeking. Problem Kids frequently display troublesome behaviours. According to Morris B Holbrook, people who have an affinity for nostalgia, or the desire for old things, also represent a lifestyle segment and can be a key market for old movies, antiques and books. Surfing on the Internet has also created a new type of lifestyle.

Consumers in different countries and cultures may have characteristic lifestyles. For example, Indian women are home focused, less likely to visit restaurants, more price sensitive, spend time preparing meals at home and fond of movies.

Consumer lifestyles can have important implications for market segmentation, communication and new product ideas. For example, day care centres, household cleaning services, foods ready for microwave oven, Tiffin services or fast foods will obviously appeal more to consumers whose lifestyle demands convenience and saving time, such as dual-career couples and working women.

Lifestyle analysis provides a broad view of consumers because it segments the markets on the basis of their activities (how they spend their time), interests (the importance of things in their surroundings) and their opinions (their beliefs on broad issues and themselves).

Lifestyle segmentation is particularly useful in case of product categories where the users' self-image is considered as an important factor, such as perfumes, beer, jewellery and other ego-intensive products.

## UNIT-4

### Q-48- When do groups exert influence?

**Ans-48-** Research shows that in adapting to group norms, individuals not only subscribe to the values established by family, peer group, or organisation, but they also use group norms to define themselves. The fact is that individuals develop their self-concept on how they think others see them. This means that reference groups provide the points of comparison by which individuals evaluate their own attitudes and behaviour.

The group influence on an individual's buying behaviour depends on three factors:

1)      Attitude toward the group

2)      The nature of the group

3)      The nature of the product.

1)      Attitude towards the Group: According to William O Bearden and Richard L Rose, an individual's susceptibility to group influence varies widely. The buying behaviour of a consumer is more likely to be influenced by the group if the individual

=> views the reference group as a credible source of information about the product or service.

=> values the views and reactions of group members with regard to buying decisions.

=> accepts the rewards and sanctions allotted out by the group for proper or improper be behaviour.

2) Nature of the Group: James H Leigh and Terrance G Gabel note that reference groups are more likely to influence a group member's behaviour if they are:

=> Cohesive, that is having similar values and norms.

=> Frequently interacting and thus creating more opportunities to influence members.

=> Distinctive and exclusive, that is, the membership in the group is highly regarded.

3) Nature of the Product: The nature of the product also determines the degree of influence a group has on an individual. Groups are more likely to be influential for products which are:

(a) Visible such as clothing and

(b) Exclusive that might speak of status such as a Mercedes.

**Q-49- What are the different types of reference groups?Discuss**

**Ans-49-** Reference groups furnish points of comparison by which one can evaluate attitudes and behaviour. An individual can be a member of a reference group such as the family and would be said to be part of a membership group. This same individual may aspire to belong to a cricket club and would be said to be a part of an aspiration group. A disclaimant group is one to which an individual may belong to or join and then reject the group's values. An individual may also regard the membership in a specific group as something ᵘndesirable and to be avoided. Such a group is a dissociative group.

Membership groups and aspiration groups are viewed positively; disclaimant and dissociative groups are viewed negatively. Marketers advertise to appeal to the desire to be part of a group and very rarely appeal to the desire to avoid or disclaim a group. Even ad appeals used to encourage non-conformity are made on a positive note to being different from everyone else. Marketers tend to focus on membership and aspiration groups

a)       Membership Groups- Positive reference group are important & are classified as primary or secondary and formal or informal. If a person maintains regular contacts with family members, friends & business associates, all those individuals constitute a primary group. People who meet less frequently such as those who meet during morning walk or club members, constitute a person's secondary groups. From the marketer's. Point of view, primary groups are more important because they influence consumer's product beliefs, tastes and preferences have a more direct effect on buying behaviour. Research supports the view that members of primary groups are more likely to buy the same brands.

Groups can also be divided on the basis whether they have a formal structure such as a president, executive and secretary etc. in a hierarchical order with specific roles. The structure of an informal group is loosely defined. For example. When three individuals become friends while pursuing a course on computer applications and on every last Saturday of each month meet for dinner, then it would be considered an informal group.

⇨       Primary Informal Groups: The family and peer groups are primary informal groups. They are by far the most important because of the closeness and contact frequency between the individual and other group members. This provides for a more conducive environment for the exchange of information and influence about consumption-related topics. As a result of this, advertisers frequently show consumption among friends and family.

⇨       Primary Formal Groups: Primary Formal Groups are those that have a more formal structure and with which the consumer comes in contact less frequently than primary informal groups. Business groups that come together to work on a daily basis are examples of _primary formal groups. Advertisers use such group settings as a means of winning product approval.

⇨       Secondary Informal Groups: Such groups have no formal structure and meet once in a while. Examples are women's kitty parties, or sports groups that get together infrequently. When an individual goes shopping in a group of three or more consumers there is more likelihood that

she/he will purchase more than originally planned because such groups often directly influence purchases.

⇨ Secondary Formal Groups: Secondary formal groups are not really important to marketers because they are structured, meet only infrequently and are not cohesive. The examples are teachers associations, or retailers association.

b) Aspiration Groups

Non-membership group with a positive attraction, are called aspiration groups and exert a strong influence. Two types of such groups are anticipatory aspiration groups and symbolic aspiration groups. Individuals frequently purchase products that they believe are used by a desired group in order to achieve actual or symbolic membership in the group.

⇨ Anticipatory Aspiration Groups: These are groups that an individual anticipates to join at some future time. The individual, generally, has some direct contact with such group's .For instance the individual may wish to join a group higher in the organisational hierarchy. The individual's aspiration is more likely to be an outcome of anticipated rewards that go with higher position in an organisation such as power, status, prestige, money and other perks. Marketers appeal to the desire of individuals to increase their position by moving to a higher aspiration group and frequently advertise clothing, autos, liquors and other products within the context of business success and prestige.

A good example of a direct appeal to aspiration group norms within the organisation is the ad for Johnnie Walker. The ad appeal focuses on anticipation of ultimately reaching the top in the business organisation.

⇨ Symbolic Aspiration Groups: The individual admires these groups but is unlikely to join them despite acceptance of the group's beliefs and attitudes. In a study and Linda L Price found that individuals establish a vicarious connection with such a group by purchasing a product associated to the aspiration group. For example, a tennis fan may buy a Nike sports jacket and shoes because many tennis stars wear these. It is important for such an influence that the product is visually obvious. Marketers use certain celebrities to advertise the product and thereby appeal to the symbolic aspirations of consumers.

## Q-50 Discuss the nature of reference groups

**Ans-50-** Reference groups establish certain norms, roles, status, socialisation and power. These characteristics exert their influence on consumers.

⇨ 'Norms' are generally defined rules and standards of behaviours that the group establishes. Group members are expected to conform to these norms which may be with regard to the appropriateness of clothes, shoes, eating habits, or brands of cosmetics etc. For informal groups, norms are generally unwritten but are, nevertheless, usually quite well understood. Behaviour deviation from the norms can result in sanctions.

