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YOUR FIRST INTRODUCTION TO CONSUMER BEHAVIOUR

Exclusive guide on getting your way around the consumer market

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Exclusive guide on getting your way around the consumer market

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We really hope that this e-book will be a good learning aid especially for students who take consumer behavior course.

Lots of love,

Wida, Malis & Ham

PREFACE

Your First Introduction to Consumer Behaviour: Exclusive Guide on Getting Your Way Around the Consumer Market has been written by the authors as the foundation and guidance to fourth semester Diploma in Marketing students. Consumer Behaviour is a social psychology applied to consumer situations. Students will be able to explain the importance and application of consumer behaviour in marketing. This e-book has been written to make the learning process engaging with compelling topics, texts and exercises.

This e-book has been written to help both students and lecturers; to supplement the students in learning and as a tool for the lecturers in and off class. We tried our best to meet the needs of the students and lecturers by providing an e-book that clearly explains and provides examples in order to demonstrate consumer behaviours. This e-book is written according to content of curriculum and syllabus of Politeknik Malaysia.

Your First Introduction to Consumer Behaviour: Exclusive Guide on Getting Your Way Around the Consumer Market have covered topics from Introduction to Consumer Behaviour, Consumers Decision Making Process and Individual Factors. The topics covers in this e-book encompasses an introduction to consumer behaviour, interdisciplinary study of consumer behaviour, aspects that affect consumer buying behaviour, and inner factors that influence consumer behaviour such as motivation, learning, personality, perception and also attitude.

We hope that this e-book will be useful for the students as they can use this e-book to help them develop necessary skills and knowledge in consumer behaviour.

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"DESIGN IS INTELLIGENT THINKING MADE VISUAL"

Luxury goes beyond a visually impeccable exterior. It's also in the finer details within the cabin, ready to pamper you on any journey. In the PROTON X70, everything with your utmost comfort in mind

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TOPIC 1:
INTRODUCTION TO CONSUMER BEHAVIOUR

1.1 CONSUMER BEHAVIOUR

1.1.1 Definition

Consumer behaviour is the study of consumers' choices during searching, evaluating, purchasing, and using products and services that they believe would satisfy their needs. Consumer behaviour describes how consumers choose to spend their money, time, and effort on the products that marketers sell. It explains which items and brands customers choose, as well as why, when, and where they buy them.

Source: https://www.protonvitalic.com/x70
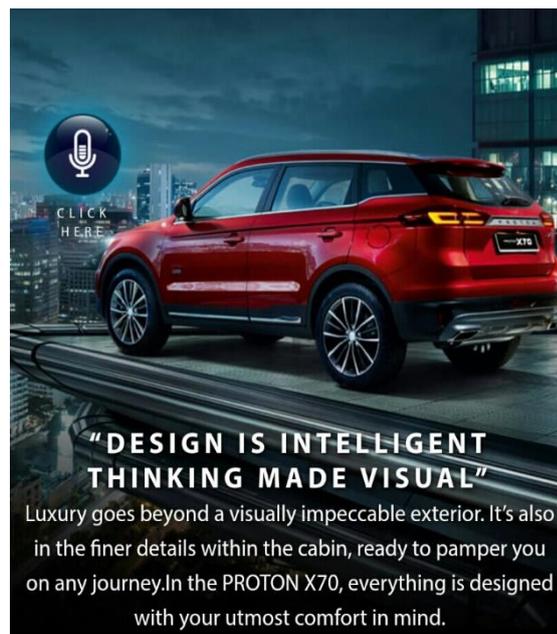
Figure 1.1 Proton X70

Figure 1.1 shows an automobile advertisement that demonstrates Proton X70. People buy automobiles to get around, but the types of cars people acquire reflect their psychological and sociological features and lifestyles, as well as their financial means.

1.1.2 Interdisciplinary study of consumer behaviour

The following disciplines determine consumer behaviour:

a. Economics

The study of income and purchasing power, as well as their impact on consumer behaviour. Consumers make sensible decisions when making purchases, according to the fundamental principle. Consumers have more purchasing power and the money is injected into the economy when the economy is booming. When the economy is in trouble, it can have an impact on things like jobs and interest rates, as well as the people.

b. Psychology

The study of the behaviour and mental processes of individuals (thoughts, beliefs, difficulties, feelings) of individuals. It comes naturally from the individuals' mind. It is the study of how people choose things and services, as well as the emotions that influence their choices.

c. Sociology

The study of how individuals are influenced by groups in their purchase behaviour. Social influence is an important factor in understanding consumer choice. Many little groups with whom a person encounters in life influence his or her purchasing decisions. Family, friends, coworkers, and neighbours are among these groupings.

d. Anthropology

The study of people in relation to their cultures which affect the types of product that consumers buys. Culture awareness is used by marketers, analysts, and consumers to learn how and why people in a given culture behave the way they do. It explains why some products sell well in certain areas or among certain demographics but not in others.

1.2 THE GROWTH OF CONSUMER BEHAVIOUR

1.2.1 Factors influence the growth of consumer behaviour

a. Short period of product life cycle

Because of the rapid changes in consumer preferences, innovation, and updated products, as well as the availability of substitute items, the product life cycle is becoming shorter. The product life cycle is divided into four stages: introduction, growth, maturity, and decline. This product life cycle might not apply to all items. Some products are presented and immediately disappear, while others remain in the maturation stage for a long time. In order to meet the needs of market segments, the marketer should conduct ongoing research. To meet current demand, old products should be improved, and new products should be introduced. For example, product modification map into smart watch GPS navigation (Refer Figure 1.2).

Source of image: https://pixabay.com

Figure 1.2 Product modification map into smart watch GPS navigation

b. Environmental protection

The country's development has had an impact on the natural resources that marketers require as inputs, as well as marketing activities. Consumer requests for more ecologically friendly items, such as ozone-friendly, biodegradable products, recyclable packaging, acid-free paper, and products made from natural herbs and plants rather than chemicals, should be met by marketers.

c. Consumer protection

Consumer protection has progressed to include more safeguards for consumers' interests and welfare. Rapid technological advancements have made consumers' lives easier in terms of product quality, availability, and security. We are subjected to a variety of kinds of exploitation, including food adulteration, ambiguous hire buys schemes, high costs, low quality, poor service, misleading ads, and hazardous products.

d. Public policies

The government is now conscious of its obligation to protect consumers and the general public. The majority of government initiatives try to alter consumer behaviour. Consumers perceive public policy as external constraints or opportunities. For example, the government is attempting to compel people to switch their seat belts for safety reasons. A variety of regulatory agencies exist to draught, interpret, and implement consumer protection policies. A thorough understanding of customer behaviour is required for effective regulation of many marketing techniques.

e. The growth of international marketing

International marketing refers to the use of marketing principles in more than one country, by companies operating outside of their own country, or across national borders. International marketing is based on a company's local marketing strategy, with a focus on marketing identification, targeting, and decisions on a global scale. Government incentives to offset income inequality have resulted in efforts to create cross-border markets to foreign countries and the growth of global marketing. To extend the market, marketers must develop a worldwide marketing strategy - for example, McDonald's, KFC, Honda, and Toyota. The marketer must consider the differences in taste, culture, needs, and buying patterns, as well as the foreign market's lifestyle. As a result, before promoting a product, marketers must research the nature and behaviour of consumers in different countries.

f. The growth of non-profit marketing development

Public hospitals, organised volunteer groups, labour unions, and public charities all exist to carry out various types of activity. Many non-profit organisations, such as public hospitals, colleges, *'Sahabat Alam Sekitar,'* Green Peace, and others, use non-profit marketing to satisfy the demands of its constituents. They attempt to put plans in place so that they can carry out their missions and maintain long-term financial stability. Public institutions, for example, have created marketing strategies to attract students.

g. The growth of computer techniques and statistics

Development of microcomputers and analysis techniques to encourage the development of sophisticated users who can collect and store comprehensive data on demographic characteristics, attitudes, and activities; as a result, marketers can make consumer research easier, faster, and more detailed, leading to the development of homogeneous market segments.

1.3 CONSUMER BEHAVIOUR APPLICATION

1.3.1 Consumer behaviour application in:

a. Market Segmentation

Market segmentation can be defined as the process of dividing a market into distinct subset of consumers with common needs or characteristics and selecting one or more segments to target with a distinct marketing mix. The market consists of buyers who differ in terms of their desires, resources, location, purchasing attitudes, and purchasing patterns. Market segmentation divides a vast, varied market into smaller segments that may be more effectively served with products and services tailored to their specific needs.

Consumer research should be conducted by the marketer in order to segment their market. Marketers can use the research findings to create more relevant and effective marketing campaigns. Many new goods have been created to meet market gaps discovered through segmentation research.
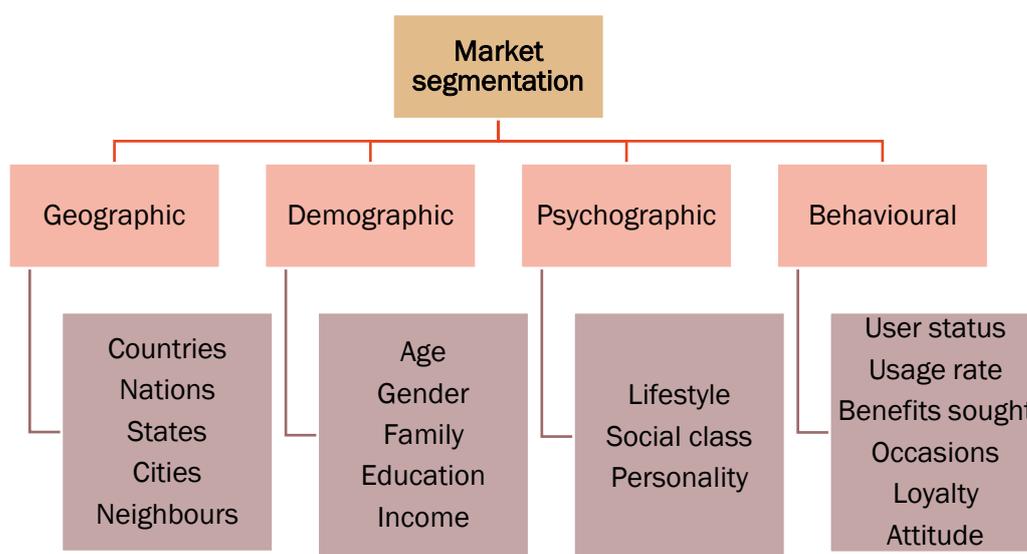
Figure 1.3 Bases for segmentation

Geographic segmentation

In geographic segmentation, it divides the market by location such as nation, regions, states, countries, cities or neighbourhoods. People who reside in the same neighbourhood have some common needs and desires. These desires and requirements are distinct from those of persons in other locations. Many businesses have segmented their products, advertising, promotion, and sales activities to cater to the needs of specific geographic areas. Today, many businesses segment their products, advertising, promotion, and sales activities to meet the needs of specific geographic areas. McDonald's, for example, tailors their menu to regional differences in taste and culinary.

preferences. The company, for example, sells a rose syrup drink in Singapore. In Malaysia and Indonesia, rice is served alongside spicy dishes that the locals like. In India, they offer Masala grilled Veggie Burgers, McAllo Tikki, McVeggie, and McCurry Pan to vegetarian customers.

Demographic segmentation

Demographic segmentation is referring to the vital and measurable statistics of population. Demographic segmentation splits the market into segments based on age, gender, family size, life cycle of the family, marital status, income, occupation, education, religion, race, and nationality. Marketers employ demographic segmentation the most since consumer demands, wants, and usage rates are typically closely related to demographic characteristics. Clothing, cosmetics, toiletries, and publications all use gender categorization. Women, for example, have traditionally been the principal consumers of hair and skin-care products. Exfoliators, toners, aftershave creams, and moisturisers, on the other hand, are popular among males. Dove, a well-known face and body care brand, launched a product line called Dove Men + Care, with advertisements attempting to persuade men that their faces should be nurtured (Refer to Figure 1.4).

