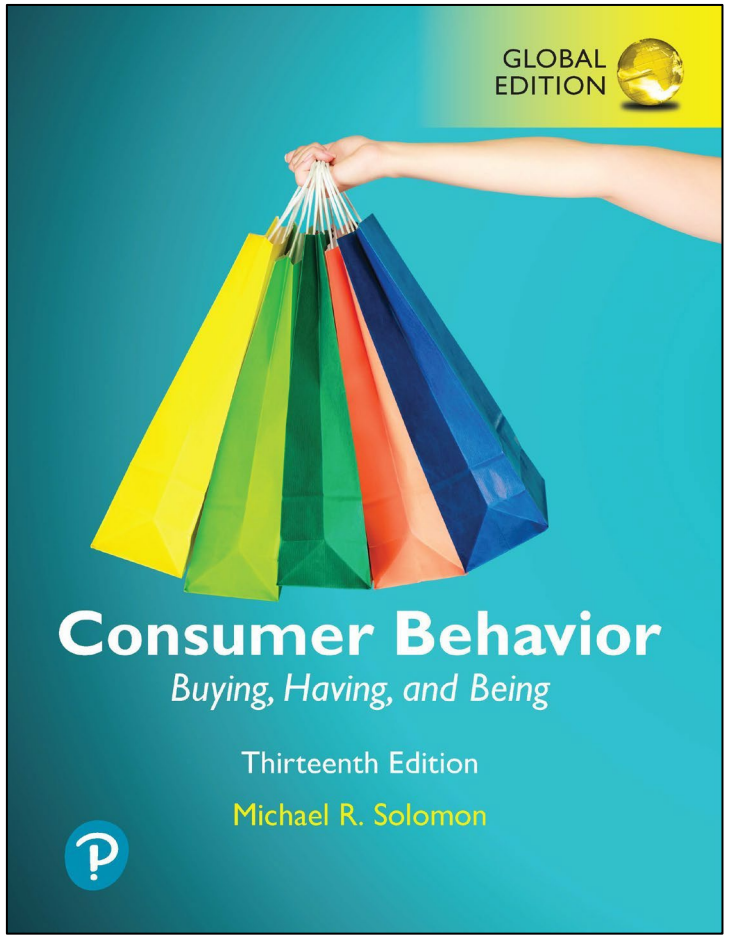
Consumer behaviour: buying, having, and being

Topic 1



1. Consumer behaviour: concept and characteristics
2. Consumer analysis in the marketing discipline
3. Approaches to analysing consumer behaviour
4. Stages in and determinants of consumer decision-making
5. Consumer behaviour online
6. Consumers and social well-being. The Sustainable Development Goals (SDGs). Social marketing

1. Consumer behaviour: concept and characteristics

Characteristics

1) It is a process in which <u>several activities</u> are involved:

Acquisition phase	PRE-PURCHASE
Consumption phase	PURCHASE
Disposal phase	POST-PURCHASE

How do consumers search for information?

What is the purchase experience like?

- It is complex and multidimensional
- It differs depending on time
- The decision-making process is situational

What is the usage experience like?

How is the product disposed of?

What was your last purchasing process like (thoughts, feelings, actions)?

1. Consumer behaviour: concept and characteristics

Characteristics

2) It is a motivated behaviour

3) It activates the individual's entire psychological system: cognitive, affective and behavioural

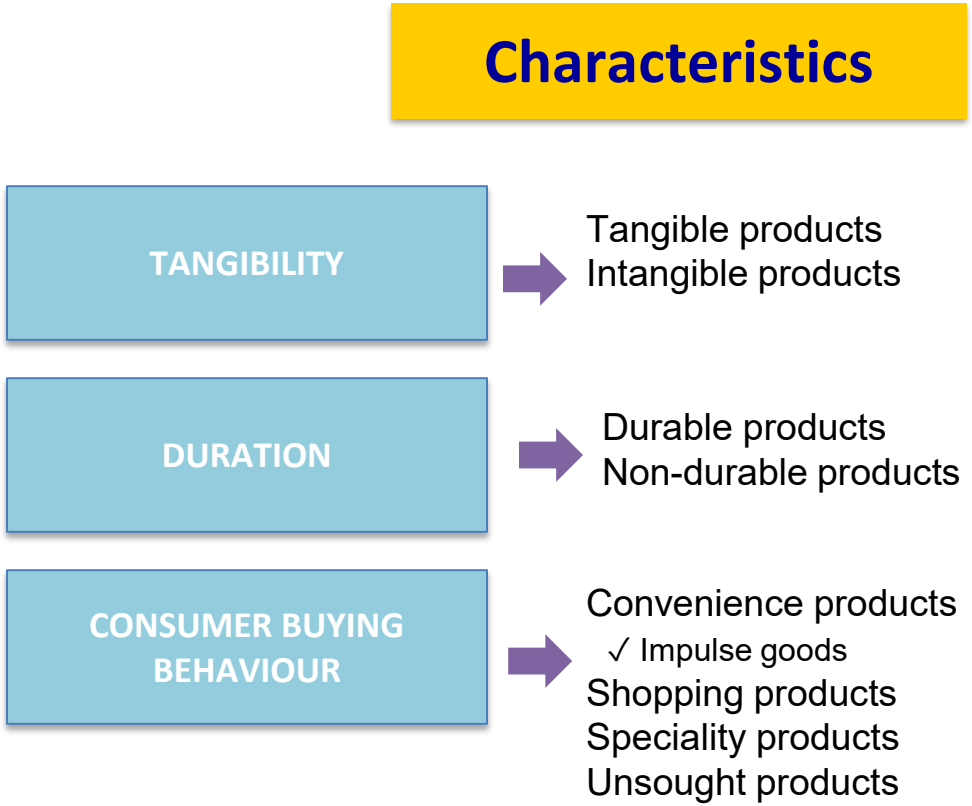
4) It involves different roles

INITIATOR
INFORMER
INFLUENCER
DECIDER
BUYER
PAYER
USER

STANLEY CUP

Can you think of an example in which the initiator, decider, payer and user are the same person, and another example in which they are different people?

1. Consumer behaviour: concept and characteristics



Consumers and marketing strategy

MARKET SEGMENTATION

The market is made up of customer groups with similar desires, preferences, needs or benefits

- Consumers' choices are determined not by the product itself but by the **benefits or services** they expect to obtain.
- Every product is a set of **attributes or characteristics.**
- Different products can satisfy **the same need.**
- The same product can satisfy **different needs.**

Consumers and marketing strategy

- MARKET SEGMENTATION

Marketers have to understand the wants and needs of different consumer segments. Market segmentation is an important aspect of consumer behaviour. Consumers can be segmented according to many dimensions, including product usage, demographics (the objective aspects of a population, such as age and sex), and psychographics (psychological and lifestyle characteristics). Emerging developments, such as the new emphasis on relationship marketing and the practice of database marketing, mean that marketers are much more attuned to the wants and needs of different consumer groups.

What are consumers looking for?

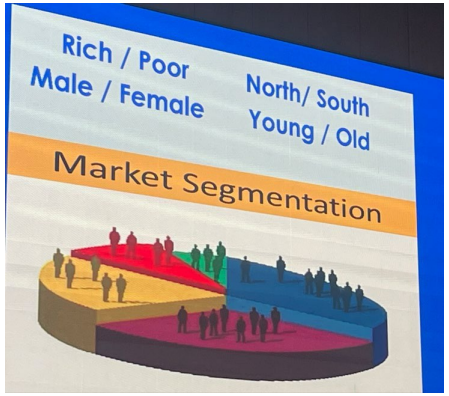
Look up the latest consumer behaviour trends in PASSPORT

2. Consumer analysis in the marketing discipline

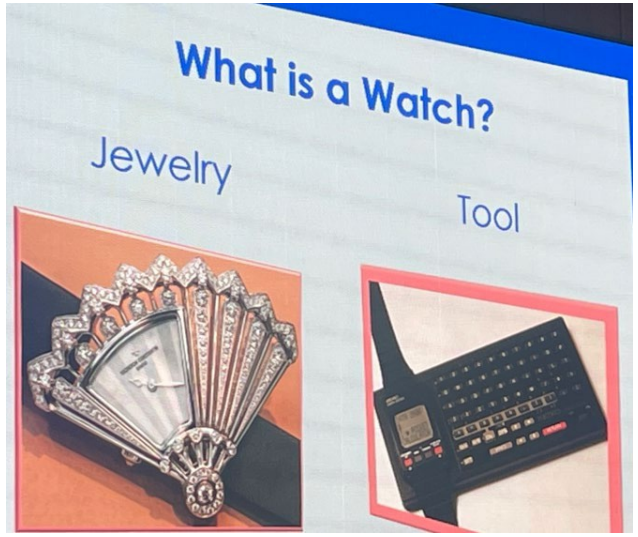
Marketers have to understand the wants and needs of different consumer segments.

2. Consumer analysis in the marketing discipline

MARKET SEGMENTATION



Market segmentation creates subsets of a market based on demographics, needs, priorities, common interests, and other psychographic or behavioural criteria used to better understand the target audience.



Solomon, M. Momentous Disruptions in Consumer Behavior. AEMARK 2023, Madrid.

2. Consumer analysis in the marketing discipline

MARKET SEGMENTATION

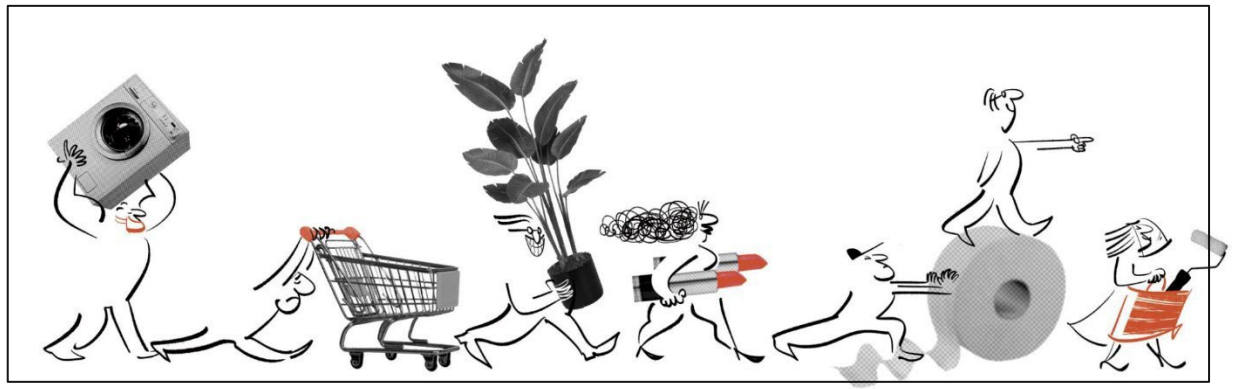
Solomon, M. Momentous Disruptions in Consumer Behavior. AEMARK 2023, Madrid.

Consumers and marketing strategy

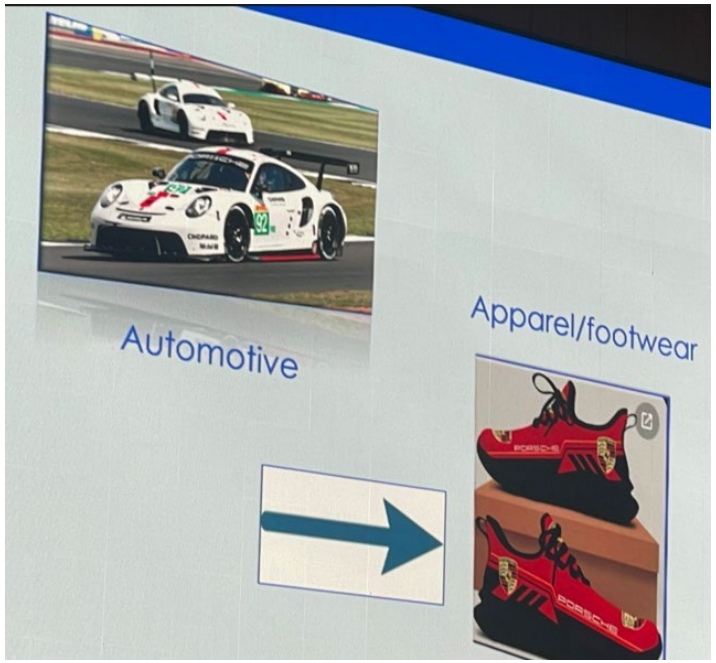
MARKETING MIX

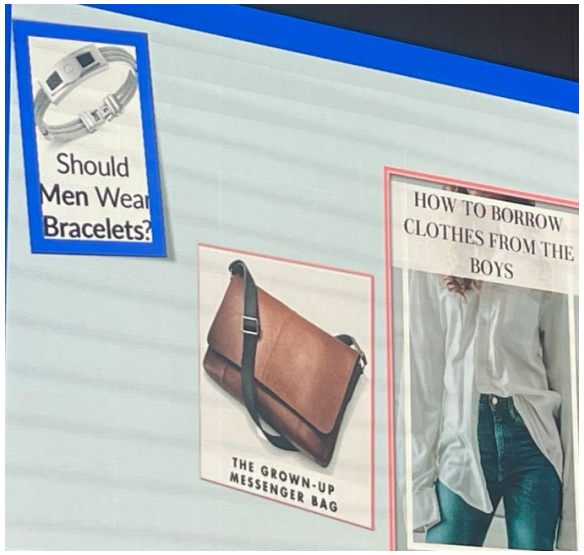
Research the consumer to design the following:

✓ Product strategy
✓ Price strategy
✓ Distribution channel (Place) strategy
✓ Communication (Promotion) strategy



2. Consumer analysis in the marketing discipline





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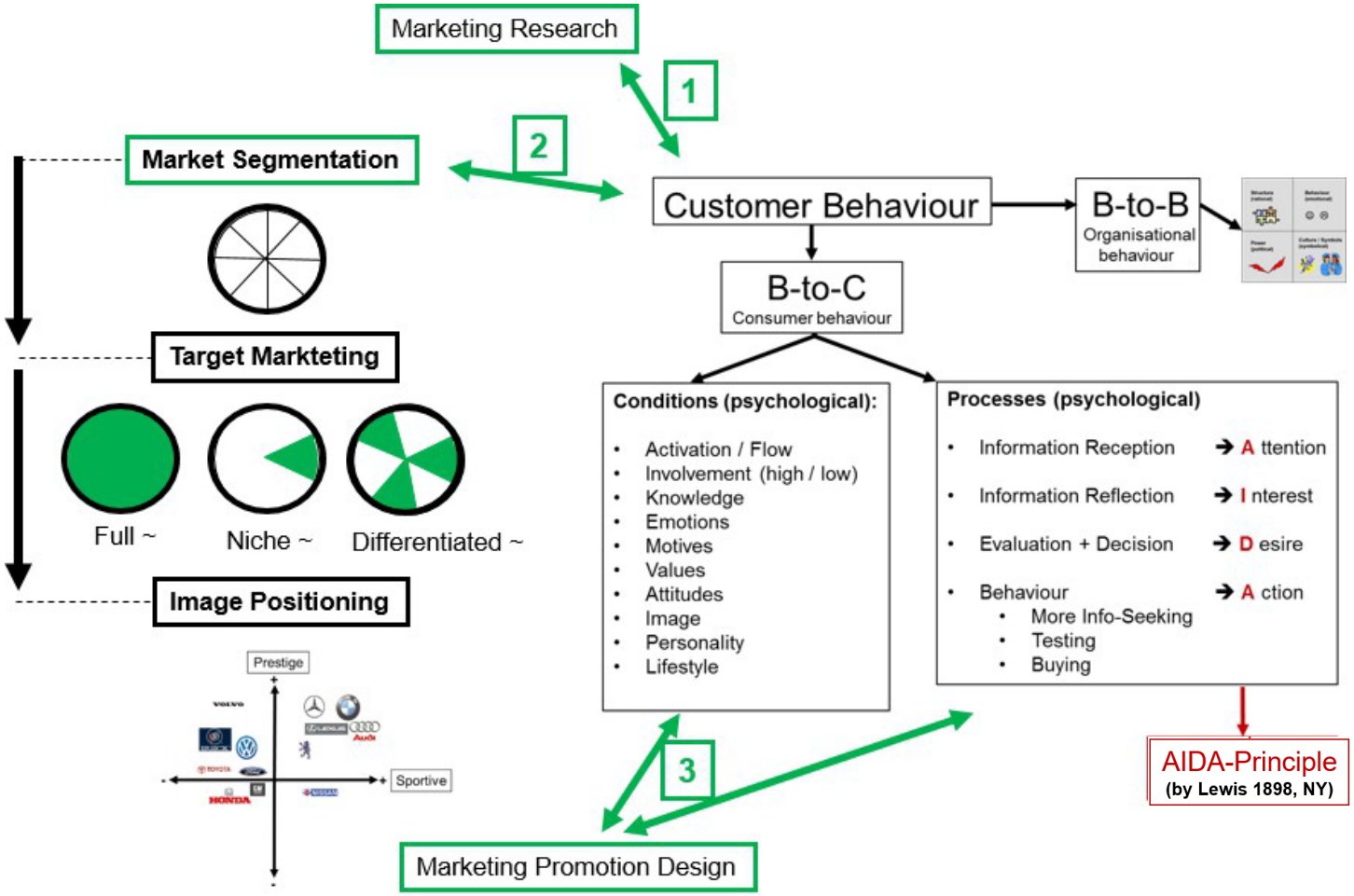
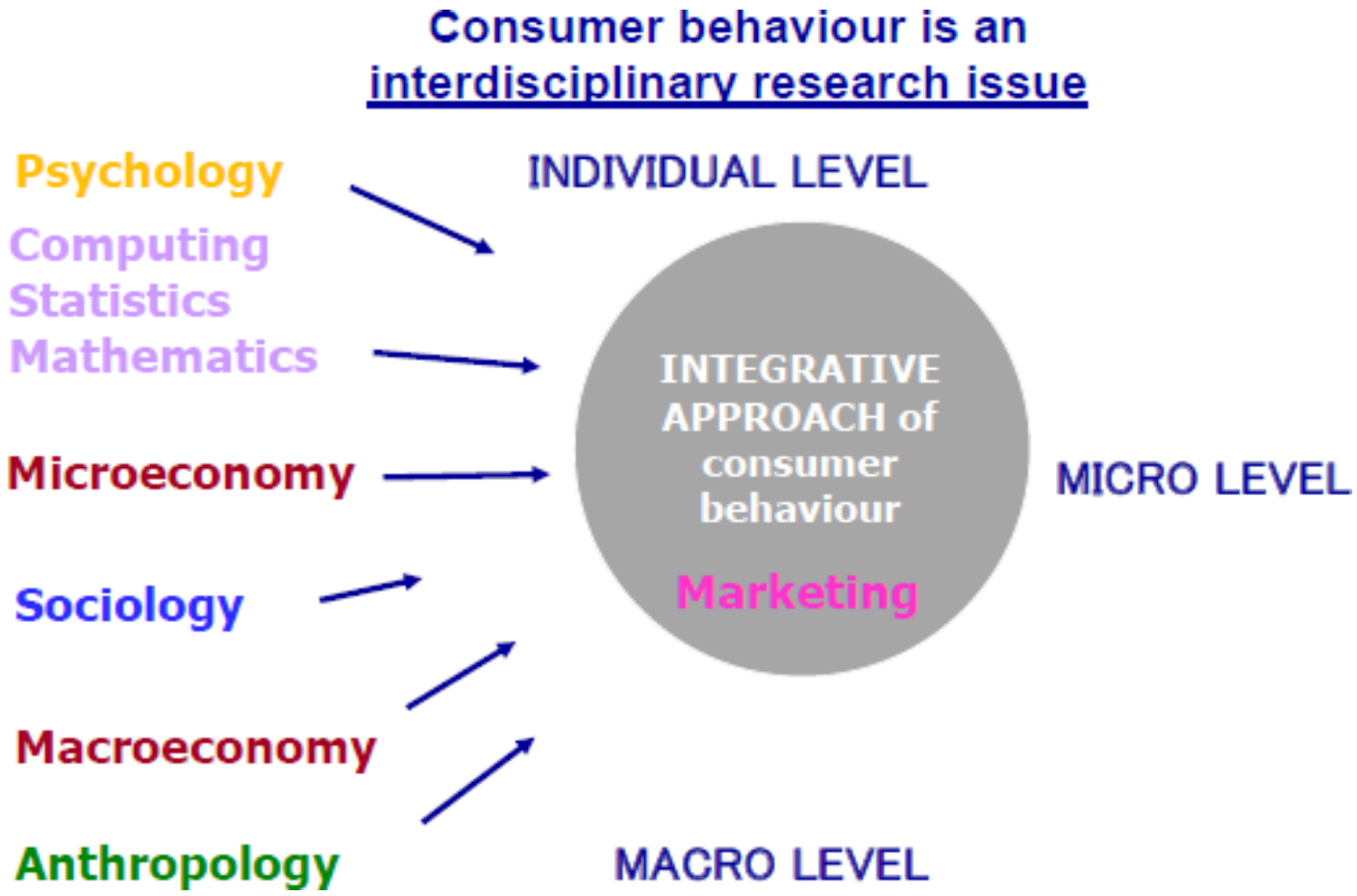
Consumer behaviour – What for?

Research + Segmentation + Targeting´+ Positioning + Promotional Design



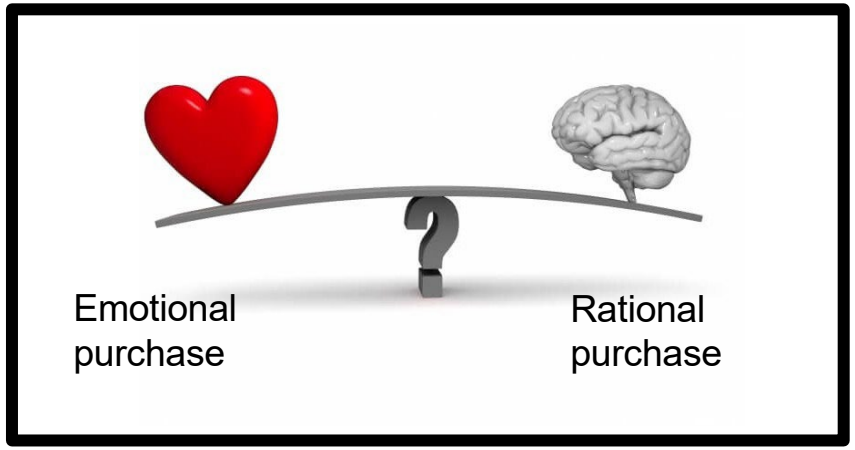
3. Approaches to analysing consumer behaviour



The interdisciplinary approach to understanding consumer behaviour combines insights from a range of disciplines, including psychology, sociology, anthropology, economics, marketing, and neuroscience, to provide a comprehensive understanding of why consumers behave the way they do.

3. Approaches to analysing consumer behaviour

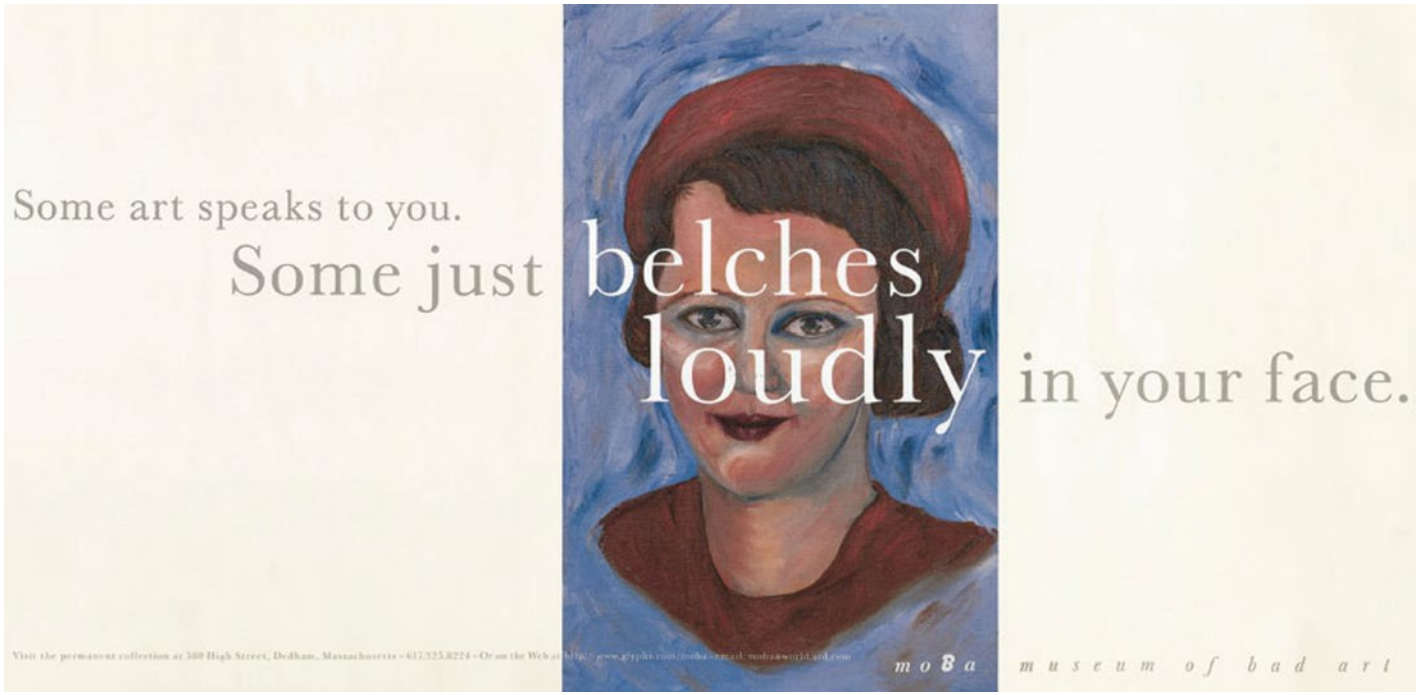
The different approaches consider human beings in different ways



Rationalist perspective: rational, utility-maximizing consumer

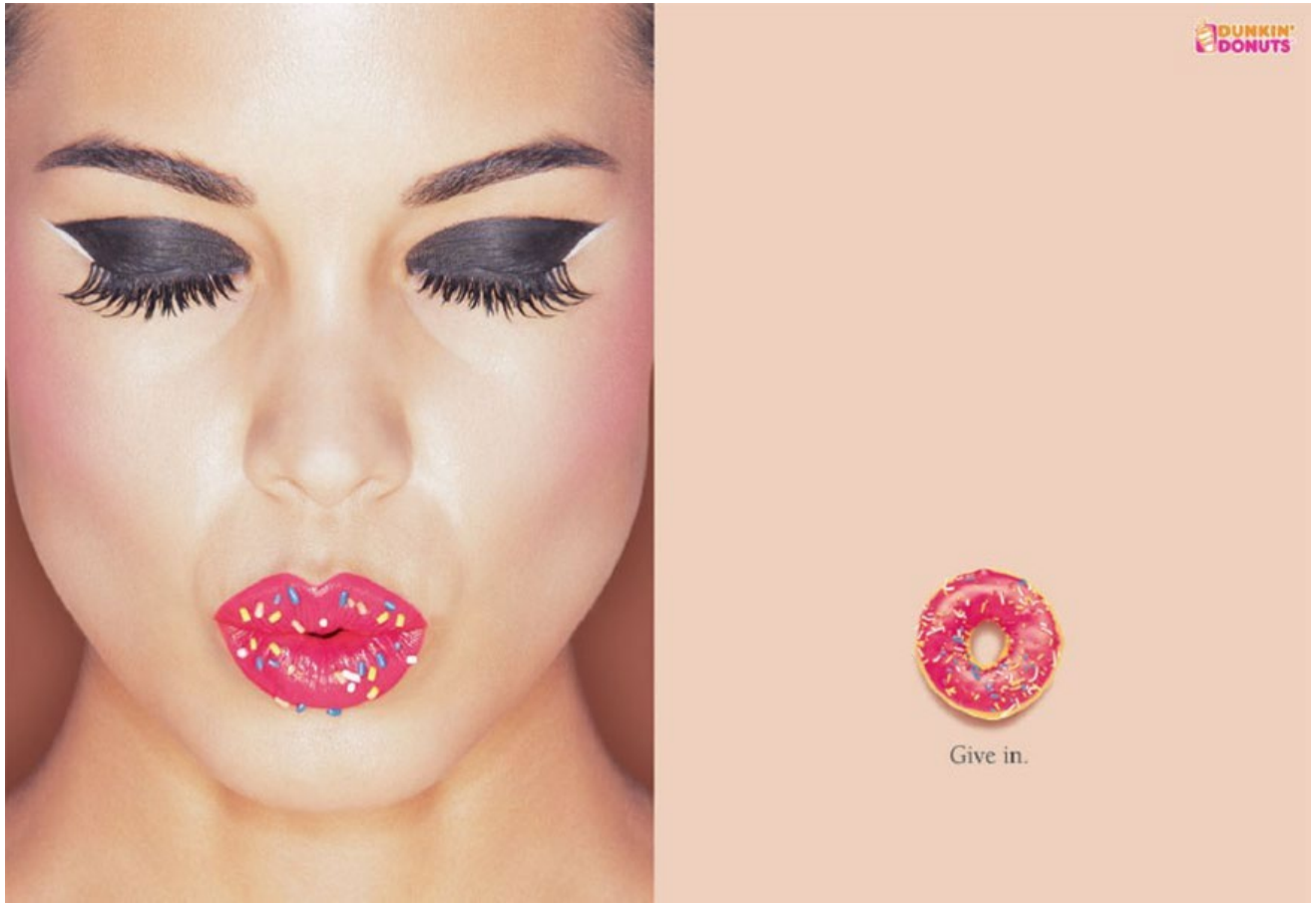
3. Approaches to analysing consumer behaviour

Our choices as consumers relate in powerful ways to the rest of our lives



Motivation

- Need vs. Want



Motivation refers to the processes that lead people to behave as they do. This need may be utilitarian (i.e. a desire to achieve some functional or practical benefit, as when a person loads up on green vegetables for nutritional reasons) or it may be hedonic (i.e. an experiential need, involving emotional responses or fantasies).

Do marketers create artificial needs?

Objective of marketing: to create awareness that needs exist, **not** to create needs

- Need: a basic biological motive

vs.

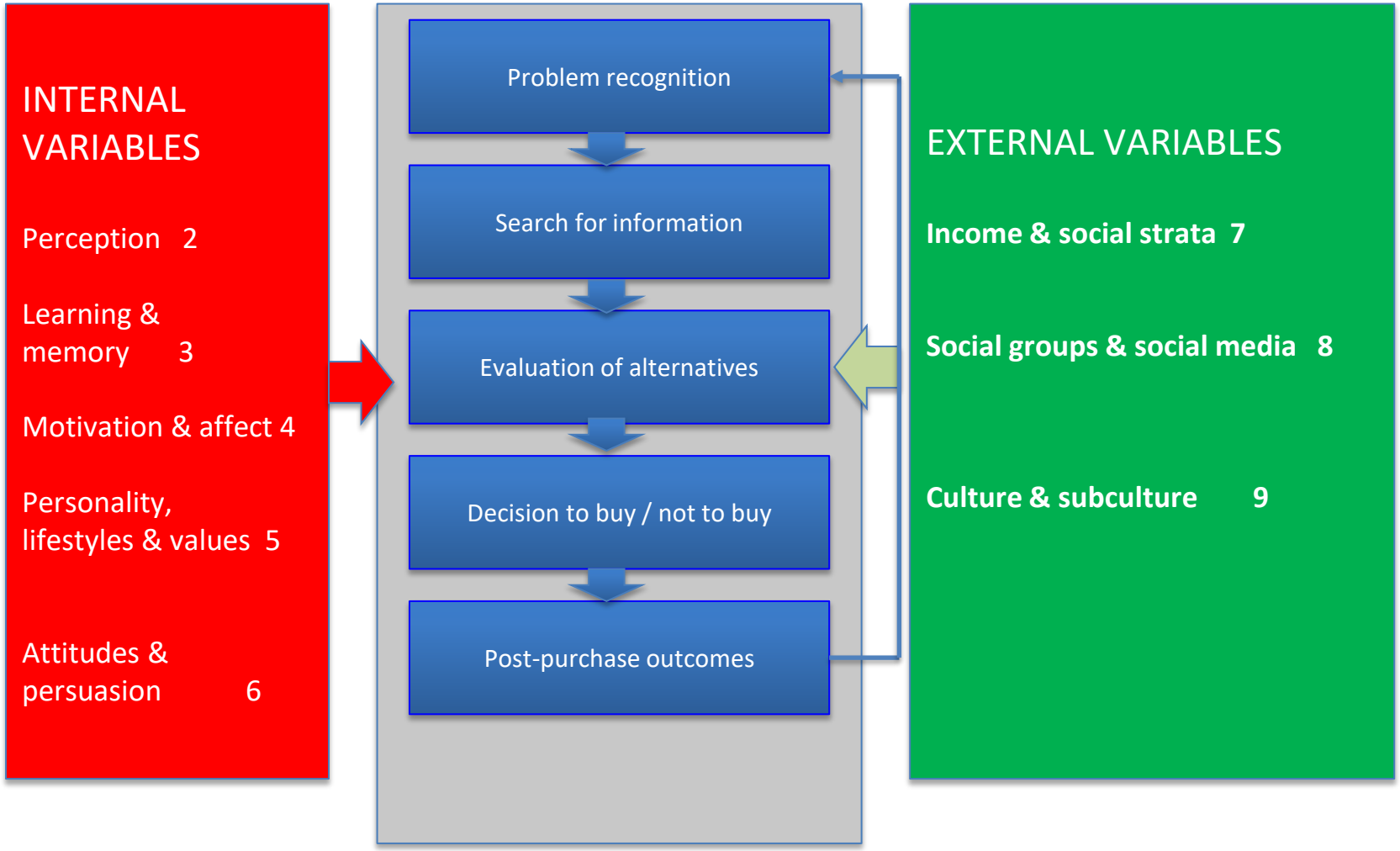
- Want: one way that society has taught us that the need can be satisfied

For reflection

- Describe a need and a want you have and explain the motivation for the want.

4. Stages in and determinants of consumer decision-making

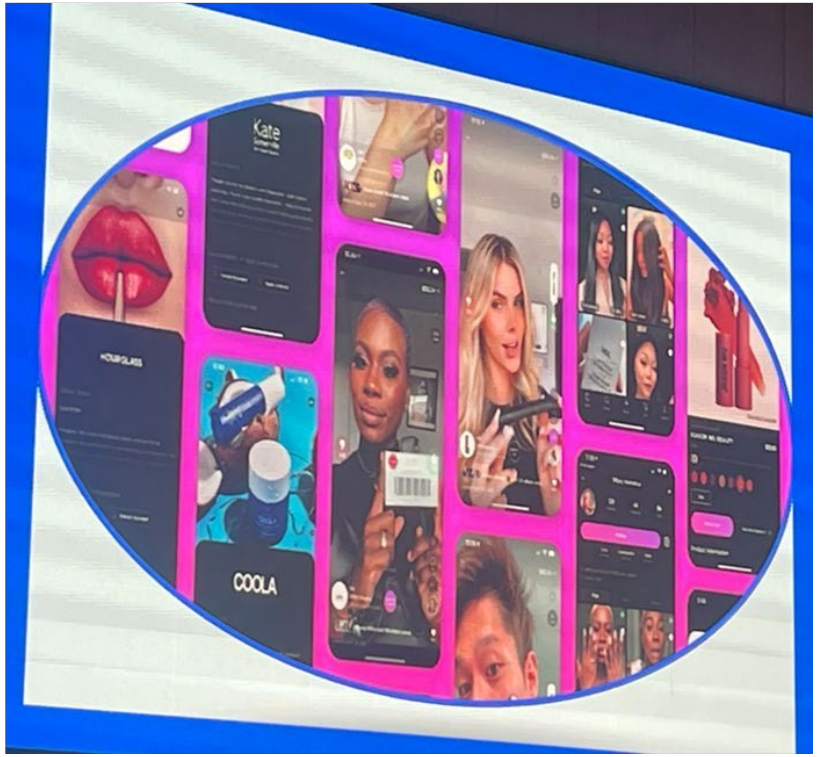
PURCHASING PROCESS: CUSTOMER JOURNEY



5. Consumer behaviour online: decision-making

5. Consumer behaviour online: decision-making

Online purchasing makes things a bit different…



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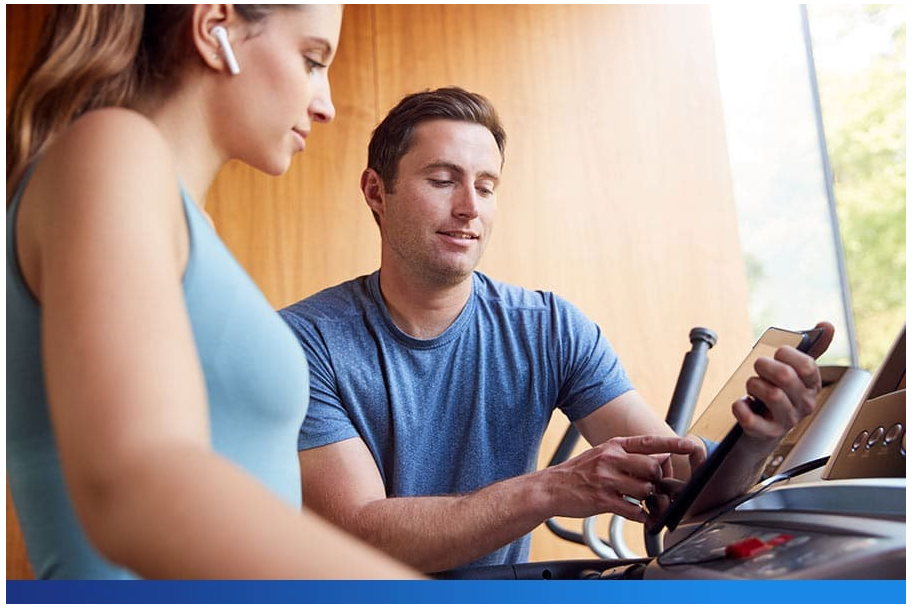
5. Consumer behaviour online: decision-making

Key characteristics

More active: PROSUMER
Multicausal
More informed, more demanding
Expectations are more defined
Agility and immediacy
Adaptable
Analytical
Continuous feedback in the network
Collaborative consumption and international e-commerce



5. Consumer behaviour online: decision-making

What about consumer behaviour in the metaverse or with virtual reality (VR)?