⇨ 'Values' are shared beliefs among group members regarding what behaviours are appropriate or inappropriate. Cultures and subcultures largely define the values, however, they do vary significantly by family and peer groups, for example, one family might place more value on material possessions and another on personal achievements independent of material possessions.

⇨ 'Roles' refer to functions that an individual assumes or that the group assigns to her/him to accomplish group objectives. For example, in a group buying behaviour such as a family, marketers can identify specific roles that individuals assume. The roles might be of initiator, influencer, decider, buyer and user. In case of an organisation, the role of gatekeeper is very important because this individual has the most control over the flow of information.

⇨ "Status' is the achieved or ascribed position that the individual occupies within the group's hierarchy. As one may expect, greater power and influence goes with higher status. For instance, the executive vice president in an organisation has a higher status than the sales manager. The vice president will most likely have a large, well-furnished office symbolising her/his status. In a typical Indian family, the head of the family has more status than an one else. Consumer purchases of products or services sometimes demonstrate status to match the wealth and implied superiority. Elegant dresses, expensive watches and cars etc. are considered symbols of status in man cultures.

⇨ 'Socialisation' refers to the process by which new members learn the group's system of values, norms and expected behaviour patterns. When an individual leaves one job and joins another organisation, she/he must learn the informal rules and expectations from the work groups, besides the formal rules and expectations.

⇨ A group's influence on its members' behaviour is closely related to its 'power'. There are various sources of power but four seem to be particularly relevant in the context of consumer behaviour.

**'Reward power'** refers to the group's ability to reward the individual. The strength of reward power increases with the size of the rewards as perceived by the individual. The family can reward the child with approval and praise; business organisation can reward its employees with promotion, money and status. The purchase of clothes or shoes etc. by an individual can be rewarded by compliments from a relevant group member and can reinforce the consumer's choice.

**'Coercive power'** relates to the power of the group to use disapproval, withholding rewards, or even punishing the individual. The greater the importance of the group, the greater is its power: Parents can punish the child; organisations have the power to terminate the services of an individual and social groups can exclude individuals for seriously deviant behaviour.

**'Expert power'** influences the results from the experience, expertise and knowledge of the individual or rou . Consumers regularly accept influence from friends they perceive as being more knowledgeable and experienced and make purchases on their recommendations. A salesperson may also be viewed as an expert source on the company's product.

**'Referent power'** flows from the feeling of identification that the individual has with the members of the group. The greater the similarity of beliefs and attitudes between the individual and the group members, the greater the referent power of the group.

## Q-51- What are the reference group influences on consumers? Discuss.

**Ans-51-** Reference groups have been found to exert influence on a wide range of consumption behaviour. Research indicates that groups exert informational influence, comparative influence and normative influence.

a)    Informational Influence- Reference groups and other influence sources can exert informational influence b offering information to help make decisions. For example, chat-groups on the Internet often provide Information on subjects such as Internet travel sites. This type of influence occurs when a consumer accepts information as credible from a reference group member and believes that the information will enhance about product choice. Informational influence is important because. it can affect how much time and effort consumers devote to information search and decision making. Consumers who can get reliable information from others may easily be reluctant to engage in time intensive information search when making purchase decisions. Although informational influence can reduce time devoted to information search, it is sometimes important for marketers to increase the likelihood that consumers engage in information search. If a product or service is new and superior, few consumers are likely to know about its benefits. Thus, ad campaigns that enhance product awareness and encourage consumers to compare products may be necessary.

Informational influence is based on either the similarity of the group's members to the individual or the expertise of the influencing group member. For instance, an individual may notice several members of a given group using a particular brand of sports shoes. She/he may then take it as evidence that it. is a good brand and decide to buy it. Or, one may decide to buy a particular brand and model of inkjet printer because a friend who is very knowledgeable about printers owns or recommends it. In these instances, the conformity is the result of information shared by the group members.

Consumers are more inclined to seek expert advice from personal sources such as friends or neighbours rather than market controlled sources such as advertising or sales personnel because they believe personal sources are more trustworthy. Consumers may view advertising claims with suspicion because the ads convey marketer-controlled information about the product.

b)       Comparative Influence - Consumers tend to constantly compare their attitudes with reference to those of members of important groups. They serve as a benchmark and the individual's urge is to seek support to her/his attitudes and behaviour. To accomplish this, individuals are inclined to associate with group's with which they agree and stay away from groups with which they disagree. As a result of this, the process of comparing oneself to other members of the group and evaluating whether the group would be supportive becomes the basis for comparative influence.

c)       Normative Influence - There is a fine residential educational institution for women in Rajasthan, Banasthali Vidyapith, having the status of deemed university. Teachers, students and other staff members are required to wear only Khadi and remain vegetarian. Although many students or teachers may love non-vegetarian dishes and prefer wearing dresses not made from Khadi, they have to conform to expected code of conduct on the campus.

Robert J Fisher and D Ackerman note that normative influence, also called utilitarian influence, refers to social pressure designed to encourage conformity to the expectations of others to gain

a direct reward or to avoid any sanctions. Consider, for example, the type of clothes, music, or shoes etc. you buy, or for that matter hairstyle you adopt and compare with your friends. Chances are you and your friends have made similar choices.

Normative influence can also affect conformity which is the tendency for an individual to behave as the group behaves. Research shows that conformity and brand-choice seem to be related, though brand-choice congruence may not be the only way to express conformity. An individual may also conform by performing the activities that the group wants the member to perform. For instance, the

individual's actions at a party might be influenced by whether the companions are parents or her/his friends. In each case, the individual is conforming to a different set of expectations regarding appropriate behaviour. Interestingly, conformity varies by culture. For example, Indian as well as other Eastern cultures seem to be more group oriented and individuals are more likely to go with group desires.

**Q-52- Discuss the relative importance of Informational, Comparative and Normative influence**

**Ans-52-** All three components influence consumer behaviour, however, the importance of influence may be a function of the type of product that is being evaluated. Product Characteristics-Consumers tend to be susceptible to informational influence when products are technologically complex such as computers and peripherals, autos, air conditioners and washing machine etc., or products that require objective evaluation for selection such as insurance policies, or tax saving schemes which are more likely to be subject to informational influences. Susceptibility to informational influence is also high when product or service purchase is perceived as risky, or when brands are very different from one another. Products that are viewed as a means of self-expression and identity, or consumed in public such as paintings, music, jewellery, clothing, watches etc. are most likely h candidates for comparative as well as normative influence.

Researchers have hypothesised that reference groups can influence two types of decisions

 (1) Whether we buy a product within a given product category and (2) what brand we buy. The influence would also depend on whether the product is typically consumed in private or public and whether it is a necessity or luxury.

One prediction can be that because we must buy items of necessity, reference groups are likely to have little influence on what we buy. They might, however, exert some influence in case of luxury items. For example, the group will probably not influence whether a member buys Colgate toothpaste or Aqua fresh. But the group might influence the purchase of products such as a brand of latest mobile phone, or watch. The reason is that luxury products communicate status that may be valued by group members. Besides, luxury items may also communicate our special interests and values and thus who we are and with whom we associate.