Source: https://www.dove.com
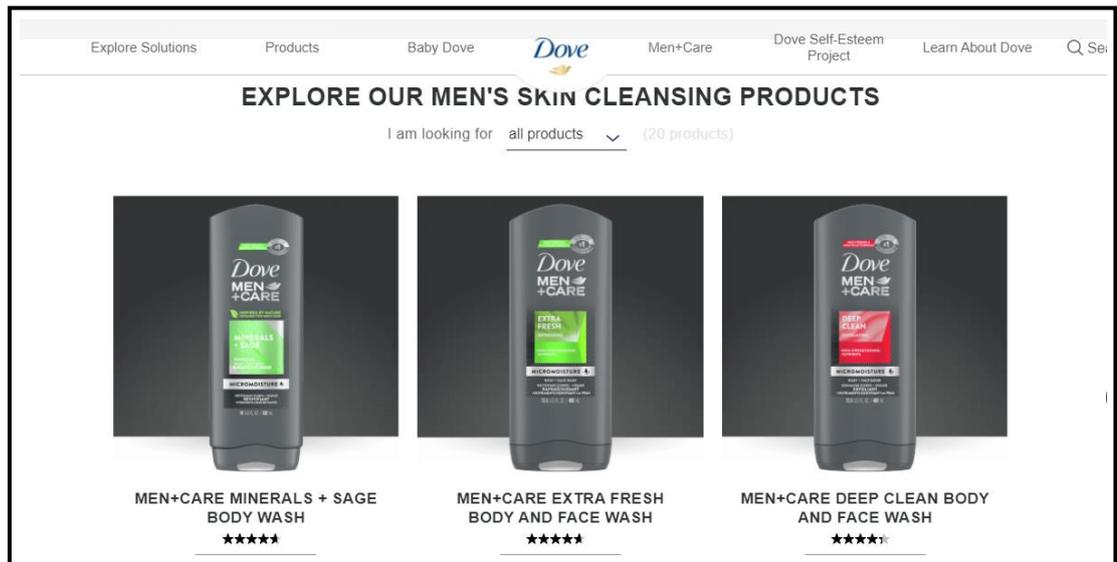
Figure 1.4 Dove Men + Care

Marketers of products and services such as autos, apparel, cosmetics, financial services, and travel use income segmentation. Ferrari, for example, creates high-end sports cars for the wealthy. Marketers frequently target age groups; for example, Colgate sells My First Fluoride – Free Toothpaste for little children that is free of artificial colours, preservatives, and fluoride. Colgate Troll Mild Bubble Fruit Toothpaste is a gel-based toothpaste for children aged 2 and above. Colgate 2in1 Toothpaste (in watermelon burst and strawberry smash flavours) and cavity protection toothpaste are also available for older kids (Refer to Figure 1.5).

Colgate® My First® Fluoride-free Toothpaste
Gently clean your child's teeth with My First® Fluoride-free Toothpaste from Colgate. This fluoride-free toothpaste contains no artificial and SLS free.

Colgate® Trolls™ Mild Bubble Fruit® Toothpaste
Kids will love brushing their teeth with Trolls™ Mild Bubble Fruit® kids toothpaste. Clinically-proven cavity and enamel protection designed for kids and up.

Colgate® Kids 2in1 Watermelon Burst™ Toothpaste
Help protect children's teeth with the Colgate® Kids 2-1 Fluoride Toothpaste and Mouthwash.

Source: https://www.colgate.com

Figure 1.5 Colgate toothpaste for kids

Psychographic segmentation

Psychographic segmentation is referring to the inner or intrinsic qualities of the individual consumer. Psychographic segmentation separates buyers into various categories depending on their socioeconomic class, lifestyle, or personal characteristics. Market segmentation might be based on a person's social class. A weighted index of multiple demographic data is commonly used to calculate it (education, occupation, income). Consumers from different social classes have diverse values, product preferences, and buying behaviours, according to studies. In most cases, socioeconomic class has a significant impact on consumer preferences
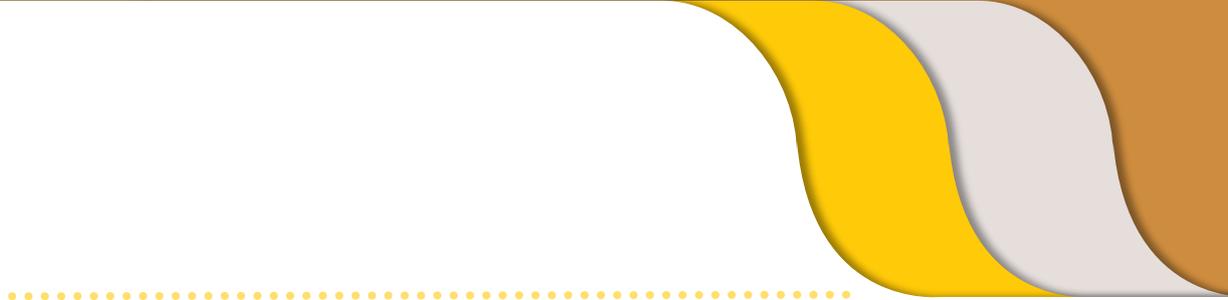
for automobiles, homes, home furnishings, leisure activities, and merchants. For example; Pavilion shopping complex is segmented to high class consumers.

Behavioural (or Benefit) segmentation

Behavioural segmentation identifies the one most important benefit of their product or service that will be the most meaningful to consumers. It can be used to put different brands in different places within the same product category. Segmenting a market based on consumer knowledge, attitude, usage, or reaction to a product.

Examples of behavioural segmentation:

Usage-occasion segmentation

Buyers can be divided into groups based on when they receive the idea to buy, when they make the purchase, and when they utilize the thing they bought. The flower and candy industries, for example, promote their products for special occasions like Mother's Day.

Benefit sought

Segmenting the market based on the many benefits that customers seek from the product. For example, some people buy toothpaste to avoid tooth decay, while others buy it to whiten their teeth and like the taste.

Usage-rate segmentation

A market is segmented based on the volume of product purchased or consumed. Former users, potential users, first-time users, light or irregular users, medium users, and heavy users are likely to be included in some mix of categories depending on the product. Heavy users purchase a significant quantity of product, whereas light users purchase a modest quantity of product and purchase less frequently.

Loyalty status

Buyers can be classified into categories based on how loyal they are. Some customers are so committed to a single brand that they only buy it. Others are moderately loyal, with two or three brands of a specific product being their favourites.

b. Marketing Plan

A marketing plan is a written document that describes and guides an organization's or a product's marketing strategies, techniques, and programmes - for selling their products and services over a set period of time, usually a year.

c. De' Marketing

The De' marketing is defined as a strategy for reducing demand by discouraging the consumption or usage of things that are harmful to one's health, like as alcohol and cigarettes. When a product's demand exceeds the manufacturer's ability to create it, marketers try to lessen demand. Raising pricing, lowering advertising or promotion efforts, or eliminating product benefits are all examples of de' marketing methods. De' marketing does not aim to destroy the demand but only to lower it to make it level with the ability to produce the product.

For example, a marketer must educate consumers about the dangers of drinking and smoking by emphasizing the importance of health concerns. While governments utilize a variety of de' marketing techniques and instruments to reduce tobacco use (raising taxes, enforcing clean indoor standards, banning advertising), there is little research on how the 4Ps operate together to reduce tobacco use.

MULTIPLE-CHOICE QUESTIONS

1. Consumer behaviour is the analysis of the behaviour of _____ and _____ who buy goods and services for _____ consumption.

    A. individuals, businesses, private

    B. businesses, households, public

    C. businesses, households, private

    D. individuals, households, personal

2. All of the following are interdisciplinary study of consumer behaviour **EXCEPT**:

    A. Psychology

    B. Anthropology

    C. Psychomotor

    D. Sociology

3. AXY CO. has decided to localize its products and services to meet local market demands. Which one of the following approaches is a good approach for this segmentation?

    A. Geographic

    B. Demographic

    C. Behavioural

    D. Psychographics

4. Which personal characteristics is influenced by characteristics such as age, income, religion and education?

    A. Motivation

    B. Demographics

    C. Personality

    D. Lifestyle

5. Targeting high-end customers with luxurious product is an example of _____.

    A. income segmentation

    B. geographic segmentation

    C. motivational segmentation

    D. behavioural segmentation

DISCUSSION QUESTIONS

1. Define the following terms:

   i. Consumer

   ii. Consumer behaviour

2. Explain 'Demarketing'

3. List FOUR (4) interdisciplinary studies of consumer behaviour.

4. The first step in developing a segmentation strategy is to select the most appropriate bases on which to segment the market. Explain the following bases for segmentation:

   i. Geographic segmentation

   ii. Demographic segmentation

   iii. Pyschographic segmentation

   iv. Benefit segmentation

5. Explain FIVE (5) factors that influence the growth of consumer behaviour.

SNAPSHOT: TOPIC 2

2.1 CONSUMER DECISION MAKING

PURCHASE AND PURCHASING ROLES

- Initiator
- Influencer
- Decider
- Buyer
- User

2.2 CONSUMER DECISION MAKING PROCESS

- Need recognition
- Information search
- Evaluation of alternatives
- Purchase
- Post-purchase decision

DIFFUSION PROCESS

NEW PRODUCT CHARACTERISTICS

- Relative advantage
- Compatibility
- Complexity
- Trialability
- Observability

STAGES IN THE ADOPTION PROCESS

- Awareness
- Interest
- Evaluation
- Trial
- Adoption (rejection)

DIFFUSION OF INNOVATION MODEL

INNOVATORS 2.5%
EARLY ADOPTERS 13.5%
EARLY MAJORITY 34%
LATE MAJORITY 34%
LAGGARDS 16%

TYPES OF ADOPTERS

- Innovators
- Early adopters
- Early majority
- Late majority
- Laggards
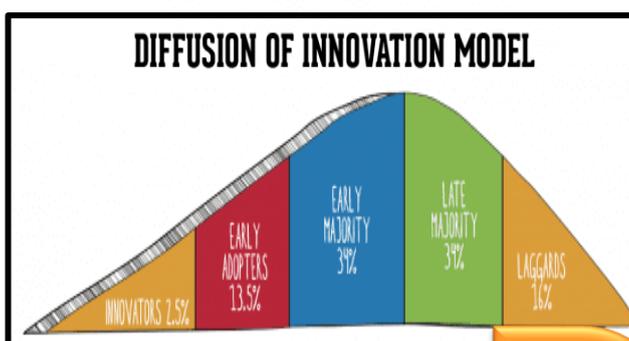
TOPIC 2:
CONSUMER DECISION MAKING PROCESS

2.1 THE CONCEPT OF CONSUMER DECISION MAKING

2.1.1 Consumer decision making

A consumer purchase is a reaction to a problem, and consumer decision-making refers to choices among product and service alternatives. It is a method of obtaining and processing information, analyzing it, and picking the best viable option to solve a problem or make a purchasing decision. The word "consumer decision" conjures up an image of a person weighing the pros and disadvantages of a variety of products, brands, or services before rationally choosing the one that best meets a clearly defined need at the lowest cost.

2.1.2 Purchase and purchasing roles

The marketer needs to understand the roles so as to be able to frame suitable strategies to target them. The individuals who involve in buying decision process are:

Initiator	Influencer	Decider	Buyer	User
•The person who identifies a need and first suggests the idea of buying a particular product or service	•The person who influences the buyer in making his final choice of the product.	•The person who has the power to determine whether to shop for, purchase, use, consume or dispose of a specific product or service.	•The person who enters into the final transaction and exchange process or is involved in the physical activity of making a purchase.	•Individuals who actually consumes the product or service offering.

Figure 2.1 The individuals who involve in buying decision

2.1.3 The consumer decision making process

The process component of the model is concerned with how consumers make decisions. The consumer decision-making process was developed to analyze factors that influence consumer decision-making.
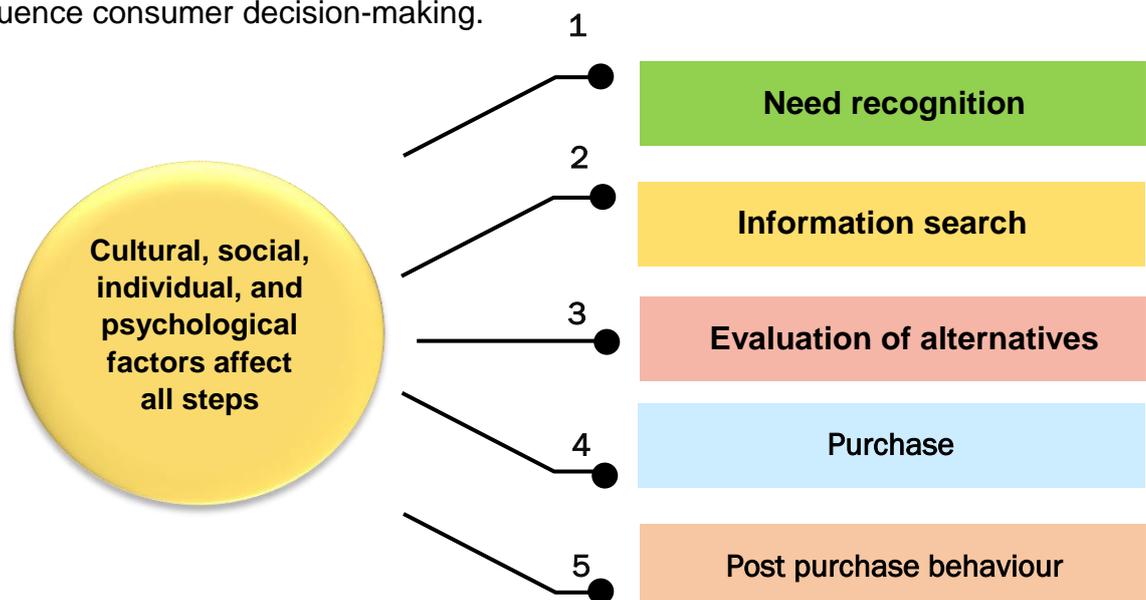
Source: Lamb, Hair, & McDaniel, 2019
MKTG², Principles of Marketing

Figure 2.2 The consumer decision-making process

a. Need recognition

The first stage in the consumer-decision making process is need recognition. Need recognition occurs when a consumer is faced with a problem. A young CEO, for example, who decides to buy a new smartphone with a high-quality digital camera. She believes that having a high-quality digital camera embedded into her phone would help her because it would make taking more vivid and realistic images easier and more convenient without having to carry around a separate digital camera. This CEO has identified a need and developed a viable solution. There are two different types of needs or problem recognition – the actual and desired state. Some

consumers are actual state types, who perceive that they have a problem when a product fails to perform satisfactorily (for example; a smartphone that develops constant static). In contrast, other consumers are desired state types, for whom the desire for something new may trigger the decision process. Need recognition is the beginning of the traditional consumer decision-making process as well as the new consumer journey model.

b. Information search

The stage of buyer decision in which the consumer search for product information. The consumer may have heightened attention or may go into active information search. Consumers can get information from both internal and external sources. The majority of the information customers receive comes from commercial sources that marketers' control. Internal search involves the recall of information, experiences and feelings from memory. This is information on a product that was saved from earlier use or purchases. For example, if you're travelling with a friend, you might opt to stay at a hotel where you've stayed previously because you remember it having clean rooms and decent amenities.