VR seems like the next perfect frontier to enable fans to experience their favourite tracks like never before.
The trend also proved useful during the pandemic for music festivals such as Splendour in the Grass, which offered up a VR version in July 2021 after it was cancelled due to the COVID-19 situation in Australia.

5. Consumer behaviour online: decision-making

How do consumers behave in the metaverse?

METAVERSE, or collaborative virtual environments: defined as three-dimensional, multi-user, computer-generated interfaces in which users can also experience the presence of other participants in the environment (Schroeder, 2002)

Schroeder, R. (2002). Social interaction in virtual environments: Key issues, common themes, and a framework for research. In R. Schroeder (Ed.), The social life of avatars. London: Springer

This was demonstrated during the pandemic in the case of music festivals such as Splendour in the Grass, which offered a virtual reality version due to its cancellation in July 2021 because of the COVID-19 situation in Australia.

5. Consumer behaviour online: decision-making

- Consumer behaviour in the metaverse varies, but it is generally characterized by several specific trends:

1. **Active participation:** Users tend to be more actively engaged in the metaverse, participating directly in virtual events, experiences, and transactions.

2. **Immersive experiences:** Consumers seek more immersive and engaging experiences in the metaverse, where they can interact with other users and explore virtual environments.

3. **Socialization and networking:** Social interaction is a crucial part of the metaverse. Consumers look for opportunities to socialize, connect with other users, and establish virtual networks.

4. **Virtual commerce:** The buying and selling of goods and services in virtual environments are growing trends. Consumers can make transactions, purchase virtual items, or access services within the metaverse.

5. **Customization:** Consumers value the ability to customize their avatars, environments, and experiences in the metaverse, providing them with a greater sense of identity and belonging.

6. **Virtual entertainment:** Virtual events, concerts, and other forms of virtual entertainment are gaining popularity. Consumers seek unique and exciting experiences in the metaverse, such as attending virtual concerts or participating in exclusive events.

7. **Education and training:** The metaverse is also used for education and training. Consumers can engage in virtual learning and training environments, interacting with educational content in a more immersive way.

The digital native: living a social [media] life

Technology and culture have created a new "always-on" consumer

"FOMO" stands for "fear of missing out". It refers to anxiety or apprehension about the possibility that an exciting or interesting event is happening elsewhere, often heightened by seeing updates on social media. People experiencing FOMO may feel the need to stay constantly connected and involved to avoid missing out on rewarding experiences or social interactions.

The digital native: living a social [media] life

- Digital native The term digital native originated in a 2001 article to explain a new type of student who was starting to turn up on campus. These consumers grew up “wired” in a highly networked, always-on world where digital technology had always existed.
- Lifelog
- Internet of Things (IoT)
- Autonomous vehicles
- M2M (machine-to-machine communication)
- Artificial intelligence (AI)
- Robot companions and sexbots

For reflection

- How has your daily life changed because of social media?
- What does your virtual life look like?

Social marketing and corporate social responsibility (CSR)

- Social marketing encourages positive behaviour and discourages negative activities.
- CSR is the process of encouraging organizations to make a positive impact on stakeholders.
- Cause marketing is a strategy that aligns businesses with a cause.

Transformative consumer research (TCR)

- TCR promotes research projects that include the goal of helping people or bringing about social change.
- Social marketing strategies use marketing techniques to encourage positive behaviours, such as increased literacy, and to discourage negative activities, such as drink-driving.

Sustainability and environmental stewardship

- Sustainability
- Conscientious consumerism relates to when a consumer's focus on personal health merges with a growing interest in global health.

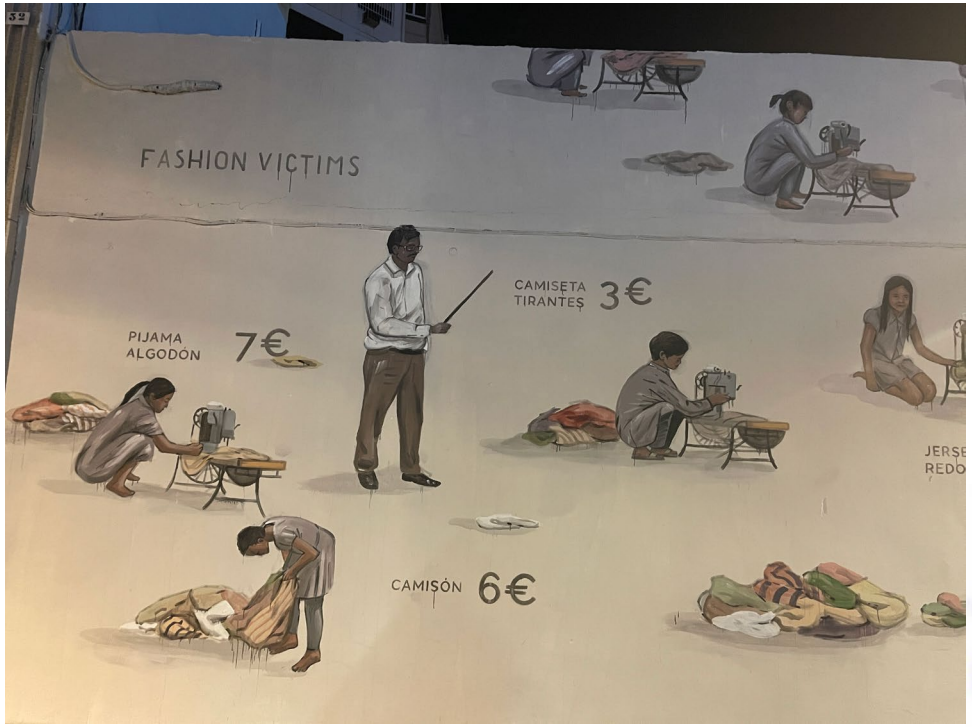
Green marketing and greenwashing

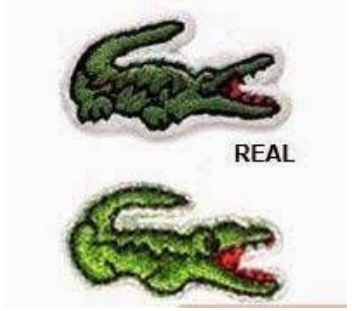
Greenwashing occurs when companies make false or exaggerated claims about how environmentally friendly their products are.

6. Consumers and social well-being. The Sustainable Development Goals (SDGs). Social marketing

Consumer behaviour can be harmful to individuals and society

Consumption addiction (physiological or psychological dependence on goods and services)
Social media addiction
Cyberbullying
Compulsive consumption
Harmful behaviour (theft, vandalism)
Acquisition and consumption of illegal products





6. Consumers and social well-being. The Sustainable Development Goals (SDGs). Social marketing

Evidence shows that brands' philanthropic activities can influence consumers' behaviour and, ultimately, their purchasing decisions

A disconnection between attitude and true purchasing behaviour is common, however:

- **Organic products** are more expensive because their ingredients tend to cost more.
- **Transportation** is more expensive because smaller companies usually sell on a smaller scale than the big brands.
- **Companies** themselves and **their greenwashing practices** exaggerate or falsify the environmental friendliness of their product, generating scepticism.

The Sustainable Development Goals (SDGs)

1. No poverty
Income and social strata

2. Zero hunger
Feeding patterns

3. Good health and well-being
Motivation and health decisions

4. Quality education
Perception, learning and memory

5. Gender equality
Personality, lifestyles, gender

6. Clean water and sanitation
Water consumption

7. Affordable and clean energy
Choice of energy sources

8. Decent work and economic growth
Influence on career decisions

9. Industry, innovation and infrastructure
Influence on technological preferences

10. Reduced inequalities
Social groups and social networks

11. Sustainable cities and communities
Influence of culture and subculture

12. Responsible consumption and production
Responsible consumer behaviour

13. Climate action
Sustainable attitudes and decisions

14. Life below water
Impact of consumption on the oceans

15. Life on land
Impact of consumption on biodiversity

16. Peace, justice and strong institutions
Ethical purchasing and legal responsibility

17. Partnerships for the goals

Business and consumer collaboration

6. Consumers and social well-being. The Sustainable Development Goals (SDGs). Social marketing

A social change campaign is an organized effort led by a group (change agent) that attempts to persuade others (the target adopters) to accept, modify, or abandon certain ideas, attitudes, practices, and behaviours for the benefit of the individual or society.

Kotler, P. & Roberto, E.L. (1992), Marketing Social. Díaz de Santos

SDG	Sustainable Development Goals	Company-run campaign	NGO-run campaign
1	*No poverty*	Banco Santander - "Prosperity"	Oxfam - "Campaign against Poverty"
2	*Zero hunger*	Kellogg's - "Breakfasts for a Better Day"	World Food Programme "Zero Hunger"
3	*Good health and well-being*	Johnson & Johnson - "Global Motherhood Initiative"	Médicos Sin Fronteras - "Acceso a la Salud"
4	*Quality education*	Lego - "Play Well"	Save the Children - "Every Last Child"
5	*Gender equality*	Unilever - "Unstereotype"	Plan International - "Because I am a Girl"
6	*Clean water and sanitation*	Procter & Gamble - "Clean Water Initiative"	Water.org - "Water Credit"
7	*Affordable and clean energy*	Tesla - "SolarCity"	Greenpeace - "Clean Energy Now"
8	*Decent work and economic growth*	Microsoft - "Tech Jobs for All"	Fair Trade Foundation - "Fair Trade, Fair Wage"
9	*Industry, innovation and infrastructure*	IBM - "Call for Code"	Engineers Without Borders - "Engineering Change"
10	*Reduced inequalities*	Ben & Jerry's - "Join Our Core"	Amnesty International - "Equality for All"
11	*Sustainable cities and communities*	Airbnb - "Community Tourism"	Habitat for Humanity - "Build a Better World"
12	*Responsible consumption and production*	Patagonia - "Worn Wear"	Greenpeace - "Detox My Fashion"
13	*Climate action*	Apple - "Apple's Environmental Initiatives"	350.org - "Fossil Free"
14	*Life below water*	The Ocean Cleanup - "Aerial Expedition"	Oceana - "Save the Oceans, Feed the World"
15	*Life on land*	Timberland - "Earthkeepers"	World Wildlife Fund - "Protecting Forests"
16	*Peace, justice and strong institutions*	The Coca-Cola Company - "Golden Triangle Partnership"	Transparency International - "Corruption Perceptions Index"
17	*Partnerships for the goals*	Google - "Google for Nonprofits"	Global Citizen - "Take Action"

For reflection

- Do you purchase a certain product because of the associated cause? Why?
- Do you think organizations support a cause for profit or because they want to be active in their community?

Chapter summary

1. Consumer behaviour is a process.
2. Marketers have to understand the wants and needs of different consumer segments.
3. Our choices as consumers relate in powerful ways to the rest of our lives.
4. Our motivations to consume are complex and varied.
5. Technology and culture have created a new “always-on” consumer.
6. Many types of specialists study consumer behaviour.
7. There are differing perspectives on how we should understand consumer behaviour and what we should understand about it.
8. Consumer behaviour impacts directly on major public policy issues facing our society.
9. Consumer behaviour can be harmful to individuals and society.

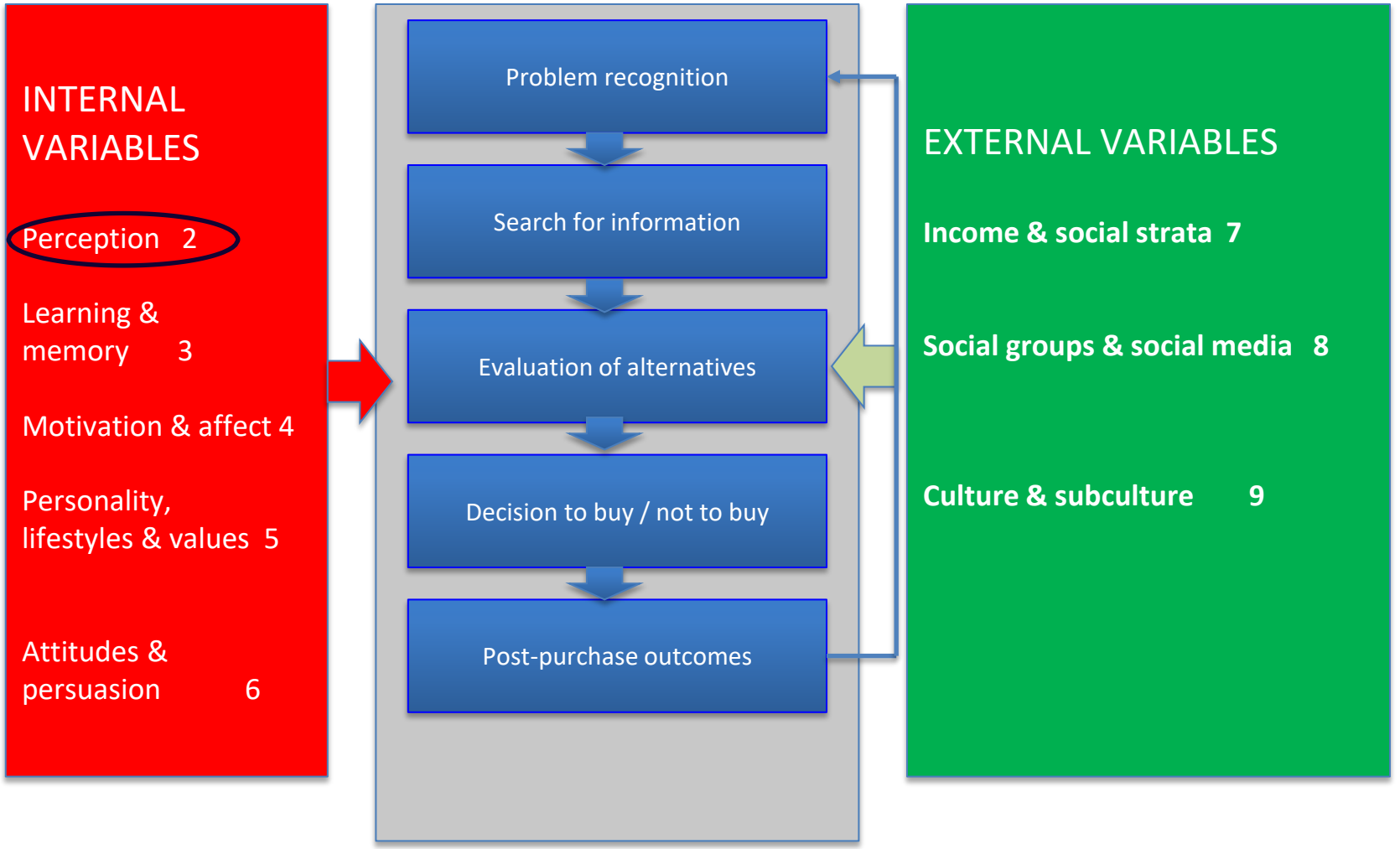
Consumer behaviour: buying, having, and being

Topic 2

1. Sensation. Hedonistic consumption and sensory marketing
2. The perceptual process

Perception

PURCHASING PROCESS: CUSTOMER JOURNEY

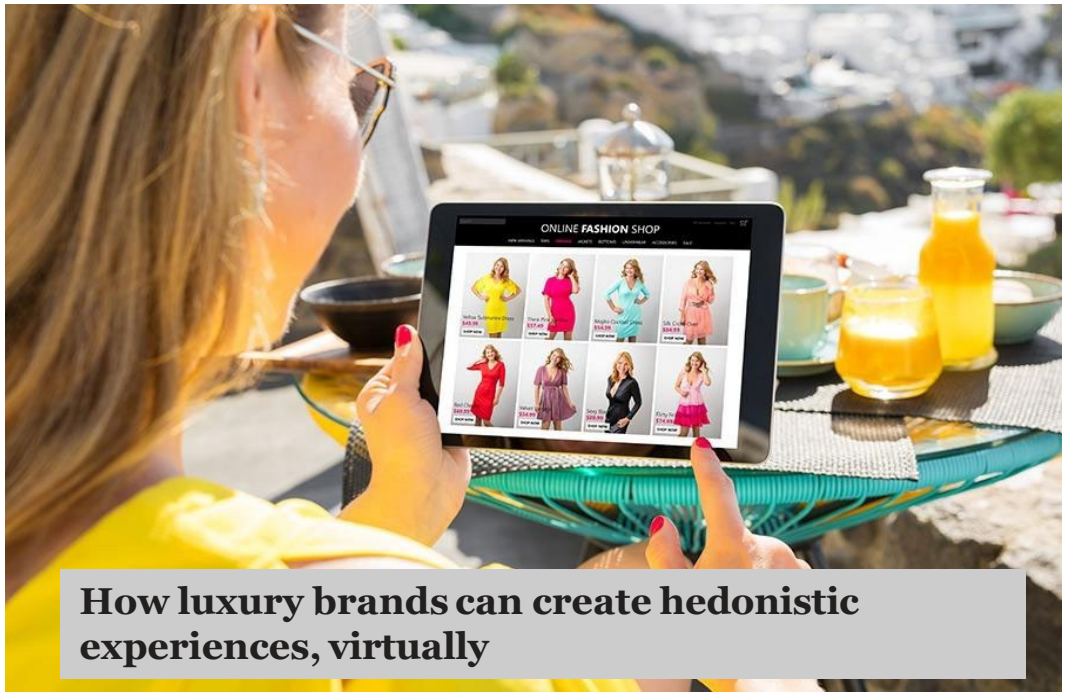


1. Sensation. Hedonistic consumption and sensory marketing

Hedonistic consumption

This term describes the multisensory, fantastical, and emotional dimensions that dominate consumers' experiences with products and services, evident in various sectors such as consumer food products, cosmetics, cars, and tourism. This concept is intricately linked to the pursuit and enhancement of pleasure.

Marketers use the impact of sensations on consumers' product experiences



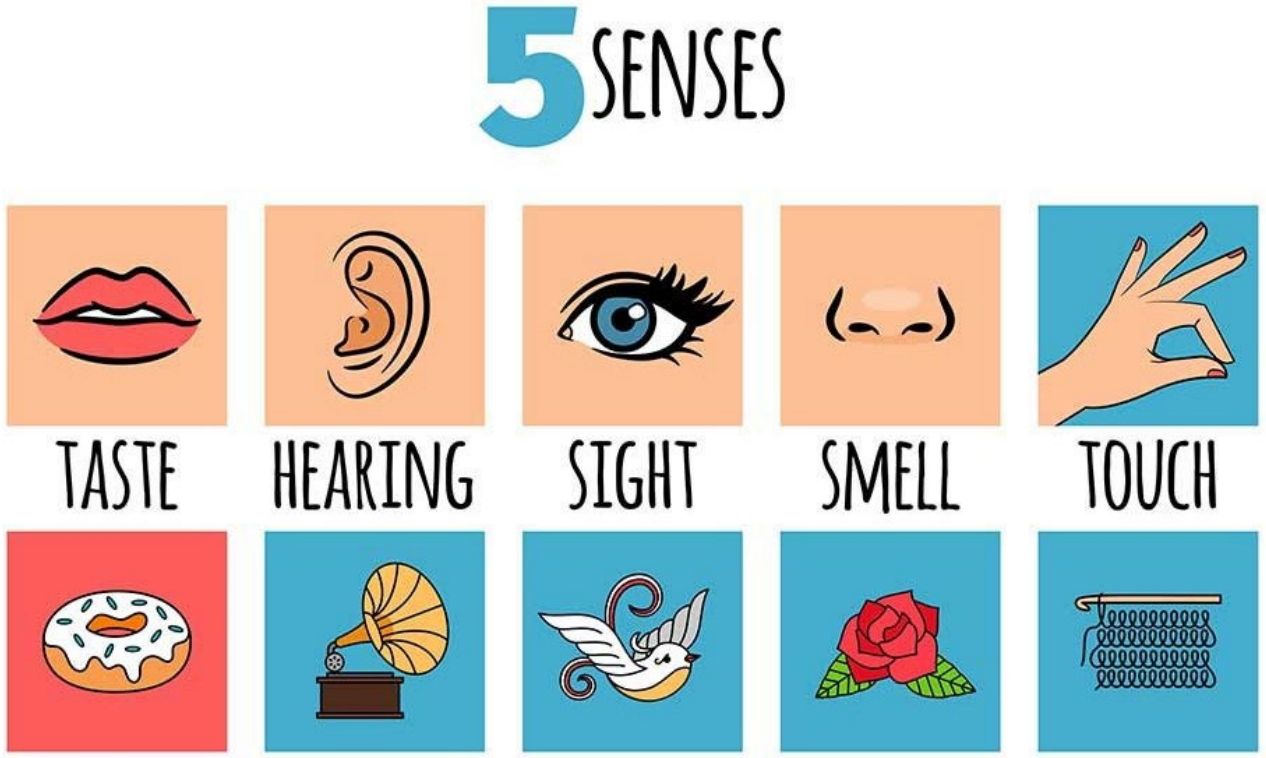
1. Sensation. Hedonistic consumption and sensory marketing

People with higher hedonic values are not satisfied by functional aspects of buying behaviours, but by the emotional and psychological aspects of the shopping experience. Hedonic values are assumed to be associated with gratification through fun, fantasy, playfulness and enjoyment.

Source: https://adamantlinks.com/assets/blog/psychographics-and-shopping-motivation.html

2. The perceptual process

- Sensation refers to the physical feelings or perceptions that arise from contact with or exposure to external stimuli through the senses



Vision

- Visual content has become an integral part of marketing strategies in today's digital age. With the increasing popularity of social media platforms and the rise of visual-centric platforms like Instagram and Pinterest, businesses are recognizing the power of visual content to engage and captivate their target audience.

- Visual content, such as images, videos, infographics, and memes, can significantly enhance a brand's online presence and attract more attention than text-based content alone.

- Visual content also has the power to evoke emotions and create a deeper connection with the audience.

2. The perceptual process

Vision

Emotional responses depend on:

- ✓ Biological characteristics
- ✓ Culture

colours can evoke feelings

Colours:

- Blue: serenity, calm, tenderness, effectiveness
- White: purity, health, peace, cleanliness, innocence, safety
- Black: elegance, prestige
- Red: love, passion, success, aggression, competitiveness, ambition, sensuality
- Yellow: optimism, joy, extroversion
- Green: independence, freedom, self-assertion, nature, vigour, growth
- Metallic colours: modernity, technology

Shapes:

- Round shapes: softness, lightness
- Oblong shapes: elegance, prestige
- Vertical forms: aggressiveness, efficiency, dynamism

Vision

Marketing applications of colours

Colour	Associations	Marketing applications
Yellow	Optimistic and youthful	Used to grab window shoppers' attention
Red	Energy	Often seen in clearance sales
Blue	Trust and security	Banks
Green	Wealth	Used to create relaxation in stores
Orange	Aggressive	Call to action: subscribe, buy or sell
Black	Powerful and sleek	Luxury products
Purple	Soothing	Beauty or anti-ageing products

Source: Adapted from Leo Widrich, "Why Is Facebook Blue? The Science Behind Colors in Marketing," **Fast Company** (6 May 2013), fastcompany.com, accessed 23 February 2015.

2. The perceptual process

Related to memory and mood

SCENT IS THE MOST POWERFUL SENSE

Scent marketing is more than just diffusing a pleasant fragrance in a space. It is the art of taking a company's brand identity, marketing messages and target audience and creating a scent that amplifies these values.

Scent

Interest in scent has spawned new products. Some brands utilize scent easily. For instance, Starbucks requires baristas to grind coffee beans each time they brew a pot, instead of just once each morning, to ensure customers perceive that intense smell during their Starbucks experience.

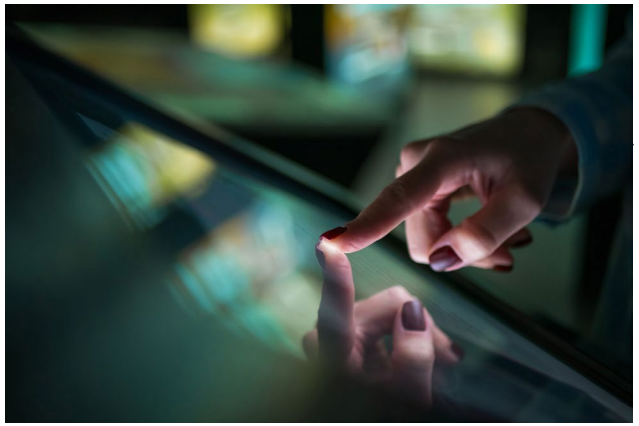
2. The perceptual process

Affects brand awareness, feelings and behaviour

- Letter and vowel sounds: "i", "x", "j", "s", etc.
- Male rhyming words: strength, aggression, power, performance
- Female rhyming words: softness, care, protection
- Functional music
- Tags: HP, BMW, BP, etc.

Jingles maintain brand awareness

Touch



Influences moods during sales interactions

- Textures of packaging
- Textiles and fabrics:
  - ✓ Wool and silk: upper class
  - ✓ Cotton and blends: lower class
- Differences by gender:
  - ✓ Roughness: men
  - ✓ Softness: women
- Temperature
- Shapes of products
- Ways of approaching and greeting customers

Touch marketing

The shop invites you to try the products

It has a washbasin, towels, etc.

DECATHLON

For reflection

- How has your sense of touch influenced your reaction to a product?
- Which of your senses do you feel is most influential in your perceptions of products?
- Imagine you are the marketing consultant for the package design of a new brand of premium chocolate.

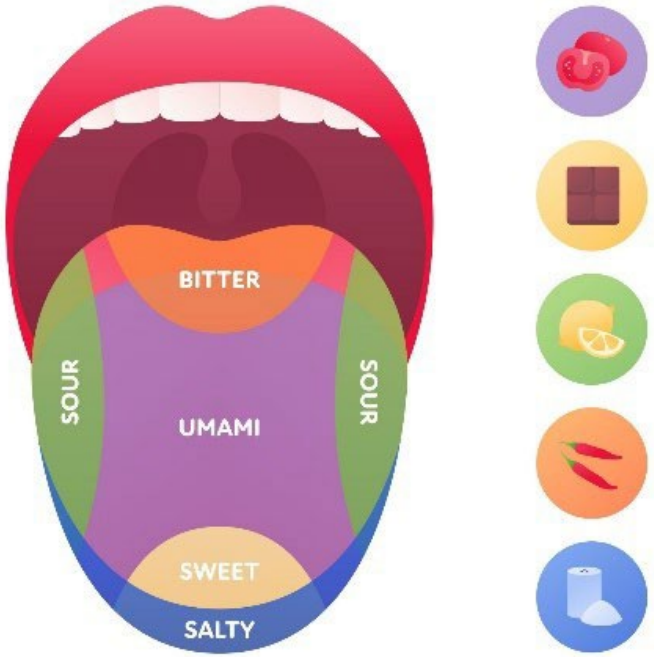
What colours would you use? What materials?

Taste

Combines with scent to evoke feelings

- Product texture, flavour, shape, temperature, etc.
- Importance in food, beverages, toothpaste, medicines, etc.
- Differences among cultures.

Taste, along with smell, is a crucial component of the chemical sensory system.

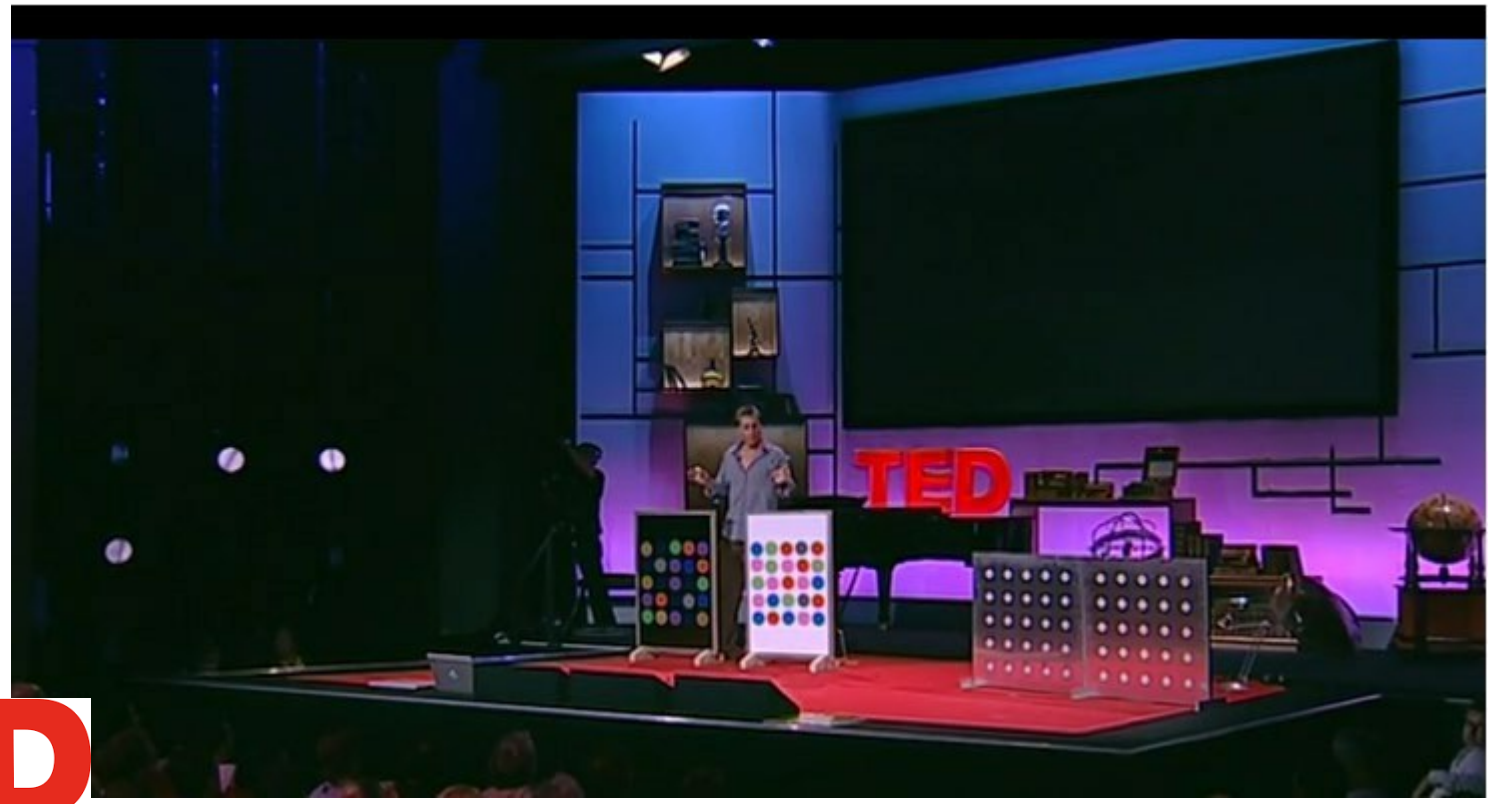


2. The perceptual process

From a sensory marketing perspective, it is crucial that any company intending to launch a new line of food products understands how to stimulate taste. This can be influential in the flavour being either favourably embraced or immediately rejected, in which case commands not to accept it again will be sent to the brain.

2. The perceptual process

"The brain didn't actually evolve to see the world the way it is … The brain has evolved to see the world it is useful to see."



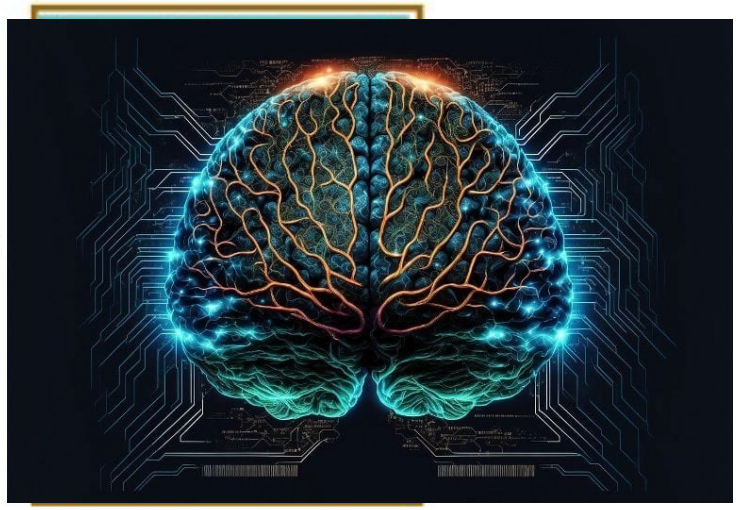
TED

[Beau Lotto: Optical illusions show how we see]

2. The perceptual process

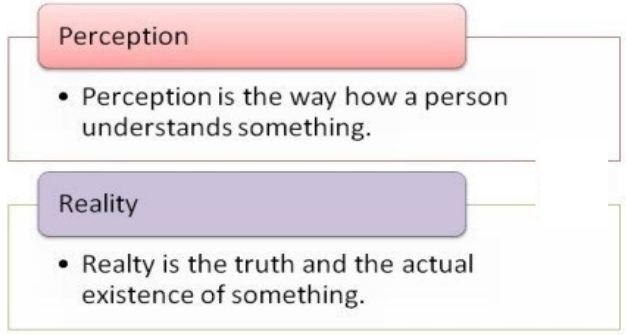
Sensation and Perception

- Sensation is the immediate response of our sensory receptors (eyes, ears, nose, mouth, and fingers) to basic stimuli (light, color, sound, odor, and texture).
- Perception is the process by which sensations are selected, organized, and interpreted.



The study of perception, then, focuses on what we add to raw sensations in order to give them meaning

2. The perceptual process



Perception vs. reality

Perception

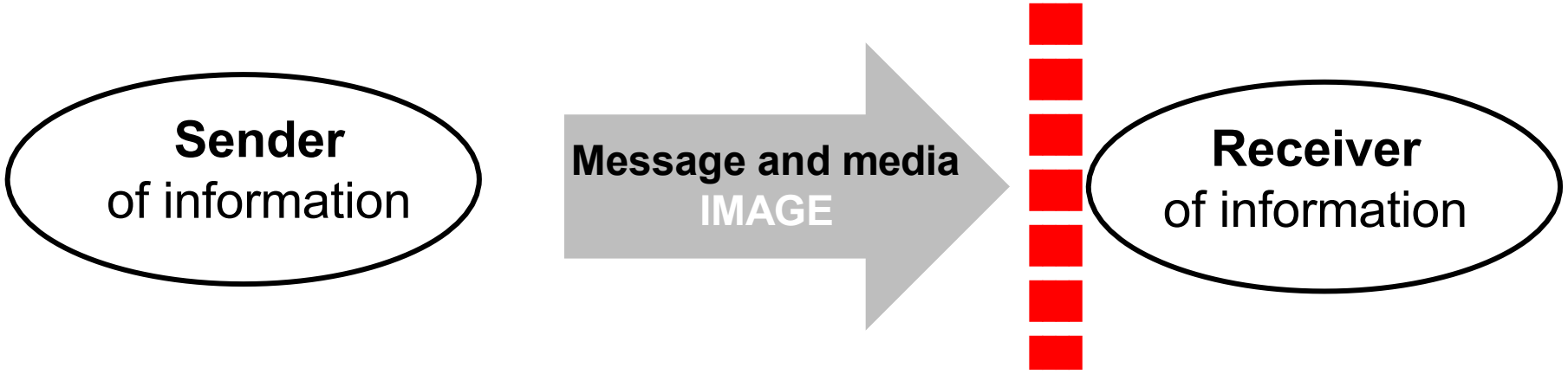
- Perception is the way a person understands something.

Reality

- Reality is the truth and the actual existence of something.

2. The perceptual process

What is PERCEPTION?

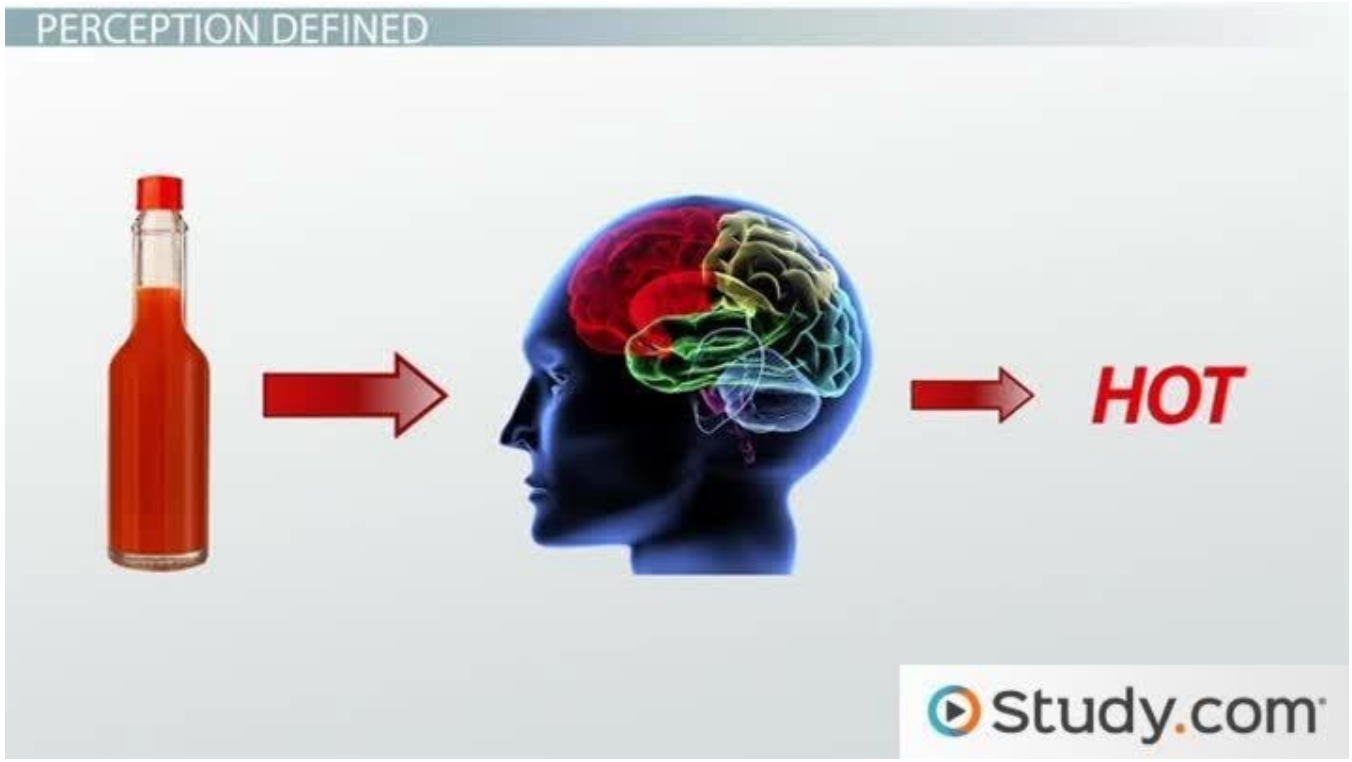


A process by which the individual organizes, identifies and interprets **sensory information** in order to represent and understand the environment

It is a three-stage process that translates raw stimuli into meaning

2. The perceptual process

What is PERCEPTION?