Another prediction is that products consumed in public give others the opportunity to observe which brand we have bought. On the other hand, few people see which brands we buy and consume in private. Different brand images communicate different meanings to people and because of this, reference groups are likely to exert considerable influence on the brand we buy when the product is consumed in public but not when it is privately consumed. Another aspect is that it would be difficult for groups to develop norms and use sanctions for violating them when the product is consumed in private. But a publicly consumed product provides opportunities for sanctions. The conclusion one may draw is that reference groups influence product category choice for luxuries but not necessities and influence brand choice for products consumed in public but not those consumed in private.

a) Consumer Characteristics - Some consumer personalities are such that they make them readily susceptible to influence by others. Several consumer researchers have developed the scale of "susceptibility to interpersonal influence." Those susceptible to interpersonal influence seek to enhance their self-image by possessing products that they believe others will approve of. These are the individuals who are also willing to conform to expectations of others regarding which products and brands to purchase.

A personality characteristic referred to as "attention to social comparison information" (ATSCI) is also related to normative influence. Those individuals who are high on this personality trait are likely to pay a great deal of attention to what others do and use this information as a guide to their own behaviour.

Strong ties between individuals also affect the degree of influence. As a consequence of strong ties, individuals, presumably, want to maintain their relationship with group members and are inclined to accept group norms.

Research findings suggest that in general, informational influence produces more shifts in beliefs than does normative influence.

### Q-53 – Discuss about applications of reference group influences

**Ans-53-** Marketers employ informational, comparative and normative group influences to develop marketing communication strategies.

Advertising often makes use of informational influence through expert spokespersons who communicate information about product features and performance. One approach employed is to use a character posing as an expert, such as a doctor for commonly used remedies, or the engineer for technical products. Another approach is to use a real celebrity who has expertise in the product area, such as Andre Agassi in Nike tennis apparel. Consumers are likely to believe a testimonial from Agassi for the product category as credible.

Research findings suggest that advertisers should place more emphasis on the group as a source of information and ads should picture typical consumers mentioning their experiences and furnishing information about important product attributes. This type of approach changes the emphasis from conformity to information. A significant point is that consumers are more likely to identify with "typical" consumers than models used to depict group influence, as it tends to decrease the counterarguments about advertising claims.

Marketers frequently use normative influence approach by showing group approval in ads for a particular brand. Commercials of Orient PSPO, Coca Cola, Pepsi, Taj Mahal tea, brands of paints, clothing and personal care products etc. are examples of advertising's simulation of social approval. Typically, the ad shows an individual who is important to the consumer such as spouse, friend, neighbour, or business associate etc. and expresses approval or praise of the consumer's choice.

Normative influence is also exerted through fear appeals that attempt to show the potential results of not using the product. Colgate's Suraksha Chakra ad, advertisements of pimple remedies, anti-dandruff shampoos, deodorants and several other products use this approach. Such ads emphasise that the use of product changes disapproval to approval or may even enhance the user's

attractiveness.

Celebrities are best used as experts when consumers view them as knowledgeable about the product category and conveying legitimacy in their message. Consumers see high-ranked tennis stars as effective spokespersons for different brands of tennis rackets. Celebrities are used as referents when they are likeable and attractive and with whom many consumers would like to identify. The product has to be one that can be identified with the celebrity as a referent.

When advertisers disregard these principles that experts must communicate knowledge and legitimacy and must be likeable and attractive, they get into trouble. Sometimes referent spokespersons lose their appeal because their involvement in some kind of Scandal becomes widely known as happened with some cricket stars found guilty of match fixing.

## Q-54- Discuss about different types of innovations

**Ans-54-** A continuous innovation is one that has a limited influence on consumption behaviour of consumers. Consumers would use a product representing continuous innovation in much the same way they used products that came before it. Product alteration is on a continuous basis. Adoption of such products requires minor changes in behaviour that are unimportant to consumers. Most of the new products that are introduced in the market represent continuous innovations such as newer models of computers and autos etc.

A dynamically continuous innovation is one that affects consumers' consumption behaviour in a pronounced way. Adoption requires a moderate change in an important behaviour or a major change in an area of behaviour that is of low or moderate importance to the individual. The examples include Internet shopping, digital camera, notebook computers ,electric cars and cordless phones. Real Jukebox is a dynamically continuous innovation because it requires changes in the way we acquire, use and dispose of music and may utilise other technologies such as CD and DVD writers.

A discontinuous innovation represents a product so new that consumers have never known anything like it before. According to Peter Waldman ("Great Idea. If It Flies," Wall Street Journal, June 24, 1999), a former aeronautics professor has introduced a product called "skycar," which is a machine that flies through the air in the same manner as cars do in cartoon shows on TV. The "skycar" uses the principle of VTL (vertical take-off and landing) and is capable of flying at speeds of up to 300 miles per hour. Products such as electric bulbs, aeroplanes, computers, television, photocopying machines, inkjet and laser printers, heart transplant and MRI scanning etc. were all, at one time, discontinuous innovations. Such innovations herald radical changes in an area of consumer behaviour which has significant importance to the individual consumer.

Innovations can also be categorised by the benefits that products or services offer. Some services, attributes, or ideas are functional innovation because they provide functional performance benefits to consumers over existing alternatives. For example computer notebooks offer portability over stationary computers. Functional innovations often take advantage of new technology. For example technological advances have offered consumers the advantage of downloading images from the Internet and conducting video conferencing via their cellular phones.

## Q-55- Discuss about the breadth of innovation

**Ans** Breadth of innovation describes the new and different uses to which a product is put. For example, baking soda has been used as a baking ingredient, a tooth polisher, a carpet deodoriser and a refrigerator deodoriser. Teflon is a product which was originally designed to prevent things from sticking to cookware. Subsequently its thin tapes have been used in plumbing to prevent leakage from joints. Teflon is also used in men's suits. Nylon gas been put to several different uses such as producing clothing, diving suits, balloons, parachutes, ropes, fishing lines. masts and many others .

## Q-56- Discuss about the DIFFUSION PROCESS

**Ans-** The diffusion process is the manner in which innovations spread over time to other consumers through communication across a market. Diffusion research traces the penetration and acceptance of an innovation across its life cycle. A new product's phases of life cycle start from introduction and progress up to its decline in a typical case. With this progression, there are associated categories of adopters by the time of adoption.

The diffusion process identifies innovators in the introductory phase of life cycle; there are early adopters during growth period, the early majority and late majority adopts the product in its maturity period and laggards (late adopters) are the last to adopt the product. These life cycle phases are important because they are linked to different marketing strategies during the product life cycle. During the introductory phase, the marketer's objectives are related to establishing distribution, building brand awareness among members of the target market and encouraging trial to begin the diffusion process. As the product gains some acceptance, the marketer can define its early adopters. It now tries to strengthen its foothold in the market by shifting from the objective of creating brand awareness to one of broadening product appeals and increasing product availability by increasing its distribution.