Figure 2.3 Internal search

External search involves the process of seeking information in the outside environment.
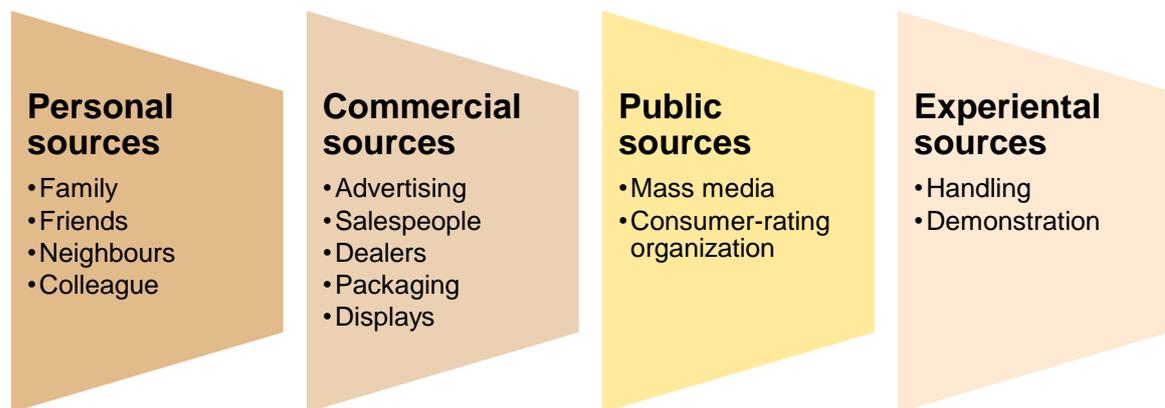
Figure 2.4 External search

Low-involvement information search - A consumer would not spend as much time gathering and analyzing information about many alternative brands before making a decision.

High-involvement information search - A consumer would actively seek out and collect information, compare and contrast various brands based on the information, and analyze differences and similarities.

c. Evaluation of alternatives

The stage of buyer decision in which the consumer uses information to evaluate brand choice. Consumers strive to figure out how effectively a product or service meets a specific demand. Marketers determine what is important to consumers to ensure their products are different, distinct and best satisfy the need. It occurs either separately or in conjunction with information search. Customers evaluate products as bundles of attributes such as brand attributes, product features, aesthetic attributes and price.

Example of criteria used for evaluating brands: Personal computer

- Processing speed
- Price
- Type of display
- Hard-disk size
- Amount of memory
- Laptop or desktop

Source: https://www.asus.com

Figure 2.5 Model ASUS S340MC

d. Purchase decision

The stage of the buyer decision process in which the customer purchases (or does not purchase) the product. The best brand or alternative should have been identified by the customers. If the goods fit the requirements, the consumer may go ahead and purchase it. Consumers make three types of decisions: extensive problem solving, limited problem solving and routinized response behaviour.

- **Extensive problem solving**

Extensive problem solving usually occurs when a consumer is purchasing an expensive, important and high-involvement product such as a superbike, house or a car. At this level, consumers will spend much time collecting a lot of information that will help them to make a purchase decision. For example, a buyer looking to buy a car will spend a significant amount of time gathering and classifying information on brands, car specifications, costs, bank loan availability, bank loan interest rate, and design. If he finds an automobile that fulfils the criteria, he will decide whether or not to buy it.

- **Limited problem solving**

Limited problem solving usually occurs when consumer will purchase a new and updated version of the products they have bought before, which often have additional features. When compared to making a purchase choice at the extensive problem-solving level, consumers will take slightly less time at this level to make a purchase decision on a product. Consumers who have acquired a new laptop computer with several input devices, some of which were not previously available, are one example (e.g. USB Type-C ports).

- **Routinized response behaviour**

Soap, toothpaste, and detergent are examples of low-cost, low-involvement items. At this level, making a purchasing choice takes only a few minutes. This is due to the fact that consumers have purchased the products regularly and have built a list of perceived selection criteria based on their previous experience and understanding of the product.

e. Post purchase decision

Consumers evaluate a product's performance in light of their own expectations while they use it, especially during a trial buy. After purchasing and using the goods, the consumer will assess its suitability for their original demands (those that prompted the purchase) and if they made the right decision in purchasing it. Consumers take further action after purchase based on their satisfaction or dissatisfaction. There are three possible outcomes of post consumption evaluation, namely satisfaction, dissatisfaction and delight.

2.2 CONSUMERS' ACCEPTANCE OF NEW PRODUCTS AND SERVICES

2.2.1 Definition of diffusion

The diffusion is the process by which the acceptance of an innovation is spread by communication (mass media, salespeople or informal conversations) to members of a social system (a target market) over a period of time. This definition includes the four basic elements of the diffusion process:

Innovation	Any product, service or idea that consumers perceive to be new.
Channel of communication	The level of innovative product acceptance among consumers highly depends on communications between the marketer and consumer and how well the information about the innovative product is being shared with other consumers.
Market segmentation	Different consumers will act differently in accepting (or rejecting) new products.
Time	It's refers to the time that a consumer takes in purchasing a new product or services. Five categories of adopter - innovators, early adopter, early majority, late majority and laggards.

Figure 2.6 The basic elements of diffusion process

2.2.2 New product characteristics that influence consumer acceptance

Although there are no precise formulas by which marketers can evaluate a new product's likely acceptance, diffusion researchers have identified five product characteristics that influence consumer acceptance of new products:

a.   Relative advantage

A degree to which potential customers perceive a new product as superior to existing substitutes. For example; smartphone enable users to be in communication with the world and allow users both to receive and to place calls and text messages.

b.   Compatibility

A degree to which potential consumers feel a new product is consistent with their present needs, values and practices. Consumers will feel reluctant to purchase items that will drastically change their lifestyle. For example, as shown in **Figure 2.7** Smart fridge is its ability to check what's in your fridge anytime and anywhere on smartphone, the Meals App uses artificial intelligence and food profiling to deliver delicious recipes with simple instructions. Despite the benefits, it is difficult to change consumers' minds to purchase the smart refrigerator when they have been using the normal type of refrigerator for years.

Source: https://www.samsung.com/my/refrigerators/side-by-side

Figure 2.7 Side by Side with Family Hub, 660L

c.   Complexity

A degree to which a new product is difficult to understand or use, affects product acceptance. The easier it is to understand and use a product, the more likely it is to be accepted. For example, the acceptance of such convenience foods as frozen French fries, instant puddings and microwave dinners is generally due to their ease of preparation and use.

d.   Trialability

A degree to which a new product is capable of being tried on a limited basis. The greater the opportunity to try a new product, the easier it is for consumer to evaluate it and ultimately adopt it. For example; computer software programs, a trial pack version of the software with a limited usage duration such as *'download free trial'* is given to customers to try and purchase the software after completion of the trial period.

Source: https://www.mcafee.com/en-my/antivirus.html

Figure 2.8 McAfee® Antivirus

e.   Observability

A degree to which a product's benefits or attributes can be observed, imagined or describes to potential customers. Products that have a high social visibility, such as fashion items are more easily diffused than products that are used in private such as new type of deodorant. Similarly, tangible product is promoted more easily than intangible product.

2.2.3 Stages in adoption process

The innovation adoption process consists of five stages through which potential consumers pass in attempting to arrive at a decision to try or not to try a new or innovative product. The five stages are:
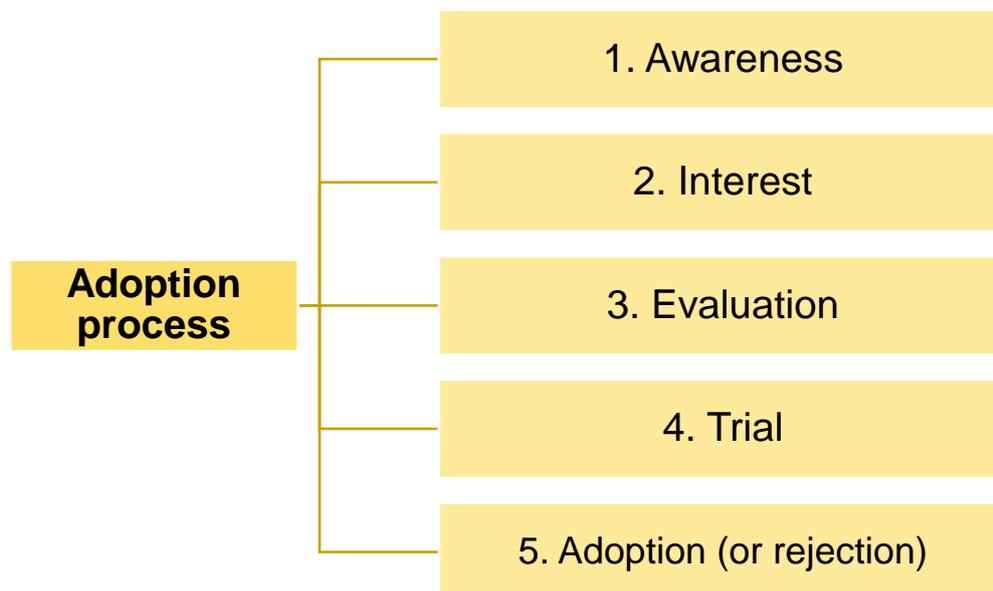
Figure 2.9 Stages in adoption process

a.   Awareness (introduction stage)

At this stage, consumer is being exposed to the product innovation for the first time. Consumer is first exposed to the product innovation through word of mouth or mass media. Consumer finds out about the existence of a product but has little information and no well- formed attitudes about it.

For example, Ahmad is exposed to an innovation, the Smart Fridge but knows very little regarding the innovation. He has only limited information about it. He is aware of either by discussion with friends, relatives, salesmen or dealers. He gets idea about a new product from various means of advertising like newspapers, magazines, Internet,

television, outdoor media, etc. At this stage, he doesn't give much attention to the new product.

b. Interest (information-gathering stage)

Consumer is interested in the product and start searches for additional information about the new product. For example, Ahmad collects information from advertising media, salesmen, dealers, current users or directly from company. He tries to know about qualities, features, functions, risk, producers, brand, color, shape, price, incentives, availability, services and other relevant aspects. Simply, he collects as much information as he can.

c. Evaluation (consideration stage)

At this stage of the adoption process, the consumer has gathered enough information to determine if he wants to try this product or not. During the evaluation process, the consumer decides if the benefits are worth the cost. The consumer develops favorable or unfavorable behavioural predispositions toward the product. Consumer will find the benefit and advantages of the product and also product weaknesses. The consumer considers all the significant aspects to judge the worth of innovation. For example, Ahmad compares different aspects of innovation like qualities, features, performance, price, after-sales services, etc. with the existing products to arrive at the decision whether the innovation should be tried out.

d. Trial (sampling stage)

A consumer who gets to this stage of the adoption process has decided that the new product might suit his or her needs and makes the effort to try the product. The consumer tests or tries the product to determine its utility. Consumer uses the product on a limited basis. For example, Ahmad practically examines it. He tries out the innovation in a small scale to get self-experience. For the purchase

of smart fridge, no trial version is given to Ahmad. However, there is a 1-year warranty from the date of purchase.

e. Adoption / Rejection (buy or not buy stage)

At this stage of the adoption process, the consumer decides if the product has value or not. If the consumer does not find value in the product, he or she will not buy it again. If the product gives the consumer value or solves a problem, they will likely become a repeat customer. For example, Ahmad decides on quantity, type, model, dealer, payment and other issues. He purchases the product and consumes individually or jointly with other members.