Marketers rely heavily on visual elements in advertising, store design, and packaging. They communicate meanings on the visual channel through a product's colour, size, and styling.

How Apple and Nike have branded your brain | Your Brain on Money | Big Think

2. The perceptual process

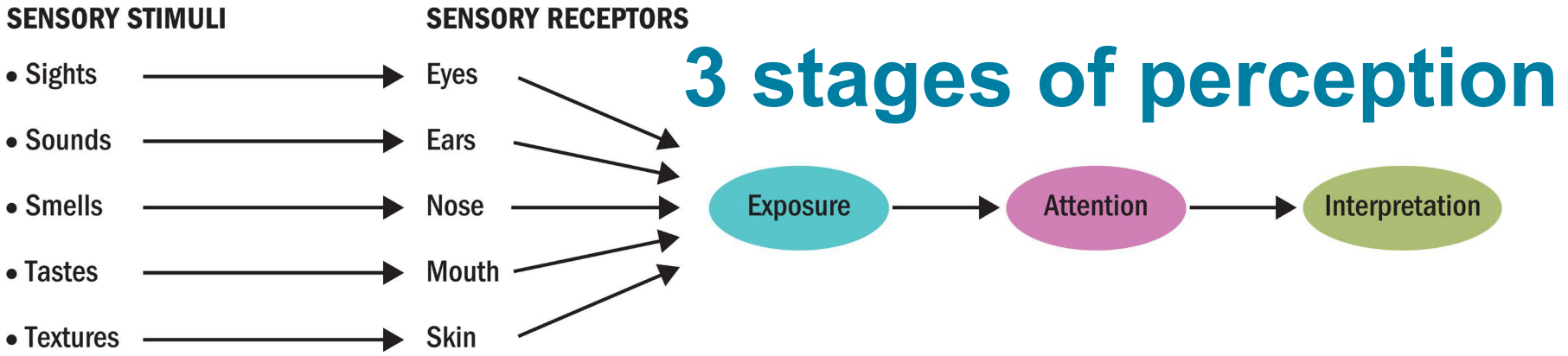
CHARACTERISTICS

- **Individual and subjective act**
- **Selection:** because we do not have unlimited capacity to pay attention to, receive and interpret each and every one of the infinite stimuli that reach us, we concentrate on just a few. This limits our perception of information in which we are not interested at a given moment or which is inconsistent with our individual cognitive structures. The selection of information is very important in the area of communication.
- **Organization: laws / principles**
- **Selection depends on <u>internal</u> and <u>external</u> factors**:

Personality
Motivation
Experience and learning

Culture
Environment
Marketing stimuli

Perceptual process



We are exposed to sensory stimuli through our sensory receptors. We then interpret the stimuli to which we paid attention.

2. The perceptual process

Exposure occurs when a stimulus comes within the range of someone's sensory receptors

Do we perceive all stimuli?

Absolute threshold

- Absolute threshold: the minimum amount of stimulation that can be detected on a given sensory channel

Differential threshold

- The ability of a sensory system to detect changes or differences between two stimuli
  - Minimum difference between two stimuli is the j.n.d. (just noticeable difference)
- Example: packaging updates must be subtle enough over time to keep current customers

Subliminal perception

When the stimulus is below the consumer's level of consciousness

Subliminal perception

Subliminal perception refers to visual and auditory information presented at a speed and or intensity that is below the conscious threshold of perception through one or more channels and thus not readily apparent to the subject (Moore, 1982).

The Pepsi logo over time

PEPSI 1898:

PEPSI 1905:

PEPSI 1906:

PEPSI 1940:

PEPSI 1950:

PEPSI 1962:

Exposure occurs when a stimulus comes within the range of someone's sensory receptors. Consumers concentrate on some stimuli, but are unaware of others.

When we define the lowest intensity of a stimulus that our brains can register, we are speaking of its threshold.

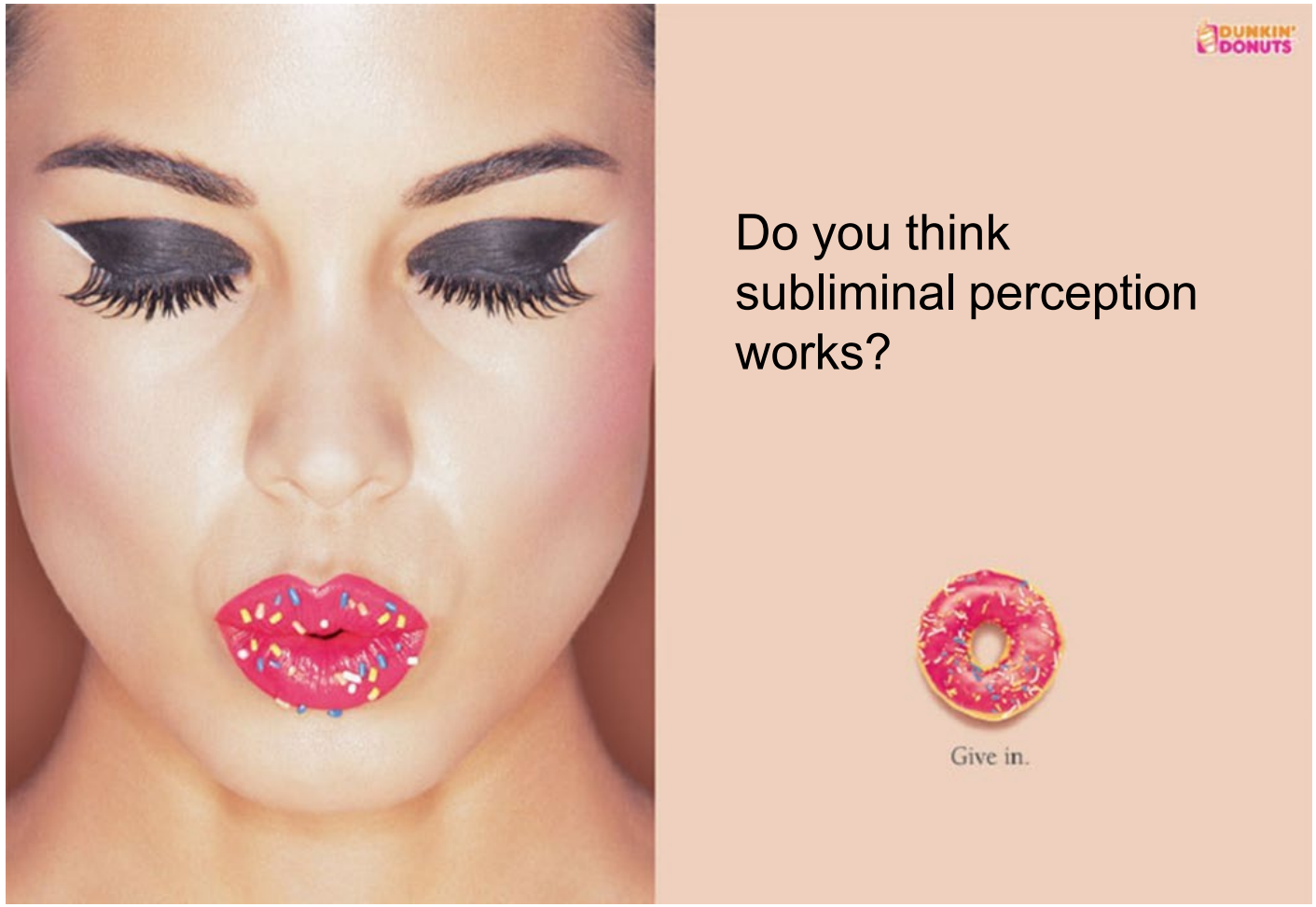
The images in the slide illustrate how Pepsi has changed its logo over the years. If the difference did not reach our sensory threshold, we would not notice the logo had changed.

The Heineken logo over time

The instantly recognizable green logo of the world-famous beer dates back to the 19th century, with the first design emerging in the 1860s. Unfortunately, the original version of the company's visual identity has not been saved, but it is known to have been a prototype for the logo used as of 1884 (with fewer elements on it).

Source: https://1000logos.net/heineken-logo/

Subliminal perception



How to artificially ensure that an external stimulus is processed without consciousness

Subliminal perception

Do you think subliminal perception works?

2. The perceptual process

Exposure

[How Your Unconscious Mind Rules Your Behaviour]

Attention

The extent to which processing activity is devoted to a particular stimulus

Attention is selective →

What makes us pay more or less attention to something?
How do we choose which stimuli to pay attention to?

PERSONAL SELECTION FACTORS:
Voluntary attention

- Perceptual vigilance: as consumers, we find ourselves in a position where we pay more attention to adverts that meet our current needs and wants.

- Perceptual defence: tendency to distort or ignore information that is either personally threatening or culturally unacceptable. People do not see what they do not want to see.

- Perceptual adaptation: familiarization with the stimulus.

Attention

Stimulus selection factors

- Contrast
- Size
- Colour
- Position
- Novelty

- Consumers are often in a state of sensory overload
- Marketers need to break through the clutter
- We are more likely to notice stimuli that differ from others around them
- So, marketers can create "contrast" through:

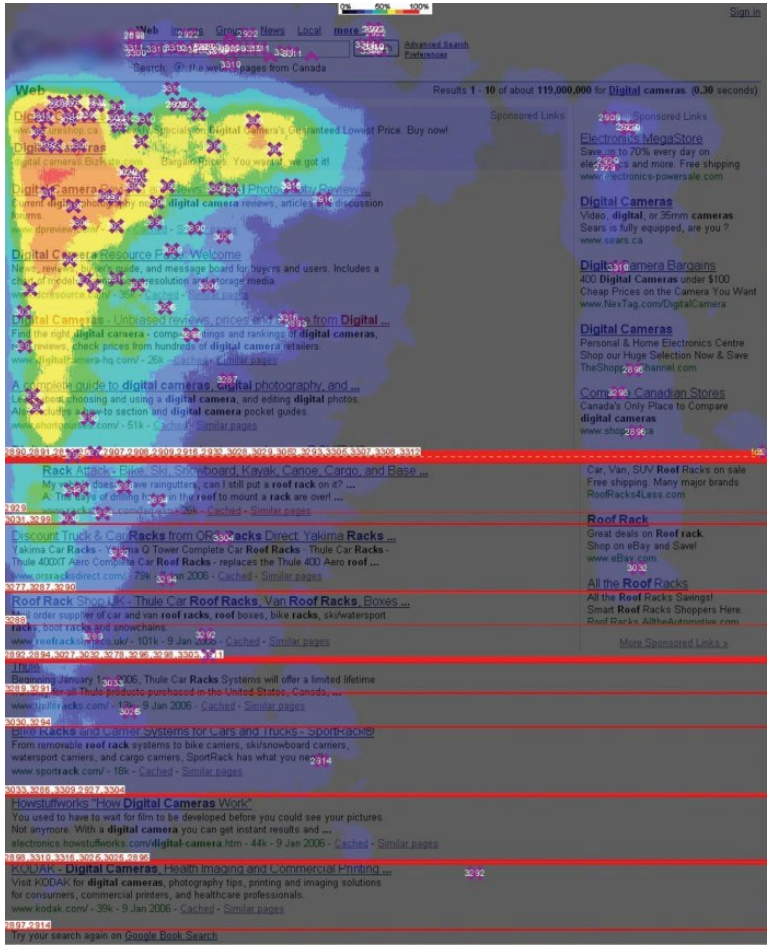
Size | Colour | Position | Novelty

The golden triangle

Attention

The golden triangle illustrates how our eyes view websites.

Eye-tracking studies reveal that people typically spend most of their time on a website looking at the “golden triangle” shown in yellow, orange and red.



Source: Enquiro Search Solutions, Inc. (now Mediative Performance LP).

2. The perceptual process

Interpretation

Meanings we assign to sensory stimuli

Mental schema:
an organized collection of beliefs and feelings represented in a cognitive category

Organization of stimuli
How do we organize stimuli?

- *Gestalt*: the whole is greater than the sum of its parts
  - Closure: people perceive an incomplete picture as complete
  - Similarity: consumers group together objects that share similar physical characteristics
  - Figure-ground: one part of the stimulus will dominate (the figure) while the other parts recede into the background (ground)

https://www.usertesting.com/blog/gestalt-principles#similarity

Who do you see?

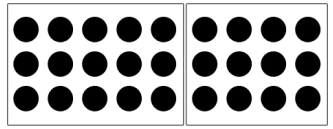
2. The perceptual process

Interpretation

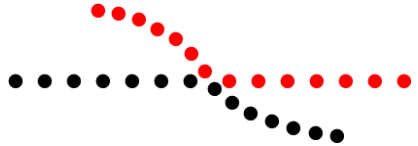
Meanings we assign to sensory stimuli

- **Proximity:** things that are close together appear to be more related than things that are spaced farther apart.

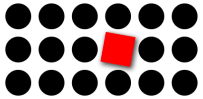
- **Common region:** highly related to proximity. When objects are located within the same closed region, we perceive them as being grouped together.



- **Continuity:** elements that are arranged on a line or curve are perceived to be more related than elements not on the line or curve.



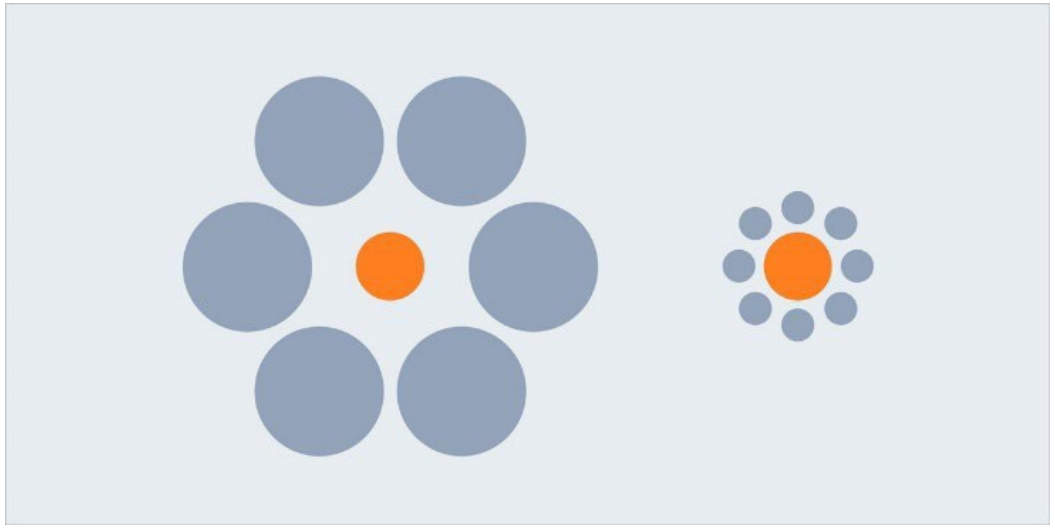
- **Focal point:** whatever stands out visually will capture and hold the viewer's attention first.



https://www.usertesting.com/blog/gestalt-principles#similarity

2. The perceptual process

Interpretation



You are not alone if you think the orange circle on the right looks larger than the one on the left. As you should have guessed by now, the two are the same size.

2. The perceptual process

Interpretation

Face masks ‘make wearers look more attractive’, study suggests

The results show that faces were considered as most attractive when covered by medical masks and significantly more attractive when occluded with cloth masks than when not occluded.

Springer Open

https://cognitiveresearchjournal.springeropen.com/articles/10.1186/s41235-021-00351-9

Chapter summary

The design of a product/service is generally one of the main determinants of its success or failure.

1. Products and commercial messages often appeal to our senses; however, due to their abundance, we do not perceive most of them.
2. Perception is a 3-stage process that gives meaning to raw stimuli.
3. Subliminal advertising is a very controversial — and very ineffective — form of communicating with consumers.

Chapter summary

4. We interpret stimuli to which we pay attention according to learned patterns and expectations.

5. Semiotic science teaches us to understand how marketing specialists use symbols to create meanings.

We have covered several key concepts in this chapter, including perception (and how it is affected by our senses), subliminal advertising, and the factors that affect how we process symbols.

Classwork in groups

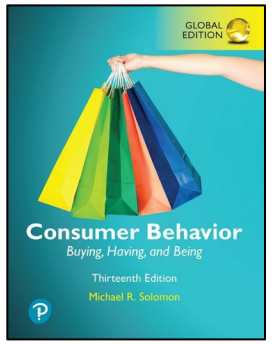
- Visit **www.globalgreen.org**. What are some of the sensory cues being used to attract your attention to different subjects/topics and ads?

- On the internet, search for a variety of children's and adults' breakfast cereal packaging. How different are the JND strategies for each market? List various JND strategies used and state whether they are likely to be effective for any other products. If your group were marketing the cereal, what would you have done differently?

- Find three examples of brands or companies that have made changes to their products (e.g. a retail chain redesigning its stores, a new logo, etc.). Discuss how the concept of "just-noticeable difference" might affect consumer perceptions of these changes. Did the marketers want the changes to be noticed?

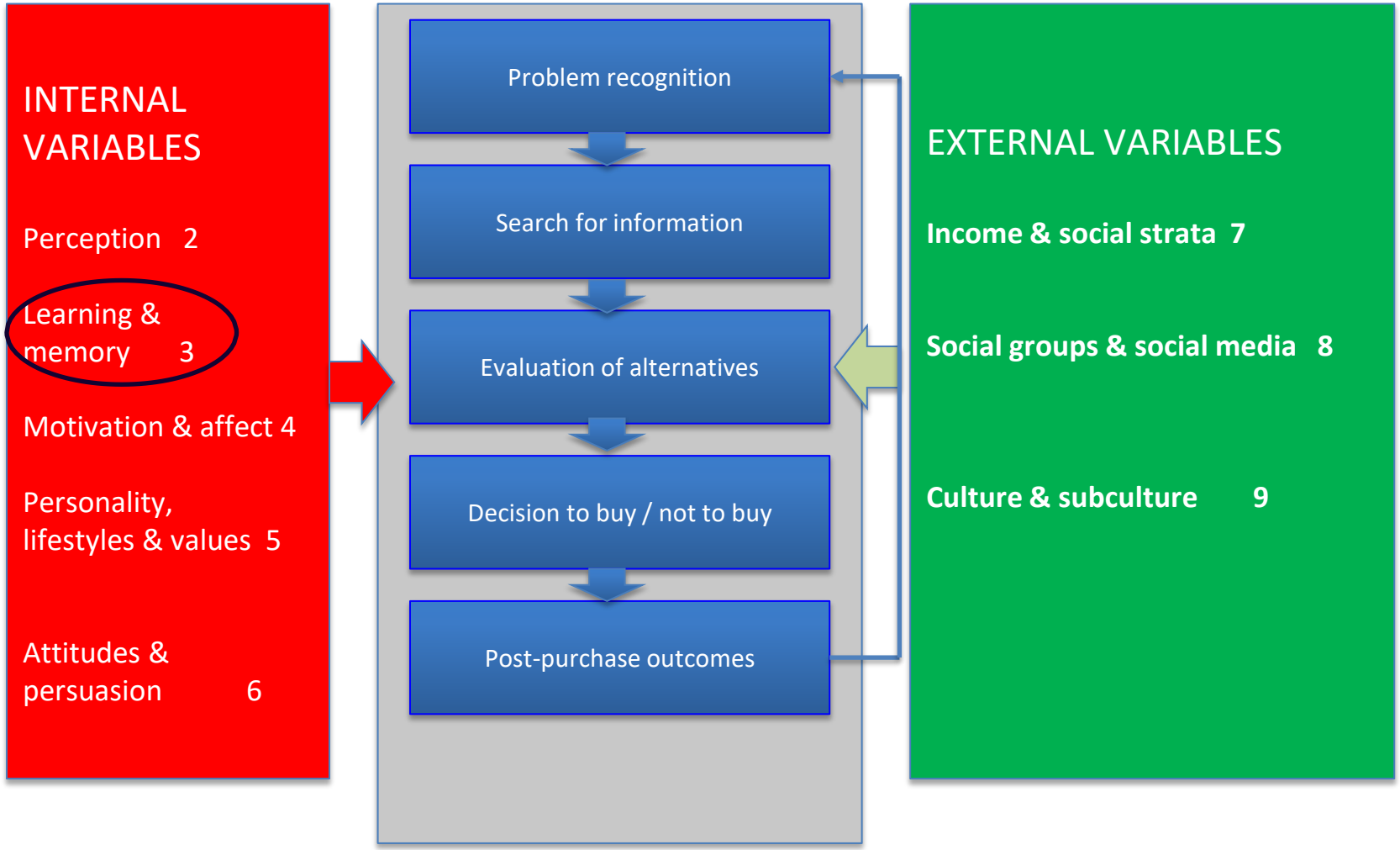
Topic 3 Learning and memory

1. Learning: concept
2. Learning theories
3. Memory: process and systems. Measurement
4. Considerations regarding memory. Nostalgia



Solomon, M.R. (2020): Consumer Behavior: Buying, Having, and Being. Thirteenth edition. Harlow, England: Pearson

PURCHASING PROCESS: CUSTOMER JOURNEY



What does LEARNING mean?

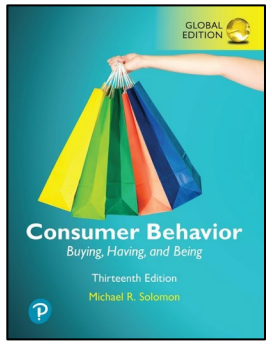
Learning is a **relatively permanent change** in behaviour caused by **experience.**

- **It establishes knowledge through memory**
- **It is a continuous process**
- **It is direct or observed**
- **It is voluntary or involuntary**

LEARNING is very important for survival.

Topic 3 Learning and memory

1. Learning: concept
2. Learning theories
3. Memory: process and systems. Measurement
4. Considerations regarding memory. Nostalgia



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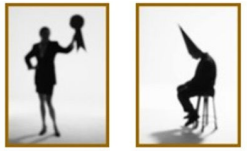
Learning theories

- **Behavioural learning theories** focus on stimulus-response connections

✓Classical conditioning

✓Instrumental conditioning

- **Cognitive theories** focus on consumers as problem solvers who learn when they observe relationships



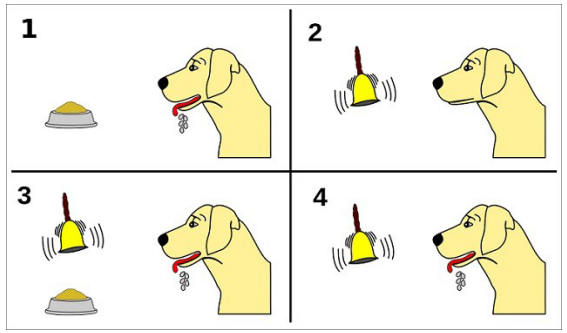
✓Observational learning

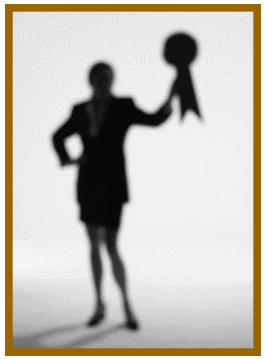
✓Cognitive learning

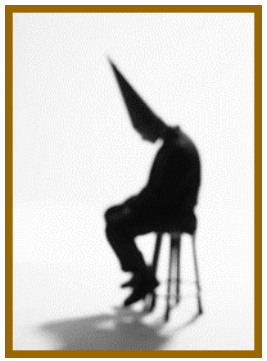
Behavioural learning theories

These theories focus on stimulus-response connections

Classical conditioning: a stimulus that elicits a response is paired with another stimulus that initially does not elicit a response on its own.





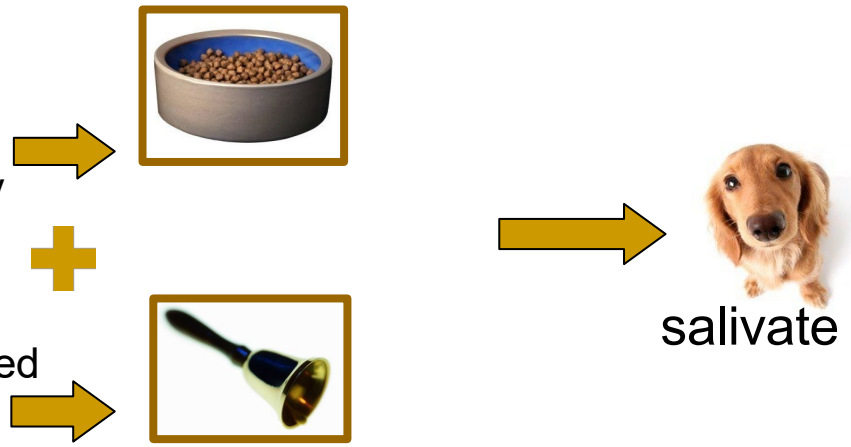


Instrumental conditioning (also, operant conditioning): the individual learns to perform behaviours that produce positive outcomes and to avoid those that yield negative outcomes.

Behavioural learning theories: classical conditioning

A stimulus that elicits a response is paired with another stimulus that initially does not elicit a response on its own.

- Components of classical conditioning
  - **Unconditioned stimulus**: stimulus that unconditionally — naturally and automatically — provokes a response.
  - **Conditioned stimulus**: originally neutral stimulus that, associated with an unconditioned stimulus, causes a conditioned response.
  - **Conditioned response**: learned response to a previously neutral conditioned stimulus.



Behavioural learning theories: classical conditioning

What requirements must be met to achieve this type of learning? – Marketing applications

- **Repetition**: repeated exposures increase the strength of stimulus-response associations and prevent the decay of these associations in memory.

  - **Extinction** (if overexposed)

- **Stimulus generalization**: people react to other, similar stimuli in much the same way they responded to the original stimulus.
  - **Halo effect**

- **Stimulus discrimination**: occurs when an unconditioned stimulus does not follow a stimulus similar to a conditioned stimulus.

2. Learning theories

Behavioural learning theories: instrumental conditioning

The individual learns to perform behaviours that produce positive outcomes and to avoid those that yield negative outcomes.

How does instrumental conditioning occur?

Behaviour

- Positive reinforcement
- Negative reinforcement
- Punishment

Behaviour shaping

Reinforcement marketing applications

- "Thank you"
- Prize
- Last-minute rates
- Cards
- Loyalty programmes

2. Learning theories

Cognitive theories: observational learning

Observational learning occurs when we watch the actions of others

Elements of observational learning:

- Observer
- Model
- Vicarious experience
- Modelled behaviour

2. Learning theories

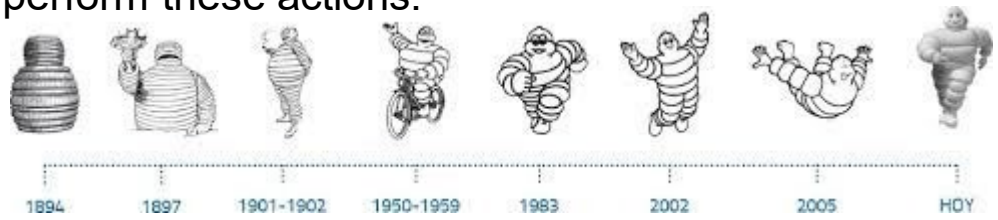
Cognitive theories: observational learning

- **What requirements must be met to achieve this type of learning? – Marketing applications**

Marketers can show what happens to desirable models who use — or do not use — their products

For observational learning in the form of modelling to occur, the marketer must meet four conditions:

1. The consumer's attention must be directed to the appropriate model, whom, for reasons of attractiveness, competence, status or similarity, they must want to emulate.
2. The consumer must remember what the model says or does.
3. The consumer must convert this information into actions.
4. The consumer must be motivated to perform these actions.



2. Learning theories

Cognitive theories: cognitive learning

Information-processing effort

Components of cognitive learning:

- ✓ Intention
- ✓ Individual effort
- ✓ Memory

2. Learning theories

Cognitive theories: cognitive learning

- **What requirements must be met to achieve this type of learning? – Marketing applications**

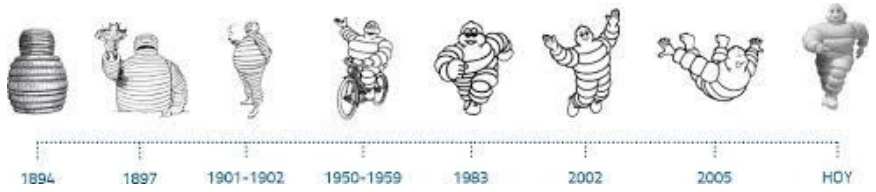
The strength and speed of learning depends on:

- ✓ Stimulus characteristics
- ✓ Reinforcement intensity
- ✓ Behaviour-reinforcement interval
- ✓ Number of repetitions
- ✓ Continuous repetition

Stimulus generalization

Modification of behaviours:

- ✓ Adaptation
- ✓ Modelling
- ✓ Discrimination



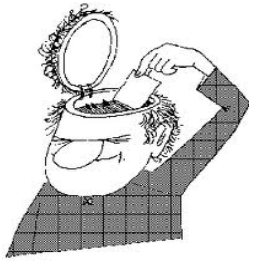
3. Memory: process and systems. Measurement

What is memory?

Process of acquiring and storing INFORMATION for a period of time,
so that it is available when needed

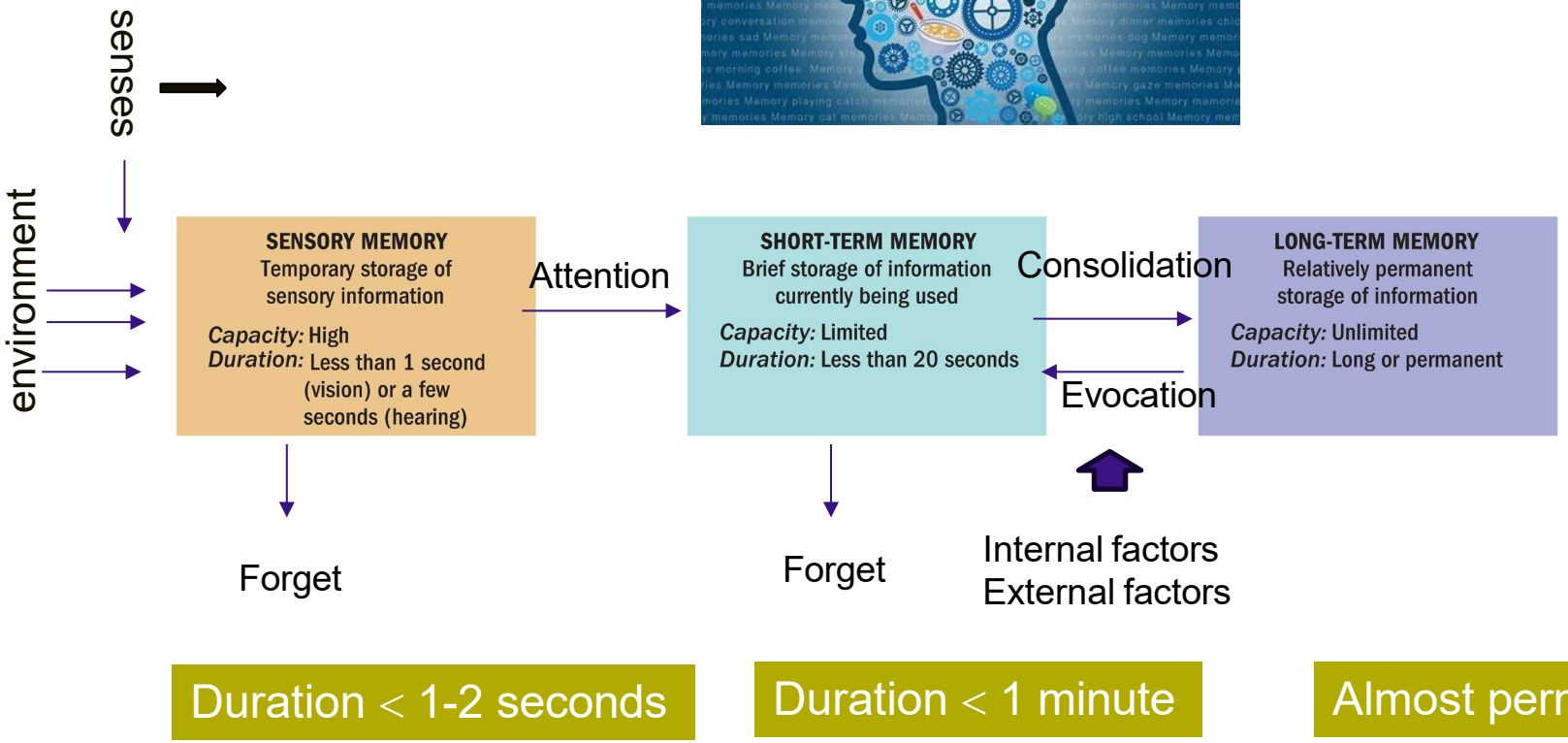
PHASES

External Information → **Encoding** → Storage → Retrieval



3. Memory: process and systems. Measurement

Types of memory:



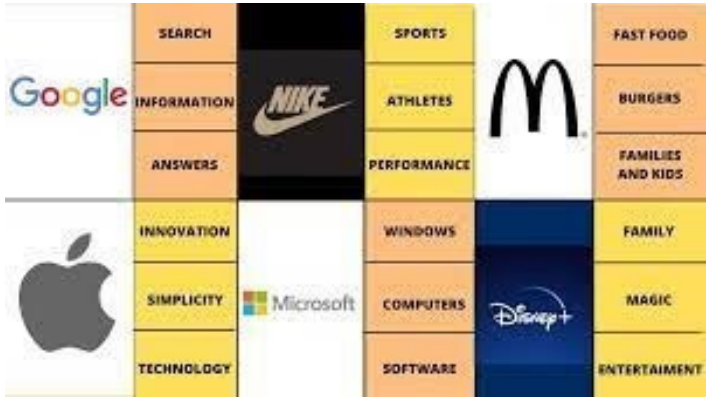
3. Memory: process and systems. Measurement

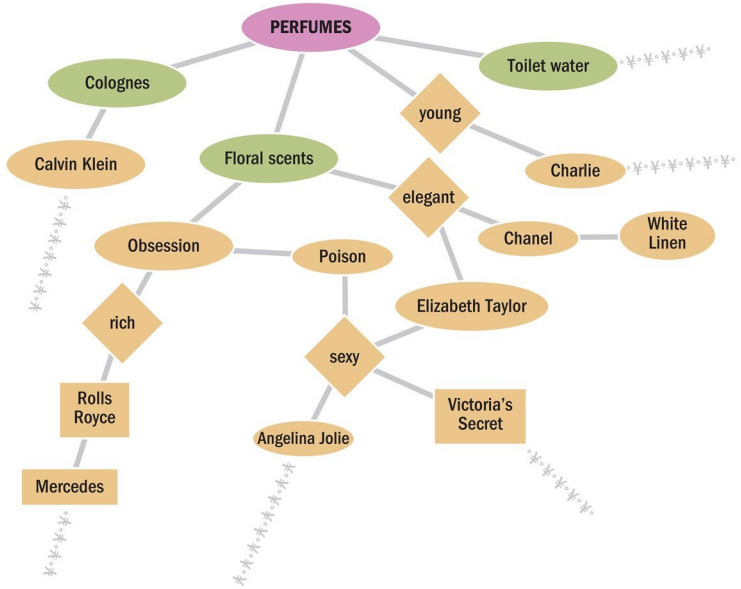
External Information → Encoding → Storage → Retrieval

How does our memory store information?

According to ACTIVATION MODELS OF MEMORY, a unit of information is stored in an associative network

Associative network:
Systems organized in consumers' memory of concepts related to brands, manufacturers or shops, based on their own experiences.





Evoked set

When we ask a consumer to list perfumes, they recall only those brands that show up in the appropriate category. This group constitutes the evoked set.

3. Memory: process and systems. Measurement

Retrieval is the process whereby we recover information from long-term memory

What factors affect whether consumers remember marketing messages?

- ✓ Individual cognitive and physiological factors (age)
- ✓ Situational factors (pioneering rather than follower brands / descriptive brand names)
- ✓ The way a marketer presents the message (spacing effect – better periodically / types of tv shows / better first than last)
- ✓ The nature of the ad itself (multimedia)
- ✓ Familiarity with the product
- ✓ Number of senses involved

3. Memory: process and systems. Measurement

Measuring memory for marketing stimuli

Recognition

Subjects are shown an advertisement/brand and asked if they have seen it before/know it.

Please indicate whether you know the following beer brands:

- ❑ Budweiser
- ❑ San Miguel
- ❑ Aguila
- ❑ Cruzcampo

Recall

Consumers are asked to think about a product/brand without being presented with information beforehand (this requires more effort).

Please name 3 beer brands that you know:

1. ……
2. ……
3. …

Retrieval is often more important and demanding in situations where consumers must rely on their memory.

3. Memory: process and systems. Measurement

Measuring memory for marketing stimuli

Problems with memory measurements:

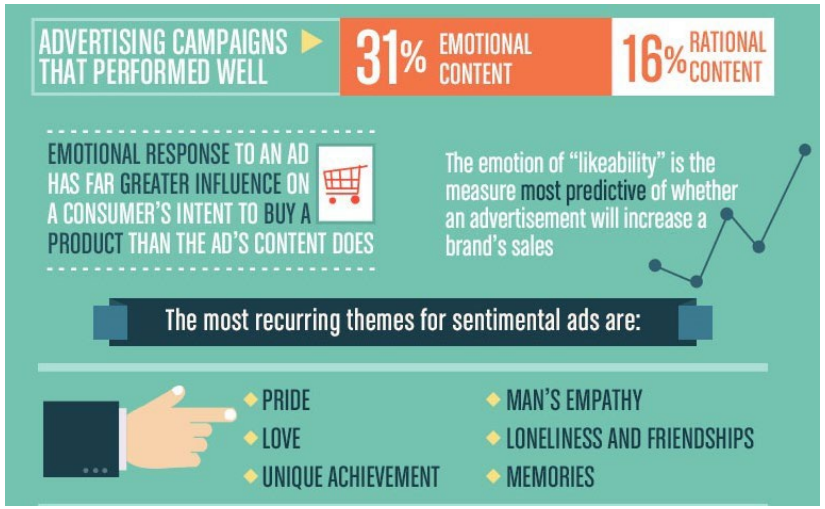
- Response biases: skewed results due to the instrument or the respondent, rather than the object that is being measured.
  - People tend to answer “yes” to questions, regardless of what an item asks.
  - People are often eager to please and give the response they think they are supposed to give.
- Memory lapses: people are prone to forget information or remember things inaccurately.
  - Omitting: leaving facts out.
  - Averaging: “normalizing” memories by not reporting extreme cases.
  - Telescoping: inaccurate recall of time.
- Illusion-of-truth effect: tendency to believe information to be correct after repeated exposure.

