Consumer Behavior, Eighth Edition

SCHIFFMAN & KANUK

Chapter 16

Consumer Decision Making and Beyond

Levels of Consumer Decision Making

Extensive Problem Solving

Limited Problem Solving

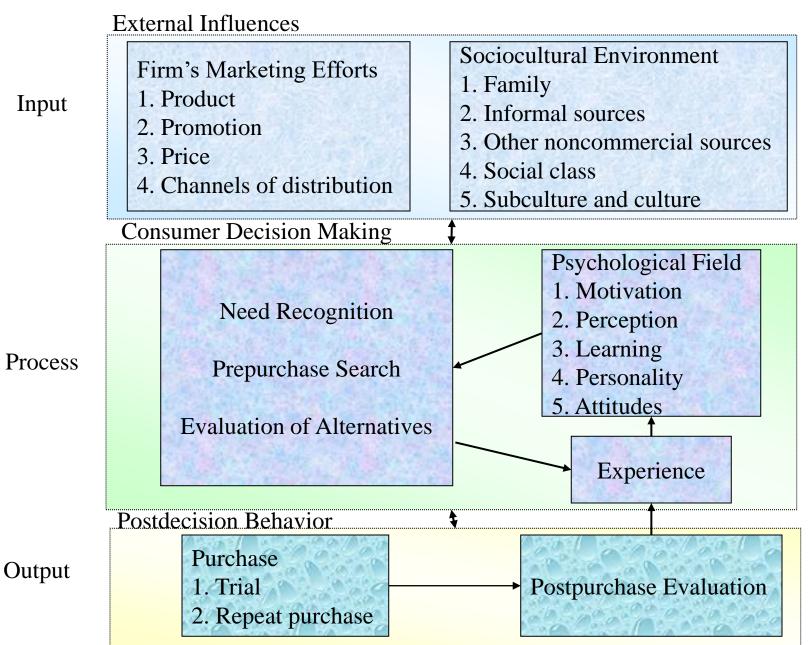
Routine Response Behavior

Models of Consumers: Four Views of Consumer Decision Making

- An Economic View
- A Passive View
- A Cognitive View
- An Emotional View

Figure 16.1 Goal Setting and Pursuit Feedback Goal Goal Attainment/ Setting Failure Formation Action Action Initiation/ of Goal Planning Control Intention

Figure 16.2 A Simple Model of Consumer Decision Making



Three Stages of Consumer Decision Making

- Need Recognition
- Prepurchase Search
- Evaluation of Alternatives

Table 16.2 Factors that are Likely to Increase Prepurchase Search

Product Factors

Long interpurchase time (a long-lasting or infrequently used product)

Frequent changes in product styling

Volume purchasing (large number of units)

High price

Many alternative brands

Much variation in features

Table 16.2 continued

Experience

First-time purchase

No past experience because the product is new

Unsatisfactory past experience within the product category

Social Acceptability

The purchase is for a gift

The product is socially visible

Value-Related Considerations

Purchase is discretionary rather than necessary

All alternatives have both desirable and undesirable consequences

Family members disagree on product requirements or evaluation of alternatives

Product usage deviates from important reference group

The purchase involves ecological considerations

Many sources of conflicting information

Table 16.2 continued

Product Factors

Demographic Characteristics of Consumer

Well-educated

High-income

White-collar occupation

Under 35 years of age

Personality

Low dogmatic

Low-risk perceiver (broad categorizer)

Other personal factors, such as high product involvement and enjoyment of shopping and search