2.2.4 Types of adopters

There are individual differences in adoption of innovation. It indicates where a consumer stands in relation to other consumers in terms of **time of purchase** of a new product or service. There are five adopter categorizations based on time of adoption of innovations:

Source: https://www.smartinsights.com/marketing-planning/marketing-models/diffusion-innovation-model/
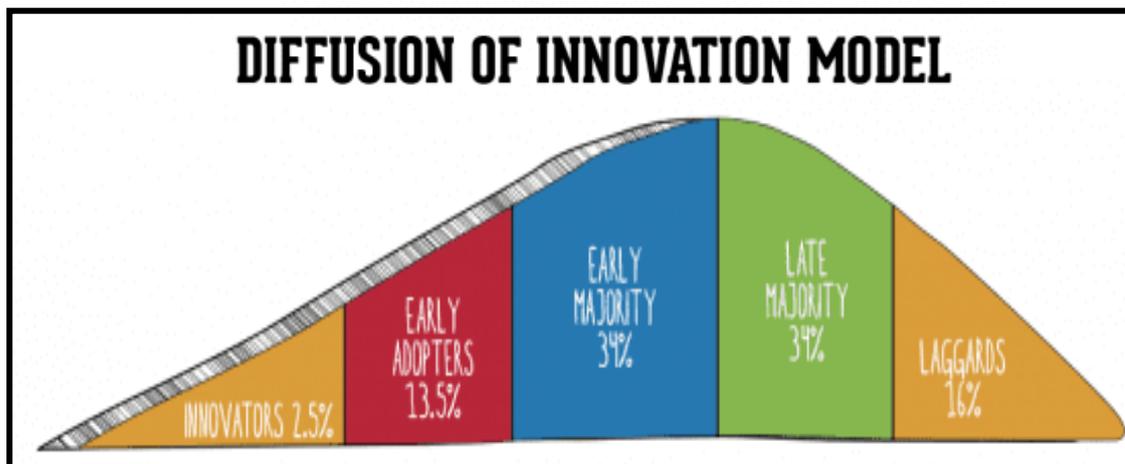
Figure 2.10 Types of adopters

a. Innovators

The innovators are the earliest consumers who will go to the store to buy it. They are likely to be opinion leaders who will share information with other consumers on the new product that they have purchased. They are innovative consumers of high technological-based products, love to purchase new gadgets, are risk-takers, and are willing to pay a high price to be among the first to get the newly arrived products in the marketplace. The first 2.5 percent of purchasers are more adventurous, take risks, are younger, better educated, have greater income, are more open to new experiences, rely more on their own values and judgement, are less brand loyal, and are more inclined to take advantage of special deals such as discounts.

b. Early adopters

Consumers will acquire the new product soon once it is introduced to the market (but not as early as the innovators). Due to their high level of social concern, they will delay making the decision to acquire the new product for a short length of time. During the brief period of waiting, they will receive feedback on the new product from others (such as innovators.) They then inform their followers about the new product's utility. They play a critical role in shaping the attitudes of subsequent adopters and affecting their behaviour.

c. Early majority

The early majority is made up of people in the first half of the market who would buy a new product after waiting a long time in the hopes that the price would come down. The early majority will only adopt a new product if they are confident that the new product will be valuable to their lives and will not be a waste of their time and money.

d. Late majority

The late majority wait until an innovation has been accepted by a majority of consumers and the price has dropped to adopt the new product. The late majority consumers are the second half of the mass market, who will purchase the product when it is in the maturity stage in the marketplace. The late majority of consumers will have a long time to obtain feedback and evaluate the benefits of the new product, thus enabling them to reduce the risk of purchasing the new product.

e. Laggards

This is the group of customers who lag behind in the adoption of a new product. Laggards are comfortable with what they have and accept new products unenthusiastically and only because they feel compelled to. They are high-risk perceivers and the last group to grasp the benefits of adopting new products. The innovators and early adopters may have migrated to a more advanced version of the new product in the same category by the time the laggards grasp the benefits of the new items.

MULTIPLE-CHOICE QUESTIONS

1. Which is the following **NOT** the stage that customers go through in the process of adopting a new product?

    A. Awareness

    B. Interest

    C. Evaluation

    D. Culture

2. The buying process starts from _____ in which the buyer recognizes a problem or need.

    A. need recognition

    B. information search

    C. evaluation of alternative

    D. purchase decision

3. As a marketer, you must guide the consumer through the _____ stage by providing easily accessible information on your product including a website, blog posts, instructional videos, etc.

    A. awareness

    B. interest

    C. evaluation

    D. adoption

4. This group are more traditional and adopt the innovations with great reluctance. This statement refers to _____.

    A. early majority

    B. late majority

    C. Laggards

    D. innovators

5. Ali suggest to his family to buy a new model of television for their house. Ali is a/an _____ in the purchasing roles.

    A. Decider

    B. influencer

    C. User

    D. Initiator

DISCUSSION QUESTIONS

1. Generally, the purchaser goes through five distinct stages in taking a decision for purchasing a particular product or service. Describe a model of consumer decision making process.

2. Innovations do not spread equally over different society segments (social groups) but through FIVE (5) stages with particular profile of reaction.

    i. Describe FIVE (5) types of adopters.

    ii. Explain FIVE (5) models of consumer decision making process.

3. Describe how a youth goes through the stages of adoption process in buying a LCD TV.

4. List FOUR (4) interdisciplinary studies of consumer behaviour.

5. Zoe went to a nearby retail store to buy a laptop for himself. The salesmen showed him all the latest models. The salesmen showed Zoe all the samples available with him and explain the specifications of each model. Before buying the laptop, Zoe checked few other options as well. He gathered the information which come from various sources such as newspaper, website, magazine advertisement, billboard etc. After few negotiations, Zoe immediately selected one for himself. Based the above situation, explain the stages of consumer buying decision making process.

SNAPSHOT: TOPIC 3

TOPIC 3   INDIVIDUAL FACTORS

TOPIC 3:
INDIVIDUAL FACTORS

3.1 MOTIVATION

3.1.1 Definition of motivation

Motivation is the driving force within the individuals that impels them to take action. This driving force is produced by state of tension, which exists as the result of an unfulfilled need. Individuals strive both consciously and subconsciously to reduce the tension through behavior that they anticipate will fulfill their needs and this relieve them of the stress feel.
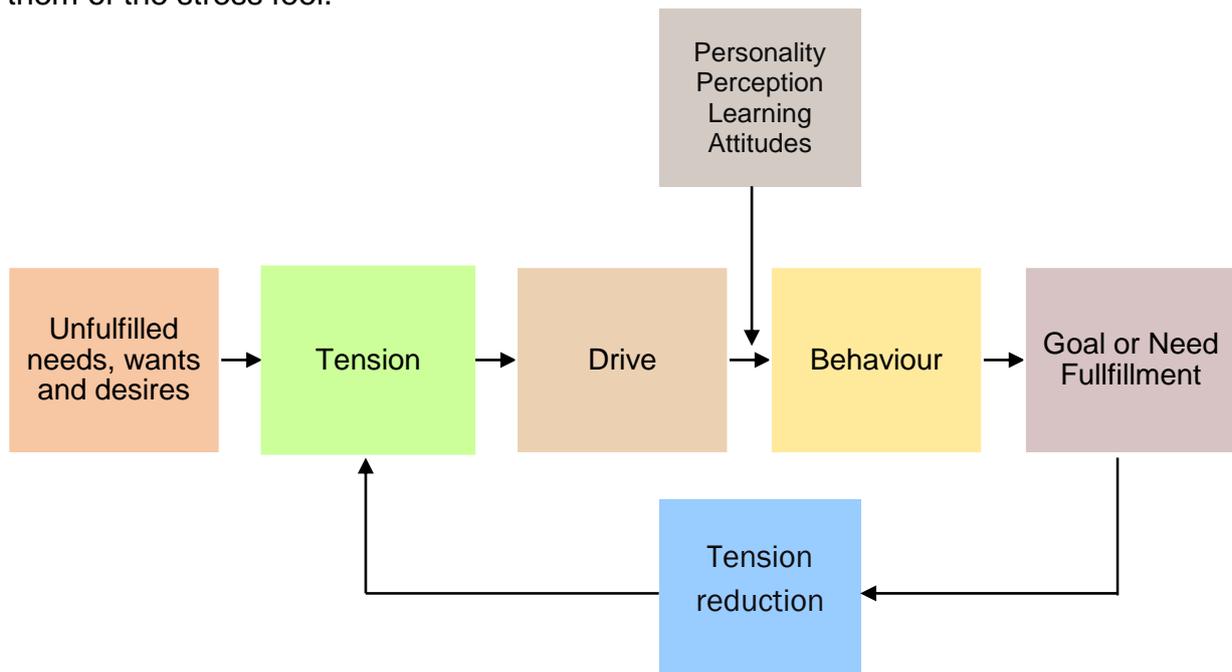
Source: Schiffman and Wisenblit, Consumer Behaviour, 2019

Figure 3.1 Model of motivation process

3.1.2 Motivation theories

For many years, psychologist and other interested in human behavior have attempted to develop a list of human needs. Most lists of human needs tend to be diverse in content as well as in length. There are two psychologists formulated a widely accepted theory of human motivation: Dr. Abraham Maslow (hierarchy of needs) and McClelland (a trio of needs).

Motivation theories

Abraham Maslow

David McClelland

1. Physiological needs
2. Safety
3. Love / Belonging
4. Self-esteem
5. Self-actualization

1. Power
2. Affiliation
3. Achievement
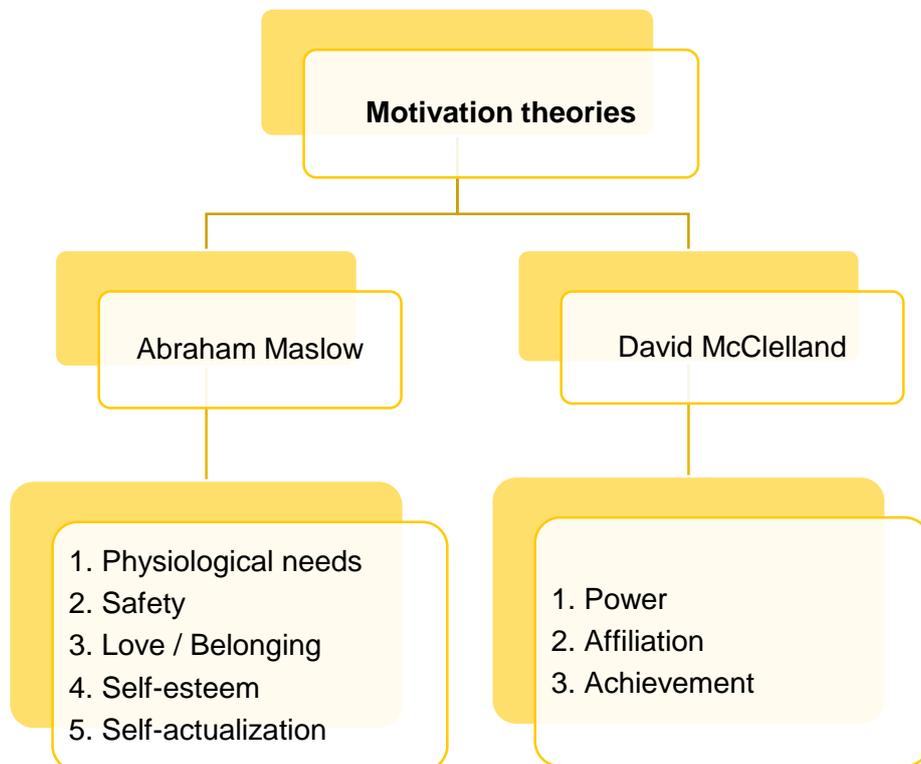
i. Maslow's hierarchy of needs theory

Abraham Maslow identifies five basic levels of human needs, which rank in order of importance from basic needs (physiological) to the highest needs (self-actualization). Needs are the essence of the marketing concept. Marketers do not create needs but can make consumers aware of needs.

Source: http://wiki.doing-projects.org/index.php/Need-
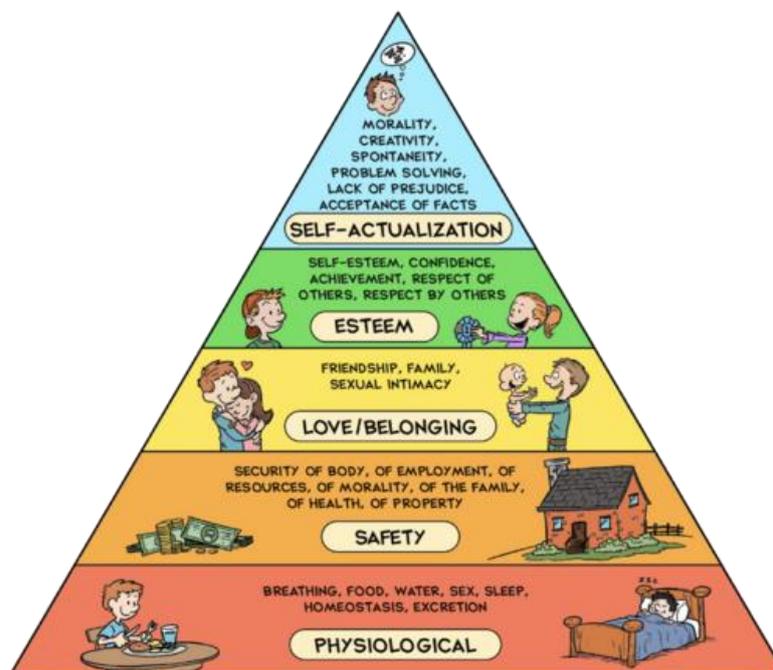
Figure 3.2 Maslow's hierarchy of needs

1. Physiological needs

Physiological needs are the first and most basic level of human needs. These needs, which are required to sustain biological life, include food, water, air, shelter, clothing and sex. If any of these physiological needs is missing, people are motivated to meet the missing need.