3. Memory: process and systems. Measurement

Measuring memory for marketing stimuli

- Although researchers continue to work on techniques that increase the accuracy of memory scores, these improvements do not address the more fundamental issue of whether recall is even necessary for advertising to have an effect.

  - Some critics argue that these measurements do not adequately tap the impact of "feeling" ads whose objective is to arouse strong emotions rather than to convey concrete product benefits.



Https://appliedpsychologydegree.usc.edu/resources/infographics/thinking-vs-feeling-the-psychology-of-advertising

- It is not clear that recall translates into preference. We may recall the benefits touted in an ad but not believe them.

4. Considerations regarding memory. Nostalgia

Forgetting: inability to reproduce learned knowledge

What makes us forget? Factors in forgetting

- ✓ **Time** (decay = structural changes in the brain as a consequence of learning)
- ✓ **Interference** (retroactive interference: consumers forget stimulus-response associations if they subsequently learn new responses to the same or similar stimuli / proactive interference: prior learning can interfere with new learning)
- ✓ **Repression** (defence mechanism)
- ✓ **Memory disorders** (illness, age, etc.)

https://www.ted.com/talks/cesar_kuriyama_one_second_every_day

4. Considerations regarding memory. Nostalgia

What makes us forget?

Understanding when we remember

https://www.ted.com/talks/cesar_kuriyama_one_second_every_day?utm_source=tedcomshare&utm_medium=social&utm_campaign=tedspread

4. Considerations regarding memory. Nostalgia

What makes us forget?

Understanding when we remember

- **State-dependent retrieval** (we are better able to access information if our internal state is the same at the time of recall as when we learned the information)
- **Familiarity and recall** (when we are already familiar with an item, we are more likely to recall messages about it)
- **Salience and the "von Restorff" effect** (salience refers to a brand's prominence or level of activation in memory; almost any technique that increases the novelty of a stimulus also improves recall = von Restorff effect)
- **Viewing context** (regardless of how awesome a commercial is, the show during which it appears influences its impact)
- **Pictorial vs. verbal cues** (superiority of visual memory over verbal memory)

How are memories retrieved when we decide what to buy?

Products help us to retrieve memories from our past

Marketers may resurrect popular characters to evoke fond memories of the past (nostalgia, retro brand)

Nostalgia Appeal

Fossil's product designs evoke memories of earlier classic designs

B.Moghimi@yahoo.co.uk

3 - 29

First Look: Cindy Crawford Returns To The '80s For Reserved SS18

The high-street brand unveils its latest SS18 campaign 'I LOVE YOU CINDY', a tribute to the inimitable supermodel, Cindy Crawford.

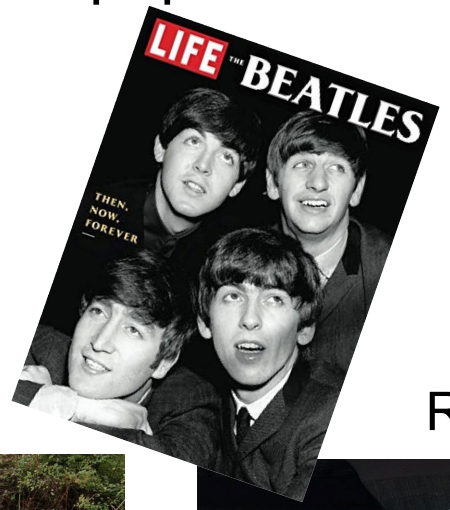
http://www.vogue.co.uk/article/cindy-crawford-reserved-campaign-ss18

The marketing power of nostalgia

Nostalgia is considered a bittersweet emotion that arises when the past is perceived with sadness and longing

Marketers may resurrect popular characters to evoke fond memories of the past

- Famous person
- Situation



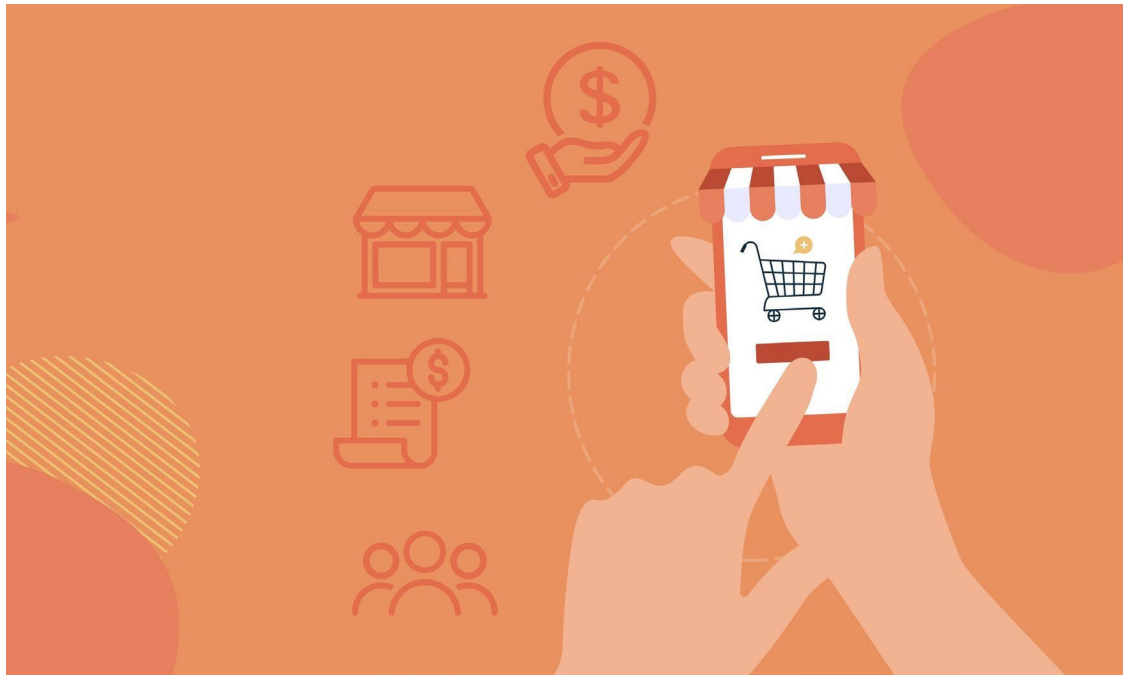
Retro brand

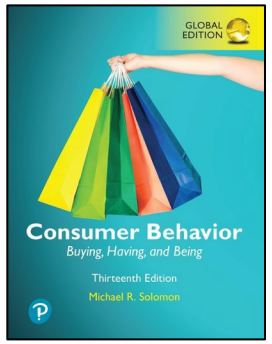
Curve of Forgetting

https://www.youtube.com/watch?v=GVXDcFKz7DA

Topic 4 Motivation and affect

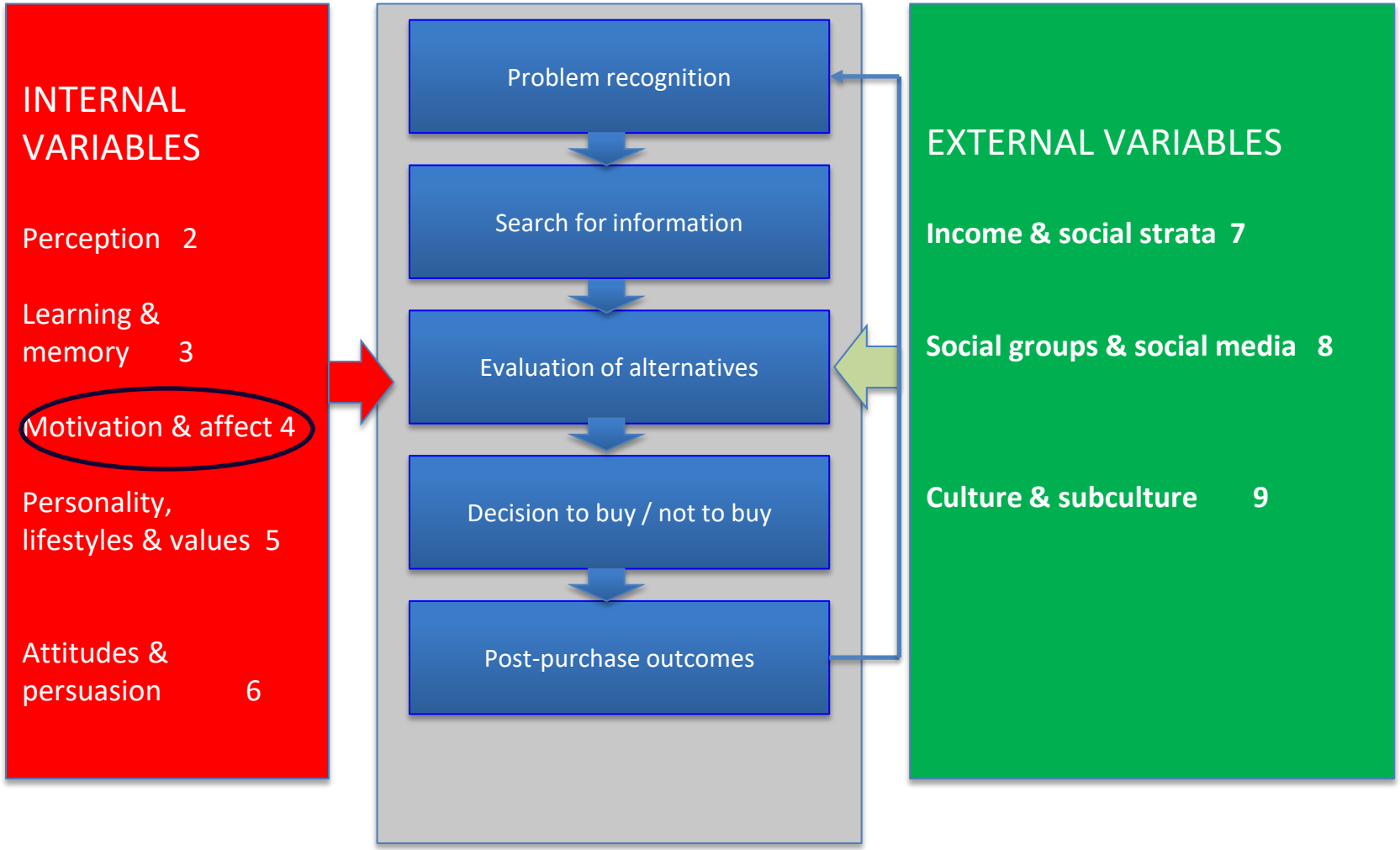
1. Motivation: the need-motive-want process
2. Theories of motivation
3. Affect
4. Consumer involvement





Solomon, M.R. (2020): Consumer Behavior: Buying, Having, and Being. Thirteenth edition. Harlow, England: Pearson

PURCHASING PROCESS: CUSTOMER JOURNEY



What is motivation?

It refers to the processes that drive the individual to develop a behaviour.

It arises when the consumer has a **need** (utilitarian or hedonic) that they want to satisfy.

The need creates a state of tension that drives the consumer to attempt to reduce or eliminate it. This need may be **utilitarian** (i.e. a desire to achieve some functional or practical benefit, as when a person loads up on green vegetables for nutritional reasons) or it may be **hedonic** (i.e. an experiential need, involving emotional responses or fantasies, as when someone longs for a feeling).

When we focus on a **utilitarian need**, we emphasize the objective, tangible attributes of products, such as km per litre in a car; the amount of fat, calories, and protein in a cheeseburger; or the durability of a pair of blue jeans. **Hedonic** needs are subjective and experiential; here we might look to a product to meet our needs for excitement, self-confidence, or fantasy — perhaps to escape the routine aspects of life. Many items satisfy our hedonic needs. Luxury brands in particular thrive when they offer the promise of pleasure to the user.

What is motivation?

It is described in terms of:

- **Level (strength**), or the pull it exerts on the consumer. In other words, the degree to which a person will expend energy to reach one goal — as opposed to another — reflects their motivation to attain that goal.
- **Direction**, or the particular way the consumer attempts to reduce it.
- **Persistence**: if you have persistence, you continue to do something even though it is difficult or other people are against it.

1. Motivation: the need-motive-want process

NEED->MOTIVE->WANT process

Ideal Situation

Real Situation

Tensions Conflicts

Barriers Defence mechanisms

NEED (goal)

Marketers try to create products and services to provide the desired benefits and help the consumer to reduce this tension.
Whether the need is utilitarian or hedonic, the magnitude of the tension it creates determines the urgency the consumer feels to reduce it. We call this degree of arousal a drive.

MOTIVE (drive)

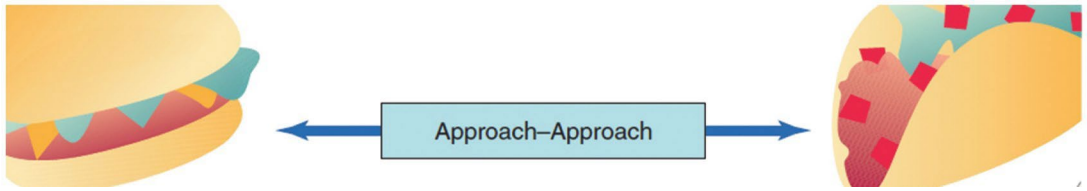
WANT

Behaviour → **Satisfaction**

We can satisfy a basic need in any number of ways, and the specific path a person chooses is influenced both by their unique set of experiences and by the values their culture generates. **These personal and cultural factors combine to create a want, which is one manifestation of a need**. When a person attains the goal, this reduces the tension and the motivation recedes (for the time being).

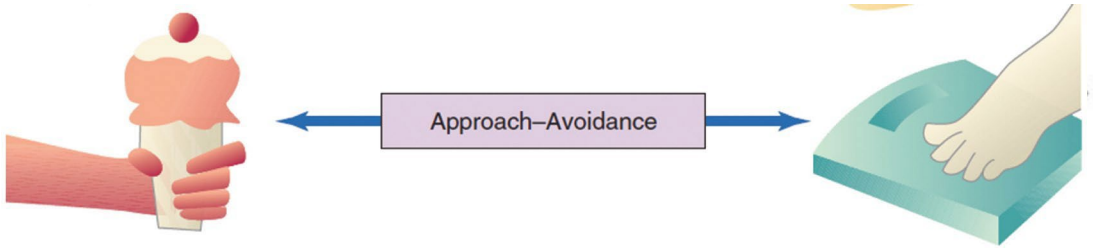
Types of motivational conflicts

Because a purchase decision can involve more than one source of motivation, consumers often find themselves in situations involving different motives



- Two desirable alternatives
- Cognitive dissonance

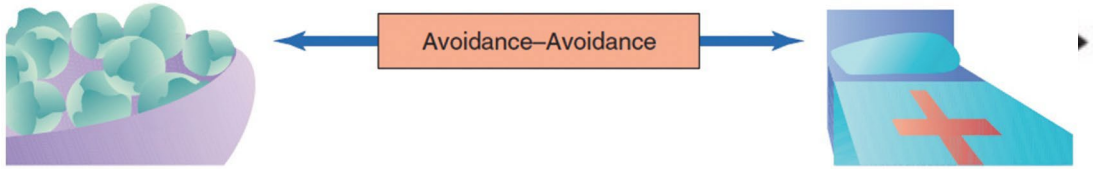
e.g. choosing whether to eat a hamburger or a taco



- Positive & negative aspects of desired product
- Guilt of desire occurs

e.g. "Because I'm worth it"

I am coeliac and I want a sandwich

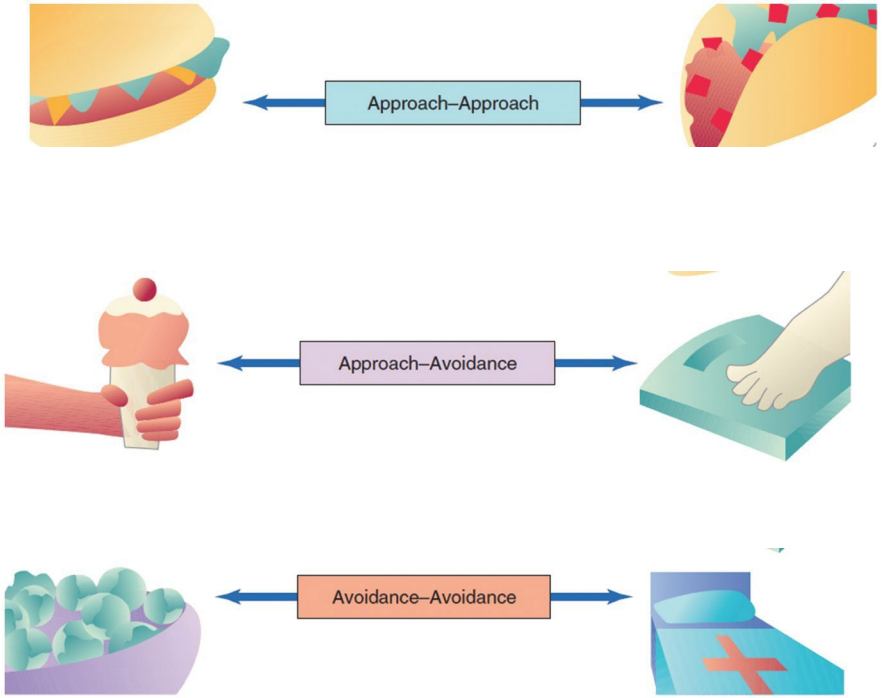


- Facing a choice with two undesirable alternatives

e.g. the option to eat healthily to avoid getting sick

The theory of cognitive dissonance is based on the premise that people have a need for order and consistency in their lives and that a state of dissonance (tension) exists when beliefs or behaviours conflict with one another

Reflective thinking



In groups, describe three types of motivational conflicts, citing an example of each from current marketing campaigns

Main defence mechanisms

- ✓ Forget
- ✓ Attribute to others
- ✓ Rationalize
- ✓ Replace

What role does marketing play in reducing these mechanisms?

Theories of MOTIVATION

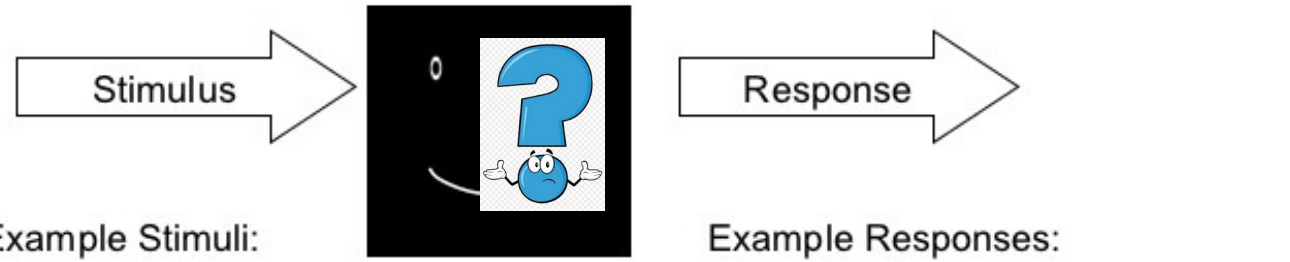
Conductist theory	"Black box"
Drive reduction theory	Biological needs
Expectancy theory	Behaviour is driven by expectations of achieving desirable outcomes. Cognitive factors
Values theory	Values
Maslow's hierarchy of needs	Different needs with different levels of importance

2. Theories of motivation

Conductist theory → "Black box"

They found **classical conditioning** (associative learning) and **operant conditioning** (instrumental learning)

"Black box" model



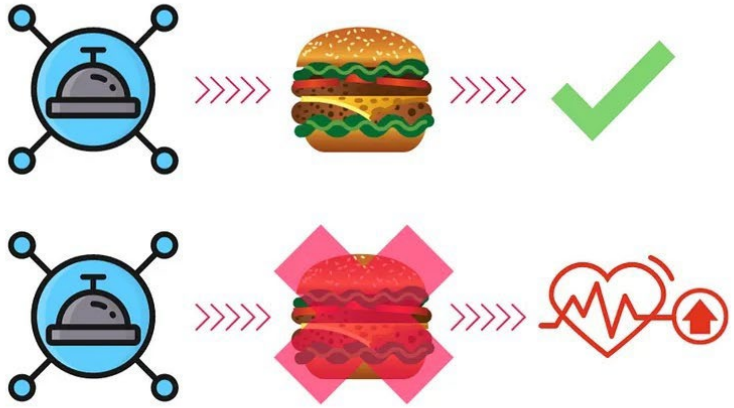
Example Stimuli:		Example Responses:	
Giving a raise after good performance	.....	Working harder in the future	reinforcement
Pairing music and attractive people with products in ads	.....	Buying the product	Classical cond.
Getting yelled at	.....	Staying away from the person who yelled	punishment
Seeing a hottie ☺	.....	Head turning, staring ☺	Me being funny

Drive reduction theory

It focuses on biological needs that produce unpleasant arousal states.

A drive creates a tension that needs to be reduced, generating a specific behaviour.

MOTIVATION: individuals are driven by physiological activation



It is crucial that we learn to balance drive reduction, through efficient strategies, in order to maintain motivation for our personal, long-term goals.

If a behaviour reduces the drive, we naturally tend to repeat it

Expectancy theory

Expectancy-value theory

MOTIVATION = f (MOTIVE, EXPECTANCY)

The MOTIVATION of an individual TOWARDS A PURCHASE is a rational calculation that depends on:

- The importance of the **MOTIVE (internal)**
- The **EXPECTANCY** of satisfying a need **(external):**
  - **Subjective probability of occurrence**
  - **Value of the product / brand**

Values theory

A belief that some condition is preferable to its opposite

Consumers are motivated by the purchase of products and services that fit their values

CULTURAL values

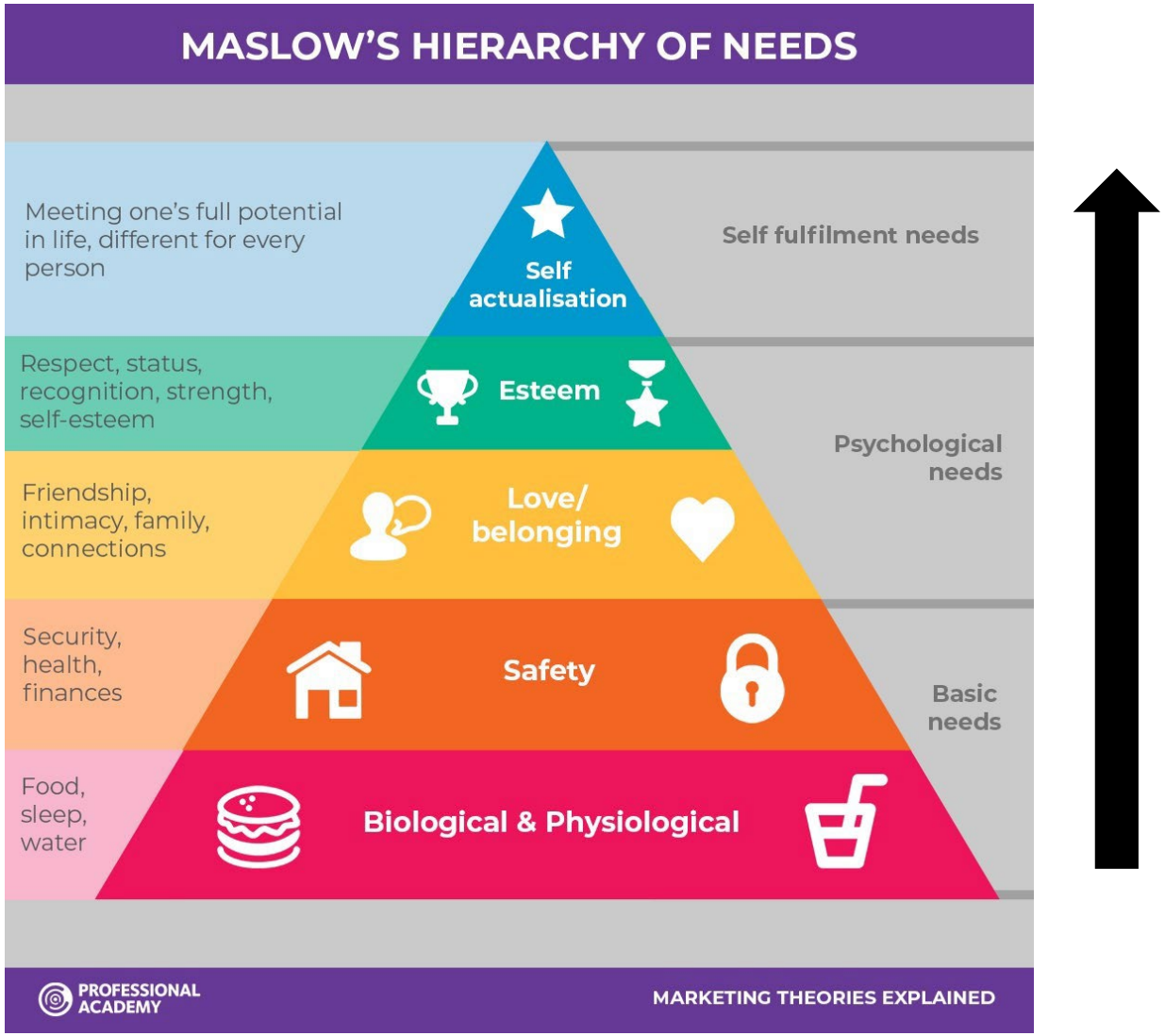
Freedom, security, happiness, family, materialism, etc.

CONSUMPTION-SPECIFIC values

Convenience shopping, prompt service, personalized attention, etc.

PRODUCT-SPECIFIC values

Ease of use, durability, quality, price, functionality, etc.



A problem with taking Maslow's hierarchy of needs too literally is that it is culture-bound; many Asian cultures value the welfare of the group (belongingness needs) more highly than needs of the individual (esteem needs). The point is that this hierarchy, although marketers widely apply it, is helpful primarily because it reminds us that consumers may have different need priorities in different consumption situations and at different stages in their lives.

2. Theories of motivation

Maslow's hierarchy of needs

One early study found that gardening could satisfy needs at every level of the hierarchy:

- Physiological — "I eat what I grow."
- Safety — "I feel safe in the garden."
- Social — "I can share my produce with others."
- Esteem — "I can create something of beauty."
- Self-actualization — "My garden gives me a sense of peace."

Maslow's hierarchy of needs

From a marketing point of view, companies:

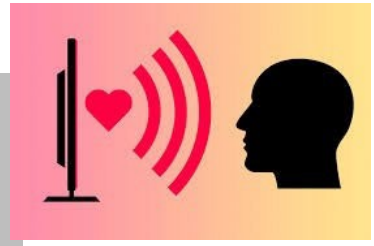
- **Must identify which level their customers are in**
- **Can target nearby steps**

PROBLEMS or LIMITATIONS

- The order of the needs is fixed
- The hierarchy depends on the type of culture
- A product can meet different needs
- In practice:
  - Needs are not observable
  - They do not usually appear in isolation

3. Affect

Consumer behaviour is considered to be influenced by the individual's mood states (e.g. emotive advertising).



3. Affect

Positive affect

The idea that owning a specific brand will make a person feel good can provide a competitive advantage.

Happiness: a mental state of well-being characterized by positive emotions.

- ✓ Experiences surpass material accumulations.
- ✓ Varies throughout life: young individuals associate happiness with excitement, while older individuals associate it with calmness and tranquillity.

3. Affect

Positive affect

Does consumerism bring happiness?

Consumerism promises something it cannot deliver: universal happiness.

Psychological effects of Black Friday:

Urgency to acquire the product is generated, even if it is not needed.

1. Marketers use pressure/repetitive promotion to create brand recall.
2. A sense of need is created and pleasure centres are activated.
3. Discounts provide pleasure and reduce rationality. Online, impulsiveness is even greater.
4. We want to take advantage of bargains to avoid feeling excluded from social norms.

Andrea Martínez (3 December 2018). Los 5 efectos psicológicos del Black Friday. Portal Psicología y Mente. https://psicologiaymente.com/consumidor/efectos-psicologicos-black-friday

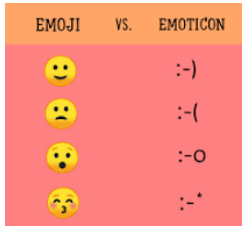
3. Affect

Negative affect

- ✓ **Disgust:** exerts a powerful effect on consumer judgments.
- ✓ **Envy:** a negative emotion associated with the desire to narrow the gap between oneself and someone superior.
- ✓ **Guilt:** an unpleasant emotional state associated with possible objections to one's actions, inaction, circumstances or intentions.
- ✓ **Shame:** an emotion driven by concern about what others think of us.

3. Affect

A large part of our activity on social media is to express affection or share feelings, often through emoticons or emojis, likes, etc.



What role does marketing play in analysing the content/sentiment/visual content generated by users on social media?

Word clouds

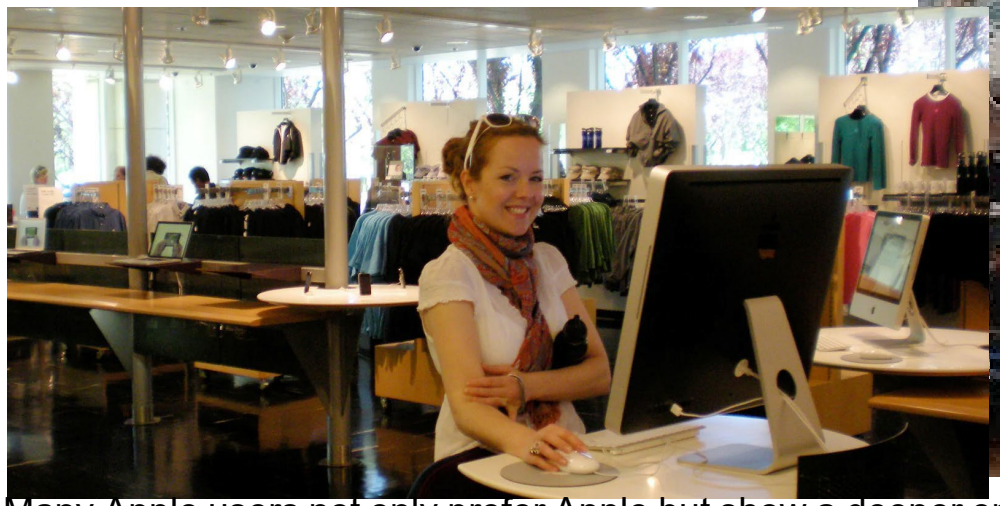
LEVEL OF INVOLVEMENT

A person's perceived relevance of an object based on their needs, values, and interests

→ It is a motivational concept

4. Consumer involvement

LEVEL OF INVOLVEMENT



Many Apple users not only prefer Apple but show a deeper emotional connection to the brand. They are willing to pay premium prices for Apple products and continue to make repeat purchases, a testament to their loyalty to the brand. For many Apple users, the use of Apple products has become a conscious and undisputed lifestyle choice. They feel connected to the brand and are part of the Apple community.

From experience, I can tell you how loyal an Apple fan is. When we took a road trip across California in 2009, Apple HQ on the Infinite Loop was at the top of our list. Of course, I couldn't have been happier when we also discovered a complete Apple shop there... In the top image, you can see me happy with a first sneak peek at The Sims 3.

From online forums to social media groups to the annual Apple Worldwide Developers Conference (WWDC), the Apple community is a tight-knit and passionate community that supports and promotes the brand.

LEVEL OF INVOLVEMENT

The longest applause in history (80 minutes) was for Plácido Domingo at the Vienna Opera on 30 July 1991. That triumphant night, the great singer from Madrid had to return to the stage of the opera a total of 101 times.

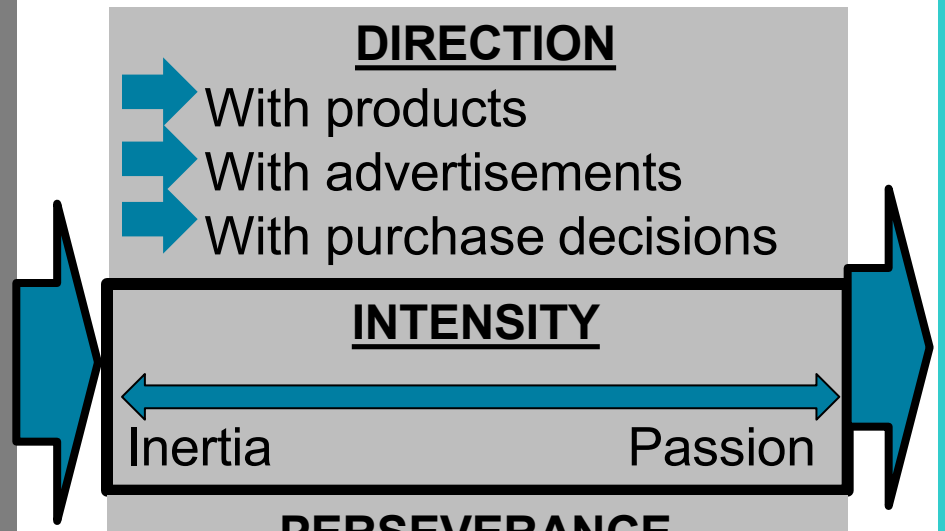
4. Consumer involvement

ANTECEDENTS of involvement

PERSONAL factors:
- Needs
- Interests
- Values

OBJECT or STIMULUS factors:
- Product differentiation
- Perceived risk
- Source of communication

SITUATIONAL factors:
- Type of use/purchase
- Occasion



Some consequences

- Amount of information searched for
- Preference for a particular brand
- Perceived differences of product attributes
- Influence of price on brand choice
- Time spent weighing up alternatives
- Attitude formation
- Type of decision rule used in choice
- Elicitation of counter-arguments to ads

Measuring involvement

An example of a scale for measuring involvement

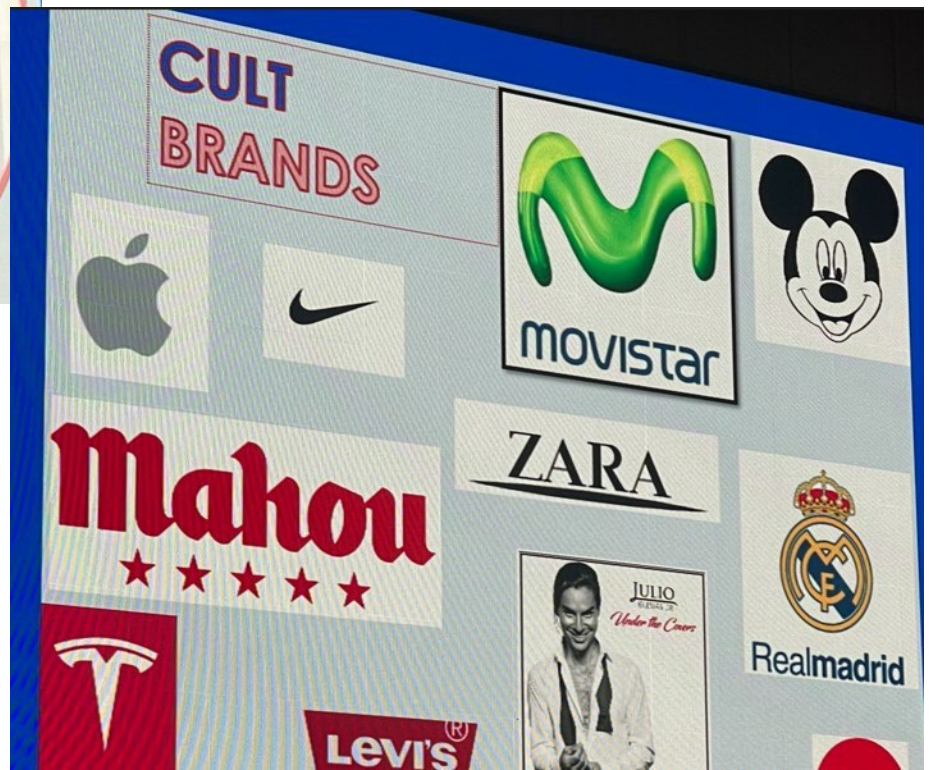
I consider [object to be judged] to be:

Attribute	Scale (1 to 7)	Opposite attribute
important	_:_:_:_:_:_:_	unimportant
boring	_:_:_:_:_:_:_	interesting
relevant	_:_:_:_:_:_:_	irrelevant
exciting	_:_:_:_:_:_:_	unexciting
meaningless	_:_:_:_:_:_:_	meaningful
appealing	_:_:_:_:_:_:_	unappealing
fascinating	_:_:_:_:_:_:_	mundane
worthless	_:_:_:_:_:_:_	valuable
involving	_:_:_:_:_:_:_	uninvolving
unnecessary	_:_:_:_:_:_:_	necessary

LEVEL OF INVOLVEMENT: love brands

4. Consumer involvement

LEVEL OF INVOLVEMENT: love brands



4. Consumer involvement

LEVEL OF INVOLVEMENT: love brands

4. Consumer involvement

Love Brands

Conclusion

Sustainable love is closer than you think

Loved brands add new dimensions to sustainability

Our 2022 Top 50 loved brands are environmental, social, and economic sustainability leaders

#1

Why Asics is loved:

How they communicate their values
April 2022 saw Asics partner with One Tree Planted. The brand will plant one tree for every $ spent on asics.com.

Staying true to their values builds trust
Its Movement for Mind program works for people of all fitness levels, and is an effective tool to positively impact mental health.

Creating fresh experiences that customers love
Partnering with fitness app STEPN, the brand released limited-edition sneakers, whereby users can collect tokens and NFT rewards. Consumers are loving this initiative.

#2

Why Illy is loved:

Illy makes everyday coffee anything but ordinary.
For its customers, the brand creates an emotional moment, a delight, a good conscience.