Table 16.3 Alternative Prepurchase Information Sources for an Ultralight Laptop

PERSONAL

Friends

Neighbors

Relatives

Co-workers

Computer salespeople

Calling the electronics store

IMPERSONAL

Newspaper articles

Magazine articles

Consumer Reports

Direct-mail brochures

Information from product

advertisements

Internal web site

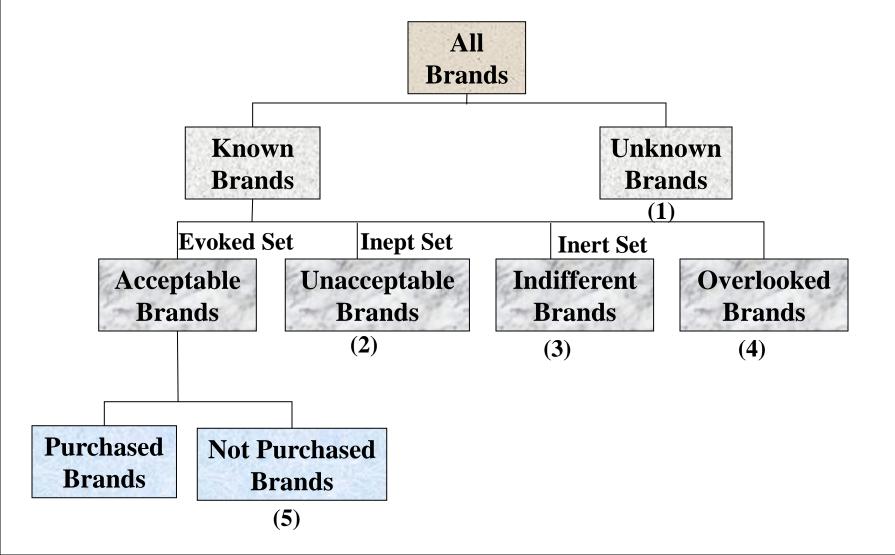
Issues in Alternative Evaluation

- Evoked Set
- Criteria Used for Evaluating Brands
- Consumer Decision Rules
- Lifestyles as a Consumer Decision Strategy
- Incomplete Information and Noncomparable Alternatives



- Series of Decisions
- Decision Rules and Marketing Strategy
- Consumption Vision

Figure 16.3 The Evoked Set as a Subset of All Brands in a Product Class



Brands that a consumer excludes from purchase **Inept Set** consideration.

Inert Set

Brands that a consumer is indifferent toward because they are perceived as having no particular advantage.

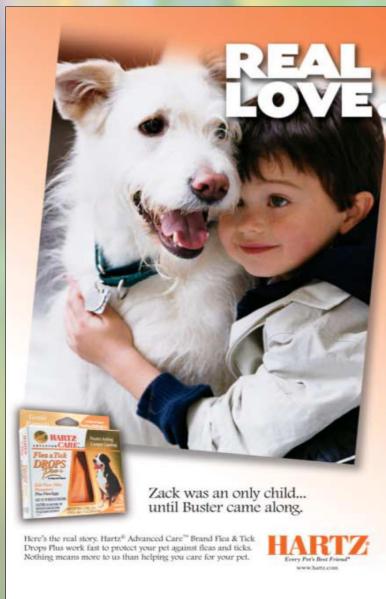




Figure 16.4 Ad **Suggesting** Criteria for **Decision** Making

Consumer Decision Rules

- Compensatory
- Noncompensatory
 - Conjunctive Decision Rule
 - Disjunctive Decision Rule
 - Lexicographic Rule

Compensatory Decision Rules

A type of decision rule in which a consumer evaluates each brand in terms of each relevant attribute and then selects the brand with the highest weighted score.

Noncompensatory
Decision
Rules

A type of consumer decision rule by which positive evaluation of a brand attribute does not compensate for a negative evaluation of the same brand on some other attribute.

Conjunctive Decision Rule

A noncompensatory decision rule in which consumers establish a minimally acceptable cutoff point for each attribute evaluated. Brands that fall below the cutoff point on any one attribute are eliminated from further consideration.

Disjunctive Rule

A noncompensatory decision rule in which consumers establish a minimally acceptable cutoff point for each relevant product attribute.

Lexicographic Rule

A noncompensatory decision rule consumers first rank product attributes in terms of importance, then compare brands in terms of the attribute considered most important.

Affect Referral Decision Rule

A simplified decision rule by which consumers make a product choice on the basis of their previously established overall ratings of the brands considered, rather than on specific attributes.

Table 16.7 Hypothetical Use of Popular Decision Rules in Making a Decision to Purchase an Ultralight Laptop

DECISION RULE	MENTAL STATEMENT
Compensatory rule	"I selected the computer that came out best when I balanced the good ratings against the bad ratings."
Conjunctive rule	"I selected the computer that had no bad features."
Disjunctive rule	"I picked the computer that excelled in at least one attribute."
Lexicographic rule	"I looked at the feature that was most important to me and chose the computer that ranked highest on that attribute."
Affect referral rule	"I bought the brand with the highest overall rating."

Coping with Missing Information

- Delay decision until missing information is obtained
- Ignore missing information and use available information
- Change the decision strategy to one that better accommodates for the missing information
- Infer the missing information

Types of Purchases

Trial Purchases

Repeat Purchases

Long-Term Commitment Purchases

Outcomes of Postpurchase Evaluation

- Actual Performance Matches Expectations
 - Neutral Feeling
- Actual Performance Exceeds Expectations
 - Positive Disconfirmation of Expectations
- Performance is Below Expectations
 - Negative Disconfirmation of Expectations

Gifting Behavior

Gifting is an act of symbolic communication, with explicit and implicit meanings ranging from congratulations and love, to regret, obligation, and dominance.