For example, the man who thirsty after sports activity may want to drink cold isotonic drink. Product example – Health foods, medicines, sport drinks, low-cholesterol foods, exercise equipment.

2. Safety needs

After the first level of need is satisfied, safety needs become the driving force behind an individual's behavior. Safety is the feeling people get when they know no harm will befall them, physically, mentally or emotionally. These needs are concerned not only with physical safety, but also include order, stability, routine, familiarity and control over one's life and environment.

For example, health and the availability of health care are important safety concerns. Saving accounts insurance policies, education and vocational training are all means by which individuals satisfy the need for security. Product example – Smoke detectors, preventive medicines, insurance, retirement investments, seat belt, burglar alarms, sunscreen.

3. Social needs

The third level of need is social needs, which are psychological needs when individuals have taken care of themselves physically, they are ready to share themselves with others, such as with family, friends and relatives. People seek warm and satisfying human relationships with other people and are motivated by love for their families.

For example, because of the importance of social motives in our society, advertisers of many product categories emphasize this appeal in their advertisement. Belongingness motives are reflected in a desire for love, friendship, affiliation and group acceptance. Product example – Personal grooming, foods, entertainment, clothing.

4. Self-esteem needs

Once individuals have satisfactorily met their need for love and belonging, they can begin to develop positive feelings of self-esteem. Desires for superiority, self-respect and prestige. The needs relate to the individual's feelings of usefulness and accomplishment. These needs can take either inward or outward orientation or both. Inwardly directed ego needs (self-esteem – feeling of self-confidence and self-respect) reflect an individual's need for self-acceptance, self-esteem, success, independence and personal satisfaction with a job well done. Outwardly directed ego needs (esteem from others – valuation of self from other people) includes the needs for prestige, reputation, status and recognition from others. Product example – Clothing, furniture, hobbies, stores and car amongst others.

5. Self-actualization

The need of self-actualization refers to an individual's desire to fulfill his or her potential to become everything he or she is capable of becoming to realize and use his or her full potential, capacities and talents. This need is expressed in different ways by different people. According to Maslow, self-actualization need is not necessarily a creative urge, but that it is likely to take that form in people with some capacity for creativity. For example, an artist may need to express herself on canvas. Product example - Education, hobbies, sports, some vacations, museums.

ii. McClelland's theory of needs

McClelland's Needs Theory was proposed by a psychologist David McClelland, who believed that the specific needs of the individual are acquired over a period of time and gets molded with one's experience of the life. McClelland's Needs Theory is sometimes referred to as Three Need theory. According to McClelland, he believes in the existence of a three basic needs; the needs for power, for affiliation and for achievement.

Source of image: https://pixabay.com
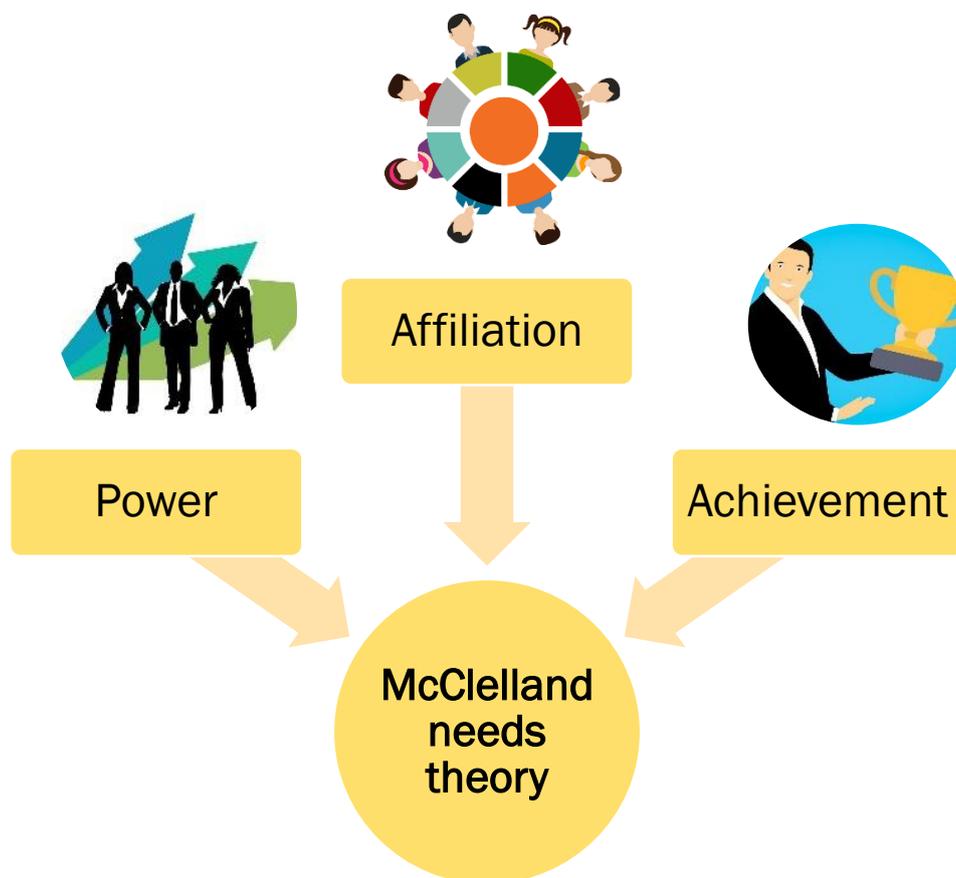
Figure 3.3 McClelland's theory of needs

a. Power

The power need relates to an individual's desire to control, influence, authority over his or her environment and other people and change their decision in accordance with his own needs or desire. These people are motivated by a desire to improve their self-esteem and reputation, and they want their opinions and ideas to be accepted and implemented over the opinions and ideas of others.

This need appears to be linked to the ego need in the sense that many people feel more self-assured when they have power over objects or people. A variety of things, like as automobiles, lend themselves to claims of superiority or power to users.

b. Affiliation

The affiliation need suggests that behavior is highly influenced by the desire for friendship, acceptance and belonging. People with high affiliation needs tend to have a strong dependence on others. They often select goods they feel will meet with the approval of friends. The individuals motivated by the need for affiliation prefer being part of a group. They like spending their time socializing and maintaining relationships and possess a strong desire to be loved and accepted.

c. Achievement

Individuals with a high desire for achievement frequently see personal achievement as a goal in and of itself. Both the egoistic and self-actualization needs are tightly linked to the achievement desire. People who have a strong desire to succeed have particular characteristics that make them receptive to appropriate messages.

They have a greater sense of self-assurance and love taking measured risks. They are always researching their surroundings and are eager to get input. Their desire for monetary incentives or profits stems mostly from the feedback that money gives on their performance. For example, a lawyer must win cases and gain recognition, whereas a painter must create a great artwork.

3.1.3 The dynamics of motivation

Motivation means the driving force within individuals that impels them to action. Because of an individual's physical condition, social circle, environment, and other experiences, needs and aspirations are continually changing. When a person achieves one goal, he or she sets out to pursue new ones. If they are unable to achieve, they either continue to strive for them or find a substitute aim.

a. Needs are never fully satisfied

Most human needs are never fully or permanently satisfied. Some researchers say that new needs emerge as old needs are satisfied. In motivational theories, researcher have given facts supporting that new higher-order needs emerge as individual fulfills his lower needs (Maslow's hierarchy of needs). Marketers must be aware of the changing needs.

For example, a person may briefly satisfy a power need by working as the CEO's assistant, but this short taste of power may not be enough to satisfy her desire, so she may pursue a decision-making position in the organization. In this case, temporary goal achievement does not adequately satisfy the need for power and the individual strives harder in an effort to satisfy the needs.

b. New needs emerge as old needs are satisfied

Some motivational theorists believe that a hierarchy of needs exists and the new, higher-order needs emerge as lower-order needs are fulfilled. For example, a man whose fundamental physiological needs (food, shelter, etc.) are met may focus his efforts on gaining acceptance among his neighbours by joining political groups and endorsing candidates. Once he is confident that he has achieved acceptance, he then may seek recognition by giving lavish parties or building a larger house.

c. Success and failure influence goals

Individuals set their new and higher goals, if they successfully achieve the previous ones. This means they raise their levels of aspiration. The success in the previous goals gives them confidence for reaching higher goals. So, we can say that success and failure of an individual also plays a major role in goal selection.

Marketers use these impacts to build strategies, such as success and failure on goal selection. Advertisements should not make promises that the product cannot keep. This means advertisers should not create unrealistic expectations for these products as they cause dissatisfaction among consumers.

When an individual is unable to achieve a given objective for any reason, he or she will be directed to a substitute goal. Although the substitute goal may not be as satisfying as the first, it might help to relieve tension. Substitute goal may not be as satisfactory as the actual one but may try to reduce the tension. Sometimes substitute goal may be used as a defensive tool for frustration. For example, a woman stops drinking goat milk as she is dieting may actually begin to prefer skimmed milk.

d. Multiplicity of needs and variation of goals

Multiplicity of Needs: A consumer tries to fulfill two or more needs by attaining a single goal. For example; wearing an Allen Solly shirts and trousers can be for protection or for enhancing societal image. (Refer to Figure 3.4)

Source: https://in.pinterest.com/pin/
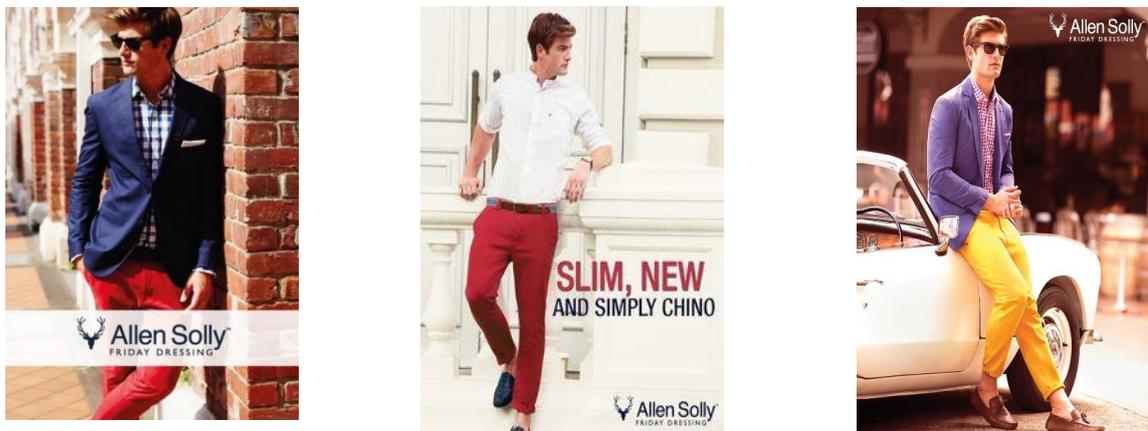
Figure 3.4 The multiplicity of needs Allen Solly shirt and trousers

Needs and Goals Vary: The needs and goals vary from an individual to individual. People with different needs may try to fulfill by selecting the same goal, whereas people with same needs may try and fulfill them by different goals. For example; if women who are actively involved in the office work may be behaving like this because of recognition in the organization, for promotion or for security in the job to earn livelihood.

Similarly, these persons may be led to seek fulfilment in different ways by the same need (for example, an ego need). One of them may seek professional recognition through a career, while the other may join a health club and participate actively in the consumer active movement. Arousal of a specific set of requirements can be triggered by either internal or external stimuli. The outer surroundings, such as the product itself, advertisements, or other promotional activities, might serve as internal stimulus.

3.2 PERSONALITY

3.2.1 Definition of personality

Personality can be defined as the inner psychological characteristics that both determine and reflect how a person responds to his or her environment. Inner characteristics – those specific qualities, attributes, traits, factors and mannerisms that distinguish one individual from other individuals. Personality reveals a person's preferences for various products and brands. It aids marketers in determining when and how to sell a product. Individual qualities, likes, dislikes, and other factors can all be used to classify a person's personality. Though personality is static, it can alter as a result of big life events such as death, birth, or marriage, as well as through time. A marketer can easily build marketing tactics by connecting with an individual's personality qualities.