4. Consumer involvement

United States

1. Jimmy Choo
2. Downy
3. Dolce & Gabbana
4. Estée Lauder
5. Oral-B
6. Mercedes-Benz
7. KitKat
8. Nespresso
9. adidas
10. HelloFresh

United Kingdom

1. LEGO
2. L'Oréal
3. OLAY
4. Land Rover
5. Head & Shoulders
6. Nando's
7. Oral-B
8. Lacoste
9. LUSH
10. Hasbro

France

1. L'Oréal
2. Sephora
3. Haribo
4. Lacoste
5. Xbox
6. Maisons du Monde
7. Fanta
8. adidas
9. Cartier
10. Tefal

Italy

1. Aprilia
2. Abarth
3. Illy
4. Prada
5. Zoom
6. IKEA
7. Dolce & Gabbana
8. Valentino
9. Gucci
10. LEGO

Germany, Austria, Switzerland

1. L'Oréal
2. LEGO
3. Ducati
4. ASUS
5. Sennheiser
6. EnBW
7. Decathlon
8. Gucci
9. SAP
10. ROSSMANN

Latin America

1. Danone
2. Pringles
3. Cinemark
4. Head & Shoulders
5. Pantene
6. Corona
7. Colgate
8. Coca-Cola
9. Heineken
10. L'Oréal

https://www.talkwalker.com/brand-love-index

MARKETING APPLICATIONS

- Usage as a segmenting criterion
- Differentiation of advertising messages and media
- Strategies to increase consumer involvement:
  - ✓ Controversies
  - ✓ Emotions
  - ✓ Product enhancements
  - ✓ Let customers make the message
  - ✓ Appeal to consumers' hedonic needs
  - ✓ Use prominent stimuli
  - ✓ Include celebrity endorsers
  - ✓ Create spectacles or performances
  - ✓ Develop mobile experiences like alternate reality games

https://www.youtube.com/watch?v=d3vnxPq0meE

For reflection

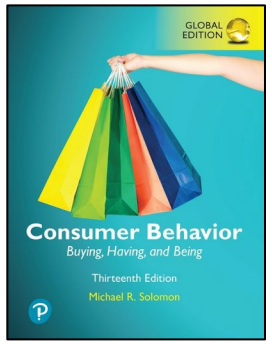
- Give an example of when a product had a negative or positive affect on you.

For review

- Products can fulfil a variety of consumer needs, making it essential to identify the underlying motives to ensure that a product effectively meets those needs.
- Consumers encounter different types of motivational conflicts that can influence their purchasing decisions.
- They also experience a wide range of affective responses to products and marketing messages. Marketers often aim to evoke an emotional reaction to strengthen brand connection or foster brand attachment. Social media enables the expression and sharing of these emotional responses.
- The way we evaluate and choose a product depends on our level of involvement with the product itself, the marketing message, or the purchasing situation.

TOPIC 5. Personality, lifestyles and values

1. Personality: concept and theories
2. Brand personality
3. Lifestyles: concept and approaches
4. The role of psychographics in consumer behaviour and marketing
5. The self: mind, gender and body



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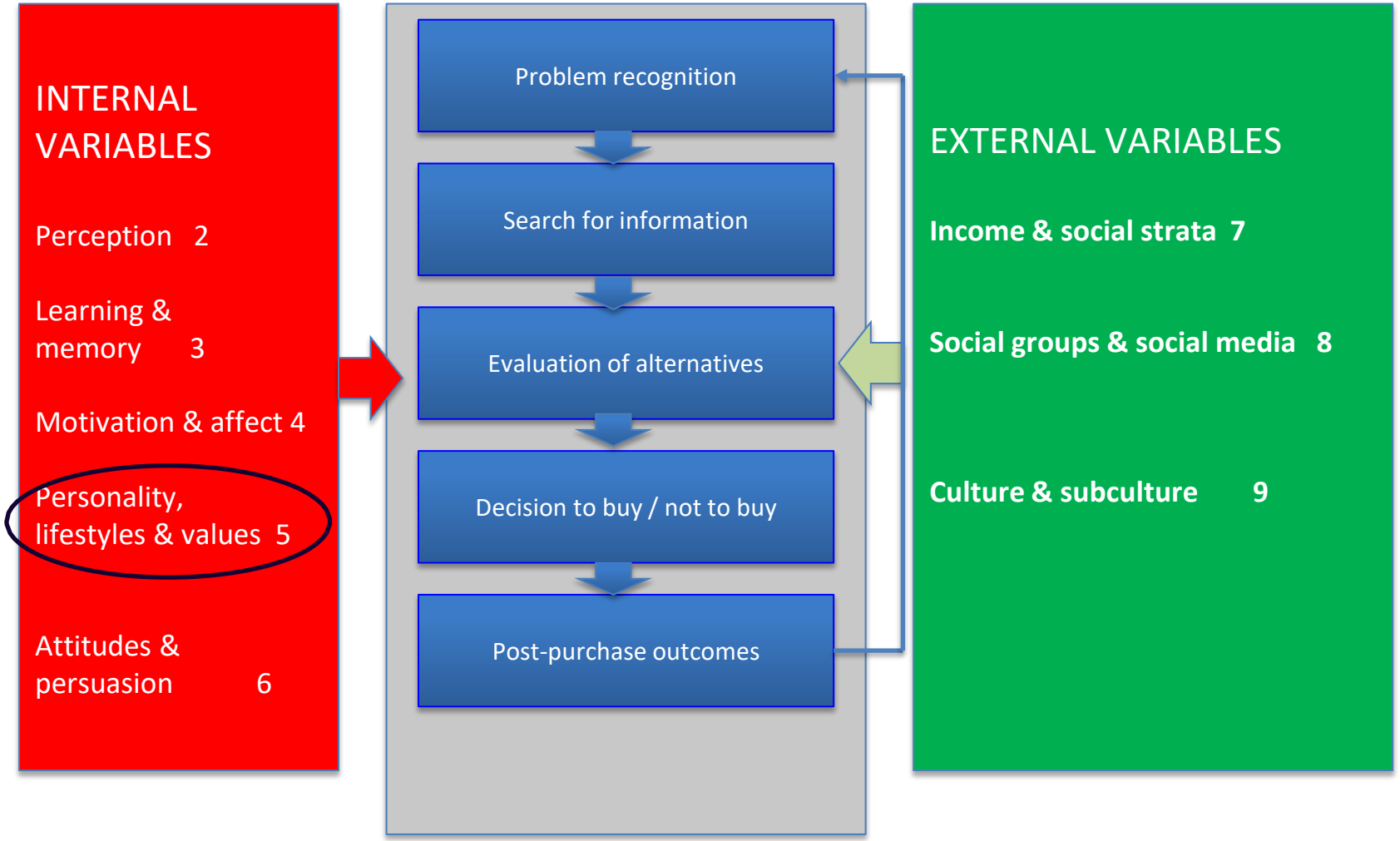
PURCHASING PROCESS: CUSTOMER JOURNEY



1. Personality: concept and theories

- Do all people have a personality?
- How does personality influence consumer behaviour?
- How do you identify an individual's lifestyle? What role does it play in their behaviour?
- What effect do psychographic variables have on marketing strategies?

1. Personality: concept and theories

A consumer's personality influences the way he or she responds to marketing stimuli, but efforts to use this information in marketing contexts meet with mixed results.

1. Personality: concept and theories

Traditional description of consumers:

- Socioeconomic variables
- Geographic variables
- Demographic variables

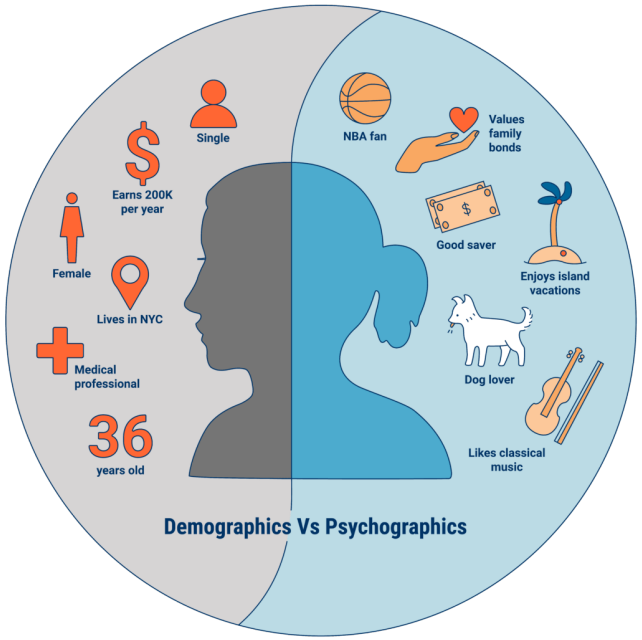
Consumers can share the same demographic characteristics and still be very different people

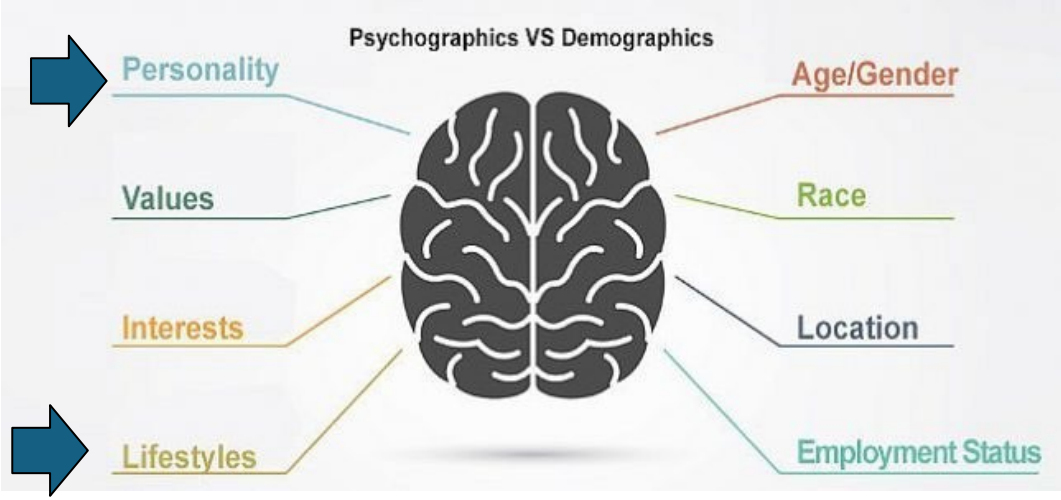
Psychographics

Psychographics better explains/predicts consumer behaviour

Psychographics

Psychographics involves the use of psychological, sociological and anthropological factors to determine how a market is segmented.





https://www.cbinsights.com/research/what-is-psychographics/

https://www.barilliance.com/psychographic-segmentation/

1. Personality: concept and theories

What is personality?

Psychological characteristics unique to a human being that influence **the way in which the individual responds** to their environment

". . . **distinctive** patterns of behaviours, tendencies, qualities or personal dispositions that make one . . . different from another and lead to **a consistent response to** environmental stimuli."

DETERMINANTS:

- Each individual's nature
- Each individual's specific characteristics
- Environmental circumstances
- The effects of our decisions

It refers to a stable pattern of thinking, feeling and acting

Can the PERSONALITY of an individual change?

Personality theories provide some guidelines (two accepted facts):

- Personality is a set of traits or characteristics (shyness, friendliness, etc.).
- There are differences between individuals based on these characteristics.

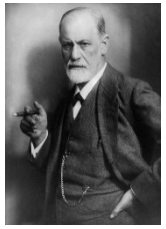
An individual's personality may be altered by major life events like the birth of a child, the death of a loved one, a significant career promotion, moving to a new home, etc.

Personality theories

Psychoanalytic theory

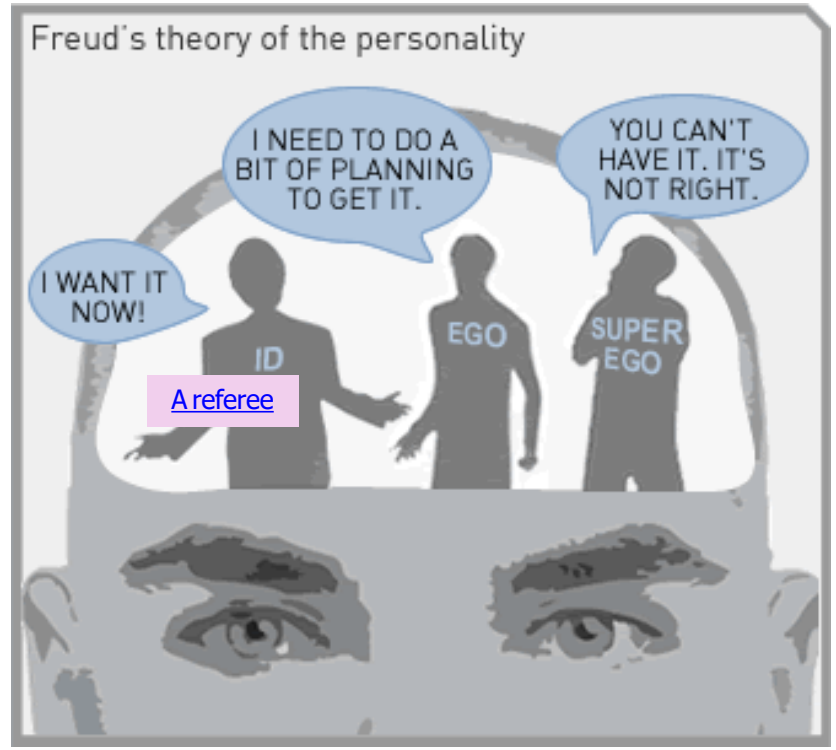
Trait theory

Psychoanalytic theory



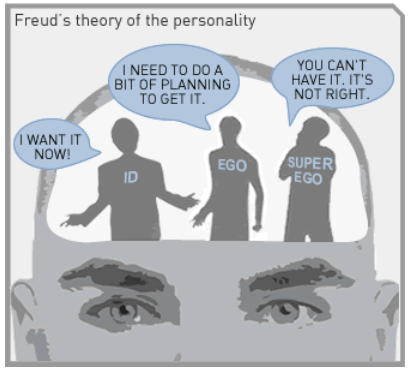
Conflict between:

- The desire to obtain pleasure, and
- The need to function as a responsible member of society



Freudian theory → **Motivational research (1950s)** → Importance of the symbolism of products to explain consumption motives

Psychoanalytic theory (Freud)



1) ID: the "animal part" of the mind.
    1) Completely oriented towards immediate gratification.
    2) It operates in accordance with the principle of pleasure; behaviour is guided by the primary desire to maximize pleasure and avoid pain.
    3) It is egoist and illogical; it directs the psychic energy of the individual towards pleasant activities without taking into account the consequences.

2) SUPEREGO: the counterweight to the ID. Morality.
    1) The conscience of the individual.
    2) It internalizes the rules of society (especially as taught to us by our parents).
    3) It prevents the ID from seeking selfish gratification.

3) EGO: the system that exists between the ID and the SUPEREGO. The rational part of the system.
    1) It is the referee in the struggle between temptation and virtue. It tries to balance these opposing forces according to the principle of reality, finding ways of achieving gratification that are acceptable to the outside world.
    2) These conflicts occur at an unconscious level, so the individual is not necessarily aware of the underlying reasons for their behaviour.

Psychoanalytic theory

Freudian theory

Conflict between:
- desire to seek pleasure
- need to be responsible in society

Motivational research (1950)

Importance of the symbolism of products to explain consumption motives

CONSUMPTION MOTIVES (identified by Ernest Dichter)

- Power-masculinity-virility
- Security
- Eroticism
- Moral purity-cleanliness
- Social acceptance
- Individuality
- Status
- Femininity
- Reward
- Mastery over environment
- Disalienation
- Magic-mystery

- Potential importance of unconscious motives that guide purchases
- The product stands for, or represents, a consumer's true goal, which is socially unacceptable or unattainable

Psychoanalytic theory

Freudian theory

Importance of the symbolism of products to explain consumption motives

EXAMPLES OF SYMBOLOGIES IN BRANDS

Nike – the swoosh: movement, approval, speed, accuracy

Playboy – the bunny rabbit: playful, innocent, cute
+ bowtie: formal, gentlemanly, classic

McDonald's – golden arches: passageway, welcoming, good fortune

Windows – window: openness, connectivity, transparency + flag: victory, loyalty, beacon

Psychoanalytic theory

Neo-Freudian theories

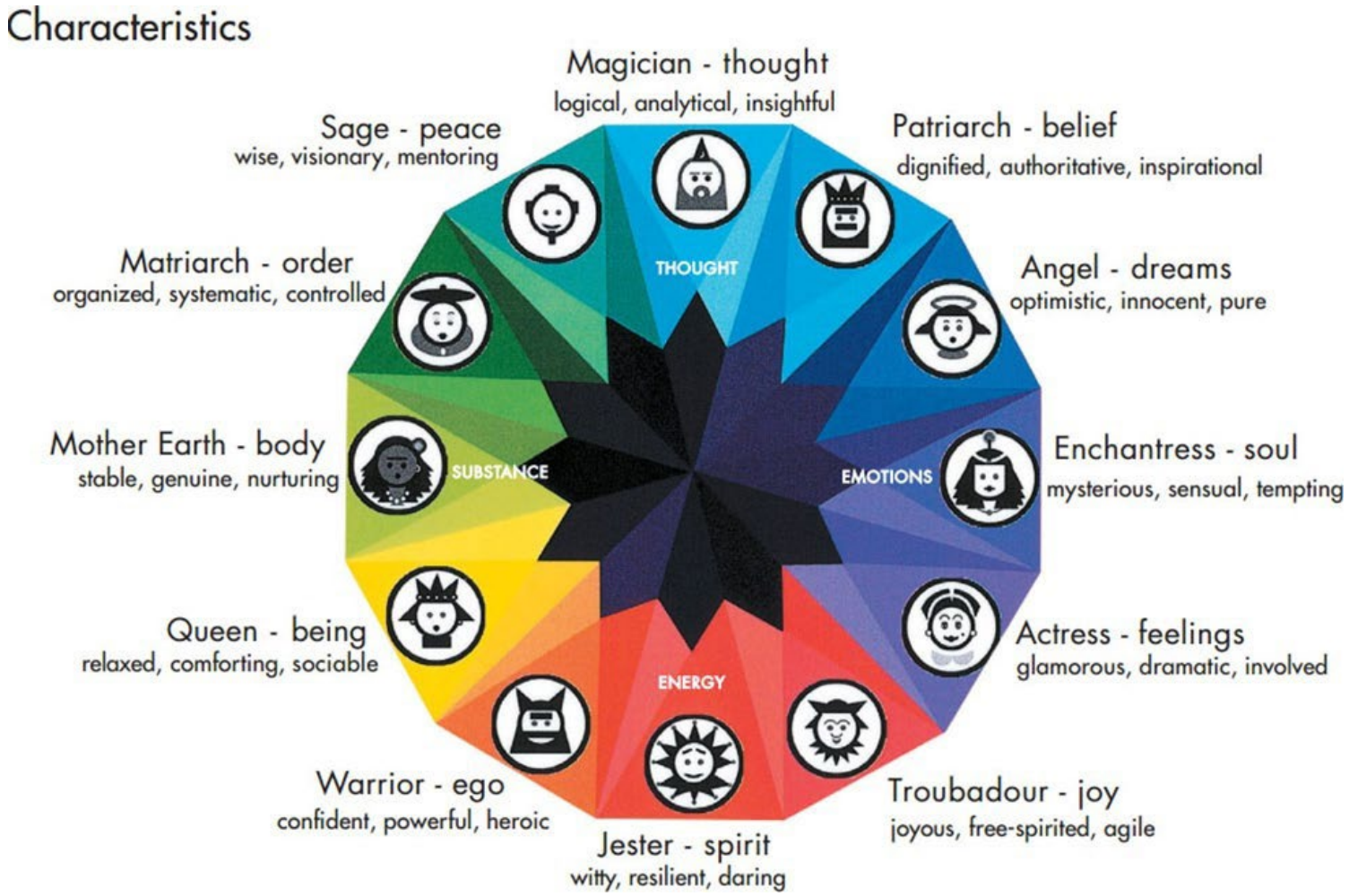
- An individual's personality is more influenced by how they handle relationships with others than by how they resolve sexual conflicts.

Alfred Adler	• Style of life • Feelings of inferiority
Carl Jung	• People are shaped by cumulative experiences of the past generations • Archetypes – 'Mother nature', 'Chanda mama', myths, stories, Harry Potter, Lord of the Rings

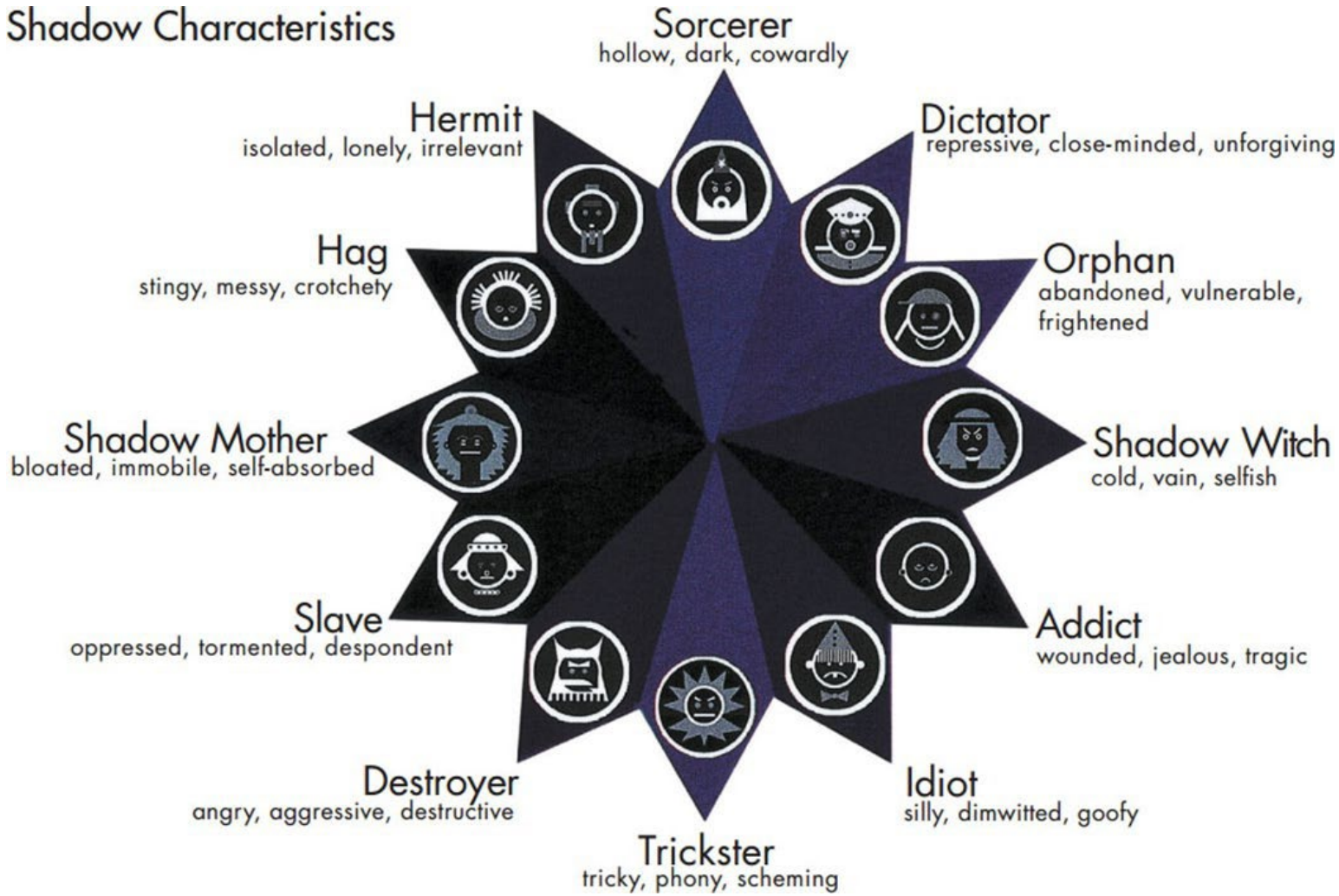
Karen Horney's three personality groups	They describe people as: • Compliant: move toward others • Aggressive: move against others • Detached: move away from others

Brand asset valuator archetypes (1 of 2)

The archetype model proposes healthy and unhealthy relationships between the archetypes. A healthy personality is one in which the archetypes dominate their corresponding shadows.



Brand asset valuator archetypes (2 of 2)



Trait theory

Personality traits: focus on measurement of personality in terms of identifiable characteristics that define a person and distinguish them from others

- These traits are identifiable
- They depend on heredity and environment
- Individuals have varying degrees of each trait
- The traits are relatively stable over time

Traits relevant to consumer behaviour

Innovativeness	• Degree to which a person likes to try new things
Materialism	• Amount of emphasis placed on acquiring and owning products
Self-consciousness	• The degree to which a person deliberately monitors and controls the self-image that is projected to others
Need for cognition	• The degree to which a person likes to think about a thing and tries to seek the brand information.
Frugality	• Frugal people deny short term purchasing whims, choosing resourcefully to use what they already own

Cattell's 16 personality factors

Factor	Low Score	High Score
Warmth	cold, selfish	supportive, comforting
Intellect	Instinctive, unstable	cerebral, analytical
Emotional Stability	Irritable, moody	level headed, calm
Aggressiveness	Modest, docile	controlling, tough
Liveliness	somber, restrained	wild, fun loving
Dutifulness	untraditional, rebellious	conformity, traditional
Social Assertiveness	shy, withdrawn	uninhibited, bold
Sensitivity	coarse, tough	touchy, soft
Paranoia	trusting, easy going	wary, suspicious
Abstractness	practical, regular	strange, imaginative
Introversion	open, friendly	private, quiet
Anxiety	confident, self-assured	fearful, self-doubting
Open-mindedness	close-minded, set-in-ways	curious, self-exploratory
Independence	outgoing, social	loner, crave solitude
Perfectionism	Disorganized, messy	orderly, thorough
Tension	relaxed, cool	stressed, unsatisfied

In his explorations of personality, British psychologist Raymond Cattell found that variations in human personality could be best explained by a model that has sixteen variables (personality traits), using a statistical procedure known as factor analysis. Following this discovery, he went on to create and promote the 16PF Questionnaire. This test uses public-domain scales from the International Personality Item Pool to measure the same traits.

1. Personality: concept and theories

Viewers of *Mad Men* are individuals with emotional sensitivity and intellectual curiosity, who often tend to be more dreamers than realists. Their suitable brands are Apple and the Audi A6.

Viewers of *Family Guy* are rebels who dislike authority, rules, or structures they consider unfair, and they generally do not hesitate to express their feelings with anger or sarcasm. Suitable brands for them are DiGiorno and the Ford F150.

Viewers of *The Office* consider themselves superior to others, enjoy boasting about their achievements, and having control. Suitable brands for them are Starbucks and the BMW 3 Series.

Trait theory

Some problems with trait theory in consumer research:

- Many scales are not sufficiently valid or reliable.
- Marketers often fail to administer tests under appropriate conditions.
- Trait scales measure overall tendencies but not behaviour towards specific brands.
- There is no empirically proven connection between consumer traits and consumer behaviour.
- Data on traits can be combined with other consumer conditions.

Soup, and soup lovers' traits

• **Chicken noodle soup lovers**
– Watch a lot of TV
– Are family-oriented
– Have a great sense of humour
– Are outgoing and loyal
– Like daytime talk shows
– Most likely to go to church
• **Tomato soup lovers**
– Passionate about reading
– Love pets
– Like meeting people for coffee
– Are not usually the life of the party

Personality is linked to broad product categories and NOT specific brands

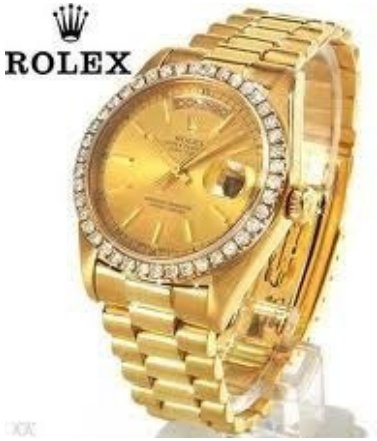
• **Vegetable/Minestrone soup lovers**
– Enjoy the outdoors
– Usually game for trying new things
– Spend more money than any other group dining in fancy restaurants
– Likely to be physically fit
– Gardening is often a favourite hobby

BRAND PERSONALITY

Brands have personalities

A set of traits people attribute to a product as if it were a person

It acts as a brand differentiator and offers sustainable competitive advantage



BRAND EQUITY

Extent to which a consumer holds **strong, favourable, and unique associations** with a brand in memory — and the extent to which they are willing to **pay more** for the branded version of a product than for a non-branded (generic) version

2. Brand personality

Dimensions of brand personality (Aaker 1997)

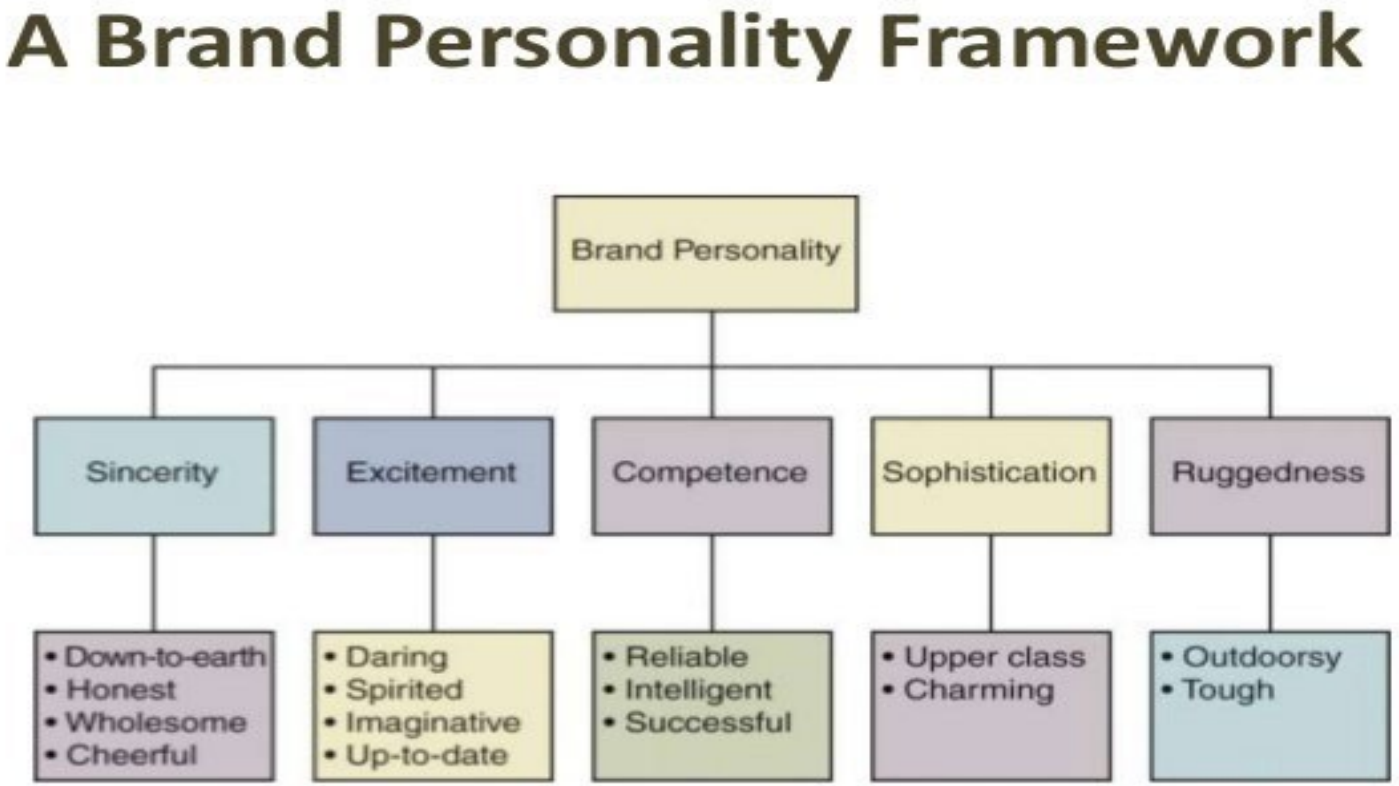
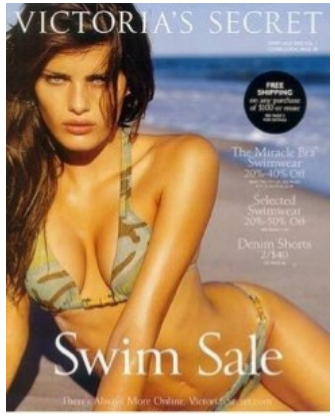


Figure 1. Brand Personality Scale.
Source: Aaker, J. (1997). Dimensions of brand personality (p. 352). *Journal of Marketing Research, 34*(3), 347-356. doi: 10.2307/3151897

2. Brand personality

WHAT CREATES BRAND PERSONALITY

- Packaging, advertising, marketing activities
- Consumers' experience with brand
- The creation and communication of a distinctive brand personality is one way marketers can make a product stand out from the competition



EXAMPLES OF BRAND PERSONALITY

Volvo: safe and reliable

Nike: the athlete in all of us

Levi's 50: dependable, rugged, real and authentic

Bacardi Breezer: outwardly innocent, inwardly naughty

2. Brand personality

EXAMPLES OF BRAND PERSONALITY

2. Brand personality

Walesska Schlesinger*, Amparo Cervera** y María Jesús Yagüe ***ID PERSONALITY

Rasgos de la Personalidad de marca de las compañías aereas (Medias)

Rasgos	Iberia	Spanair	Air Nostrum	Vueling
Amigable	2,58	3,02	3,05	3,48
Familiar	2,75	2,60	2,77	2,65
Honesta	2,82	3,07	2,82	2,97
Con tecnología	3,67	3,28	2,95	3,33
Fiable	3,45	3,33	3,23	3,15
Segura	4,03	3,67	3,62	3,48
Limpia	3,60	3,40	3,48	3,42
Responsable	3,32	3,33	3,23	3,08
Moderna	3,25	3,02	3,03	3,68
Joven	2,07	2,85	2,98	4,02
Innovadora	2,68	2,73	2,58	3,53
Elegante	3,1	2,98	2,75	2,72
Con Clase	2,88	2,85	2,78	2,27

FUENTE: Elaboración Propia

Estudios Turísticos n.º 197 (3º T 2013)

	Original sample	Sample mean	*SD*	*SE*	*t* value
Adv -> Competence	.021604	.064084	.193914	.193914	0.1141
Adv -> Emotion	.224336	.266599	.180066	.180066	1.245859
Adv -> Sincerity	.217605	.239339	.17861	.17861	1.218326
Adv -> Sophistication	.323664	.329003	.111606	.111606	**2.900044**

Note. *SD* = standard deviation; *SE* = standard error.

To cite this article: Amparo Cervera-Taulet , Ma. Walesska Schlesinger & María Jesús Yagüe-Guillen (2013) Influence of Advertising on Brand Personality in The Airline Sector: The Case of Spain, Journal of Travel & Tourism Marketing, 30:5, 445-454, DOI: 10.1080/10548408.2013.803390

An example of brand personality

Personality Traits		Low	High
Sincerity	Down-to-earth Honest Wholesome Cheerful		
Excitement	Daring Spirited Imaginative Up-to-date		

Source: Reprinted with permission from *Journal of Marketing*, published by the American Marketing Association, Ulrich R. Orth & Keven Malkewitz, May 2008, vol. 72, p. 73.

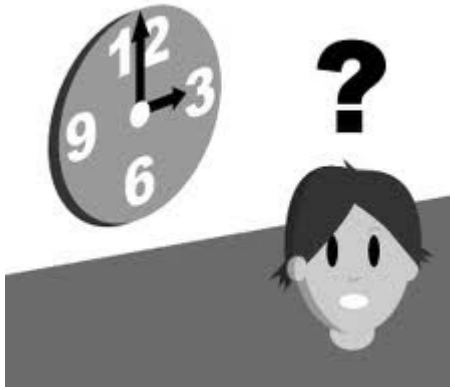
For reflection

- How can marketers link a brand's personality with the lifestyle of a consumer segment? Give an example.

What is LIFESTYLE?

A system of **rules of behaviour** developed by the individual to meet <u>their goals in life</u>

A pattern of consumption that reflects a person's choices of how to **spend their time and money**



- ✓ It is more than the allocation of income and time
- ✓ It changes over time

APPROACHES to analysing the lifestyle of a consumer

- Approach focused on **VALUES, ATTITUDES** and **LIFESTYLE**
- Approach focused on the type of **PRODUCTS** bought and consumed
- Approach focused on **ACTIVITIES, INTEREST** and **OPINIONS**

A lifestyle marketing perspective recognizes that people can be grouped on the basis of the things they like to do, how they like to spend their leisure time, and how they choose to spend their disposable income.

3. Lifestyles: concept and approaches

Approach focused on VALUES

VALS is based upon motivational and developmental psychological theories, particularly Maslow's hierarchy of needs theory

http://www.strategicbusinessinsights.com/vals/surveynew.shtml

VALS (values and lifestyles) analysis

Need-driven	People so limited in resources (especially financial resources) that their lives are driven more by need than by choice.
Outer-directed	People who conduct their lives in response to signals — real or imagined — from others.
Inner-directed	People who conduct their lives primarily according to inner values — the needs and desires private to the individual — rather than outer-directed values.
Combined outer- and inner-directed	People who have put it all together.

3. Lifestyles: concept and approaches LOV (list of values) scale

Approach focused on VALUES

The following is a list of things that some people look for or want out of life. Please study the list carefully and then rate each thing on how important it is in your daily life, where 1 = very unimportant and 9 = very important.

	1	2	3	4	5	6	7	8	9
1. Sense of belonging	1	2	3	4	5	6	7	8	9
2. Excitement	1	2	3	4	5	6	7	8	9
3. Warm relationships with others	1	2	3	4	5	6	7	8	9
4. Self-fulfillment	1	2	3	4	5	6	7	8	9
5. Being well respected	1	2	3	4	5	6	7	8	9
6. Fun and enjoyment of life	1	2	3	4	5	6	7	8	9
7. Security	1	2	3	4	5	6	7	8	9
8. Self-respect	1	2	3	4	5	6	7	8	9
9. A sense of accomplishment	1	2	3	4	5	6	7	8	9

**Now reread the items and circle the one thing that is most important to you in your daily life.*

3. Lifestyles: concept and approaches

Approach focused on values, attitudes and lifestyle

- The goal of VALS 2 is to identify specific relationships between consumer attitudes and purchase behaviour.
- There are three self-orientations: principle-oriented people, status-oriented people, and action-oriented people.

