COPYRIGHT NOTICE

This book was previously published by
Prentice-Hall, Inc. A Division of Simon & Schuster
Englewood Cliffs, New Jersey 07632

A.6 Individual Consumer Variables

CHARACTERISTICS OF THE INDIVIDUAL CONSUMER VARIABLES

Consumers select products and brands to satisfy their needs by following a **consumer decision-making process** that is presented in GLOSSARY entry A.2. Consumer product selection is mediated by variables and characteristics internal to the individual consumer as well as characteristics of the external consumer environment. (**External consumer influences** are considered in GLOSSARY entry A.5.) In this entry, seven individual consumer variables that influence product and brand selection are examined in terms of their relevance to marketing decision making.

Motivation. When a consumer becomes aware of a discrepancy between a desired state and an actual state, the individual is energized to take action. The discrepancy between the desired and actual states is termed a **problem,** and the drive to overcome that discrepancy is termed **motivation.** Occurrence of a problem is usually the result of a consumer need being unfulfilled.

Motivation plays two important roles in the consumer decision-making process. First, motivation is the equivalent of the problem recognition stage of the consumer decision-making process. If the level of motivation is high, it will provide energy to drive the consumer through the rest of the process. Thus, motivation serves to drive the consumer decision-making process. Second, motivation plays a powerful role in focusing consumer energy on those activities that will solve the problem and satisfy the need. This means that consumer decision making and product selection are not random or haphazard acts, but are directed by motivation to meet specific needs.

Motivation, or awareness of a discrepancy between the actual and ideal states, is triggered by a stimulus that may originate internally or externally. A stimulus is simply a communication alerting the consumer to a problem. An example of internal stimulus might be a feeling of hunger; an external stimulus might be a fashion tip from an influential friend.

Involvement and Perceived Risk. **Involvement** is the level of importance that a consumer attaches to a purchase decision.[1] Involvement, which may vary from person to person for similar purchase situations, is usually classified as "high" or "low." High-involvement decisions tend to be ones that the consumer perceives as risky, expensive, complex, unfamiliar, or socially visible.

The consumer decision-making process is different in high-involvement situations than in low involvement. In high-involvement situations, the consumer is active in the search for external information, believing that the investment of energy is worthwhile because of the differences in products and the importance of correct choice. Information is evaluated and attitudes toward brands are formed to guide the purchase decision. In a low-involvement situation, search is largely internal, utilizing information passively received. Purchase is made using a highly simplified decision rule (such as, "buy the same brand as last time") and before strong attitudes toward brands have been formed. Based on actual use of the product, attitudes may be formed that will guide subsequent purchases.

Perceived risk is a concept that has implications similar to those for involvement.[2] **Perceived risk** is said to be high when the consumer is uncertain what the outcome of a decision will be and is concerned that the outcome may in some way be harmful. Risk may be perceived as high because of product cost, lack of experience with the product category, concern with meeting social standards, concern that self-image may be damaged, or other factors. Consumers attempt to reduce the perceived risk in a purchase decision. One way is to "play it safe" by buying a trial size, leasing rather than buying, purchasing a well-known brand, or not buying at all. Another way to reduce risk is by becoming more active in information search and evaluation, as in a high-involvement situation.

Selective Perception. Consumers are bombarded with a great many communications from marketers, friends, and other elements in the consumer environment. Because of limitations in processing capacity, consumers need a means to screen out unwanted communication. **Selective perception** or the **selective processes** provide consumers with the ability to screen incoming communications.

Consumers use several criteria to determine what information should be screened out and which should be accepted. From a marketing standpoint, by far the most important criterion is the relevance of the information to a current or anticipated problem. When consumers actively seek information relevant to a current problem and screen out nonrelevant information, they are using **perceptual vigilance.** Other screening criteria include the credibility of the information, its consistency with the consumer's prior experience, and its consistency with existing attitudes. Consumers utilize three levels of selectivity. By practicing **selective exposure,** consumers limit the media in which they search and the social inquiries that they make to those likely to have information relevant to the problem. Through **selective attention** consumers pay attention to only those messages that have relevance to a problem that motivates them, and through **selective retention,** consumers re-

[1]The original conceptualization of involvement is in Herbert E. Krugman, "The Impact of Television Advertising: Learning Without Involvement," *Public Opinion Quarterly* 29 (1965), pp. 345–56.