3.2.2 The nature of personality

In the study of personality, three distinct properties are of central importance:

NATURE OF PERSONALITY

- Personality reflects individual differences
- Personality is consistent and enduring
- Personality can change
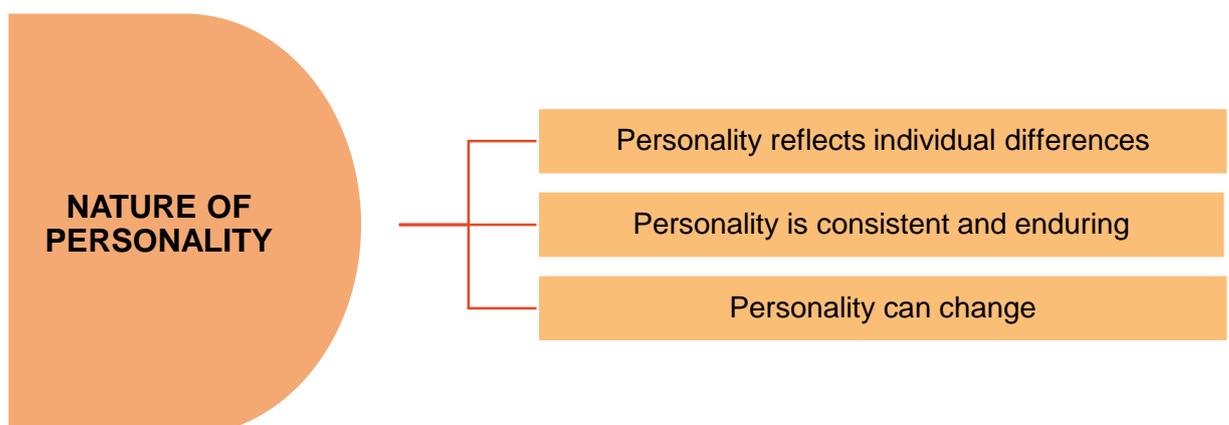
Figure 3.5 The nature of personality

a. Personality reflects individual differences

This characteristic shows that no two or more individuals are similar, as each individual's personality is a combination of unique inner characteristics, each different from the other. Nevertheless, many individuals may be similar in terms of a single personality characteristic, but not in terms of others.

For example, some people can be described as 'high' in consumer ethnocentrism (e.g. willingness to accept a foreign-made product), whereas others can be described as 'low' in ethnocentrism (e.g. afraid or reluctant to buy a foreign-made product).

b. Personality is consistent and enduring

An individual's personality tends to be both consistent and enduring. However, consumption behavior often varies considerably because of psychology, sociocultural and environmental factors that affect behavior.

For example, the mother who comments that her child, 'has been stubborn from the day he was born' is supporting the contention that personality has both consistency and endurance.

c. Personality can change

Under certain circumstances personalities change. An individual's personality may be altered by major life events, such as marriage, the birth of child, the death of parent, a divorce or a significant career promotion.