1. By self-orientation

a. Principle-oriented:

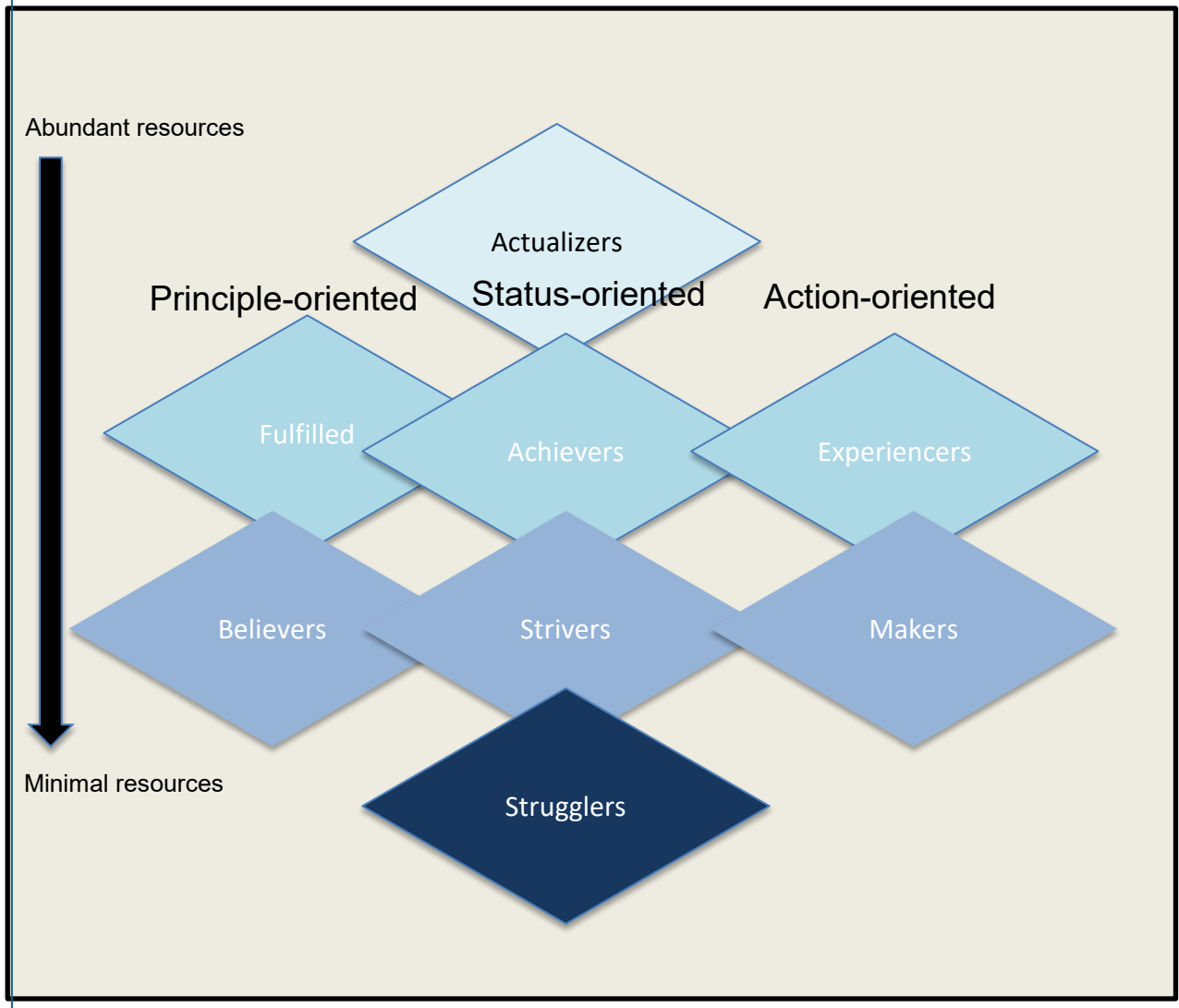
Achievers: highly organized, self-confident, intellectually mature, and satisfied.
Believers: respectful, literal, loyal, practical, and very conservative.

b. Status-oriented:

Strivers: very conventional, realistic, achievement-oriented, career-focused, and highly brand-conscious.
Makers: very enthusiastic, modern, and highly sociable, but not very self-assured.

c. Action-oriented:

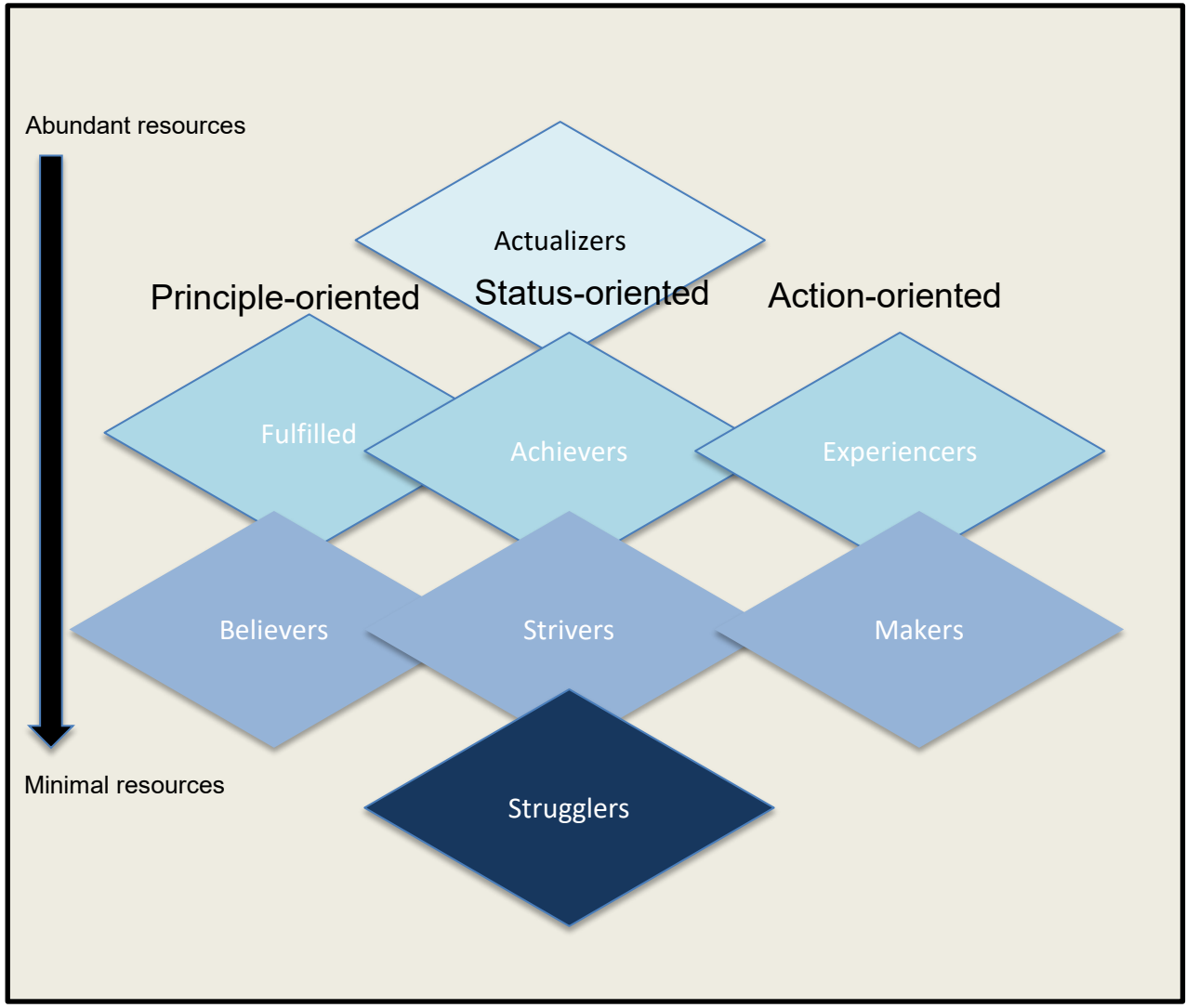
Experiencers: impatient, spontaneous, highly impulsive, enthusiastic, and youthful.
Doers: self-sufficient, very practical and, above all, family-oriented.



Approach focused on values, attitudes and lifestyle

2. By resource availability

Innovators: highly independent, leaders, capable of taking risks, proactive, and successful.
Strugglers: cautious, conservative, conformist, with low income and low educational attainment.



Customer G consumer behaviour
Values and generational change

Generation Z

- Born after 1995
- Specifically NOT a millennial

Mason & Whatley (2015)

	Millennials (born 1980–1995)	Generation Z (born 1996–2010)
TV ICON	Hannah Horvath, “Girls”	Alex Dunphy, “Modern Family”
MUSIC	Lady Gaga	Lorde
SOCIAL MEDIA	Facebook	Snapchat, Whisper
WEB STAR	PewDiePie, YouTube	Lele Pons, Vine
STYLE INFLUENCER	Olsen twins	Tavi Gevinson
CLOTHES	American Apparel	Shop Jeen
FIRST GADGET	iPod	iPhone

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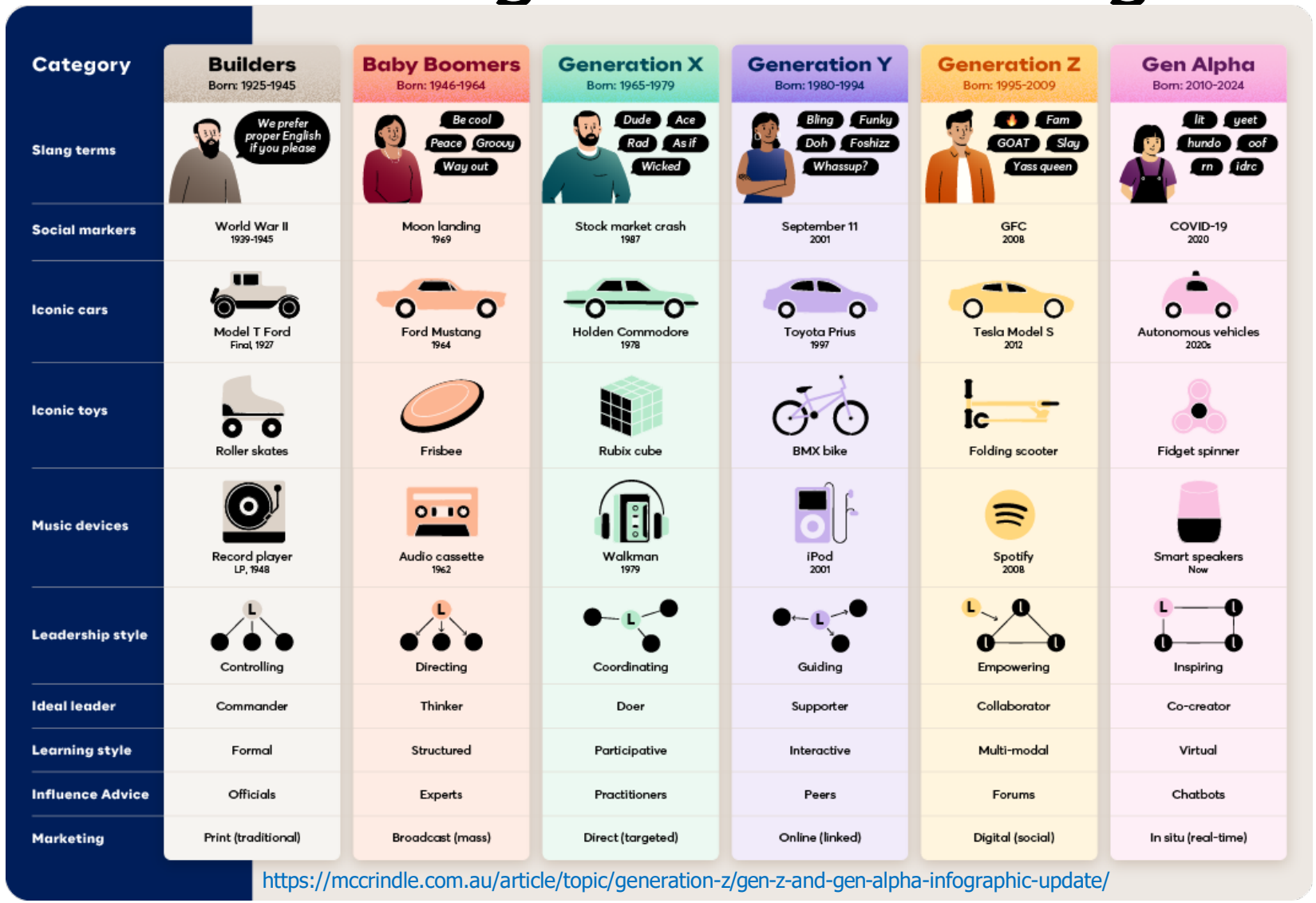
Customer G consumer behaviour
Values and generational change



https://mccrindle.com.au/article/topic/generation-z/gen-z-and-gen-alpha-infographic-update/

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Consumer behaviour: lifestyle groups: the Nespresso youth market

Chiara Ferragni with her limited edition Nespresso accessories

Highlights of Chiara Ferragni campaign results

- Social media presence increased brand visibility.
- Increased mentions of Nespresso brand by 39% in both social media and the traditional press.
- Young women drove 88% of social media conversations.
- Nespresso Boutiques reported a younger profile of consumers, many of whom had never visited an outlet before, interested mainly in Ferragni designed coffee and travel mugs.
- A significant 43% of consumers who purchased the accessories also ordered Nespresso coffee for the first time.

Market segmentation

For segmentation, it is useful to analyse:

- BRAND PERSONALITY
- GEODEMOGRAPHY
- SELF-ESTEEM
- SELF-CONCEPT

Characteristics of the target SEGMENT:

- Trailblazing, contemporary young people
- They like originality
- They buy what makes them feel good, not what others like
- They are mature and independent and control situations
- They are confident
- They prioritize their own opinion over that of the masses

For segmentation, it is useful to analyse:

Brand personality

PORSCHE

Rejuvenated mature people eager for adventure

Serene, quiet, refined people

Secure, trustworthy people

Modern, ostentatiously concealed people

For segmentation, it is also useful to analyse:

Self-concept

Self-concept refers to the beliefs a person holds about their own attributes and how they evaluate themself on these qualities.

- Although your overall self-concept may be positive, there are undoubtedly parts of it you evaluate more positively than others.

Dimensions:

- Content
- Positivity (self-esteem)
- Intensity and stability over time
- Accuracy (the degree to which one's self-assessment corresponds to reality)

Self-esteem refers to the positivity of a person's self-concept.

- Marketers influence self-esteem through exposure to ads that can trigger a process of social comparison.
- We have as many selves as we do different social roles.

Geodemography

Geodemography:

Combines geographic and demographic segmentation based on the philosophy that consumers in the same area have similar consumption needs

People residing in the same area and in the same conditions will naturally have more similar requirements/AIO and demands than two people in areas far apart

https://www.datacentric.es/en/geomarketing-en/spain-top-brands-and-consumption/

4. The role of psychographics in consumer behaviour and marketing

In summary, PSYCHOGRAPHICS helps to:

- Develop and create products that align with your ideal customers.
- Identify opportunities for potential business.
- Position products.
- Improve communication of product attributes (message and media). You understand your customers' needs, wants, concerns, motivations and aspirations.
- Personalize.
- Develop social marketing.

5. The self: mind, gender and body

The SELF

The self of a person is the sum of everything he can claim as his own (W. James, 1890)

By: Juanki Pamies Alcubilla. Source: Flickr. CC-BY NC 2.0.
https://www.xn--sociologainquieta-kvb.com/2021/04/personas-o-consumidores-el-individuo-en.html

Are we what we buy?

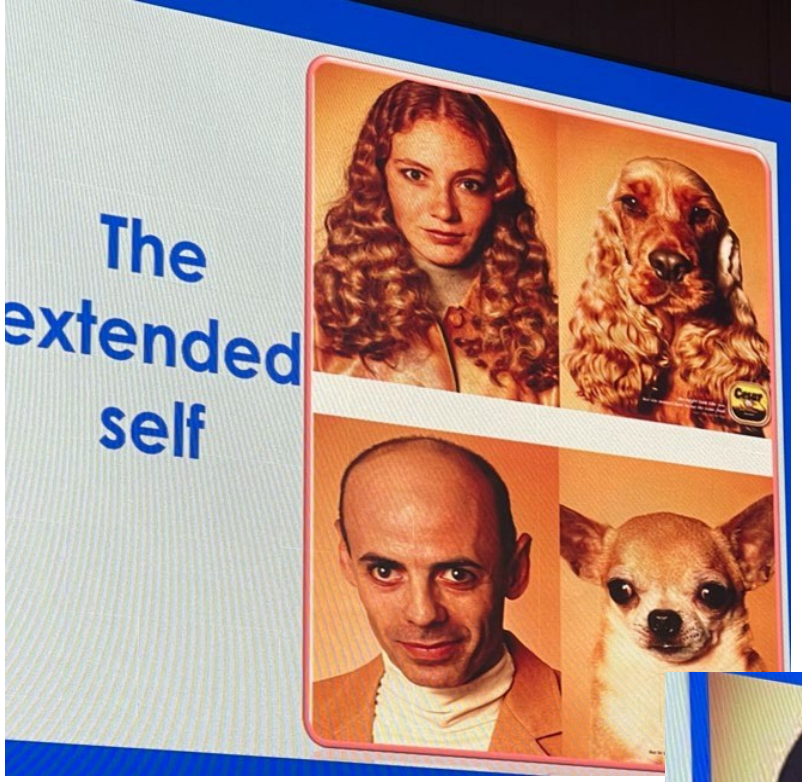
- We buy products/services because we want to highlight or hide some aspect of the self.
- We choose products when their attributes align with some aspect of the self.

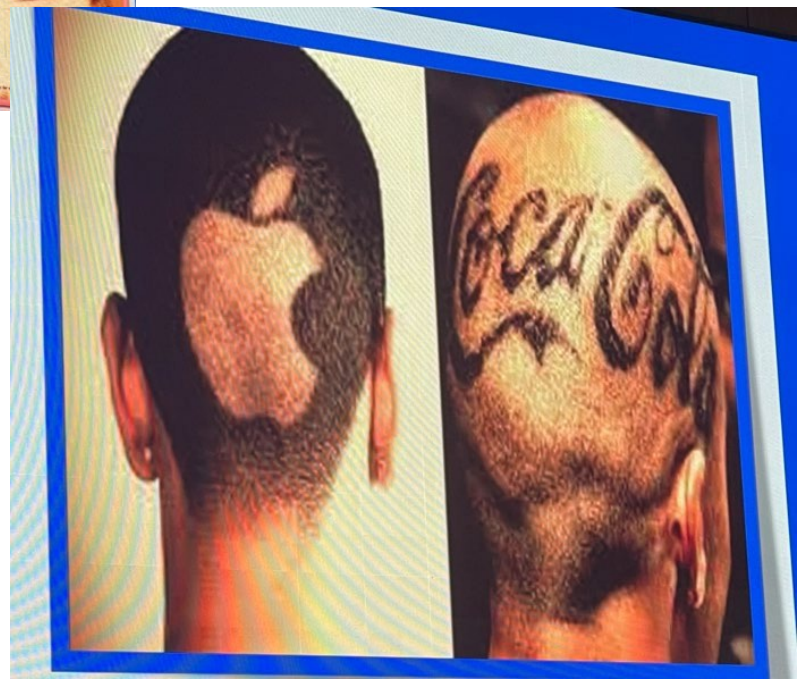
5. The self: mind, gender and body

THE SELF

THE EXTENDED SELF

The external objects that we consider to be part of our identity constitute the extended self.





THE DIGITAL SELF

Digital tools — apps — allow us to redesign our identities.
Wearables (wearable technology, such as watches, bracelets, glasses, headphones, and rings) will be attached to our bodies increasingly frequently.

Solomon, M. Interrupciones Trascendentales en el Comportamiento del Consumidor. AEMARK 2023, Madrid.

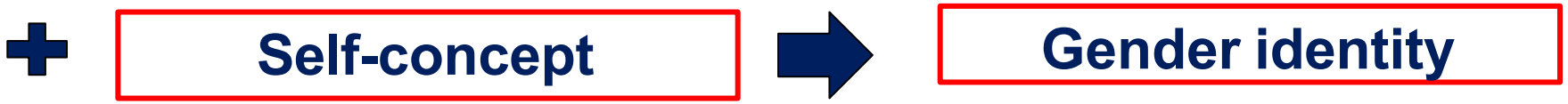
Closet products and personality

Extended Self & Self-Concept
Consumer Behaviour Theory Explained & Examples

5. The self: mind, gender and body

THE IDENTITY

Any category with which the consumer associates themself and which is responsible for creating a clear image of how a person in that category looks, as well as what they think, feel or do. ** When purchasing a consumer good, we are consuming and constructing our identity.
** "What you need to be yourself" is this product/service.
** If you're not on social media... are you nobody?



Gender identity is an important component of self-concept: often, people conform to the expectations that their culture holds regarding how each gender should act, dress, or speak.

This set of expectations is known as gender roles.

Gender identity → **Socialization of sexual roles**

Language:

Fox (cunning, skilled, astute) vs. vixen (prostitute, loose woman)

Great (fun, enjoyable) vs. pain in the neck (unbearable)

ADVERTISING:

The BODY

Body image refers to a consumer's subjective evaluation of their physical self.

- Our assessment may not necessarily correspond to that of those around us.
- An ideal of beauty is a specific model of appearance.
- It includes physical characteristics, as well as styles of clothing, cosmetics, hairstyles, skin tones, and body types.
- Our desires to match such ideals determine many of our purchasing decisions. In all cultures, the body is adorned or altered for various purposes (to stand out, to fit into a social group or gender category).
- Tattoos, plastic surgery, and body piercing are examples of body adornments or alterations.

Solomon, M. Interrupciones Trascendentales en el Comportamiento del Consumidor. AEMARK 2023, Madrid.

For reflection

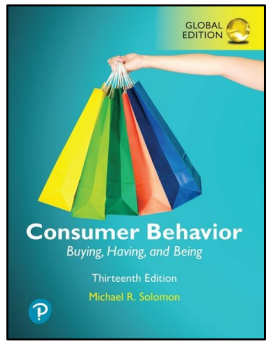
- Do you have a tattoo? If so, what motivated your decision? If not, why not?
- Can you see the influence of culture on your decision as to whether or not to get a tattoo?

Upon completing this topic, the student will understand that:

- Personality influences how consumers respond to marketing stimuli, but efforts to utilize this in marketing contexts have yielded diverse — not always successful — results.
- Brands have personalities, understood as the traits consumers attribute to them as if they were people.
- Lifestyle defines a consumption pattern reflecting individuals' choices on how they spend their time and money, which are essential in defining consumer identity.
- Psychographics goes beyond demographic data and is a more advanced segmentation criterion.
- Self-concept strongly influences consumer behaviour, with products often defining individuals' self-concept.
- Gender identity is a significant element of consumer self-concept. What we think (and what culture tells us we should think) of our bodies is a fundamental component of self-esteem. Each culture dictates certain types of body adornment or mutilation.

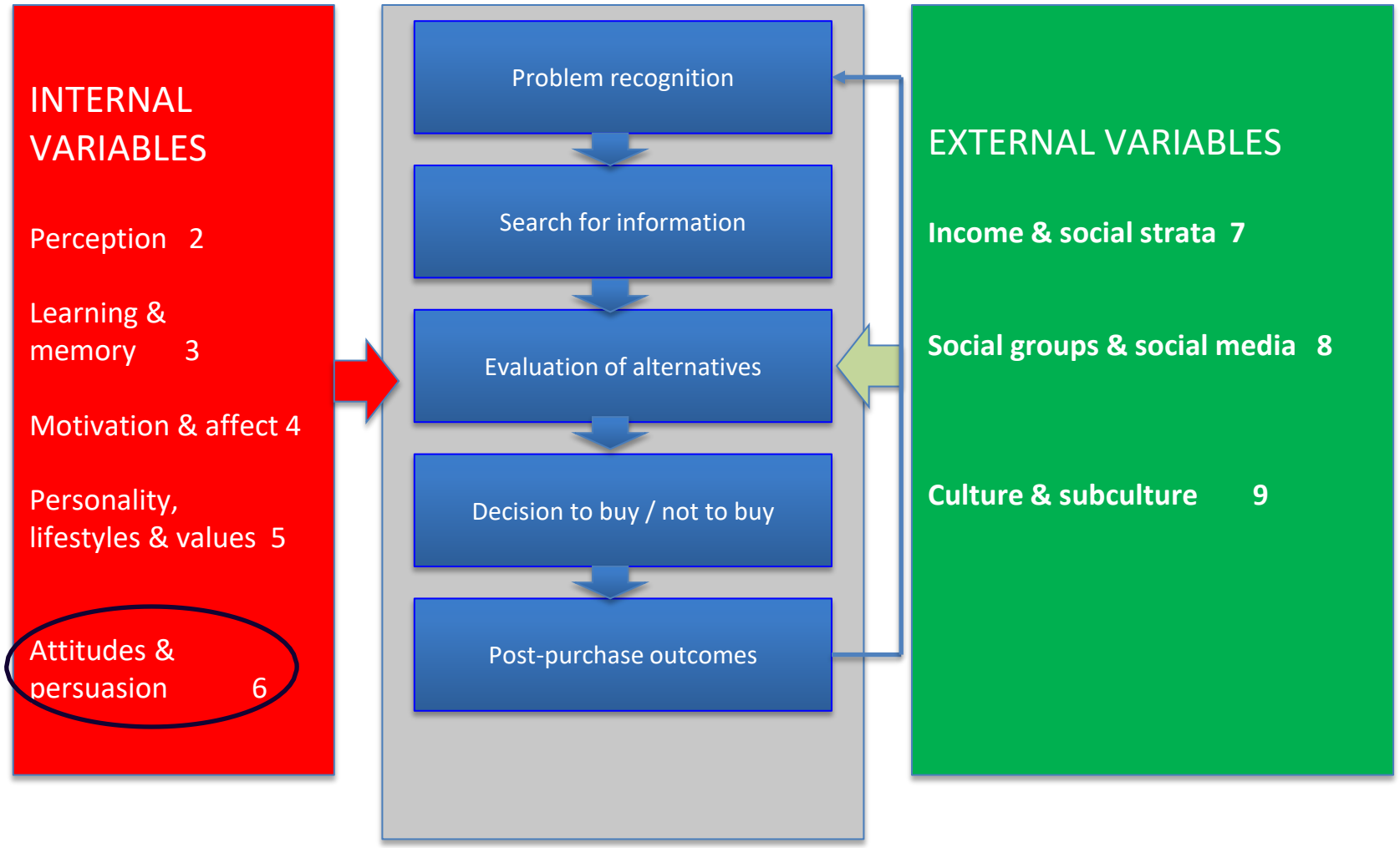
TOPIC 6. Attitudes and persuasion

1. Attitudes: concept and characteristics
2. Attitudes: nature and formation
3. Measuring attitudes
4. Persuasion and attitude change



Solomon, M.R. (2020): Consumer Behavior: Buying, Having, and Being. Thirteenth edition. Harlow, England: Pearson

PURCHASING PROCESS: CUSTOMER JOURNEY



What does attitude refer to?

An attitude is a **learned belief** or feeling that **predisposes** a person to react in a certain way to an object, a situation or another person.

Knowledge of attitudes is essential because there is a close relationship between them and behaviour.

The measurement of attitudes is used in two different ways:

- First, to predict the market's reaction to certain commercial activities, such as the introduction of a new product.
- Second, to help attract customers, given that attitudes can be changed when they are not favourable.

1. Attitudes: concept and characteristics

I love to buy in ZARA

Microwaves produce cancerous waves

I can't live without Coke in my house

When you have an iPhone, you don't want any other brands

I only buy products made in my country

Do you feel that any of these statements represent your attitude towards any of these brands?

Characteristics:

- ✓ They manifest themselves towards something
- ✓ They have direction
- ✓ They are experienced at a specific level
- ✓ They have a certain intensity (low, medium or intense)
- ✓ They are learned and developed over time

How are attitudes useful for individuals?

Attitudes exist because they serve a function for the person

If Tylenol relieves my pain, I will develop a positive attitude towards it

UTILITARIAN FUNCTION

We develop attitudes towards products simply because they provide pleasure or pain

VALUE-EXPRESSIVE FUNCTION

We form an attitude towards a product because of what the product says about us as a person

Products that promise to help a man project a "macho" image

EGO-DEFENSIVE FUNCTION

We form attitudes to protect ourselves from either external threats or internal feelings

KNOWLEDGE FUNCTION

We form some attitudes because we need order, structure or meaning, or when we encounter a new product (e.g. "Bayer wants you to know about pain relievers")

For marketers… Attitudes tend to be predictive of behaviour

Companies must identify the predominant function

1. Attitudes: concept and characteristics

For marketers…

Attitudes tend to be predictive of behaviour

Companies must identify the predominant function

UTILITARIAN FUNCTION

EGO-DEFENSIVE FUNCTION

BAYER

ASPIRINA® ADULTOS 500

Comprimidos
Acido acetilsalicílico

COMPOSICIÓN
Cada comprimido contiene: Ácido acetilsalicílico, 500 mg. Excipientes: Almidón de maíz y celulosa en polvo.

FORMA FARMACEUTICA Y CONTENIDO DEL ENVASE
Comprimidos.

Envase con 20 comprimidos.
Envase con 500 comprimidos (envase clínico).

ACTIVIDAD
El ácido acetilsalicílico es eficaz para reducir el dolor y la fiebre.

TITULAR Y FABRICANTE

TITULAR
Química Farmacéutica Bayer, S.A.
c/Calabria, 268
08029 Barcelona

FABRICANTE
Bayer Bitterfeld GmbH
Salegaster Chaussee, 1
06803 Greppin
Alemania

Bayer

INDICACIONES
Alivio sintomático de los dolores ocasionales leves o moderados, como dolores de cabeza, dentales, menstruales, musculares (contracturas) o de espalda (lumbalgia). Estados febriles.

CONTRAINDICACIONES
Pacientes con úlcera gastroduodenal o molestias gástricas de repetición. Pacientes que hayan presentado reacciones alérgicas de tipo asmático al tomar antiinflamatorios, ácido acetilsalicílico u otros analgésicos; tampoco debe administrarse en pacientes que padecen o hayan padecido asma, rinitis o urticaria. Pacientes con hemofilia u otros problemas de coagulación sanguínea. Pacientes en tratamiento con anticoagulantes orales. Pacientes con insuficiencia renal o hepática.

PRECAUCIONES
No exceder la dosis recomendada en la posología.
Si el dolor se mantiene durante más de 10 días, la fiebre durante más de 3 días o bien el dolor o la fiebre empeoran o aparecen otros síntomas, hay que interrumpir el tratamiento y consultar al médico.

La ingesta de ácido acetilsalicílico, entre otros factores, se ha relacionado con el Síndrome de Reye, enfermedad muy poco frecuente, pero grave. Por eso se recomienda consultar al médico antes de administrarlo a niños y adolescentes en casos de procesos febriles, gripe o varicela. Si se presentan vómitos o letargo debe interrumpirse el tratamiento y consultar inmediatamente al médico.

En caso de administración continuada, debe prevenir a su médico u odontólogo ante posibles intervenciones quirúrgicas.

No administrar sistemáticamente como preventivo de las posibles molestias originadas por vacunaciones.

INTERACCIONES
No utilizar con otros analgésicos sin consultar al médico.
La administración de ácido acetilsalicílico:
- Puede potenciar el efecto de los medicamentos para la circulación (anticoagulantes orales) y de los productos para disminuir el nivel de azúcar de la sangre (antidiabéticos orales).
- Puede potenciar el riesgo de hemorragia digestiva durante el tratamiento concomitante con corticoides o el consumo simultaneo de alcohol, por lo que no pueden tomarse al mismo tiempo.

Si le van a hacer alguna prueba diagnóstica (incluidos análisis de sangre, orina, etc.) comunique al médico que está tomando este medicamento.

ADVERTENCIAS

La utilización del ácido acetilsalicílico en pacientes que consumen habitualmente alcohol (tres o más bebidas alcohólicas – cerveza, vino, licor, … - al día) puede provocar hemorragia de estómago.

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KNOWLEDGE FUNCTION

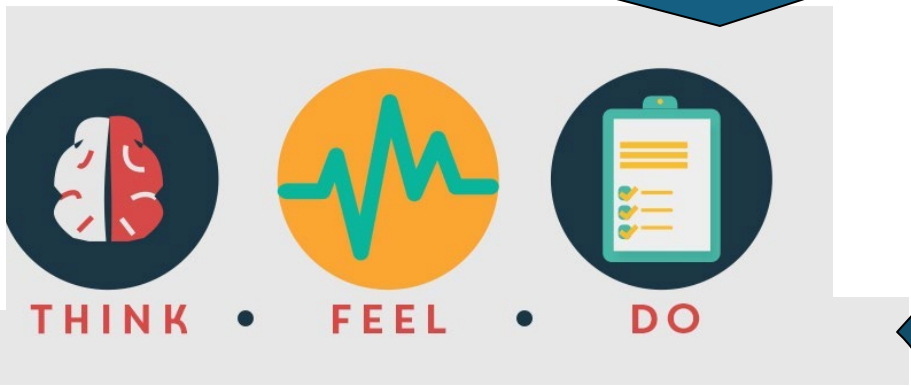
Components of an attitude

ABC model of attitudes

COGNITION

Beliefs

The person's information, beliefs and knowledge regarding a certain object or product.



AFFECT

Feelings

Feelings and emotions; the person's predisposition towards the object or product.

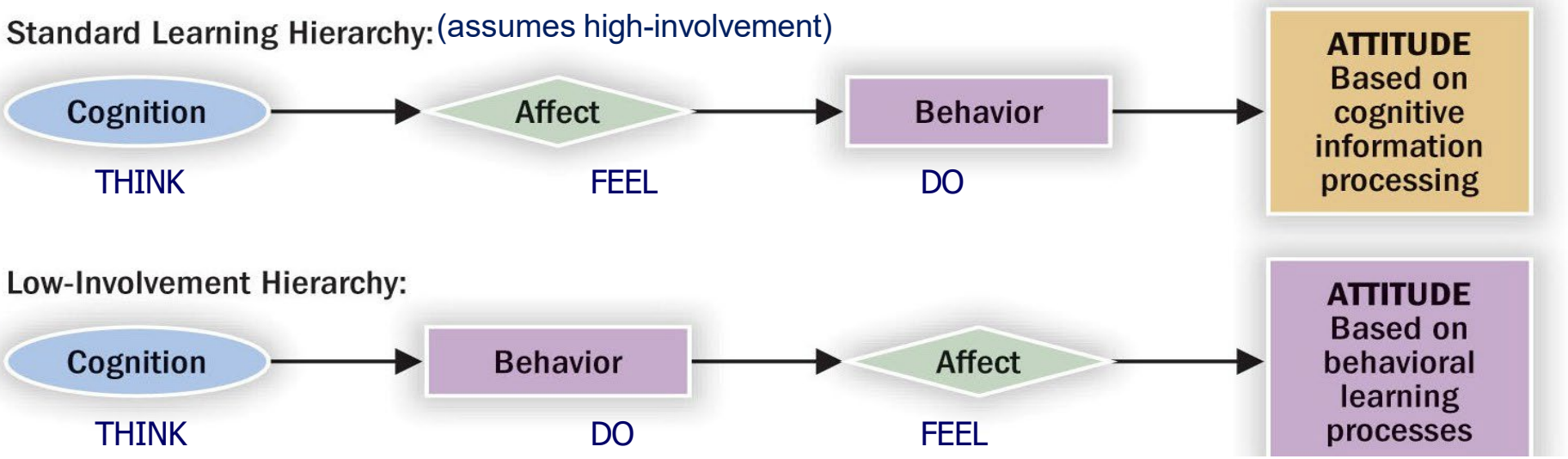
BEHAVIOUR

Intentions to take action

The person is pushed to respond, either actively approaching or rejecting and actively distancing themself.

But… which component comes first: thinking, feeling or doing?

Three hierarchies of effects:



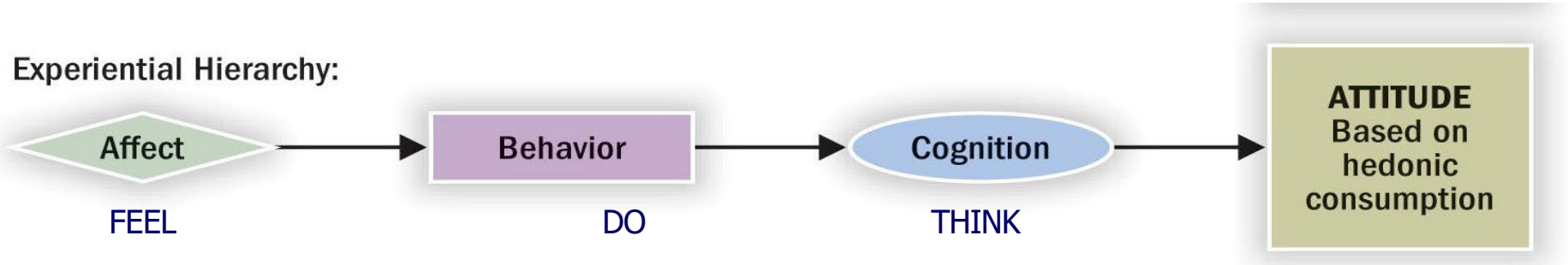
The high-involvement hierarchy of effects assumes that a person approaches a product decision as a problem-solving process. First, they form beliefs about a product as they accumulate knowledge (beliefs) regarding relevant attributes. Next, they evaluate those beliefs and form a feeling about the product (affect).

The low-involvement hierarchy of effects assumes that the consumer initially does not have a strong preference for one brand over another; instead, they act on the basis of limited knowledge and form an evaluation only after buying the product. The possibility that consumers simply do not care enough about many decisions to carefully assemble a set of product beliefs and then evaluate them is important.

But… which component comes first: thinking, feeling or doing?

Three hierarchies of effects:

According to the experiential hierarchy of effects, we act on the basis of our emotional reactions. The experiential perspective highlights the idea that intangible product attributes, such as package design, advertising, brand names, and the nature of the setting in which the experience occurs, can help shape our attitudes towards a brand. We may base these reactions on hedonic motivations.



How do we form attitudes?

Consumers vary in their level of commitment to an attitude -> 3 processes:

INTERNALIZATION
Highest level: deep-seeded attitudes become deep part of consumer's value system

These attitudes are very difficult to change because they are so important to us.

IDENTIFICATION
Mid-level: attitudes formed in order to conform to another person or group

Advertising that depicts dire social consequences if we choose some products over others relies on the tendency of consumers to imitate the behaviour of desirable models.