As the brand matures, competition intensity gradually increases and sales begin to level off• The marketer starts emphasising price appeals, starts sales promotions and may consider modifying the product to gain competitive advantage. Majority of the adopters the market at this stage largely because of the influence of early adopters. The that has already gone through the process of product adoption does not rely much oin mass media anymore for information


## Q-57- Discuss about the Time Factor & Diffusion Process

**Ans-57-** Time is an important component of diffusion theory and concerns the time of adoption of an innovation by consumers considering whether consumers; arc earlier or later adopters and the rate of diffusion that is, the speed and strength with which individuals and groups adopt the innovation.

Time of Adoption: Everett M Rogers examined more than 500 studies on diffusion and concluded that there are five categories of adopters classified by time of adoption:
1)      Innovators
2)      Early adopters
3)      The early majority
4)      The late majority
5)      Laggards


1.      Innovators constitute, on an average the first 2.5 per cent of all those consumers who adopt the new product and are technology enthusiasts. They seem to have an eagerness bordering almost an obsession to try new venturesome and risk takers and willing to live with bugs and deficiencies.  Innovators tend to be younger, better educated, have higher incomes, are cosmopolitan and active outside of their community than non-innovators. They also tend to be less

reliant on group norms, use other innovators rather than local peers as a sources in learning of new products. reference group, are more self-confident and make more extensive use
of commercial media sales personnel and professional

2.      Early adopters tend to be opinion leaders in local reference groups and represent, on an average, the next 13.5 per cent who adopt the new product. They admire a technologically new product not so much for its features as for its abilities to create a revolutionary breakthrough in the way things are normally accomplished. Though they are not among the earliest individuals to adopt the product, yet they adopt the product in the early stage of its life cycle. They are successful, well-educated and somewhat younger than their peers. They tend to be more reliant on group norms and values than innovators and are also more oriented to the local community rather than having a cosmopolitan look. They are willing to take a calculated risk on an innovation but are concerned with failure. Early adopters also use commercial, professional and interpersonal information sources. Since they tend to be opinion leaders, they are likely to transmit word-of-mouth influence and, due to this reason, they are probably the most important group in determining the success or otherwise of the new product.

3.      The early majority tend to be deliberate and cautious with respect to innovations and represent 34.0 per cent. They look for innovations that offer incremental, predictable improvements of an existing technology. They adopt innovations earlier than most of their social group but only after the innovation is viewed successful with others. They tend to collect more information and evaluate more brands than in the case with early adopters & therefore the process adoption takes longer. They are socially active & somewhat older, less well educated & less socially mobile than early adopters & are seldom leaders. They rely heavily on interpersonal sources of information & are important link in the process of diffusing new ideas because of their position between earlier & later adopters.

4 The late majority (34.0 per cent) are somewhat sceptical about innovations. They are conservative, wary of progress, rely on tradition and generally adopt innovations in response to group norms and social pressure, or due to decreased availability Of the previous product rather than positive evaluation of the innovation. They tend to be older, with below average income and education and have less social status and mobility than those who adopt earlier. In many developing countries, consumers who are just now learning to use the Internet are late majority consumers. They tend to place high value on bundled products that include everything they need to connect to the Internet.

5 Laggards represent the last 16.0 per cent of adopters. Like innovators they are the least inclined to rely on the gypsy's norms. Laggards are tradition bound, tend to be dogmatic and make decisions in terms of the past. By the time they adopt an innovation, it is old and has been superseded by something else. They tend to be suspicious of new products and alienated from a technologically progressing society and adopt innovations with reluctance.

## Q-58- Discuss about the CULTURAL CONTEXT AND DIFFUSION OF INNOVATION

**Ans-58-** Culture may have an important influence on the diffusion of innovation. Two concepts are worth considering in this regard: cultural context and cultural homogeneity.

Low-context cultures are those that rely primarily on verbal and written communication in transmitting meaning. They place more value on individual initiative and rely more on mass media for communication. The concept of heterophilous groups can be applied to low-context cultures which are more disparate with wider differences among groups. United States and Western Europe would be described as low-context/heterophilous cultures.

High-context cultures rely primarily on non-verbal communication, with little difference in norms, values and socio-economic status among groups. The emphasis on non-verbal communication means that such cultures will place more value on interpersonal contacts and associations. In high-context cultures more value is placed on group than on the individual and the emphasis is on subscribing to the norms and long-standing rituals of society. Most of the Far Eastern countries would qualify as high-context/homophilous cultures.

One would expect the rate of diffusion to be rapid in high-context/homophilous cultures because of their uniformity, leading to relative ease of transmitting information from one dissimilar group to another. Another important aspect is that the credibility of information on new products, services, or ideas is higher because the source is more likely to be friends or relatives rather than commercial mass media.

Hirokazu Takada and Dipak Jain conducted a study to compare the rate of diffusion of calculators, washing machines and air conditioners in Japan, South Korea and Taiwan (considered as high-context cultures) and United States (considered low-context culture). They reported that in most cases the rate of adoption was faster in all the three high context cultures than it was in the United States.

is the case with early adopters and, therefore, the process of adoption takes longer. They tend to be price sensitive and like to see competitors enter the market. They are socially active, somewhat older, less well educated and less socially mobile than early adopters and are seldom leaders. They rely heavily on interpersonal sources of information and are an important link in the process of diffusing new ideas because of their position between earlier and later adopters.

## Q-59- What is WORD-OF-MOUTH COMMUNICATIONS? Discuss

**Ans-59-** Word-of-mouth is interpersonal communication that takes place between two or more individuals such as members of a family or reference group. All of these people exert an influence on the consumers' purchase behaviour through such communications. The saying "a satisfied customer is your best sales person" shows the importance of favourable word-of-mouth to the marketer, because satisfied customers influence relatives and friends to buy the product. Paul M Herr, Frank R Kardes and John Kim have reported that individuals sharing information with other individuals are a critical influence on consumer decisions and business success. Most commonly, consumers seek information or advice [f]or high involvement products or services. Consumers learn about new products or service and retail outlets etc., from family members, friends and other reference groups in two ways:

1.      By observing or participating with them as they consume a product or service.

2.      By asking for information or advice about a product or service from them.

Cultural values determine the importance of word-of-mouth. In cultures that put more value on group cohesion and adherence of group norms, communications from group members will have more influence. In many Eastern cultures such as India, China, Japan and others, adherence to group norms is ingrained from early childhood. As a result of this, word-of-mouth is an even more important influence in these countries than it is in some Western countries.

Conditions for Word-of-mouth Communication

Research study by Herr, Kardes and Kim has shown that word-of-mouth is not the dominant influence in each situation. For example, they found that word-of-mouth is not important in the evaluation of an automobile if (1) consumers already have strong impression of the product and/or (2) negative information about the product is available. This shows that if consumers have strong brand loyalties, word-of-mouth communication is unlikely to change their attitudes and (3) word-of-mouth is unlikely to change consumers' attitudes when they have doubts about a product because of credible negative information.

Word-of-mouth is more important when:

=> The product is visible and, thus, purchase behaviour becomes obvious.

=> The product is distinctive and reflects a particular style, taste and other personal norms.