[2]See Donald F. Cox, "Risk Taking and Information Handling in Consumer Behavior," in *Risk Taking and Information Handling in Consumer Behavior,* ed. Donald F. Cox (Boston: Division of Research, Harvard Business School, 1967), pp. 604–39.

member only information that promises to be useful in solving a problem. The consumers' ability to defend themselves against unwanted or inconsistent communications has been shown to be very powerful.[3]

Memory and Information Processing. **Memory** is the name given to the processes of acquiring, processing, storing, and retrieving information. It is thought of as the place where information processing takes place during the information search and evaluation stage of the consumer decision-making process. Memory is said to have three elements: **Sensory memory** receives stimuli from the sensory organs (eyes, ears, and so forth); **short-term memory** serves as the "workbench" to which information is brought for processing; and **long-term memory** is the permanent storage area for processed information. While long-term memory has very large, perhaps infinite, capacity, short-term memory is highly limited in the number of pieces of information to which it can attend at any one time. Sensory memory is highly limited in the time in which it can hold a stimulus before losing it or transferring it to short-term memory.

Information processing includes the activities of information acquisition, information processing, information integration, and information retrieval. External information is first acquired by sensory memory in the form of impulses from the sensory organs. This information, if it is to be retained, is quickly transferred to short-term memory for processing. Because of the capacity limitations of short-term memory, consumers focus on only a few relevant stimuli and discard the rest. In short-term memory, incoming information is coded, placing it in more usable form for decision making or for storage in long-term memory. Integration is the process of preparing information for storage in long-term memory. Information may be stored in long-term memory in terms of semantic concepts (in word or symbol form), as an episode (a chronological representation), or in other ways. Part of the processing includes fitting the new information into an appropriate memory network so that it is associated with similar information. Information retrieval is the process of withdrawing information from long-term memory so that it can be used in short-term memory, together with newly acquired information, in order to make decisions. Decision making takes place in short-term memory.

Learning. **Learning** is a change in behavior brought about by experience. The change can be in physical behavior, such as product purchase, or it can be a change in problem-solving behavior and the variables that mediate that behavior. Attitudes, self-concept, and the selective processes are variables that are formed and changed through experience. In the consumer decision making process, the two stages at which most learning takes place are information search and evaluation and postpurchase processes. During information search, consumers gather information about products; this leads to changing cognitions about products and, in the end, will often result in creation of or changes in product preferences or attitudes. Other individual variables change in a similar way as a result of information search. The satisfaction or dissatisfaction that results from postpurchase processes also results in learning, including changes in attitude toward the product purchased and toward products considered but not purchased.

Unlearning also takes place. If use of a previously favored product results in dissatisfaction, the previous favorable attitude toward that product would be extinguished. If a previously used product is no longer used because the need has receded, previously learned cognitions and attitudes toward that product will be forgotten unless the marketer makes an effort to re-present product information.

Two broad classes of theory explain how learning takes place. **Learning theory** sees individuals learning the relation between stimulus and response (between problem

[3]See Raymond A. Bauer, "The Obstinate Audience," *American Psychologist* 19 (May 1964), pp. 319–28.

and solution) by a process of trial and error. When a positive response is received, the individual's behavior is reinforced. This reinforcement will lead the individual to repeat the same response as long as the reinforcement continues. Learning theory most closely corresponds to the low-involvement situation. **Cognitive theory** views individuals as performing problem solving to discover suitable responses. Under cognitive theory, individuals analyze stimuli (information), trying to gain insights into relationships between problem and potential solutions. In other words, individuals use a process much like the high involvement consumer decision-making process.

Attitudes. **Attitudes** are learned positive or negative predispositions toward an object which, for the marketer, is usually a product. In high-involvement situations, attitudes are formed during information search and evaluation and as a result of postpurchase evaluation. In low-involvement situations, attitude formation is weaker and occurs after purchase rather than before. Attitudes are also formed through exposure to **external consumer influences,** such as the culture or subculture, the family, social class, and social groups.