COMPLIANCE
Lowest level: consumer forms attitude because it gains rewards or avoids punishments

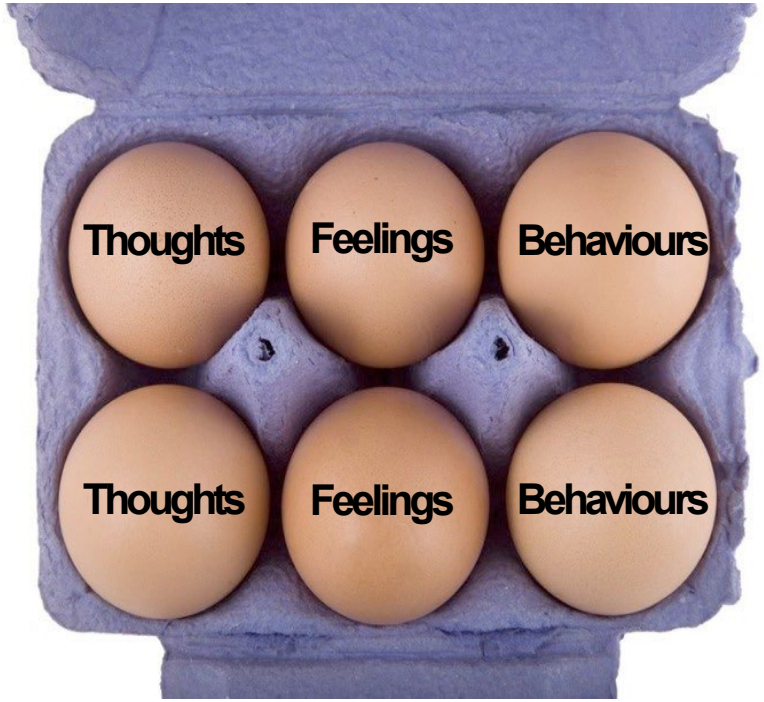
These attitudes are very superficial and likely to change when others no longer monitor our behaviour or when another option becomes available. You may drink Pepsi because the cafeteria sells it, and it is too much trouble to go elsewhere for a Coca-Cola.

It is important to take into consideration that…

Consumers need to maintain consistency — we seek harmony among our thoughts, feelings and behaviours.

PRINCIPLE OF COGNITIVE CONSISTENCY

- ✓ Theory of cognitive dissonance
- ✓ Self-perception theory
- ✓ Social judgment theory
- ✓ Balance theory



PRINCIPLE OF COGNITIVE CONSISTENCY

✓ **The theory of cognitive dissonance** states that when we have inconsistent attitudes and behaviours, we will take action to resolve this dissonance; we may change our attitudes or modify our behaviours to restore consistency.

Cognitive Dissonance (Definition +3 Examples)

✓Theory of cognitive dissonance

We are more likely to observe dissonance in high-involvement situations.

We reduce dissonance when we eliminate, add or change elements.

Post-purchase dissonance: evaluations of a product tend to increase after we buy the product -> marketers should supply additional reinforcement after consumers purchase to bolster their decisions.

PRINCIPLE OF COGNITIVE CONSISTENCY

✓ **Self-perception theory** assumes that we infer that we must have a positive attitude towards an object if we have bought or consumed it.

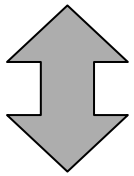
✓Self-perception theory – sales techniques

FOOT-IN-THE-DOOR TECHNIQUE
Consumer is more likely to comply with a request if they have first agreed to comply with a smaller request.

LOW-BALL TECHNIQUE
Person is asked for a small favour and is informed after agreeing to it that it will be very costly.

DOOR-IN-THE-FACE TECHNIQUE
Person is first asked to do something extreme (which they refuse to do), then to do something less extreme.

PRINCIPLE OF COGNITIVE CONSISTENCY



✓ **Social judgment theory** assumes that people assimilate new information about attitude objects in light of what they already know or feel.

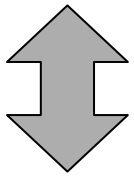
✓Social judgment theory

- **Initial attitude = frame of reference**
- **Latitudes of acceptance and rejection**

  - **Assimilation effects**: messages that fall within the latitudes are deemed consistent, even if they are not.
  - **Contrast effects**: those that fall outside our latitude of acceptance are rejected, even if they are not that different (this is an exaggeration).
  - Discriminating buyers have a smaller latitude of acceptance. Example: “Choosy mothers choose Jif Peanut Butter”

Balance theory

PRINCIPLE OF COGNITIVE CONSISTENCY



✓ Balance theory considers how a person might perceive relations among different attitude objects and how they might alter attitudes to maintain consistency.

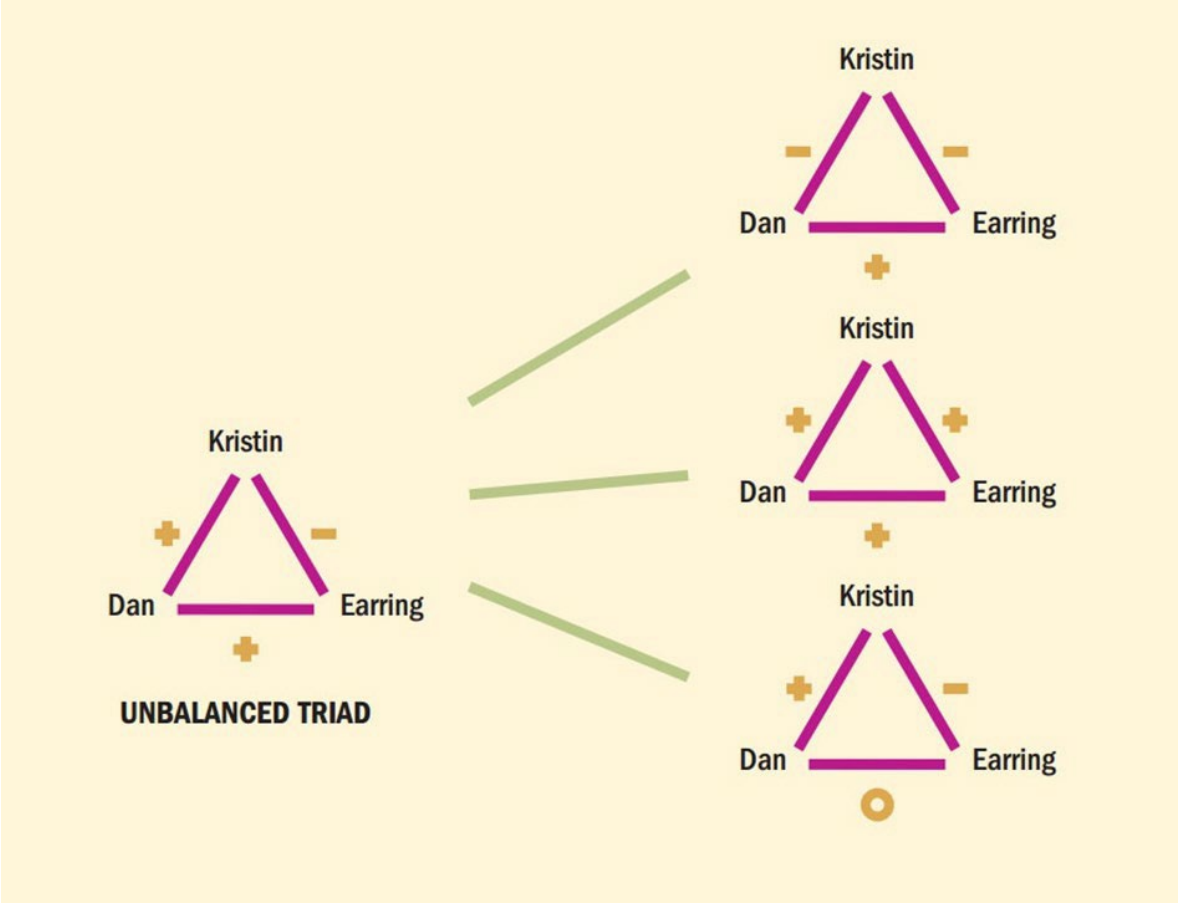
"My enemy's enemy is my friend"
"Any friend of my friend is a friend of mine"

- **Triad attitude structures — Triad to be harmonious:**
  1. **Person and their perceptions of**
  2. **An attitude object**
  3. **Some other person/object**

This balancing act is at the heart of celebrity endorsements in which marketers hope that the star's popularity will transfer to the product or discourage harmful behaviours

Balance theory

- Kristin would like to date Dan, who is in her Consumer Behaviour class. In balance theory terms, Kristin has a positive sentiment relation with Dan.
- One day, Dan shows up in class wearing an earring. Dan has a positive unit relation with the earring.
- Men who wear earrings are a turnoff to Kristin. She has a negative sentiment relation with men's earrings.

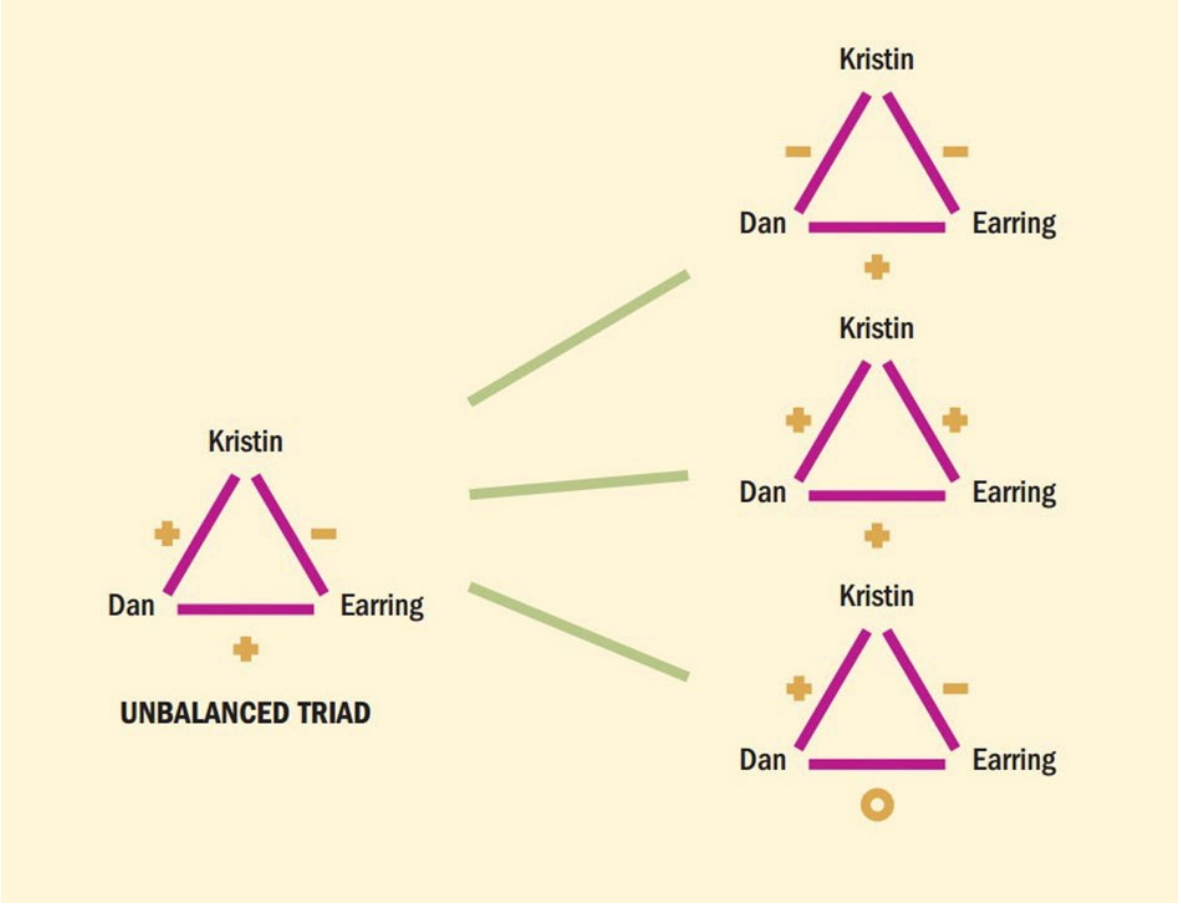


Balance theory

According to balance theory, Kristin faces an unbalanced triad. As the diagram shows, she will experience pressure to restore balance by altering some aspect of the triad.

How can she do this? She could decide that she does not like Dan after all. Or her liking for Dan could prompt her to decide that earrings on men are really pretty cool.

Note that although the theory does not specify which of these routes Kristin will choose, it does predict that she will change one or more of her perceptions to achieve balance. Although this example is an oversimplified representation of most attitude processes, it helps to explain a number of consumer behaviour phenomena.

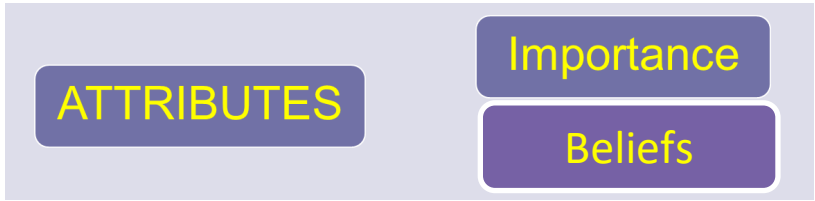


How can attitudes be measured?

Attitude models identify specific components and combine them to predict a consumer's overall attitude towards a product or brand.

complexity

Multi-attribute models



- Three elements of multi-attribute models:
  - Attributes of Ao: attributes are used to evaluate the attitude object.
  - Beliefs about Ao: beliefs refer to the assessment of whether the brand has specific attributes.
  - Importance weights: reflect the relative priority of an attribute to the consumer.

Fishbein attitude model

i = Attribute
j = Brand
k = Consumer

Overall attitude score

$$A_{jk} = \sum_{i=1}^{n} \beta_{ijk} I_{ik}$$

Consumer k's belief that brand j has attribute i

Importance of attribute i to consumer k

Sum over n different attributes to obtain total attitude score

We multiply a consumer's rating of each attribute for all the brands they considered by the importance rating for that attribute.

We obtain the overall attitude score (A) when we multiply a consumer's rating of each attribute for all the brands they considered by the importance rating for that attribute.

EXAMPLE:
measuring attitudes towards 4 fashion brands

STEPS to apply the Fishbein model

1) Make a list of product ATTRIBUTES
2) Design a scale to measure the IMPORTANCE of each attribute when buying the product
3) Design a scale to measure the consumer's ASSESSMENTS (BELIEFS) of each attribute for each brand
4) Conduct field work
5) Calculate the average IMPORTANCE scores
6) Calculate the average EVALUATION scores
7) Apply the formula

Fishbein attitude model

Example: measuring attitudes towards 4 fashion brands

1) Make a list of product ATTRIBUTES

- Fashion
- Quality
- Price
- Ease of purchase
- Customized attention
- Variety of sizes
- Number of stores

Fishbein attitude model

Example: measuring attitudes towards 4 fashion brands

2) Design a scale to measure the IMPORTANCE of each attribute when buying the product

Indicate the level of importance, from 1 to 5 (1 = very low; 5 = very high), of the following attributes:

Fashion	1	2	3	4	5
Quality	1	2	3	4	5
Price	1	2	3	4	5
Ease of purchase	1	2	3	4	5
Customized attention	1	2	3	4	5
Variety of sizes	1	2	3	4	5
Number of stores	1	2	3	4	5

Fishbein attitude model

Example: measuring attitudes towards 4 fashion brands

3) Design a scale to measure the consumer's ASSESSMENTS (BELIEFS) of each attribute for each brand

Evaluate each attribute for each fashion brand, from 1 to 5 (1 = very bad/low; 5= very good/high).

	ZARA	MANGO	H&M	GAP
Fashion	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
Quality	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
Price	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
Ease of purchase	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
Customized attention	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
Variety of sizes	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
Number of stores	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

Fishbein attitude model

6) Calculate the average evaluation scores for the 4 fashion brands Calculate the average importance scores and 7) apply the formula

ATTRIBUTES	Importance (I)	Beliefs (β)			
		ZARA	MANGO	H&M	GAP
Fashion	4.1	4.5	4.4	4.1	3.9
Quality	4.6	4.3	4.3	3.8	4
Price	3.5	4	4.2	4.8	3.9
Ease of Purchase	3.7	3.9	3.9	3.8	3.6
Customized attention	3.9	4.4	4.5	3.9	4.2
Variety of sizes	3.4	4.3	4.2	4.2	4
Number of stores	4	4.1	4	4.1	3.8
ATTITUDES		**114.8**	**112**	**105.2**	**104**

Based on this analysis, Zara is the brand towards which María (respondent) has the most favourable attitude

Marketing applications of the multi-attribute model

Capitalize on relative advantage:

If respondents view one brand as superior in relation to a particular attribute, marketers need to convince consumers that this attribute is important.

Mango and customized attention. *Emphasize*.

Strengthen perceived weaknesses:

Marketers may discover that consumers do not equate their brand with a certain attribute. Communication campaigns often address this problem by stressing a specific quality.

Quality and fashion. GAP might try to improve.

Add a new attribute:

Marketers frequently try to distinguish their brand from its competitors by adding a product feature.

H&M might try to emphasize a unique aspect.

Influence competitors' ratings:

Competitors' higher ratings can be reduced through comparative advertising campaigns.

GAP. Comparative advertising?

But… in many cases, a person's attitude is not predictive of their behaviour…

Extended Fishbein model: **THEORY OF REASONED ACTION**

- **Intentions vs. behaviour**: measure behavioural intentions, not just intentions.
- Measure attitude towards the act of buying, not just the product itself. This focuses on the perceived consequences of a purchase.
- Incorporate a subjective norm or what we believe others will think of our behaviour.

How do marketers change attitudes?

Persuasion involves an active attempt to change attitudes

Basic psychological principles that influence people to change their minds or comply with a request

Reciprocity
We are more likely to give if first we receive

Scarcity
Items are more attractive when they are unavailable

Authority
We believe an authoritative source much more readily than one that is less so

Consistency
People try not to contradict themselves in terms of what they say and do

Liking
We agree with those we like or admire

Consensus
We consider what others do before we decide what to do

How do marketers change attitudes?

Persuasion involves an active attempt to change attitudes

https://www.youtube.com/watch?v=cFdCzN7RYbw

Considerations for marketers when trying to change consumers' attitudes. Persuasion strategies:

- An **up-to-date approach** to communications

The source

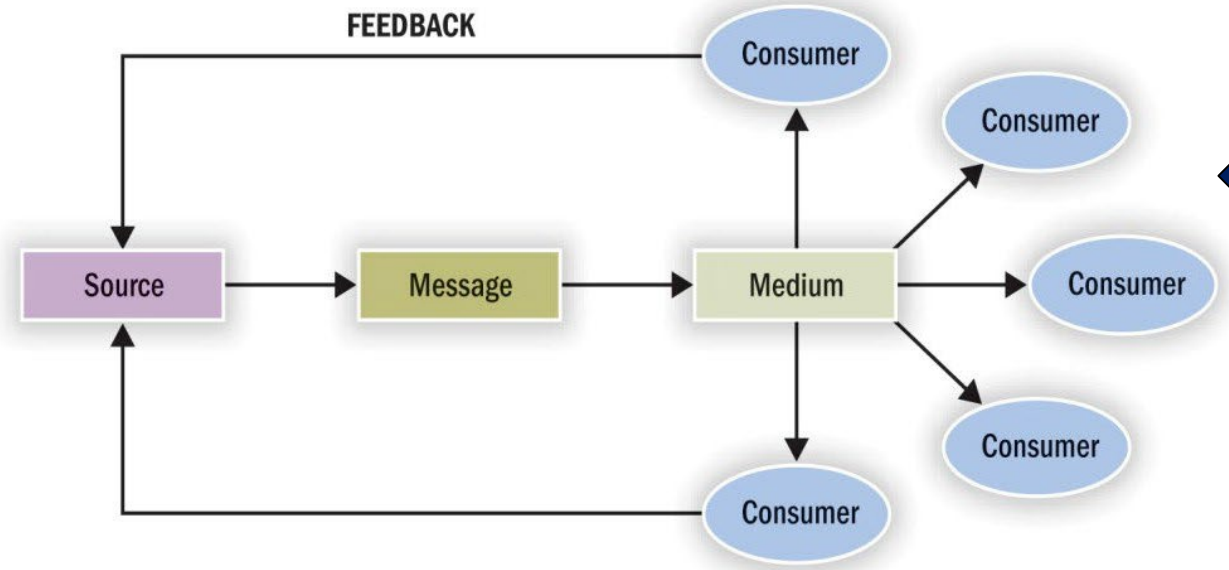
- Credibility
- Attractiveness
- Other considerations

The message

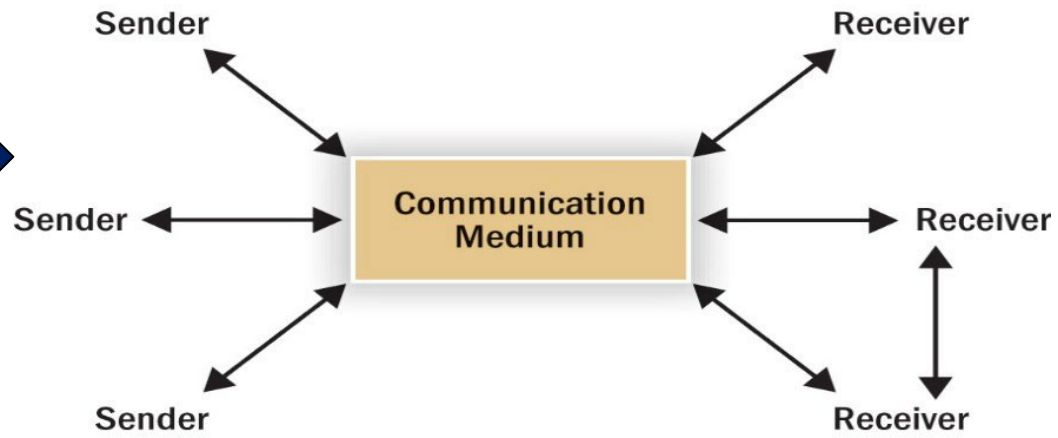
- Images vs. words
- Repetition
- Structure
- Type of argument

4. Persuasion and attitude change

Considerations for marketers when trying to change consumers' attitudes
AN UP-TO-DATE APPROACH TO COMMUNICATIONS



Traditional communications model



Up-to-date communications model:
interactive communications

New message formats

- M-commerce
- Social media
- Blogs
- Video blogs
- Podcasting
- Virtual worlds
- X
- Widgets
- Transmedia

Considerations for marketers when trying to change consumers' attitudes

The source

Credibility
Attractiveness
Other considerations

A message's CREDIBILITY is increased by:

- Competence
  - ✓ Education, occupation, experience
  - ✓ Fluency
  - ✓ Position defended
- Sincerity
  - ✓ Perceived as not driven by profit
  - ✓ Lack of persuasive intention
  - ✓ Attractiveness
  - ✓ Unawareness of observation

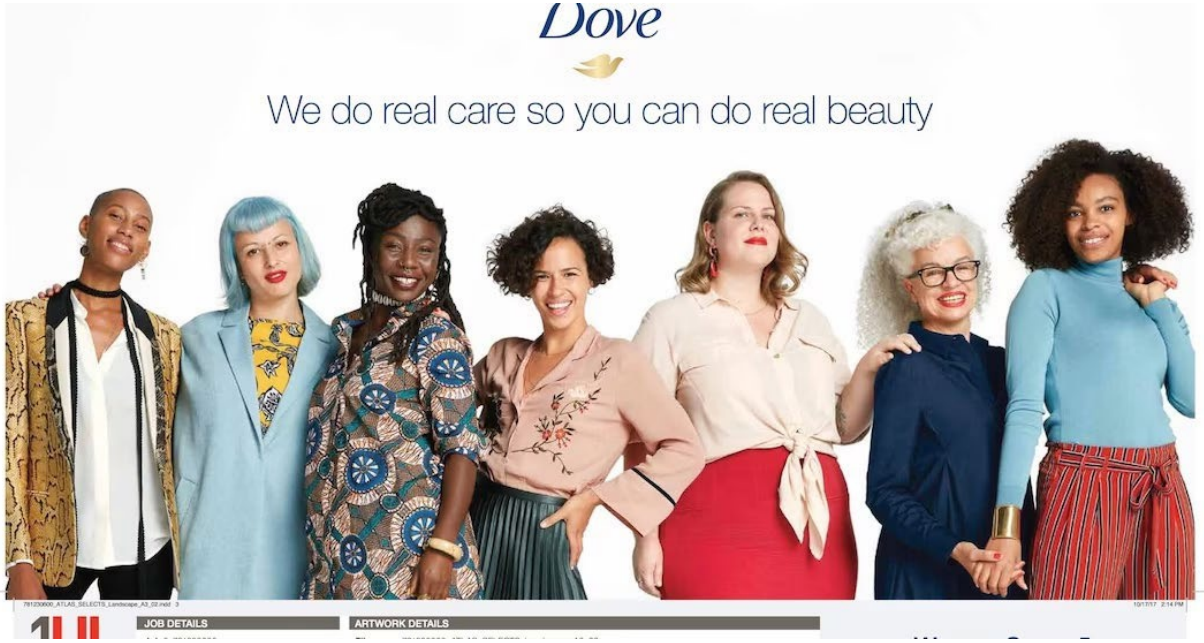
Considerations for marketers when trying to change consumers' attitudes

The source

Credibility
Attractiveness
Other considerations

ATTRACTIVENESS: refers to the social value receivers attribute to a communicator

- ✓ Physical appearance
- ✓ Personality
- ✓ Social status
- ✓ Similarity to the receiver

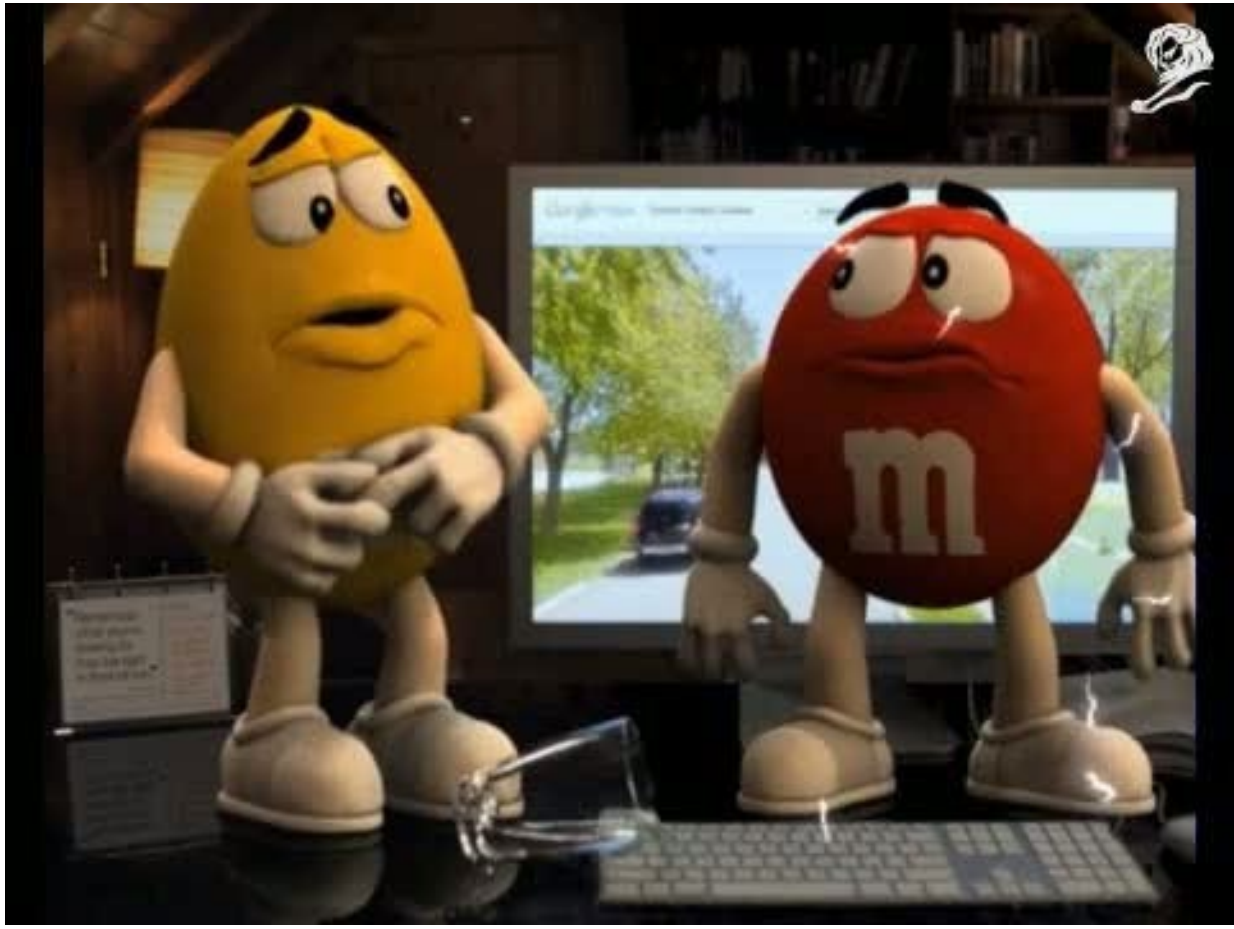


- What about disliked sources? ➟ Sleeper effect (strong argument + non-credible source)

Considerations for marketers when trying to change consumers' attitudes

The source

Credibility
Attractiveness
Other considerations



OTHER CONSIDERATIONS:

Power

Similarity

Match between source/product/consumer

Non-human endorsers

Considerations for marketers when trying to change consumers' attitudes

The message

Images vs. words

Repetition
Structure
Type of argument

Should we use pictures or words? VERBAL AND NON-VERBAL COMMUNICATION

- ✓ The verbal version affects ratings based on utilitarian aspects, while the visual version affects aesthetic evaluations.
- ✓ Verbal elements are more effective when accompanied by a reinforcing image, especially if they frame the illustration.
- ✓ A verbal message is more suitable for high-involvement situations.
- ✓ Powerful descriptions or graphics capture attention and are more firmly embedded in memory.

Considerations for marketers when trying to change consumers' attitudes

The message

Images vs. words

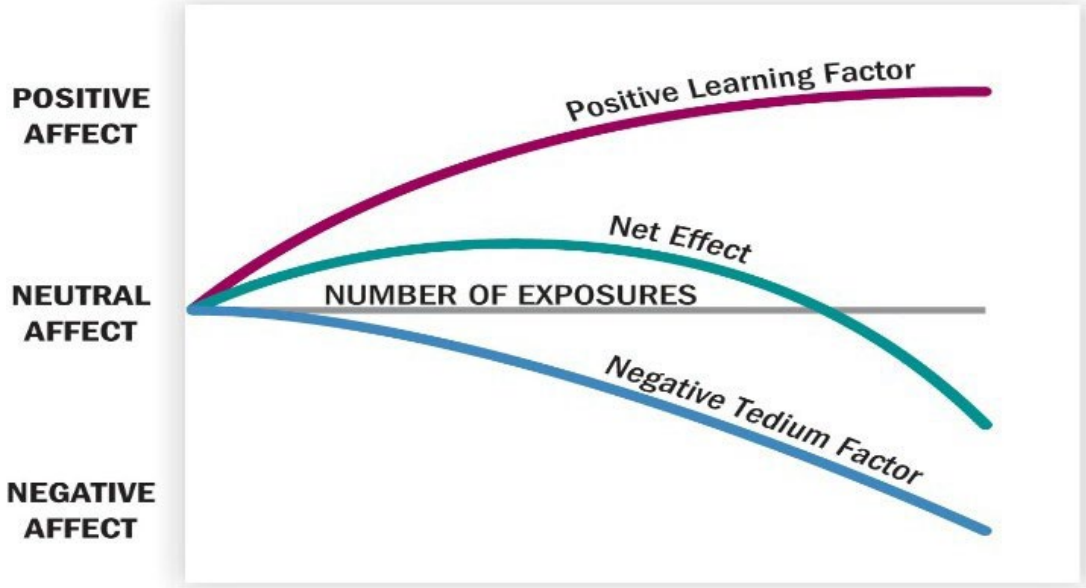
Repetition

Structure

Type of argument

Repeat the message?

Two-factor theory of message repetition:



Explains the fine line between familiarity and boredom.

According to this theory, two separate psychological processes operate when we repeatedly show an ad. The positive side of repetition is that it increases familiarity, thus reducing uncertainty about the product. The negative side is that, over time, boredom increases with each exposure. In theory, advertisers can overcome this problem if they limit the amount of exposure per repetition (e.g. 15-second spots instead of longer commercials). They can also vary ad content slightly over time.

Considerations for marketers when trying to change consumers' attitudes

The message

Images vs. words
Repetition
Structure
Type of argument

How do we structure the argument?

- One-sided or two-sided? Two-sided means both negative and positive information. *Refutational arguments*? They first raise a negative issue and then dismiss it.
- Should the message draw conclusions or should the marketer let the consumer arrive at their own conclusion? Consider the consumer's motivation and the complexity of the message.
- Should we compare our product to our competitor's? *Comparative advertising* is more effective for products that already have a positive brand image.

Considerations for marketers when trying to change consumers' attitudes

The message

Images vs. words
Repetition
Structure
Type of argument

- Emotional vs. rational appeal: head or heart?
- Sex appeal
- Humorous appeal
- Fear appeal
- The message as an art form: metaphor, allegory, resonance, etc.

Persuasion in social marketing

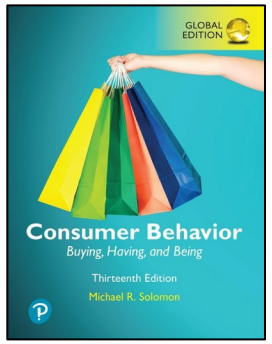
Ronald McDonald House Charities (RMHC)

Upon completing this topic, the student will understand that:

- It is important for consumer behaviour researchers to understand the nature and power of attitudes as they often determine behaviour.
- Attitudes are more complex than they initially appear and possess three components: beliefs, affect, and behavioural intentions.
- We form attitudes in various ways, depending on consumer involvement.
- The need to maintain congruence among all components of our attitudes often motivates us to alter one or more standpoints.
- Attitude models identify components and combine them to measure the overall attitude a consumer holds towards a product or brand.
- Communication elements identify various components — primarily source and message — so that marketing specialists can attempt to modify consumer attitudes.
- The consumer processing a message today is no longer a passive receiver.

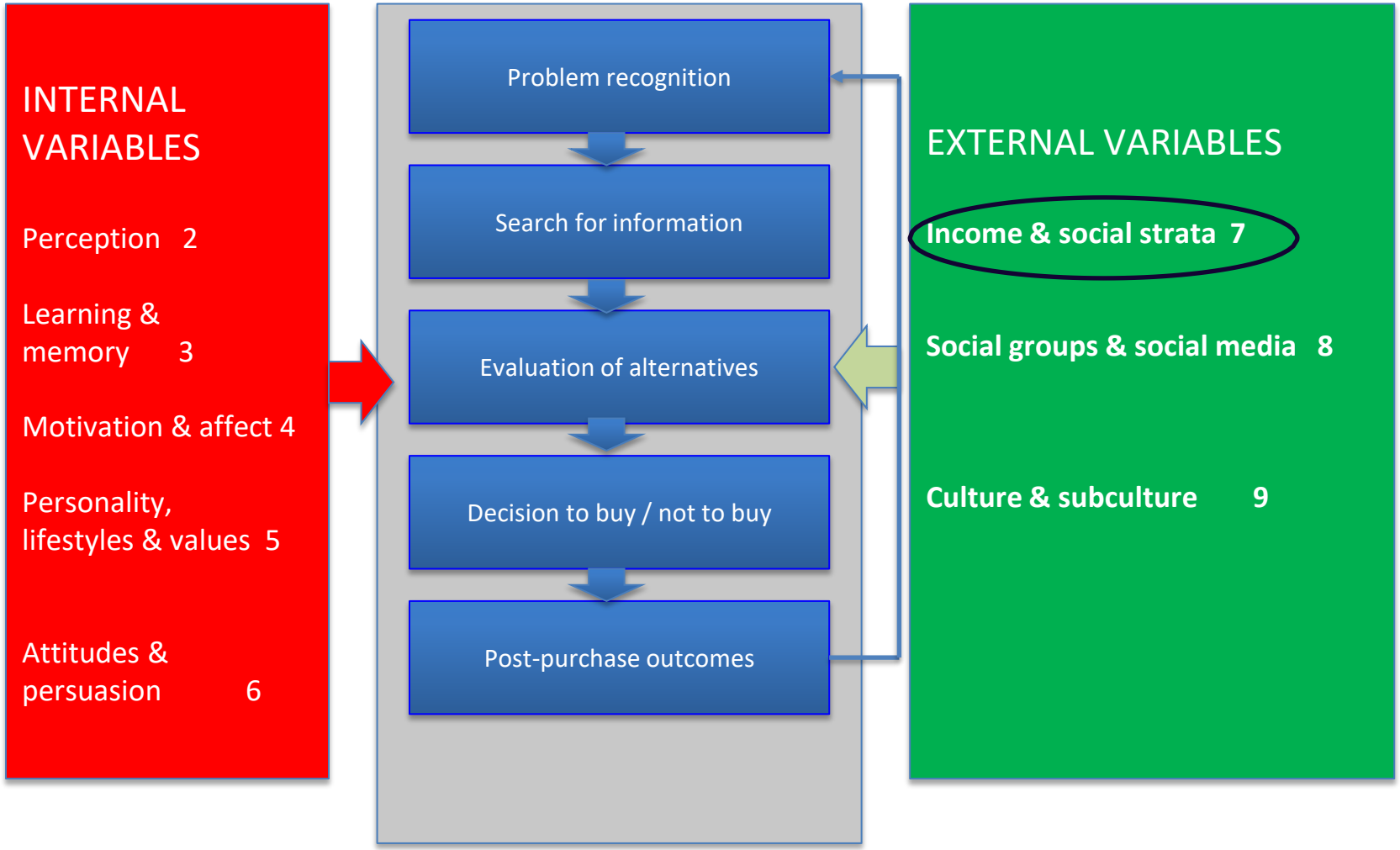
TOPIC 7. Income and social strata

1. Income and consumer identity
2. Social strata: concept and characteristics
3. Social strata determinants
4. Measurement methods
5. The influence of social class on consumer behaviour



Solomon, M.R. (2020): Consumer Behavior: Buying, Having, and Being. Thirteenth edition. Harlow, England: Pearson

PURCHASING PROCESS: CUSTOMER JOURNEY



Social strata and social class

- Why is it important to consider social class when analysing consumer behaviour?
- What does social stratification mean, and what are its characteristics?
- Characteristics of the different instruments for measuring social class
- How does social class determine marketers' decisions?