=> The product is new and consumers have not established impressions and attitudes about it.

=> The product conforms to important group norms and belief system such as reactions to a new soft drink, or teenagers' reactions to pop and rock music.

=> It is a high-involvement purchase decision and word-of-mouth is likely to influence others.

=> Consumers perceive the purchase of the product as risky and, due to this reason, are more likely to discuss about it and seek information and advice from friends and relatives.

**Q-60- What is Opinion Leadership? Discuss**

**Ans -** Opinion leaders are those people who, in a given situation, are able to exert personal influence. They are the ones most likely to influence others through word-of-mouth communication because others seek advice and information from them.

Opinion leaders can informally influence the behaviour of consumers towards products or services, either positively or negatively. If they are satisfied with a product and like it, their word-of-mouth communication can be helpful in ensuring its success; their dissatisfaction and dislike can exert more influence in its failure.

In a marketing context, opinion leadership is important and is found at all levels in society. Consumers tend to be influenced by those with whom they identify. Opinion leaders are present at each status level and in every group. However, personal influence seems to be more functional at higher income and status levels.

Characteristics of Opinion Leaders

Much research has been conducted to identify traits of opinion leaders but so far the research is inconclusive. Despite difficulties in identifying opinion leaders, some general traits have been identified.

● The most salient characteristic of opinion leaders is their greater long-term involvement with the product category compared to non-opinion leaders in the group. This trait is referred to as enduring involvement and according to G M Rose, L R Kahle and A Shoham, it leads to enhanced knowledge about the product and experience with the product category or activity. This enhanced knowledge and experience makes opinion leadership possible. Thus, opinion leadership tends to be product or service specific.

● Opinion leadership functions primarily through interpersonal communications and observations. These activities occur most frequently among individuals with roughly the same social-class position as non-leaders but opinion leaders are likely to be viewed as having higher status in their social-class. It is important to note the significant role family members play in opinion leadership. D F Duhan, S D Johnson, J B Wilcox and G D Harrell found that family members and close friends are particularly important sources of information regarding decisions for which the consumer has limited prior knowledge.

● Opinion leaders tend to be more gregarious and are willing to act differently ev$^{en}$ if it attracts the attention of peers. Their exposure to mass media, relevant to their interest, is greater. For example, opinion leaders to ladies fashions could be expected to have greater exposure to magazines such as Femina, Vogue and Women's Era etc. Exposure to interest relevant mass media helps enhance their potential as opinion leader

## UNIT-5

### Q-61- Discuss about the FAMILY LIFE CYCLE STAGES

**Ans-61-**The concept of household or family life cycle is important for marketers in segmenting the market. In 1966, William Wells and George Gubar proposed eight stages to describe the family life cycle ("Life Cycle Concept in Marketing Research," Journal of marketing Research, November 1966). The following life cycle stages are typical of families:

1) Bachelor stage: Young, single persons under the age of 35 years. Incomes are generally low since they have started careers, but they may have few financial burdens and sufficient discretionary income.

2) Newly married: Young couples, no children. If both spouses are employed, they will have high levels of discretionary income.

3) Full nest I: Young married couples with youngest child under 6 years of age. There would be greater squeeze on income because of increased expenses on childcare. However, if they are members of a joint family, the level of discretionary income is likely to be high.

4) Full nest Il: Young married couples with children from 6 years to 12 years of age. Better financial position because income of both parents is rising. Children spend more hours outside their parents' influence.

5) Full nest Ill: Older married couples with dependent teenage children living at home. Financial position of the family continues to improve. There are increasing costs of college education for children.

6) Empty nest I: Older married couples with no children living with them, parents still employed. Reduced expenses result in greater savings and highest discretionary Income.

7) Empty nest Il: Older married couples with no children living with them and parents retired. Drop in income and couple relies on savings and fixed income from retirement benefits.

8) Solitary survivor I: Older single persons with low income and increasing medical needs (widow or widower).

## Q-62- Discuss the nature of household or family purchases

**Ans-62-** Much depends on income limitations coupled with family responsibilities. These two factors influence many of the buying decisions of families. As already pointed out, young bachelors as well as newly married young couples (assuming that both are employed) are quite likely to have significant discretionary income. Young bachelors are more likely to spend money on clothes and entertainment etc., while newly married couples will spend more on furnishings, time-saving home appliances, TV and music system etc. as they are establishing their new household. The pattern of purchases will change when they are blessed with children, wife may leave her job and their level of discretionary income will fall. During the next two stages (Full Nest Il and Full Nest Ill), the household financial position improves because husband draws a higher salary and wife returns to work, the children and teens are in school and consumption patterns are heavily influenced by the requirements of children. The family replaces many household items and also buys new appliances.

During the stage of Empty Nest, the discretionary income of parents increases and they can afford to spend money on themselves such as luxury items and travel etc. In the later stages of Empty Nest and Solitary Survivor, parents are retired resulting in decreased income and increasing expenditures on medical bills. In case of non-traditional family lifecycle sequences, single parents are more likely to be females. In general, divorced women face significant decrease in their financial resources and this influences their buying patterns. Single parents are compelled to spend much less time with children and are likely to spend more money on day-care services for children and toys.

## Q-63- Discuss the nature of family decision making

**Ans-63-** When two or more family members are directly or indirectly involved in the decision making process, it is called family decision making. Such family decisions differ from individual decisions in many ways. For example, if we consider the purchase of a bicycle for a child, some of the relevant aspects to think about can be: who recognises the need for bicycle? How a brand is selected? What role the concerned child plays?

Some family purchases are inherently emotional and affect the relationships between family members. The decision to buy a new dress, a toy, or a bicycle for the child is more than simply a routine purchase. It often might be an expression of love and commitment to the child. The decision to buy a new stereo system or television set has emotional meaning to others in the family. The root cause of many marital discords is often related to spending the money.

## Q-64- What is Husband-wife influences?

**Ans-64-** Gender role preferences reflect culturally determined attitudes toward the role of husband/ wife and father/mother in the household. The relative influence of husband/wife or father/ mother is likely to vary according to (l) the nature of product (2) nature of purchase influence and (3) family characteristics.

### Nature of Product

Traditionally, among different societies throughout the world, husbands are regarded as providers of material support and leadership authority within the family and wife is more likely to provide affection and moral support. Husbands are viewed as dominant decision makers for products such as financial services and automobiles etc., while wives are regarded as decision makers for foods, toiletries and small appliances etc. However, these roles have merged as an increasing number of wives have started going into employment and changes in family norms, particularly in urban areas.

Harry L Davis and Benny P Rigaux undertook a detailed study of husband/wife influences by product category and classified products into four categories:

1.  Products for which the influence of husband tends to dominate the decision making. Such products include hardware, sports equipment, financial services and men's shaving products etc.

2.  Products for which the influence of wife tends to dominate the decision making. Examples of such products are women's clothing, toiletries, groceries, kitchenware and child clothing etc.

3.  Products for which decisions are made by either the husband or the wife (autonomous decisions). These products may include women's jewellery, toys and games, cameras and men's casual clothing etc.