Attitudes toward products are used by consumers to guide their selection of products and brands. Attitudes direct consumers toward products that solve utilitarian problems, enhance the buyer in the eyes of others, and defend the purchaser's self-concept. Attitudes are one of the pieces of information retrieved from long-term memory in order to make a product decision.

Consumers have many attitudes, but they are not independent of one another. Instead, they are believed to fit together in a structure that has consistency and stability. Included in this structure are the individual's values and self-concept. Because individuals feel a strong need to maintain consistency among the elements of the attitude structure, any attempt to change an attitude so that it becomes inconsistent with the attitude structure, is vigorously resisted as is any threat to values or self-concept. Because of this stability, attitudes are very difficult to change.

Self-Concept. **Self-concept,** sometimes called **self-image,** is an individual's perception of himself or herself. Self-concepts may refer to how individuals think they are perceived by others or how they aspire to be seen by others. Self-concepts are learned through social interaction during an individual's formative years. However, as individuals mature, self-concepts become stable and resistant to change. As noted above, the self-concept, which is a sort of complex attitude toward oneself, becomes a central part of the attitude structure and shows the same stability as attitudes.

Self-concept is used by consumers in making product and brand choices. **Congruity theory** suggests that consumers tend to seek products and brands whose images match their self-image. This desire for congruity becomes one of the **choice criteria** used by the consumer in product selection.

APPLICATION OF INDIVIDUAL CONSUMER VARIABLES TO MARKETING DECISION MAKING

The individual variables discussed above each influences the product and brand decision reached by consumers. Understanding the role of these variables allows the marketer to adjust product marketing strategies to better meet consumer needs. Ways in which knowledge of each of the variables can be used to shape product marketing strategy are suggested below.

Motivation in Marketing Decision Making. Understanding the needs that underlie motivation is fundamental to marketing. The **marketing concept** suggests that success lies in meeting those needs rather than attempting to change or create needs to meet existing products. Marketers have found that promotional tools are relatively weak in triggering motivation, and are better utilized in persuading already motivated consumers of the superiority of the firm's products.

Thus, in most cases marketers should consider that the market for a product is made up of persons already motivated to solve a problem for which the product is a solution and should address the marketing mix to meet the needs of that group.

Involvement/Perceived Risk in Marketing Decision Making. In considering the marketing strategy for a product, the marketer should determine if the purchase situation is high involvement and high risk for most consumers or low involvement and low risk. A different strategy is suggested for each case.

In high-involvement, high-risk purchase situations, the marketer should recognize the consumer's thirst for information. **Advertising copy** (GLOSSARY entry C.2) should be full and factual; **advertising media selection** (GLOSSARY entry C.4) should stress print media that allow more careful study; personal selling should play a major role in the **promotional mix** (GLOSSARY entry C.29), and provision should be made to allow consumers to sample the product.

Strategy in the low-involvement, low-risk situation is more difficult since information search is passive and the perceptual processes tend to screen out most promotional communications. To overcome this, promotion should tend to use intrusive media such as television as well as high frequency of impressions. **Sales promotions** (GLOSSARY entry C.36) with special consumer offers are often effective in low-involvement situations to give additional incentive to the consumer to reconsider brand choice. Another strategy is to attempt to convert the purchase to one of higher involvement and risk. Bran cereals, for example, appear to have done this by linking their products to a program of cancer prevention.

Selective Perception and Marketing Decision Making. Understanding selective perception and accepting its power can help the marketer develop more effective advertising and personal selling. The objective must be to provide information that will not be screened out by consumers.

- *Relevance.* Most important, communications to consumers must be relevant to the problem that the consumer is trying to solve rather than focusing on the problem the marketer is trying to solve.
- *Credibility.* Consumers screen out information that is not believable. Credibility is enhanced by making moderate claims, presenting factual support, and using credible presenters.
- *Conflict.* Marketers should avoid making claims that conflict with strongly held attitudes or values, since such messages are likely to be rejected.
- *Media Selection.* Consumers' selective exposure process suggests that in selecting advertising media, marketers should determine where in this problem situation consumers will look for information and place advertising in those media.