3.2.3 Theories of personality

There are three major theories of personality:


```
Theories of personality ── Freudian theory
                        ── Trait theory
                        ── Self-concept theory
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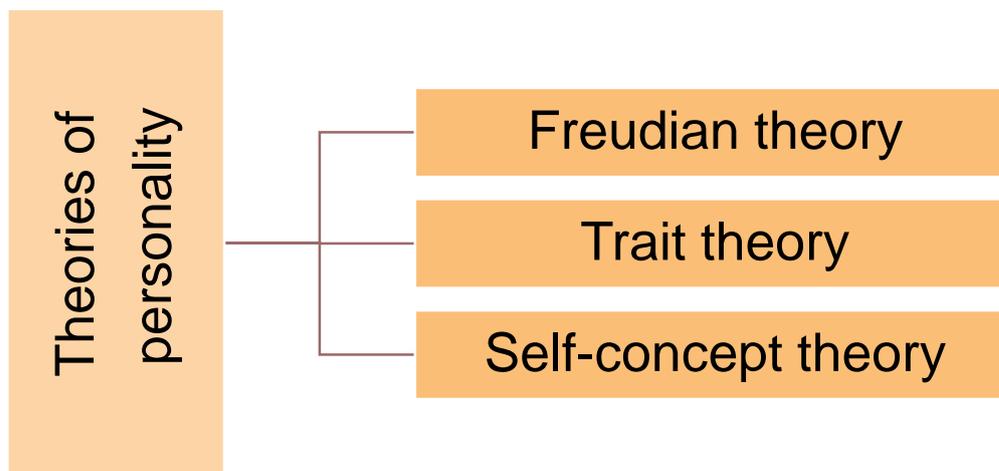
Figure 3.6 Theories of personality

a. Freudian theory

Sigmund Freud is considered to be the father of psychiatry. Among his many accomplishments is, arguably, the most far-reaching personality schema in psychology: The Freudian theory of personality.

Freud implicated the structure of the mind, namely id, ego and superego and how conflicts among these constituent parts are resolved in shaping human personality.

Source: http://journalpsyche.org/the-freudian-theory-of-personality//
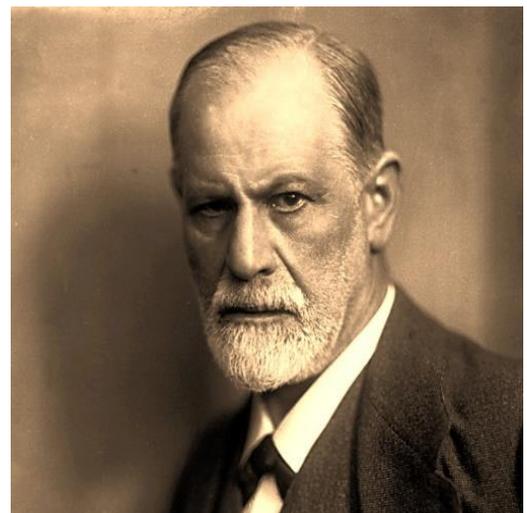
Figure 3.7 Sigmund Freud known as the father of psychiatry

Freud proposed – every individual's personality is the product of a struggle among three interacting forces:

1. Id

According to Freud's theory of personality, the id operates based on the pleasure principle, which stresses on immediate fulfillment of needs. The id is the personality component made up of unconscious psychic energy which satisfies basic urges, needs and desires. Some examples are humans' basic physiological needs such as thirst, hunger and sex, to which they may seek gratification without any specific concern of an ultimate satisfaction.

2. Super Ego

The super ego provides guidelines for making judgments. The super ego is a kind of brake that restrains or inhibits the impulsive forces of the id. Superego ensures that individuals satisfy needs in accordance with the agreed code of conduct. For example, there is a need for law and order in society. As such, each consumer would have to make a conscious effort to pay for groceries at a supermarket. If a consumer was found stealing instead, he may be caught and sentenced to jail.

3. Ego

Ego is act as an individual's conscious control. It may function as an internal monitoring mechanism that aims to equalize the id's impulsive demands and the superego's socio- cultural constraints. For example, Malaysia's cultural diversity ensures a tolerant and just society living together harmoniously despite their different ethnic and cultural backgrounds. There is a need for such tolerance and well-balanced relationships amongst nations or societies of different cultural values, norms and religious faiths.

As conclusion, the id, ego and superego work together in creating a behavior. The id creates the demands; the ego adds the needs of reality with the superego adds morality to the action which is taken.

b. Trait theory

Trait theory attempts to classify people according to their dominant characteristics or traits. A trait is any characteristics in which one person different from another. Traits are an individual's characteristics or a tendency to behave in a certain way. Trait theorists believe that studying a person's pattern of traits can help them understand their personality. Consumer behaviour can be defined using traits. This approach assumes that our personalities have many dimensions, but that some people have these dimensions more strongly or weakly than others. It contains information on a variety of personality traits that make up an individual's personality.

Personality-like traits associated with brands:

- Volvo - safety
- Nike - the athlete
- BMW - performance
- Levi's 501 - dependable and rugged

c. Self-concept theory

The self-concept theory refers to individual thoughts and feelings based on identifying himself/herself as an object for reference. Individual will figure out how they see themselves based on their perception of how others see them. Self-concept are associated with individual personalities in relation to products, services or brands that they have bought or intend to buy. Anita, for example, would go to Marks & Spencer's, a high-end fashion retailer located in Suria KLCC in Kuala Lumpur, whenever she needed new clothes. She believes that by purchasing the Marks & Spencer's clothing collection, she will be able to improve her self-image.

3.3   PERCEPTION

3.3.1 Definition of perception

Perception is defined as the process by which an individual select, organizes and interprets stimuli into a meaningful and coherent picture of the world. Stimuli refers to sights, sounds, smells, tastes and texture which occur as result of the immediate response of our sensory receptors. We receive external stimuli through five senses.

SENSORY STIMULI		SENSORY RECEPTORS
Sights	→	Eyes
Sounds	→	Ears
Smells	→	Nose
Taste	→	Mouth
Textures	→	Skin

Exposure → Attention → Interpretation
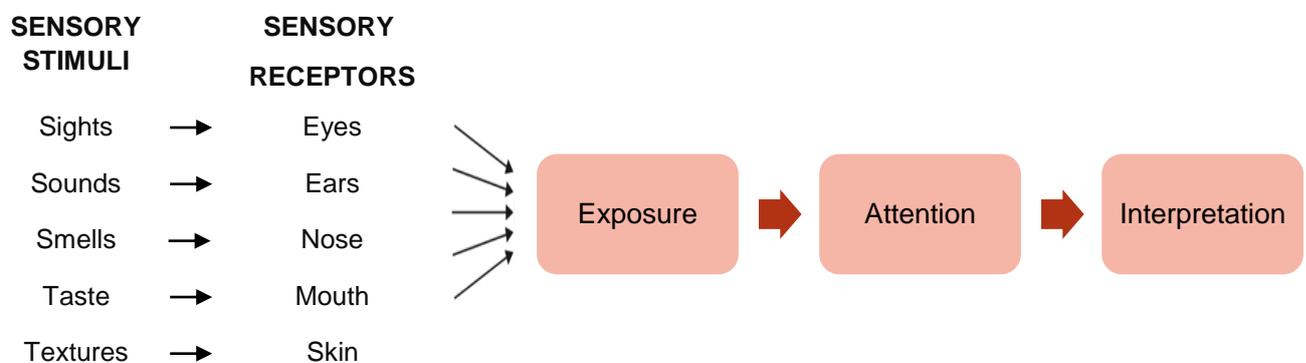
Source: Adapted from Michael R. Solomon, Consumer Behaviour – Buying, Having and Being, Ninth Edition, 2011

Figure 3.8 An overview of the perceptual process

Perception also can be described as *'how we see the world around us.'* For example; two individuals may be exposed to the same stimuli under the same apparent conditions, but how each person recognizes, selects, organizes and interprets them is a highly individual process based on each person's own needs, values and expectations.

3.3.2 The stages of perception

Perception may be explained as a three stages process which is used to give meaning to the stimuli received through the five sense. In the mind, this three-stage process takes place. This process could take a long time, but it is much than likely to happen in an instant. In fact, most of the time, people are unaware that this process is taking place. The following diagram depicts the perception process

Exposure → Attention → Interpretation

Figure 3.9 The stages of perception

a. Exposure

Exposure is when a person comes in contact with a stimulus. Exposure happens when a stimulus can be felt by any one of the five senses. If there is no exposure, perception cannot happen. While travelling on the interstate, we are exposed to a variety of commercial messages, including billboards, radio commercials, bumper stickers on automobiles, and signs and banners erected at shopping malls we pass. We don't intend to seek out the majority of this exposure. When looking for a car, however, we may purposefully seek out commercials and "tune in" to dealer advertisements on the radio.

b. Attention

Attention is when the brain uses resources to process the stimulus. A consumer is paying attention when she/he is focused on particular stimulus. They don't pay attention to every stimulus that comes their way because that would be exceedingly confusing and time consuming. Instead, individuals learn to be selective by focusing

solely on stimuli that are intriguing and/or significant to them. When a customer devotes time to a brand or its communication, this is known as attention. For example, it could be as simple as a fleeting glance at a billboard advertisement, or intently watching a 3-minute cinema commercial, or simply observing other people who are associated with the brand. Here are some ways to enhance attention: intensity, movement, size, contrast, surprise, involvement.

c. Interpretation

Interpretation is the meanings that the consumer assigns to stimuli. If the consumer pays close attention or the brand and/or its communication gains the attention of the consumer on several occasions, then the consumer is likely to process the 'message' to some extent. Unless the consumer has had past experience with the brand (via personal consumption or word-of-mouth), the consumer is likely to have a negative attitude (opinion). It will remain a weak view until reinforced by usage or further communication.
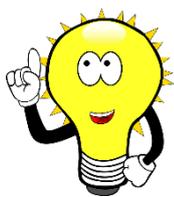
DID YOU KNOW?

The classic Gestalt perceptual picture at right. There are two people who can be seen: an elderly woman and a young woman. The rest of the picture is ground when the old woman is figural; when the young woman is figural, the old woman vanishes into the ground. You may be able to shift your perceptions from one figure to the next as you study the image, allowing you to appreciate the process of emerging figures and receding grounds as it occurs in your daily life.

Source: Adapted from The Boring Figure, Edwin Boring. 1930.

Figure 3.10 Old women or young lady?

3.3.3 The internal and external factors influencing perception

The factors that influence perception are of two kinds – internal and external. Among the internal factors the needs and desires of individuals, individual personality, and the experience of people
are included.

Factors that influencing perception

Internal	External
• Need and desires • Personality • Experience	• Intensity • Frequency • Status • Contrast • Position • Novelty • Repetition • Colour and movement
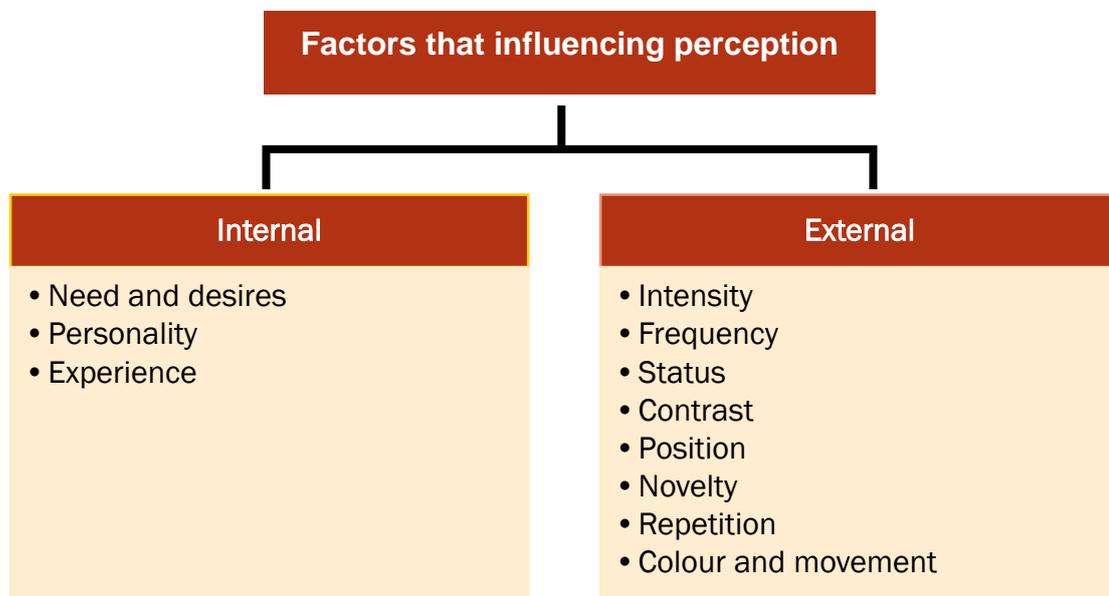
Figure 3.11 Factors that influencing perception

a. **Internal factors**

● **Needs and Desires**

The needs and desires of people play a vital role in perception. People at different levels of needs and desire perceive the same thing differently. Power seekers are more likely to detect stimuli that are associated to power. Individuals that are socially oriented pay attention to interpersonal stimuli. That is to say, people's perception is influenced by their expectations, motives, and interests.

● **Personality**

Personality is another internal factor that influences the perception of an individual. It need not be mentioned here that optimistic beings perceive the things in favourable terms, whereas pessimistic individual view it in negative terms. Research on the effects of individual personally on perception reveals many facts. For example, secured individuals tend to perceive others as warm and kind hearted.

● **Experience**

Experience and knowledge have a constant bearing on perception. Successful experiences enhance and boost the perceptive abilities and lead to accuracy in perception of a person.

b. External factors

Perception is affected by the characteristics of perceived object, an event or a person. These include size, intensity, frequency, status etc.

● **Size**

A larger size improves the likelihood that a person would notice a stimulus (for example, a poster, product size, advertising), as well as the likelihood that a person will be easily influenced/stimulated. For example, a full-page advertisement may induce more attention than a small advertisement in some corner of the newspaper.

● **Intensity**

Bright and/or primary colour catch the attention. For example, while reading a newspaper, a person comes across a few lines printed in bold letters. He automatically pays more attention to these lines. Underlined sentences and so the ones in italics are generally more attentively read.

Figure 3.12 Intensity

● **Frequency**

Repeated external stimulus is more attention gaining than a single one, so states the frequency principle. The most common way of catching people's attention is through repetition, which is one of the most frequently applied techniques in advertising. Frequency results in making people aware of the stimulus.

● **Status**

The status of the perceived person has also got influence on the perception. High status people can exert influence on perception of an employee than low status people. For example, when introduced to two people of different ranks, we tend to remember the person holding the higher rank than the other one.

● **Contrast**

Stimuli that contrast with the surrounding environment are more likely to be selected for getting attention. A contrasting effect can be caused by colour or any unusual factor. For example, a person's attention is grabbed by 'changes' in the stimulus – black and white, black against yellow background, bold fonts, words written in italics or underlining.

● **Position**

Position is the placement of an object in physical space or time. In retail stores, items that are easy to find or stand out are more likely to attract attention, such as end-caps and kiosks.

- o Eye level positions – Products displayed at eye level on the shelves at supermarkets (sometimes called 'hot spot'). Eye tracking research consistently demonstrates that shelves at eye level tend to receive the most attention. (Refer to Figure 3.13)

- o Impulse items (e.g. chocolates and sweets) placed at check-out counters

- o The use of points of purchase displays (P.O.P)

- o Pages in magazines or newspapers (right hand papers more attention than left hand pages in magazines or newspapers)

Figure 3.13 Eye tracking research

- **Novelty**

The unusual or unexpected attracts attention. For example, interesting graphics, unusual packaging, using sounds on displayed items.

Figure 3.14 Poilu - Creative Paintbrush Packaging

- **Repetition**

Repeated stimulus has more chance of catching attention.

- **Colour and movement**

Colour and movement draw the eye. Items that are brightly coloured and move are more noticeable. Certain colours and colour features elicit feelings of arousal and excitement. For example, brighter colours are more stimulating than dull colours. Warm colours, such as reds and yellow, and cool colours, such as blues and greys.

3.4   SEEK LEARNING

3.4.1 Definition of learning

Consumer learning can be thought of as the process by which individuals acquire the purchase and consumption knowledge and experience that they apply to future related behavior.   *(Shiffman and Wisenblit, Consumer Behaviour 12th Edition, 2019)*

Regardless of their differing perspectives, learning theorists generally agree that certain basic characteristics must be present for learning to take place. Motivation, cues, response, and reinforcement are all factors that most learning theorists consider.

3.4.2 Elements of learning

Motivation
Unfilled needs lead to motivation.

Cues
Stimuli that will direct motives.

Response
Consumer reaction to a drive or cues.

Reinforcement
Increases the likelihood that a response will occur in the future as a result of a cue
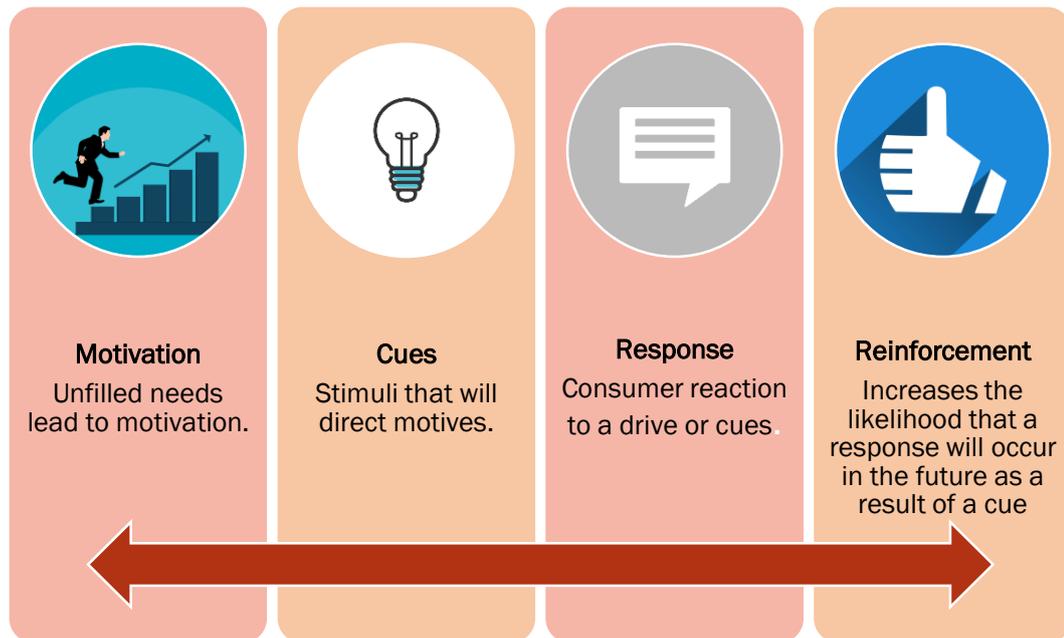
Figure 3.15 Elements of learning

a. Motivation

Motivation is a process performed by individuals in order to identify the needs of themselves. The concept of motivation is important to learning theory. Motivation is based on needs and goals. Motivation acts as a spur to learning. An individual is forced to gain information and expertise relevant to their needs in order to address a problem (learning occurred). Marketers must be aware of this motivation so that they can give product information at the appropriate time.

For example, Alisha who lost her mobile phone, will definitely need to purchase a new one. Before doing so, she will search for information related to mobile phones such as specifications, price, warranty, model and brand. This illustrates that the degree of

consumer involvement with the product determines the consumer's level of motivation to search for knowledge related to mobile phones.

b. Cues

Cues are the stimuli that will direct a consumer towards fulfilling his needs, especially when the cues are able to match with the consumer's expectations. Price, styling, packaging, advertising, and store displays all act as clues to assist consumers meet their needs in the marketplace.

For example, while searching for information related to a new mobile phone, Alisha comes across a mobile phone advertisement on television. The television advertisement is the cue, or stimuli that will help her fulfill hers needs.

c. Response

Response refers to how an individual reacts or behaves to fulfill his needs. A need or motive may evoke a whole variety of responses. Individuals will act after receiving information or knowledge and guidance in meeting their needs. Each individual will result in a positive or negative response. Responses to a particular situation are learned over time through experience in facing that situation.