4.  Products for which husband and wife make joint decisions. Examples of such products are refrigerators, furniture, TV sets, carpets, financial planning and family car etc. Earlier,    the decisions about these products were viewed as relatively more husband dominated; however, joint decision making now reflects a greater influence of working wives.

These findings have several important implications for marketers. If a product is husband or wife-dominant, or falls in a category where joint decision making is more likely, or the product is in autonomous category, then the ad messages and media selection have to be tailored accordingly. The differences may require separate ad campaigns to appeal to [h]usband, wife, or both. Trying to develop just a single campaign to appeal to both spouses may not prove to be as effective.

### Nature of Purchase Influence

The differentiation of roles is believed to result from small group interaction. Leaders chat emerge c it3e,-instremental roles or expressive roles. Leaders taking up instrumental roles are concerned with tasks that help the group take decisions about its basic purpose or goal (also called functional or task leaders). For example, decisions on budgets, timing and product specifications would be task-oriented. Leaders with expressive roles facilitate expression of group norms and provide the group with social and emotional support in order to maintain intra-group cohesion such as design, colour and style, reflect group norms.

Historically, the instrumental role within the family has typically been associated with husband and expressive role with wife. Thus, men tend to be task-oriented leaders while women lead in

social-emotional behaviour. Husbands tend to be more concerned with functional product attributes and are inclined to exert more influence on the purchase decision. The wife is more concerned with the aesthetic aspects of products and suggesting the purchase.

## Family Characteristics

The third reason for variation in relative influence of husband/wife relates to family characteristics. Though husband and wife tend to dominate decisions for certain product categories, the degree of their dominance may vary within different families. In case of patriarchal families (father is considered the dominant member), husband dominates decisions irrespective of the product category under purchase consideration. In matriarchal families (mother is the dominant member), wife plays the dominant role and tends to make most of the decisions.

Research shows that the influence of husband will generally be more in making purchase decisions than wife when:

1.      Husband's level of education is higher than his wife

2.      Husband's income and occupational status are higher than wife's

3.      His wife is not employed

4.      The couple is young and at an earlier stage of family life cycle

5.      If the couple has a greater than average number of children.

In case these conditions favour the wife, that is, she is more educated, is employed with higher income and status etc., then the opposite would be true. The husband-dominant family profile indicates a typical conservative family with traditional values and attitudes toward the roles of father and mother. In families where women are less educated and unemployed and husband has higher income giving him financial power, generally the family would be conservative and more traditional values prevail.

Increasing levels of education among women, emphasis on equal opportunities and entry of more and more women in jobs is having an impact on shifts in husband/wife roles. Products and services, which were mostly considered the exclusive domain of male family heads are now being advertised for house ladies. Marketers are increasingly targeting wives for their instrumental roles in family decision making. The current trends shift in husband/wife roles in family decision making will become widespread in times to come.

## Q-65- What is Parent - Child influences?

**Ans- 65-** Children are playing an increasingly important pan in family decision making. No sooner do they possess the basic communication skills needed to interact with parents and other family members, they start their "I want this campaign." In the context of consumer behaviour, parent-child relationship is viewed as a situation of influence and yield. Children strive to influence parents to buy something and parents yield to their demand.

Older children with greater media exposure are more likely to directly influence decisions concerning purchase of food items, personal care and beauty products, TV, stereo and computer

etc. Dual-income households foster greater self-reliance among children. As a result of this, they are likely to influence decisions for products that the whole family consumes.

It is generally believed that children rely more on parents for norms and values as long as they are younger and, subsequently, on their peer group as they grow older.

## Consumer Socialisation of Children

The family provides the basic framework in which consumer socialisation takes place. Television may also be instrumental in exerting persuasive influence on what children see and how they react to certain brands. Scott Ward has defined consumer socialisa as the process by which young people acquire skills, knowledge and attitudes relevant to their functioning as consumers in the marketplace. Learning is a lifelong process and includes acquisition of consumption-related knowledge as well. The quantity and nature of what children learn before they are about 18 years of age is important.

Consumer learning can be usefully categorised as directly relevant and indirectly relevant. Directly relevant learning refers to those aspects that lead to actual purchase and use. For example, a child has to learn certain skills such as how to shop, compare brands and budget the available money etc. Examples of directly relevant consumer learning content are: knowledge and attitude about shops or stores, products, brands, advertising, salespeople and various sales promotions etc.

Indirectly relevant consumer learning content includes everything that motivates people to want certain products or services and influence buying and use behaviour. For instance, they may have learned that Nike is a valued brand name and may respond favourably to products that carry this brand name. This information alone about Nike is not necessary for precipitating directly relevant behaviour (actual buying) but it is certainly important in influencing indirectly relevant behaviour (deciding to purchase and what to purchase.

## Methods of Socialisation

Parents teach their children, deliberately as well as casually, both directly relevant and indirectly relevant consumption behaviour as they pass through various stages of consumer socialisation.

According to B J Wadsworth, after studying children's socialisation process for many years, Professor James U McNeal and his colleagues developed a five-stage process.

● Stage I. observing (average age — 6 months): Parents begin taking children with them to stores. In this stage children make sensory contact with the market place and construct mental images of marketplace objects and symbols. In early months, children process only sights and sounds, but in later months most children can begin to understand that stores have good things.

● Stage 11. Making requests (average age — 2 years): Children have learned quite a few things, TV commercials also serve as meaningful stimulus and they begin to make requests for desired things that they see in stores. They use pointing and gesturing or some even may make statements to indicate that they want some item. Such requests are voiced only in the presence of objects in retail stores, as they are unable to carry mental images of products in their minds.

● Stage Ill. Making selections (average age — $3^{1/2}$ years): Children begin developing memory for retail store locations for certain products and are able to locate and pick satisfying products by themselves. At its simplest level, an item in a child's immediate presence triggers her/his desire and this item is selected. Children begin acting like this almost as soon as they can walk.

● Stage IV. Making assisted purchases (average age — $5^{1/2}$ years): Children seek from parents to get objects in stores and spend money given by parents. Most children learn by observing that money needs to be given to stores people to get things. This help them to learn the value of money given to them as a means to acuire things from a store

## Q-66- Discuss about Market Structure and Pattern of Demand

**Ans-66-** Business-to-business marketers should appreciate several distinguishing features related to market structure and demand of organisational buyers.

⇨ **Geographical Concentration**

Compared to individual consumers, organisational buyers are generally more concentrated in certain geographic locations. For example, most IT related companies are located in southern states of India. Similarly, there is generally concentration of specific industries in different industrial areas specified by almost all the states.

⇨ **Fewer but Larger Buyers**

The number of organisational buyers is very small unlike individual consumers who are numerous. Organisations place purchase orders for raw materials and supplies etc. that involve substantial amounts of money. There are just a few manufacturers in the auto industry but they buy tyres that involve huge amounts of money. In the consumer market these companies face millions of vehicles needing tire replacements. Branded computer manufacturers are relatively few and buy Intel or AMD processors in large numbers. Independent assemblers of computers are numerous and buy few processors at a time.