Memory and Information Processing in Marketing Decision Making. Favorable information processing is highly dependent on the marketer's information getting into the limited-capacity, short-term memory. The marketer can assist this by using high rates of message repetition, especially in broadcast media, simplifying messages so that they are easier to comprehend, and communicating visually as well as verbally for better retention.

Marketers are also interested in making retrieval of information from long-term memory easier. Retrieval is enhanced if the marketer's communications include strong visual and verbal associations with related concepts so that the consumer is better able to access the right memory network.

Learning in Marketing Decision Making. Marketers can help form positive attitudes toward a product by providing useful, credible information during the consumer's information search and evaluation. However, by far the most important learning takes place in the evaluation after product use. Here the important determinant of positive attitudes and future product purchase is how well the product met the consumer's need. Most negative attitudes are the result of poor product. By contrast, **brand loyalty** results from strong positive attitudes that are learned from high-satisfaction product experiences.

Attitudes in Marketing Decision Making. Changing negative attitudes toward a product represents one of the most difficult problems that a marketer can face. Negative attitudes are difficult to change because a change in one attitude may place it in conflict with the stable attitude structure. If a marketer attempts to use promotional messages to persuade consumers to change an attitude, consumers are likely to use **selective perception** to screen out the message because it would be in conflict with the existing attitude structure.

The marketer might take two directions when faced with negative attitudes toward a product. One approach is to try to change existing negative attitudes toward the product. This is probably best done by changing the product so that it better meets needs and the source of the negative evaluation is removed. Then the product must be put into consumer hands, perhaps through a sampling effort, so that it is reevaluated. This approach will work best in a low-involvement purchase where attitudes are a less important determinant of product selection.

A second approach, more appropriate in high-involvement situations, is called by marketers "going with the flow." Product attitudes are usually made up of a number of evaluative elements. Rather than attempting to change the negative portion of the attitude, the marketer attempts to find a positive element and reinforce it. Thus if an automobile make was not considered as well styled as competitors' but more repair free, the marketer would not attempt to argue styling with the consumer, but would reinforce the reliability.

Self-Concept and Marketing Decision Making. Determining the self-concepts of consumers in a market is a difficult undertaking, but there have been instances where it has been attempted. Where it is possible, self-concept can be used as a segmentation base so that each segment is made up of consumers with similar self-concepts. Following this, the congruity theory suggests that a marketing mix be developed that results in a product image consistent with the self-concept of the target consumers. Socially visible products like automobiles, dress clothing, and perfume would lend themselves to this strategy as would retail stores.

SUGGESTIONS FOR FURTHER READING

BAUER, RAYMOND A. "The Obstinate Audience." *American Psychologist* 19 (May 1964), pp. 319–28.

BETTMAN, JAMES R. *An Information Processing Theory of Consumer Choice.* Reading, Mass.: Addison-Wesley Publishing Co., 1979.

COX, DONALD F. "Risk Taking and Information Handling in Consumer Behavior." In *Risk Taking and Information Handling in Consumer Behavior,* ed. Donald F. Cox. Boston: Division of Research, Harvard Business School, 1967, pp. 604–39.

DOLICH, IRA J. "Congruence Relationships Between Self Images and Product Brands." *Journal of Marketing Research* 6 (February 1969), pp. 80–85.

LUTZ, RICHARD J. "The Role of Attitude Theory in Marketing." In *Perspectives in Consumer Behavior.* 3d ed., ed. Harold H. Kassarjian and Thomas S. Robertson. Glenview, Ill.: Scott, Foresman, 1981, pp. 233–50.

MARKIM, ROM J. "Motivation in Buyer Behavior Theory: From Mechanism to Cognition." In *Consumer and Industrial Buying Behavior,* ed. Arch G. Woodside, Jagdish N. Sheth, and Peter D. Bennett. New York: Elsevier-North Holland, 1977, pp. 3–15.

ROTHSCHILD, MICHAEL L. "Behavioral Learning Theory: Its Relevance to Marketing and Promotions." *Journal of Marketing* 85 (Spring 1981), pp. 70–78.