For example, by watching a television advertisement on a mobile phone, Alisha decides to purchase iPhone 13 Pro smartphone. The decision to purchase iPhone 13 Pro smartphone is a result, or response that she has made to fulfil his need.

d. Reinforcement

Reinforcement increases the chances for individuals to respond towards the cues in the future. An individual will keep trying to get information or knowledge, if they promised a reinforcement. A significant factor that increases the likelihood of a specific response occurring in the future as a result of motives and signals. Consumers can learn to build successful ways of responding to their wants or changing conditions by repeating reinforced behaviour.

For example, if Alisha purchases iPhone 13 Pro, she will be given a free gift. If a consumer is rewarded when she responds to fulfil her needs, that consumer will have a pleasant feeling and is likely to make repeat purchases from the same company.

3.4.3 Learning theory

Learning theory

Behavioural Learning Theory
i. Classical conditioning
ii. Instrumental conditioning

Cognitive Learning Theory
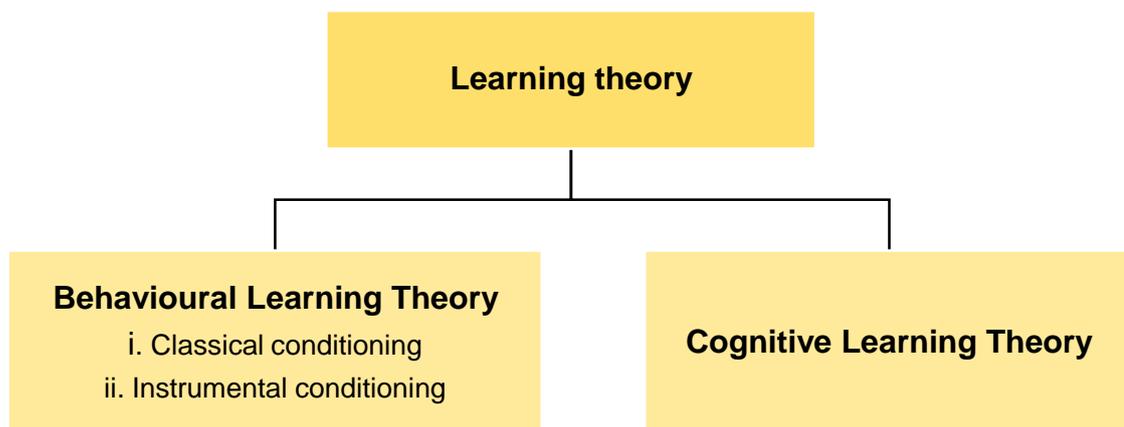
Figure 3.16 Learning theory

i. Classical conditioning theory

Ivan Pavlov, Russian psychologist was the first to describe conditioning and to propose it as a general model of how learning occurs. He described the general model of how learning occurs. According to Pavlov theory, conditioned learning results when a stimulus that is paired with another stimulus that elicits a known response serves to produce the same response when used alone.

a. For Pavlov, conditioned learning results when a stimulus that is paired with another stimulus elicits a known response and serves to produce the same response when used alone.

b. He used dogs to demonstrate his theories.

c. The dogs were hungry and highly motivated to eat.

d. Pavlov sounded a bell and then immediately applied a meat paste to the dogs' tongues, which caused them to salivate.

e. After a sufficient number of repetitions of the bell sound, followed almost immediately by the food, the bell alone caused the dogs to salivate.


Source: https://www.slideshare.net/srgeorgi/classical-conditioning-66139419
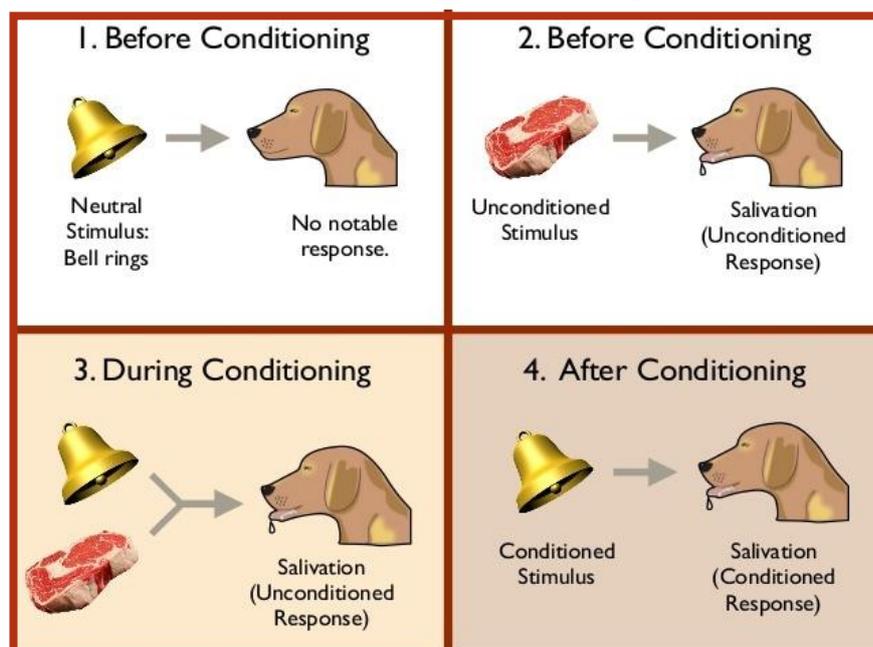
Figure 3.17 Pavlovian model of classical conditioning

In a consumer behavior context, classical conditioning can be used in various way. For example, when a brand of energy drink (the conditioned stimulus) was paired with a picture of a body builder with six-packs (the unconditioned stimulus); consumers were inclined to perceive that the energy drink will also make them become a strong person.
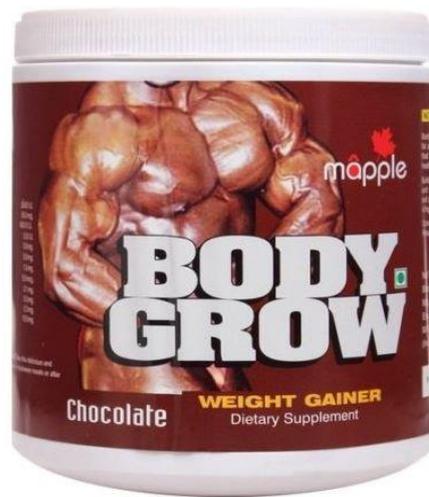
Figure 3.18 The example of strategic application of learning theories in marketing

3.4.4 Strategic application of classical conditioning

Three basic concepts derive from classical conditioning: repetition, stimulus generalization, and stimulus discrimination.

1. **Repetition** works by increasing the strength of the association and by slowing the process of forgetting.

   - After a certain number of repetitions, retention declines. This effect is known as advertising wear out and can be decreased by varying the advertising messages.

   - From a generic advertising perspective, advertising wear out is defined as the decreasing effectiveness of a commercial or campaign as a result of increased exposure.

- Some marketers avoid advertising wear out by using cosmetic variations in their ads (using different backgrounds, different print types, different advertising spokespersons) while repeating the same advertising theme.

According to classical conditioning theorists, learning depends not only on repetition, but also on the ability of individuals to generalize.

2. **Stimulus generalization** making the same response to slightly different stimuli. Stimulus generalization explains why imitative "me too" products succeed in the marketplace: consumers confuse them with the original product they have seen advertised.

    a. It also explains why manufacturers of private label brands try to make their packaging closely resemble the national brand leaders. The principle of stimulus generalization is applied by marketers to product line, form and category extensions.

    b. In product line extensions, the marketer adds related products to an already established brand, knowing that the new product is more likely to be adopted when it is associated with a known and trusted brand name.

       i. Conversely, it is much more difficult to develop a totally new brand.

    c. Marketers offer product form extensions that include different sizes, different colors, and even different flavors.

    d. Product category extensions generally target new market segments.

       i. The success of this strategy depends on a number of factors.

       ii. For example, if the image of the parent brand is one of quality, consumers are more likely to bring positive associations to the new category extensions.

For example, in stimulus generalization, Pavlov found that a dog could learn to salivate not only to sound of bell, but also to the somewhat similar sound of jangling keys.

Figure 3.19 What is your opinion regarding the stimulus generalization from the abovepicture?

3. **Stimulus discrimination** is the ability to select a specific stimulus from among similar stimuli because of perceived differences.

   a. The consumer's ability to discriminate among similar stimuli is the basis of positioning strategy, which seeks to establish a unique image for a brand in the consumer's mind. The key to stimulus discrimination is effective positioning, a major competitive advantage.

   b. The image or position that a product or service has in the mind of the consumer is critical to its success.

   c. Unlike the imitator who hopes consumers will generalize their perceptions and attribute special characteristics of the market leader's products to their own products, market leaders want the consumer to discriminate among similar stimuli.

Three basic concepts derive from classical conditioning: *repetition, stimulus generalization and stimulus discrimination.* Each of these concepts is important to the strategic application of consumer behavior.

3.5   ATTITUDE

3.5.1 Definition of attitude

According to Schiffman and Wisenblit (2019), attitude is a learned predisposition to behave in a consistently favorable or unfavorable way toward a given object.

3.5.2 Characteristics of attitude

a.   Attitude involves object

The word "object" basically refers to any specific consumption, or marketing-related concepts such as product, product category, brand, service, product use, causes or issues, people, advertisement, price, medium or retailer. For example, if marketers want to learn about and influence consumer views of recognized mobile phone companies, the objects here could be Samsung, iPhone, Vivo, and Huawei.

b.   Attitude involves learning

Attitudes are learned, which means that attitudes relevant to purchase behavior are formed as a result of direct experience with the product, word-of-mouth information acquired from others, or exposure to mass-media advertising, the Internet, and various forms of direct marketing. A consumer's attitude toward his or her purchasing behaviour of a new car, for example, may be influenced by direct exposure, prior product usage, or even persistent mass advertising. This learning process might

inspire customers to want to learn more about a product or brand, but it can also cause them to avoid buying those things or brands.

c. Attitude involve consistency

Attitudes are not necessarily permanent; they do change. Attitude have relatively consistent with the behaviour they reflect. When consumers are free to act as they wish, we can say that their actions will be consistent with their attitudes. Consumers will normally purchase the product that their like and will use it for several years before deciding to switch to another brand, if need be. The consistency of such act based on one's attitudinal belief of an object will somehow influence his/her attitude.

d. Attitude involves situational circumstances

Attitude involves a situation where is the events or circumstances that at a particular point in time, influence the relationship between an attitude and behavior. A specific situation can cause consumer to behave in ways seemingly inconsistent with their attitudes. For example, Alex purchase different brand of toothpaste each time he made a purchase. Although his brand-switching behaviour may seem to reflect a negative attitude or dissatisfaction, with the brands he tries, it actually may be influenced by a specific situation.

3.5.3 Strategies of attitude change

Attitudes are influenced by personal experience and other source of information, and personality. Altering consumer attitude is a key strategy for the marketers. Marketers has to create positive attitude in consumer mind in order to attract them in comparison with the competitors' products.

The below are the attitude change strategies:

a. Changing the basic motivational function

b. Associating the product with an admired group or event

c. Resolving two conflicting attitudes

d. Altering components of multi attributes model

e. Changing consumer beliefs about competitors' brands

a. Changing the basic motivational function

The consumer attitudes towards a product or brand can be changed by making a particular need important. The approach which is used to change the motivation is functional approach. According to this approach, attitudes can be classified in terms of four functions:

Utilitarian function	Ego-defensive function	Value expressive function	Knowledge function
• Consumer value a particular brand because of its utility function.	• It is natural that most of the consumer wants to protect their self-images and they want to feel secure and safe about the product which they are going to buy.	• Attitudes are an expression or reflection of the consumer's general values, lifestyles, and outlook.	• Customers always have the urge of knowing more about the products.

Figure 3.20 Functional approach

b. Associating the product with a special group or event

Attitudes are linked to certain groups, social events, or causes, at least in part. It is possible to change people's perceptions of companies and their products, services, and brands by emphasizing their relationships to specific social groups, events, or causes. Companies frequently include civic and public acts that they sponsor in their advertising to inform the public about the good that they are striving to achieve. For example, MILO Malaysia Breakfast Day with the main message of this event is to start the day with a healthy breakfast. As the event message says, *"Start the day with a healthy breakfast",* participants are entitled to a free milo and a free breakfast.

Source: https://www.milo.com.my/mbd2020

Figure 3.21 Malaysia breakfast Day

MILO, Malaysia's leading nutritious beverage, launches Malaysia Breakfast Day as part of its on-going nationwide campaign The MILO Breakfast Movement. The campaign - strengthening the MILO's focus to its brand heritage of breakfast - calls upon all Malaysians to join in a mass pledge of adopting the breakfast habit for a healthier and balanced lifestyle.

Source: https://www.nestle.com.my

c. Resolving two conflicting attitudes

If consumer can be made to see that their attitude towards a brand is in conflict with another attitude, they may be induced to change their evaluation of the brand. For example, Hannah likes ice cream but worries that it has far too many calories. Hannah's conflict between liking ice cream and believing it to be rich in calories may be resolved if she learns that yoghurt ice cream offers a line of low-fat ice cream.

d. Altering components of the multi attributes model

Using the Fishbein attitude-toward-object model as a framework, as a basis of change in the consumers' attitude. For example, consumers may be convinced to enjoy a certain brand of vacuum cleaner if marketers are able to highlight various enhanced product qualities that may benefit customers rather than the product's previous problems. We will consider the following strategies for bringing about attitude change.

Changing the relative evaluation of attributes	Changing brand beliefs	Adding an attribute	Changing the overall brand rating
• The overall market for many products categories is often set out so that different consumer segments are offered different brands with different features or benefits.	• This strategy can be achieved by convincing the audience that a particular brand is better than the rest in its class.	• This can be accomplished either by adding an attribute that previously has been ignored or one that represents an improvement or technological innovation	• Altering consumers' overall assessment of the brand by using globally accepted statements.

Figure 3.22 Strategies for attitude change

d. Changing consumer beliefs about competitors' brands

This approach emphasizes the attitude strategy to change the consumers' beliefs about the attributes of competitive brands. This approach can be achieved by utilizing comparative advertising. For example; the taste challenge of convincing customers to agree on which of Pepsi's and other rival brands has the finest taste of fizzy drinks. The audience was encouraged to taste two different types of fizzy drinks before voting on which one they preferred.

MULTIPLE-CHOICE QUESTIONS

1. The term used to describe the individual's internal drive to act to satisfy unfulfilled needs or goals is known as _____.

    A. behaviour

    B. attitude

    C. learning

    D. motivation

2. According to Maslow's hierarchy of needs, the highest order of needs is called _____.

    A. social needs

    B. self esteem

    C. self-actualization

    D. safety needs

3. Name **TWO (2)** types of behavioural learning.

    A. Cognitive learning and affective learning

    B. Classical conditioning and instrumental conditioning

    C. Conservative learning and radical learning

    D. Motivational learning and cognitive learning

4. Perception is the process by which people _____, organizes and _____ stimuli into a meaningful and coherent picture of the word.

    A. concern, receive

    B. selects, interprets

    C. thought, attention

    D. receive, selects

5. Freudian Theory proposed that every individual's personality is the product of a struggle among three interacting forces that are _____

    A. id, super ego, ego

    B. id, behaviour, ego

    C. super ego, trait, id

    D. ego, id, sensory

DISCUSSION QUESTIONS

1. Describe each level in Maslow's Hierarchy of needs and relate how marketers use this theory to market their products.

2. One of the methods to change the basic motivational function is known as the functional approach. According to this approach, attitude can be classified in terms of four functions. Explain all FOUR (4) functions and provide suitable examples.

3. Perceptual selection is concept where consumers select stimuli from the environment. Explain THREE (3) stages of perception selection.

4. Altering attitude is a strategy for marketers especially when aiming to be a market leader. Various attitude change strategies can be chosen by marketers. Interpret the meaning of changing beliefs about competitor's brand.

5. Some psychologists believe in the existence of a trio of needs; the needs for power, for affiliation and for achievements. Discuss.

ANSWER KEYWORDS

MULTIPLE-CHOICE QUESTIONS

1. D

2. C

3. B

4. D

5. A

DISCUSSION QUESTIONS

1. 3.1.2   : Page 37 - 40
2. 3.5.3   : Page 69
3. 3.3.2   : Page 52 - 53
4. 3.5.3   : Page 72
5. 3.1.2   : Page 42 - 43

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