⇨ **Derived Demand**

Organisational demand is derived demand because organisations purchase products to be used directly or indirectly in the production of goods and services to satisfy consumers' demand. Consequently, the demand for products is derived from the demand for consumer products. For example, branded computer manufacturers have demand for processors and other hardware and software to produce home computers because there is demand for computers by consumers. If for any reason, consumer demand for computers takes a nose-dive, the demand for processors and other components from computer manufacturers is also likely to take a nose-dive.

⇨ **Demand is Inelastic**

The demand for many organisational products is inelastic. This means that an increase or decrease in the price of a product will not significantly influence demand for the product. Total industry demand for goods and supplies that they use remains relatively unaffected by changes in price in the short run unlike consumer demand that shows remarkable elasticity to price changes. For example. if the price for computer hard disks decreases, their demand is unlikely to increase. However, when car manufacturer reduce the price of their models, then is a spurt in sales and as the prices are raised, demand decreases,

⇨ **Joint Demand**

In certain instances. Organisational products can be used only in conjunction with other products. There would be joint demand when the sale of one product is dependent on the sale of another. For example. companies producing petroleum require additive products like octane and boron. If the company cannot obtain any one of the two products, it does not need others.

⇨ **Fluctuating Demand**

Compared to consumer demand, organisational demand fluctuates widely. The demand by organisational buyers is closely related to the economic cycle. In case of economic slowdown or reverses, organisational buyers use up the existing inventories and postpone purchases. When the economy is buoyant, organisational buyers may build large inventories of raw material and spares, buy office equipment and other items.

## Q-67- What is ORGANISATIONAL BUYER CHARACTERISTICS? Discuss

**Ans- 67-** Organisational buyer characteristics differ from final consumers in several important aspects.

⇨ Group-based Decision Makin: Many organisational purchases are often costly and complex and may involve a group of personnel from engineering, production, finance, purchasing and even top management in making a purchase decision.

⇨ Technical Knowledge: Professional buyers, called purchasing agents in industrial, governmental and institutional organisations, make purchases and are highly knowledgeable about products or services. In case of resellers such as supermarkets, these individual experts are referred to as buyers and make purchases on their behalf.

⇨ Rational Motives Dominate: Organisational buyers are generally strongly directed by rational motivations because of the technical nature of purchases involved. Such factors are usually economically based and can be translated into monetary terms to carefully weigh the costs and benefits. For example, factors such as quality specifications and consistency, assurance of prompt delivery, price, terms of credit, warranty and post-sale service etc. are all rather objective criteria that influence buyers in their selection of vendor.

## Q-68 Discuss about Decision Approach & Purchase Patterns.

**Ans-68- Organizational** approach to making purchases and their buying patterns are different compared final consumer's many ways.

⇨ Formality: Since many organisational purchases are likely to be complex and technical and financial risks are considerably high, buying behaviour is much more complicated as compared to final consumers. Due to these reasons, there is greater formality in decision- making and often proposals, quotation requests and purchase contracts are involved.

⇨ Negotiations: In most cases of organisational buying, there are extensive negotiations between buyers and suppliers over a longer period of time. Some of the important reasons for lengthy negotiations include (1) the product complexity requires that specifications must be carefully spelled and agreed upon (2) the order size tends to be large and purchase price is important and (3) usually many people are involved in reaching a final purchase decision..

⇨ Less Frequent Purchases: Organisations generally make purchases less frequently than do final consumers. Firms might buy capital equipment that will be used directly in the production process for a number of years. Similarly, computers, photocopying machines, printers etc., are infrequently purchased. Even office supplies consumed everyday are purchased at intervals of a month or more. Raw materials and component parts are used continuously in production and replaced frequently but contracts for the sale and supply of these items are likely to be long-term agreements that are negotiated every few years.

⇨ Reciprocity: Sometimes organisational buying transactions involve an arrangement in which two organisations agree to buy from each other. For instance, a computer software

manufacturer might agree to buy computer hardware from a company that is buying its software and computer supplies.

⇨ Service: In many instances organisational products must be customised for a specific organisational buyer. Product support activities, such as service, installation, technical assistance and spare parts are critical.

## Q-69- What are the factors influencing Organisational Buyer Behaviour? Discuss

The broad categories of factors that influence organisational buyer behaviour include:

⇨ Organisational culture
⇨ External influences on culture
⇨ Internal influences on culture
⇨ Purchase situation

### Organisational Culture

Members of an organisation have certain beliefs and attitudes regarding the organisation and how it operates. R Deshpande and F E Webster, Jr. note that organisational culture (also referred to as corporate culture) is much like lifestyle in that organisations vary dramatically in how they make decisions and how they handle risky problems, innovation and change. Organisational needs and desires are shaped and reflected in its culture and these, in turn, influence how organisations approach decision making.

### External Influences on Culture

As gender, age, education and income refer to consumer demographics, the term firm graphics refers to size, activities, objectives, location and industry category Of an

### Internal Influences on Culture

There are certain factors internal to organisations that influence organisational culture and Include values, perception, learning, motives and emotions.

Organisational values differ among organisations though they operate in the same industry these values have a substantial Influence on the concerned organisations culture. Some organisations are more formal and some others may be more open and informal. For example, it is said that IBM is formal and takes itself seriously while Apple is less formal. creative and encourages a more open corporate culture. These differences influence the buying behaviour and supplier firms must understand these differences to best serve the concerned organisation's needs. Some common business values on which organisations differ are:

⇨ Risk taking is admired and rewarded.
⇨ Competition is more important than cooperation.
⇨ Hard work first. Leisure comes second.
⇨ Individual efforts take priority over efforts.
⇨ Any problem can be solved.
⇨ Active decision-making is essential.
⇨ Change is positive and actively sought
⇨ Performance is more important than rank or status.

Innovative organisations are more likely to have these value as they reward individual contributions, view problems as opportunity and welcome change. These values often underlie

many organisations such as Apple computers, but are unimaginable in governmental organisations in any country including India. A bureaucratic set up Is more likely to be comfortable in maintaining status quo and move at its own pace in all respects. Organisation and individuals within the organisation both have values. The more consistent the value systems of individuals and the organisation, the more smooth is decision making and implementation of decisions.

## Q-70- What is Organisational Buyer Decision Process? Discuss

**Ans-70-** Organisational buying can be traced to a single need — solving a problem — and involves decision-making units (also called buying centres). These are composed of individuals within an organisation who interact during making a given purchase decision. The size of decision-making unit may vary according to how new, complex and important the purchase decision is; and how centralised, structured and specialised the organisation is. Large and relatively more formal organisations usually involve more individuals in a purchase decision than smaller and less formal organisations. For non- routine decisions, such buying centres are often formed on an ad hoc basis but for routine decisions these centres are relatively permanent. H Brown and R Brucker note that in case of more important organisational purchases, individuals from various functional areas and organisational levels take part in decision making than in case of less important purchase decisions.

The decision making unit can be divided on the basis of functional responsibility and type of influence. Functional responsibility can include specific functions such as manufacturing, engineering, research and development, purchasing and general management. Each function evaluates the organisational needs differently and uses different evaluative criteria.