Table 16.9 Five Giver-Receiver Gifting Subdivisions

GIVERS	INDIVIDUAL	RECEIVES "OTHER" GROUP	SELF*
INDIVIDUAL	Interpersonal gifting	Intercategory gifting	Intrapersonal gifting
GROUP	Intercategory gifting	Intergroup gifting	Intragroup gifting

*This "SELF" is either singular self ("me") or plural ("us").



Table 16.12 Reported Circumstances and Motivations for Self-Gift Behavior

CIRCUMSTANCES

Personal accomplishment

Feeling down

Holiday

Feeling stressed

Have some extra money

Need

Had not bought for self in a while

Attainment of a desired goal

Others

MOTIVATIONS

To reward oneself

To be nice to oneself

To cheer up oneself

To fulfill a need

To celebrate

To relieve stress

To maintain a good feeling

To provide an incentive toward a goal

Others

Gifting Subdivisions

Intergroup Gifting

Intragroup Gifting

Intercategory Gifting

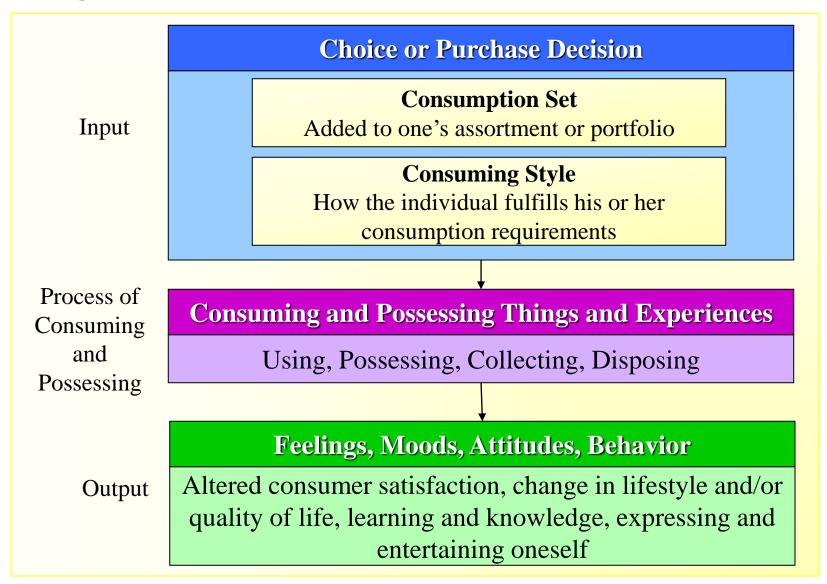
Interpersonal Gifting

Intrapersonal Gifting

Table 16.13 Gifting Relationships

GIFTING RELATIONSHIP	DEFINITION	EXAMPLE
Intergroup	A group giving a gift to another group	A Christmas gift from one family to another family
Intercategory	An individual giving a gift to a group or a group giving a gift to an individual	A group of friends chips in to buy a new mother a baby gift
Intragroup	A group giving a gift to itself or its members	A family buys a VCR for itself as a Christmas gift
Interpersonal	An individual giving a gift to another individual	Valentine's Day chocolates presented from a boyfriend to a girlfriend
Intrapersonal	Self-gift	A woman buys herself jewelry to cheer herself up

Figure 16.5 A Simple Model of Consumption



Relationship Marketing

Marketing aimed at creating strong, lasting relationships with a core group of customers by making them feel good about the company and by giving them some kind of personal connection with the business.

Table 16.14 A Broad-based Relationship Program

AIRLINES

Canadian Airlines International

Cathay Pacific Airlines

Hawaiian Airlines

Qantas Airways

Keno Air

Singapore Airlines

TWA

US Airways

HOTELS

Conrad Hotels

Forte Hotels

Forum Hotels

Hilton Hotels & Resorts

Hilton International Hotels

Holiday Inns

HOTELS continued

ITT Sheraton Hotels, Inns, Resorts & All-Suites

Marriott Hotels, Resorts and Suites

Vista Hotels

Wyndham Hotels & Resorts

CAR RENTAL

Avis Rent a Car

Hertz

OTHER

Citibank AAdvantage Visa or

Master-Card application

MCI Long-Distance

American AAdvantage Money

Market Fund

Figure 16.7 A Portrayal of the Characteristics of Relationship Marketing

The Firm provides
Products/Services
Individualized attention
Continuous information
Price offers
Customer services
Extras and perks, etc.
Repeat Purchase
Increased Loyalty
Goodwill
Positive word-of-mouth
Lower costs for the firm

Consumers Are Less Loyal - Why?

- Abundance of choice
- Availability of information
- Entitlement

- Commoditization
- Insecurity
- Time scarcity