## Q-71- What Problem Recognition? Discuss

**Ans-71-** The first stage of organisational buying decision involves recognising a need or problem. Just like the consumer decision-making process, one or more people in the organisation perceive a difference of sufficient magnitude between the desired state and the actual state of affairs. Problem recognition may occur under a variety of internal or external circumstances such as a breakdown of an old packaging machine, modifications to a currently manufactured product or the development of a new product which needs different packaging equipment. The organisation may also learn about the new packaging equipment from external sources through a visit to trade fair, an advertisement seen in an industrial magazine, or a sales person's call from a supplier.

## Q-72- What is Nicosia Model (Conflict Model)? Discuss

**Ans-72-** Francesco Nicosia was one of the first to develop consumer behaviour model in early 1960 sand shift focus from the act of purchase itself to the more complex decision process that consumers engage in about products and services.

Nicosia presented his model in flow chain format, resembling the steps in a computer programme. Also, all variables are viewed as interactive, with none being inherently independent or dependent. Thus, the model describes a circular flow of influences where each component provides input to the next. The model is viewed as representing a situation where a firm is designing communications (products, ads etc.) to be delivered to consumers and in turn consumers' responses influence subsequent actions of the firm. The model contains four major fields or components: (FIELD - I) the firm's attributes and outputs or communications and the consumer's psychological attributes, (FIELD - Il) the consumer's search for and evaluation and of the firm's outputs and other available alternatives, (FIELD - Ill) the consumer's motivated act of purchase, and (FIELD - IV)

the consumer's storage or use of the product. Nicosia assumes that the consumer is seeking to fulfil specific goals and that initially there is no history between the consumer and the firm, so no positive or negative predispositions towards the firm exist in the consumer's mind. The consumer will probably become motivated to gain information at this point, and search activity is likely to occur. Some search activity will involve searching internal memory for relevant information about the communication (product, service, company etc.). External search may also occur, where the consumer visits stores or reads reports etc. This is likely to lead to evaluation. If the consumer processes relevant information and begins to favour the firm's brand, she/he will be motivated, leading to FIELD-111, and if nothing intervenes, this information is likely to precipitate shopping activity and purchase of the brand. At this point, a number of outcomes can occur. One outcome

is that the firm receives feedback (FIELD-IV) and another is that the consumer's attitude towards the brand may change because she/he gains experience with the product during storage and use. This experience is feedback to the consumer's pre dispositions.

### Q-73- What is Nicosia Model (Conflict Model)? Discuss

**Ans—73-** Howard-Sheth Model represents a major revision of an earlier systematic effort to develop a comprehensive theory of buyer decision-making. This model depicts and creates a distinction among three stages of decision-making.

⇨ Extensive Problem Solving: This occurs when a consumer has little or no prior knowledge, and any beliefs about the brand do not exist and she/she has no specific brand

preference. The consumer seeks information actively about several alternative brands in the category.

⇨ Limited Problem Solving: In this situation the consumer has some limited knowledge and beliefs about the available brands. Because of limited knowledge, she/he is not in a position to evaluate brand differences to establish a preference. The consumer seeks some comparative brand information, although the decision criteria are quite likely to be fairly established.

⇨ Routinised Response Behaviour: This refers to a situation when the consumer has well-established knowledge and beliefs about the brand and other alternatives in the category and is predisposed to purchase a specific brand

   The model has four major sets of variables:

⇨ Inputs

⇨ Perceptual and Learning Constructs e Outputs

⇨ External Variables (not shown in the figure)

Inputs

These variables include three distinct types of information sources (stimuli) present in the consumer's environment. Significative stimuli represent the brand's physical attributes, the marketer provides the symbolic stimuli in the form of brand information and could be visual or verbal, and the third kind of information is furnished by consumer's social environment such as family, reference groups, and social class. All these three types of stimuli furnish information inputs to the potential consumer concerning the product category or the brand.

Perceptual and Learning Constructs

The central element in the Howard-Sheth Model includes psychological variables that are assumed to operate when the consumer is involved in decision-making process. These psychological

variables are treated as simply ideas, and are not defined operationally or evaluated directly. Some of these variables are perceptual in nature and focus on how the consumer receives and processes information gained form input and other parts of the model. For instance, stimulus ambiguity occurs when the consumer is not sure about the meaning of information gained from the environment. Perceptual bias occurs in case the consumer distorts the received information so that it suits the consumers' established needs, wants, or experiences.

Learning constructs perform the function of consumer's concept formation and include her/his goals, information about the brands in the evoked set, criteria for evaluating alternatives, and intentions to buy. The proposed interaction (shown solid and dotted lines) between various perceptual and learning variables and the variables in other segments of the model give Howard-Sheth Model

## Outputs

The model shows a series of outputs that are similar in name to some and learning construct variables that include attention, brand intentions, and finally the act of purchase.

### External Variables

These variables have not been shown in the Figure. These variables are not directly involved in the decision-making process. The relevant external variables include importance of the purchase, consumer's personality traits, time pressure, and availability of funds.

## Q-74- Discuss about the ENGEL, BLACKWELL, MINIARD MODEL (FORMERLY EKB MODEL/OPEN SYSTEM)

**Ans—74-** The EKB model of consumer behaviour was originally developed in 1968 to serve as a framework for organising the fast-growing body of knowledge concerning consumer behaviour. Over the years it has been revised a number of times at improving its descriptive ability and clarifying basic relationships between components and subcomponents.

The model consists of four sections: (1) Information input, (2) Information processing, (3) Decision process stages, and (4) Variables influencing the decision process. The start is the decision process stage when the consumer recognises an unfulfilled or partially fulfilled need.

### Decision Process Stage

The starting point of any purchase decision is consumer need (or problem). This occurs when a consumer perceives a difference between her/his ideal desired state and actual state of affairs. Consumers buy products or services when they believe the product or service would be able to solve the problem. Marketers often attempt to make customers aware of unperceived needs and problems through marketing communications. Further steps in the decision-making include information search, alternatives evaluation, purchase, consumption, and post-consumption evaluation.

### Information Input

Information from marketing and non-marketing sources feeds into the information processing section of the model. After passing through consumer's memory, which serves as a filter, the information has initial influence at the problem recognition stage of the decision-making process. If the available information is insufficient, there may be more deliberate search for information.

### Information Processing

The information processing section of the model consists of consumer's exposure, attention, comprehension, acceptance, and retention of marketer controlled or non-marketing information. Before a message can be used, the consumer must first be exposed to it, allocate information processing capacity to it, interpret the stimulus, be persuaded by it, and retain the message in the long-term memory. In order to be retained in the long term memory as information and experience, the message must pass through short-term memory, where message is analysed for meaning.

Variables Influencing the Decision Process

The last section of the model consists of individual and environmental influences that affect all the five stages in the decision process. Individual differences include motives, values, lifestyle, personality, and attitudes; the environmental influences are culture, social class, family, and reference groups. Situational influences, such as consumer's financial condition etc. also influence the decision process.

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