Social class remains an important way to separate consumers into categories. Many marketing strategies are designed to attract different social classes.

1. Income and consumer identity

economic environment

demographic environment

social class, groups, and culture

The consumer lives in an environment that also influences their behaviour

The environment is crucial for formulating marketing strategies.

1. Income and consumer identity

ENVIRONMENT

Economic

Demographic

- National income, disposable income, consumption and spending patterns, savings: evolution
- Private consumption expenditure: expectations and evolution of consumer confidence

Distribution of expenditure: food, clothing and footwear, housing, leisure, etc.

Impact on consumer behaviour

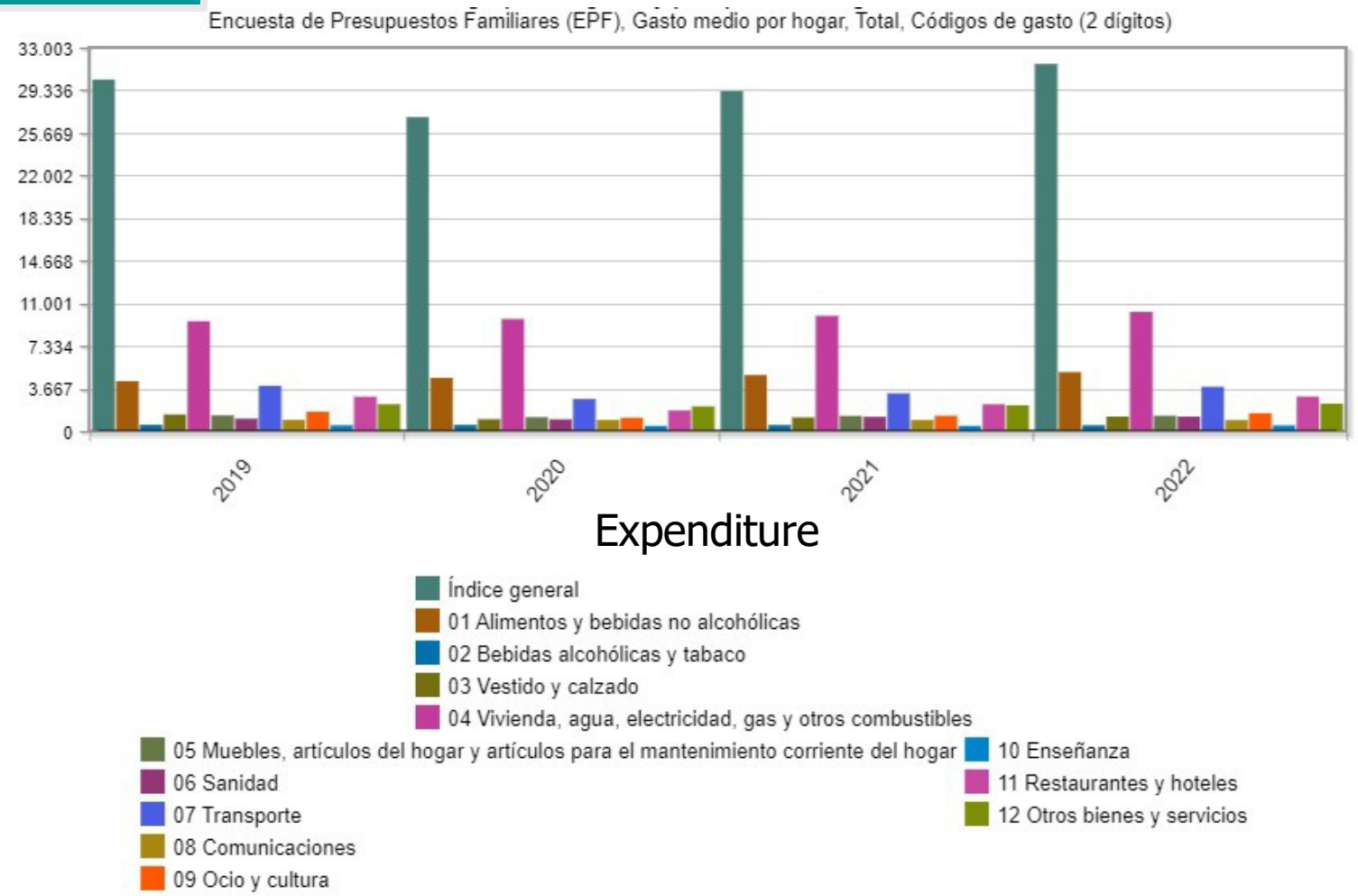
Impact on marketing strategy

1. Income and consumer identity

ENVIRONMENT

Economic

Survey of Household Budgets



Ine (2023): Survey of Household Budgets. https://www.ine.es/jaxiT3/Datos.htm?t=24900#_tabs-grafico

1. Income and consumer identity

ENVIRONMENT

Demographic

RELEVANT ASPECTS:

- Demographic structure: age, gender, geographical distribution, etc.
- Mobility
- Migration
- Employment levels, etc.

Impact on consumer behaviour and marketing strategy

ENVIRONMENT

Demographic

TRENDS IN SPAIN:

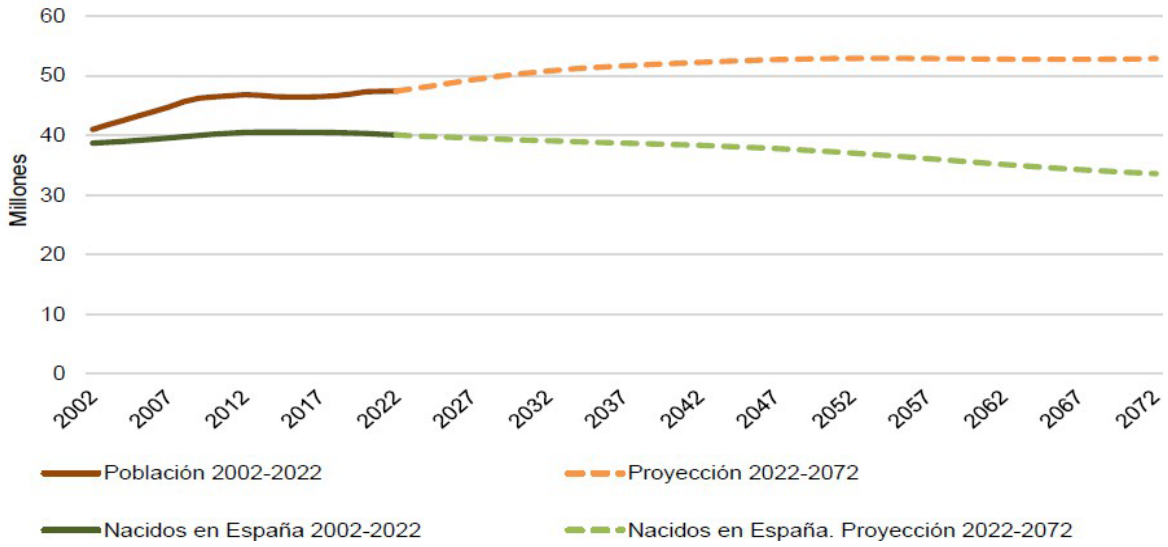
1. **Population ageing**: the country is grappling with a growing elderly population, which poses challenges to pension systems and healthcare infrastructure.
2. **Low birth rates**: Spain's birth rate remains one of the lowest in Europe, influenced by economic factors and changing societal norms favouring smaller families.
3. **Migration**: Spain continues to attract immigrants from various regions, shaping its demographic landscape and labour market dynamics.
4. **Urbanization**: major cities like Madrid and Barcelona draw people from rural areas, contributing to Spain's ongoing urbanization trend driven by economic opportunities and modern lifestyle preferences.
5. **Regional variations**: demographic patterns vary across Spain's regions, influenced by economic conditions, cultural norms, and government policies.
6. **Evolution of family structures**: traditional family structures are evolving, with more couples delaying marriage, opting for cohabitation, or choosing to remain single, impacting household compositions and fertility rates.
7. **Education and employment**: despite improvements in educational attainment, challenges persist, particularly concerning youth unemployment and underemployment, influencing migration and demographic trends among younger populations.

1. Income and consumer identity

ENVIRONMENT

Economic

Proyección de la población residente en España 2022-2072



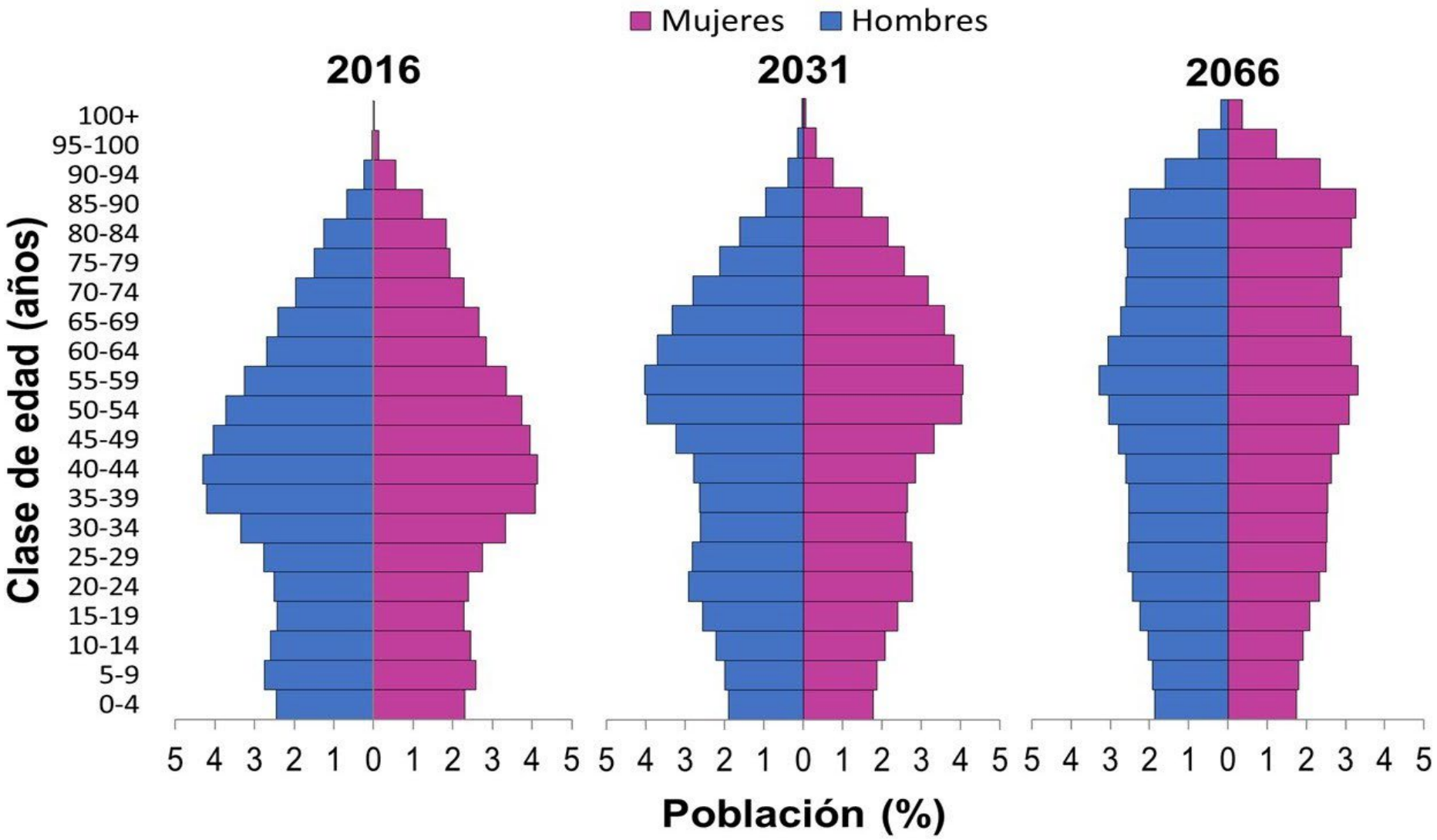
The number of births is projected assuming that women's fertility will maintain a slight but progressive upward trend. Thus, the average number of children per woman would be 1.27 in 2036, compared to 1.19 at present.

Life expectancy at birth is predicted to reach 86.0 years for men and 90.0 years for women by 2071, with a gain of 5.8 and 4.2 years respectively compared to current values.

Ine (2023):https://www.ine.es/dyngs/INEbase/es/operacion.htm?c=Estadistica_CCcid=1254736176953Cmenu=ultiDatosCidp=1254735572981

1. Income and consumer identity

Population projection for Spain 2016-2066 (INE)



1. Income and consumer identity

ENVIRONMENT

Demographic

New users

New uses and applications of products

Application in MARKETING

New markets

Extension of offer

Increase in usage

1. Income and consumer identity

General economic conditions affect how consumers allocate their money

People in different positions in society consume in different ways

https://www.youtube.com/watch?v=PBxD1mBKubA

https://youtu.be/H3TZ-8rhpVQ

Social strata – social class

Groups of individuals in positions of roughly equal **status** in society.

The position an individual holds within the social system, as perceived by the other members of society and based on what society values.

One's place in the social structure is not only an important determinant of how much money is spent, but also of how it is spent.

2. Social strata: concept and characteristics

What is social stratification in marketing?

Social stratification is the presence in a society of clearly distinct consumer groups divided by socioeconomic factors. Social stratification significantly affects consumer preferences and buying behaviours.

Why are marketers interested in social class when marketing their products?

For marketers, social class may be a useful factor to consider in segmentation and targeting. It provides helpful context about how consumers view themselves and their peer groups, their expectations, life experiences and income levels, and the kinds of challenges they face.

Discretionary income

what is left after taxes and basic necessities

how to spend whatever money you have left

How do marketers use social class?

In a social class, people try to make the kind of purchases expected by their peers. Marketers try to target their products at class-based market segments. Upper-uppers are the social elite who live on inherited wealth and have well-known families.

Characteristics

- They are dynamic, open systems, which are, however, fairly stable
- There is social mobility:
  - **Horizontal mobility** occurs when a person moves from one position to another that is roughly equivalent in social status.
  - **Vertical mobility: upwards and downwards**

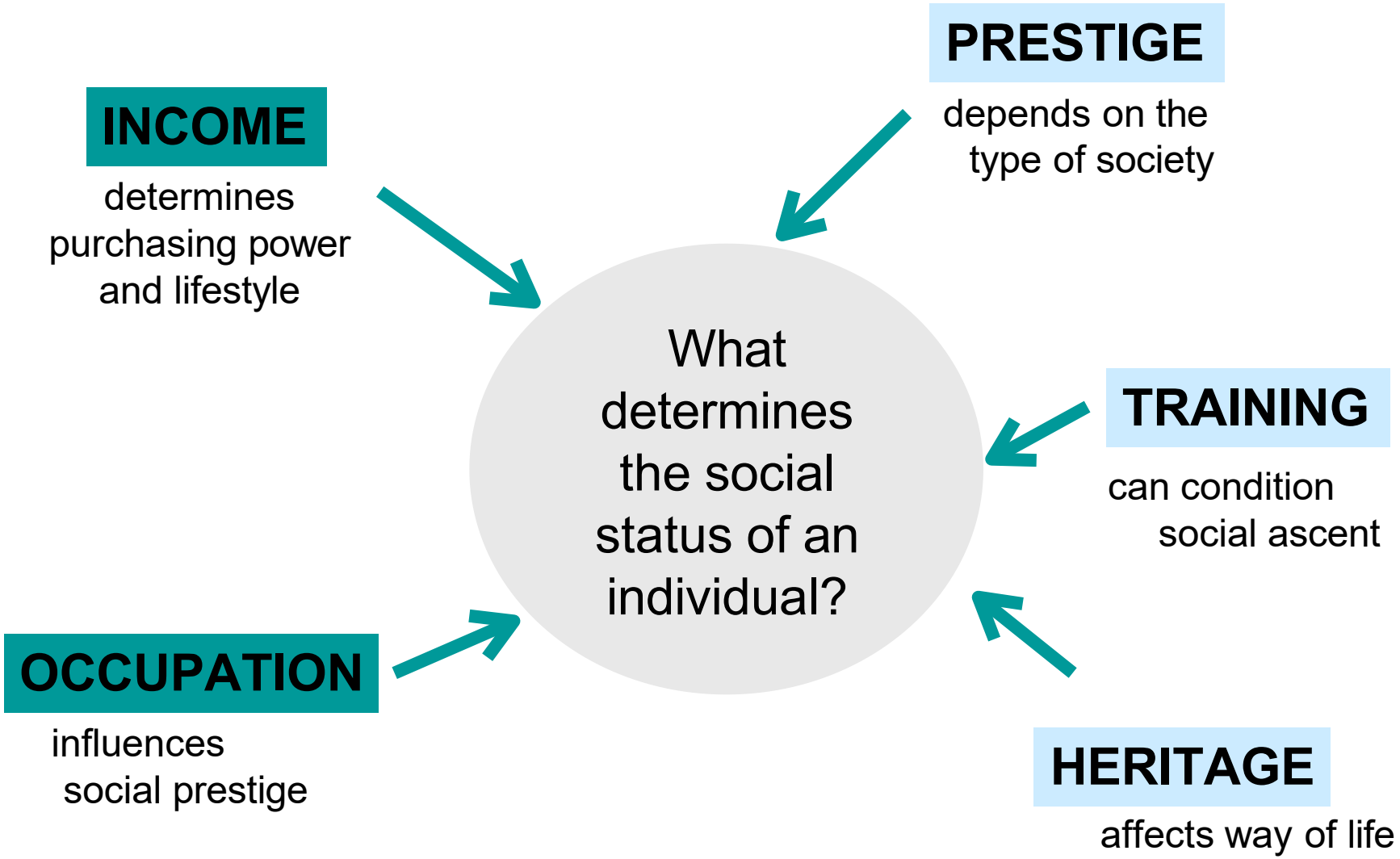
  People do improve their positions over time, but these improvements are not usually dramatic enough to catapult them from one social class to another. The exception is when a person marries someone considerably richer or wins the lottery.

- They are multidimensional:
  - **Functional dimension** First-class passengers have the most comfortable seats and receive the best treatment during flight time.
  - **Symbolic dimension** Luxury items like diamond engagement rings are valued as status symbols the world over.

Characteristics

- They usually involve homogeneous behaviours For example, working-class men are likely to name local sports figures as heroes and are less likely to take long vacations to out-of-the-way places.
- There is an awareness of group class Members socialize together and are conscious of belonging to the group (shared beliefs).
- They have hierarchical positions Most groups have a structure, or status hierarchy, in which some members are better-off than others.
- They manifest antagonistic relationships Such relationships arise because people have conflicting interests; for example, working class - upper class.
- They are related to Maslow's pyramid of needs

3. Determinants of social stratification



We need both social class and income data to predict purchases of expensive, symbolic products (e.g. cars, homes).

• Income is a better predictor of major expenditures that do not have status or symbolic aspects (e.g. major appliances).

3. Determinants of social stratification

Main components of social class

INCOME

- Purchasing power, market potential and lifestyle
- **The way** in which money is spent is more important than **the amount** of money spent
- More income = higher social class???

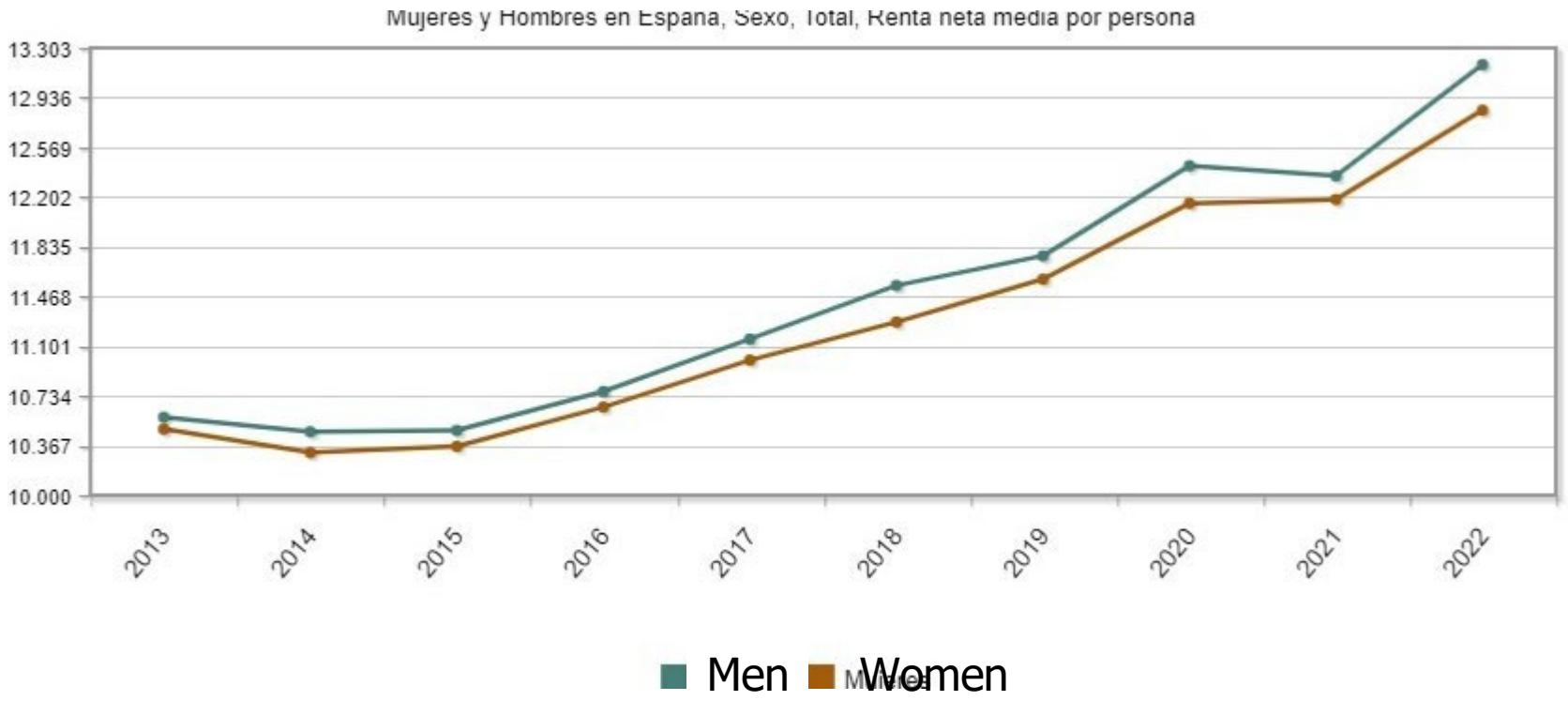
OCCUPATION

- An individual's "**value**" can be assessed on the basis of the prestige of their occupation
- The importance of professions varies according to the type of **society** and **time**

3. Determinants of social stratification

INCOME

Average annual net income per person (women and men) - Spain



Source: INE (2024) Living Conditions Survey (ECV): https://ine.es/ss/Satellite?L=es_ESCc=INESeccion_CCcid=1259925432454Cp=%5CCpagename=ProductosYServicios%2FPYSLayoutCparam1=PYSDetalleCparam3=1259924822888#:~:text=Renta%20anual%20neta%20media%20por%20persona%20seg%C3%BAn%20edadCtext=Corresponden%20a%20los%20ingresos%20netos,que%20se%20percibieron%20en%202021).

4. Measurement methods

REPUTATIONAL method

The individual is asked to indicate which social strata they think their acquaintances belong to.

SOCIOMETRIC method

The individual is asked about their personal relationships with others (activities, entertainment, etc.).

SUBJECTIVE method

The individual is asked to identify their own position in a social classification.

OBJECTIVE methods

Individuals are classified according to certain stratified variables.

- ✓ **SIMPLE INDEXES (single-item indexes)**
- ✓ **COMPOSITE INDEXES (multi-item indexes)**

OBJECTIVE methods

✓ SIMPLE INDEXES

- Income, salary
- Professional category, occupation
- Education, training
- Possessions
- Etc.

Example of a simple index
The European Socio-economic Classification (ESeC)

	ESeC Class	Common Term
Upper class	1	Large employers, higher grade professional, administrative and managerial occupations
	2	Lower grade professional, administrative and managerial occupations and higher grade technician and supervisory occupations
	3	Intermediate occupations
	4	Small employer and self-employed occupations (exc. agriculture, etc.)
	5	Self-employed occupations (agriculture, etc.)
	6	Lower supervisory and lower technician occupations
	7	Lower services, sales and clerical occupations
	8	Lower technical occupations
Lower class	9	Routine occupations
	10	Never worked and long-term unemployed

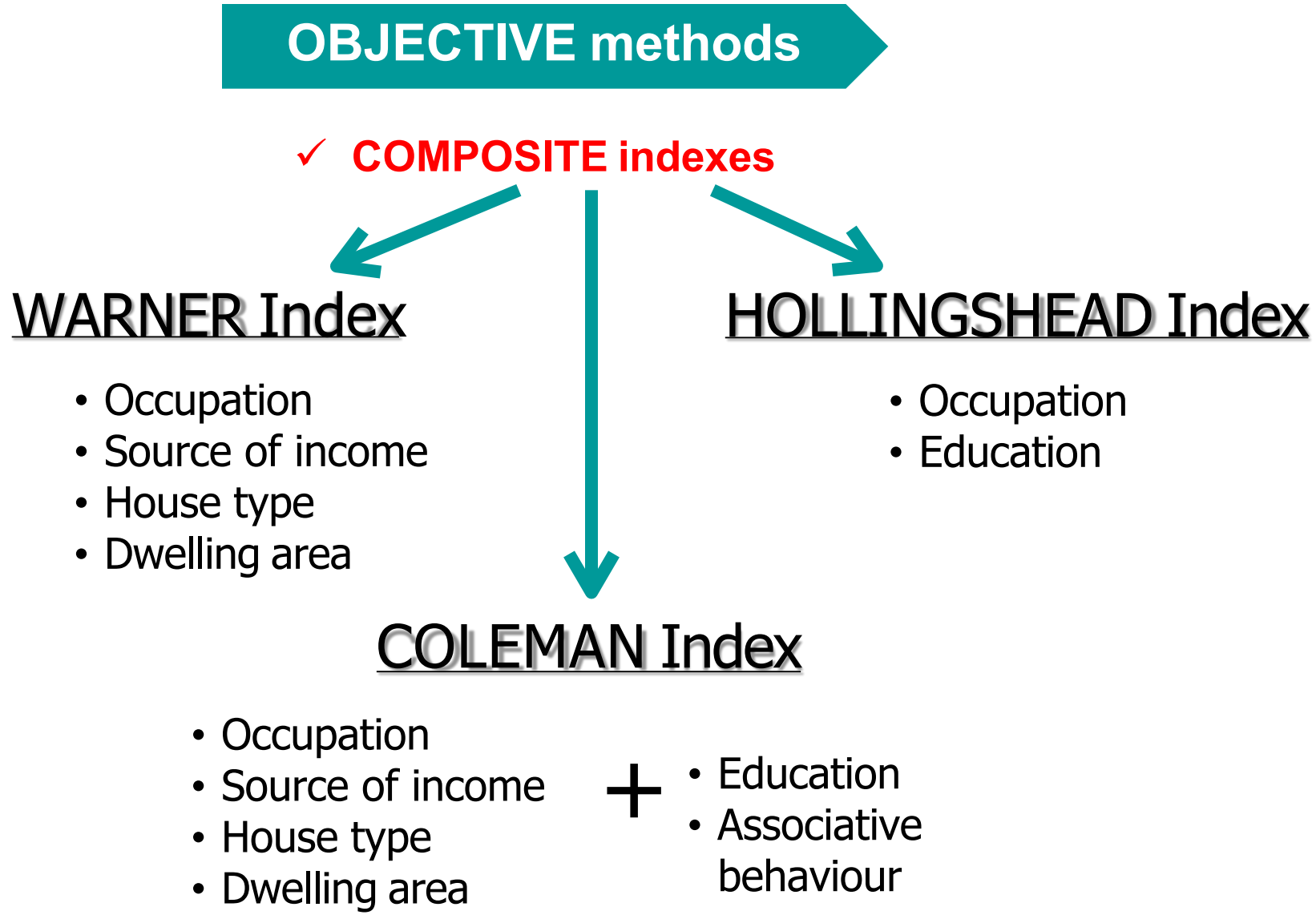
Objective methods

✓ **COMPLEX INDEX**

Combination of different variables:

studies + profession +

occupation + household size + etc.


OBJECTIVE methods
✓ COMPOSITE indexes
WARNER Index
• Occupation
• Source of income
• House type
• Dwelling area
HOLLINGSHEAD Index
• Occupation
• Education
COLEMAN Index
• Occupation
• Source of income
• House type
• Dwelling area
+
• Education
• Associative behaviour

Warner's Index of Status Characteristics (ISC)

ISC = (occupation x 4) + (source of income x 3) + (house type x 3) + (dwelling area x 2)

CHARACTERISTICS				
SCORE	***Occupation***	***Source of Income***	***House Type***	***Dwelling Area***
1	Professionals and proprietors of large businesses	Inherited wealth	Excellent houses	Very high: Gold Coast, North Shore, etc.
2	Semiprofessionals & officials of large businesses	Earned wealth	Very good	High: better suburbs & apartment house areas
3	Clerks and kindred workers	Profits & fees	Good houses	Above average: areas all residential, space around houses, apartments in good condition
4	Skilled workers	Salary	Average	Average: residential neighborhoods, houses no deterioration
5	Proprietors of small businesses	Wages	Fair houses	Below average: area beginning to deteriorate, business entering
6	Semiskilled workers	Private relief	Poor houses	Low: considerably deteriorated, run down and semi-slum
7	Unskilled workers	Public relief & non-respectable income	Very poor houses	Very low: slum

Warner's Index of Status Characteristics (ISC)

ISC = (occupation x 4) + (source of income x 3) + (house type x 3) + (dwelling area x 2)

The upper classes:
Old money:
- Focus on where money comes from, how it is spent, family history.
- More likely to save and invest.

Nouveau riche: Acquired money more recently and tend towards more conspicuous consumption. Doing the right thing! Consumption is a skill!!
The get set: Reasonably well-off but not rich, desire the best quality products and sacrifice other things to have them.

Middle classes: Those in the middle classes work with their minds. Often provide professional service to others, e.g. healthcare, education. Secure jobs, long hours. Well-educated / educated parents. Becoming more diverse: more multicultural (migration).

Working class: People work with their hands. Routine merchandise jobs with little job security. Due to downsizing, wages have gone down in real terms. More unemployment, illness and shorter lives. Family-orientated, live close together, dependent socially and psychologically.

CLASSIFICATION SYSTEM	
Social Strata	*Range of Scores*
Upper-upper	12-17
Lower-upper	18-24
Upper-middle	25-37
Lower-middle	38-50
Upper-lower	51-62
Lower-lower	63-84

HOLLINGSHEAD Index of Social Position (ISP)

ISP = (occupation x 7) + (education x 4)

Occupation Scale (Weight of 7)	
Description	*Score*
Higher executives of large concerns, proprietors, and major professionals	1
Business managers, proprietors of medium-sized businesses, and lesser professionals	2
Administrative personnel, owners of small businesses, and minor professionals	3
Clerical and sales workers, technicians, and owners of little businesses	4
Skilled manual employees	5
Machine operators and semiskilled employees	6
Unskilled employees	7

HOLLINGSHEAD Index of Social Position (ISP)

ISP = (occupation x 7) + (education x 4)

Education Scale (Weight of 4)	
Description	*Score*
Professional (MA, MS, ME, MD, PhD, LLD, and the like)	1
Four-year college graduate (BA, BS, BM)	2
One to three years college (also business schools)	3
High school graduate	4
Ten to 11 years of school (part high school)	5
Seven to nine years of school	6
Less than seven years of school	

CLASSIFICATION SYSTEM	
Description	*Range of Scores*
Upper	11-17
Upper-middle	18-31
Middle	32-47
Lower-middle	48-63
Lower	64-77

What aspects of consumer behaviour are influenced by SOCIAL STRATA?

- Learning
- Personality
- Evaluation criteria
- Attitudes
- Qualitative and quantitative dimensions of consumption
- Frequency of purchase
- Location and type of shops/stores
- Sources of information
- Price sensitivity
- Sense of purchase

More differences among social classes….

- Leisure activities
- Tastes
- Mass media
- Home decor
- Codes and meanings

Extensions to MARKETING

Upper class willing to pay high prices for prestige, status and symbols
Lower class want good quality at a fair price
Many product lines developed for various classes
Products developed to appeal to consumer aspirations (e.g. wine, tech gadgets, etc.)

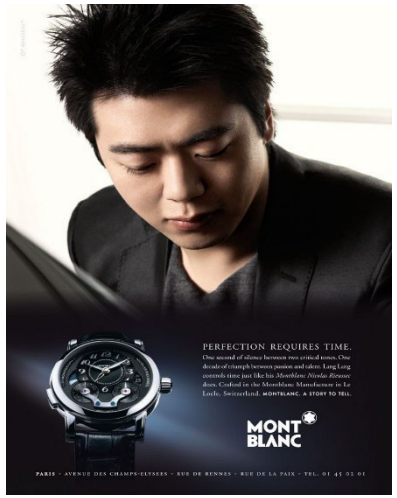
Advertising

Segmentation

Distribution

Product development

Prices

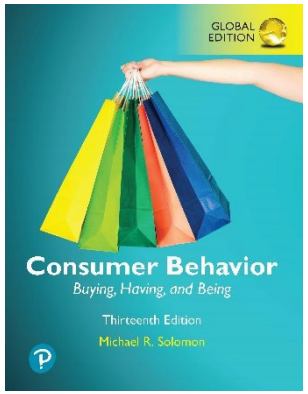


At the end of this topic, the student will understand that:

- Environmental variables — external to the consumer — are very relevant to consumer behaviour.
- The overall economic conditions and the confidence a consumer has in the future determine their willingness to spend/save and the types of products/services they will buy.
- We can group consumers into social classes that say a great deal about the position they occupy in society.
- Social class is not only determined by an individual's income but also by other factors, including education, occupation, etc.
- Practically all groups differentiate among their members in terms of relative superiority, power, and access to resources.
- Consumers' desires to express something about their social class or the class they aspire to belong to influence which products they like and dislike.

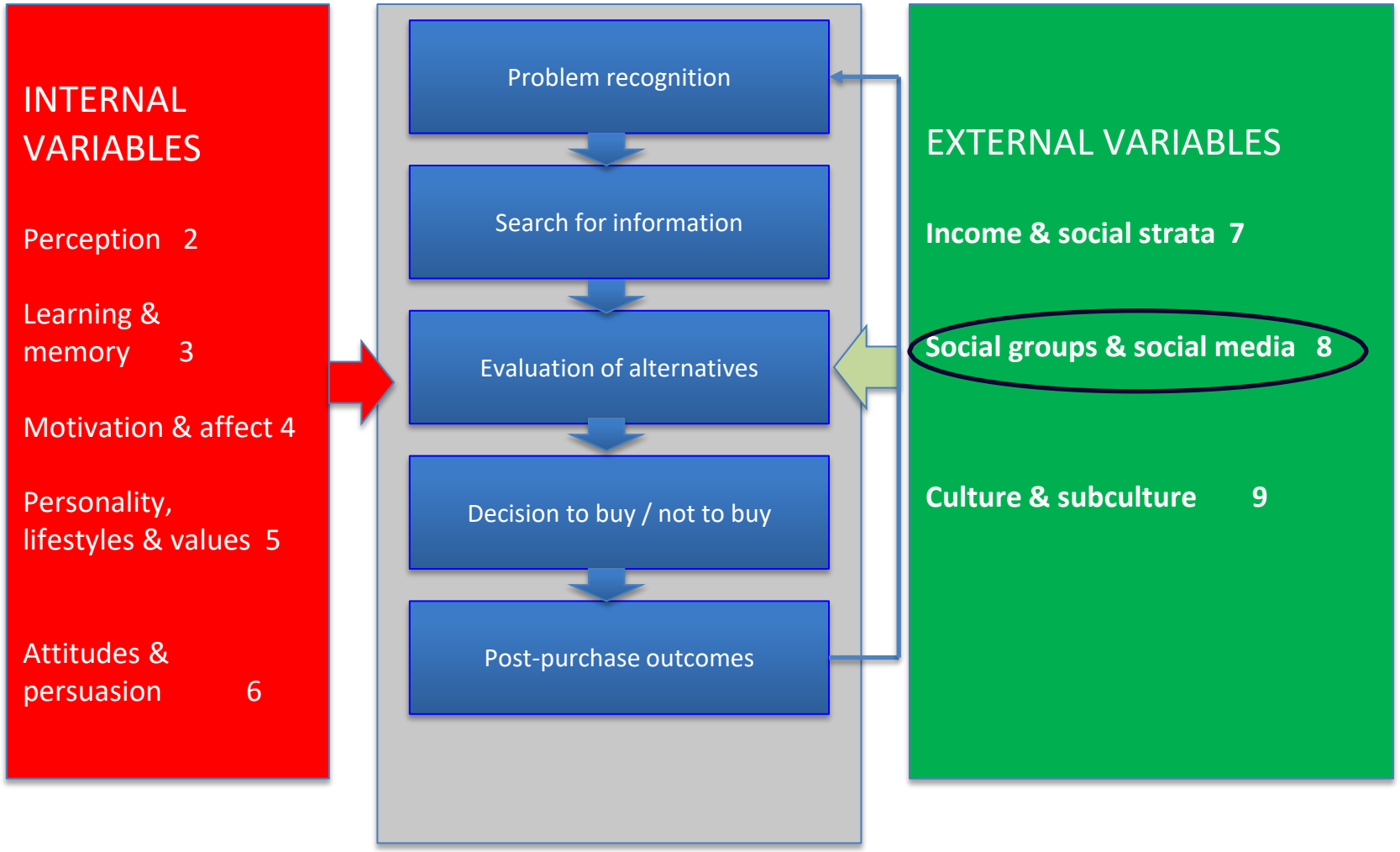
TOPIC 8. Social groups and social media

1. Social groups: concept, typology and characteristics
2. The importance of the reference group
3. Other considerations regarding groups: opinion leaders, word-of-mouth communication and social media
4. Family and buying habits and decisions



Solomon, M.R. (2020): Consumer Behavior: Buying, Having, and Being. Thirteenth edition. Harlow, England: Pearson

PURCHASING PROCESS: CUSTOMER JOURNEY



What is a GROUP?

A set of people interacting with each other, influencing each other, sharing norms, values, beliefs and behaviours, and who are conscious of being a group

A collection of people who:

- Are interrelated in some way.
- Share certain norms, beliefs and values that, while not explicit, guide their activities.
- Engage in some kind of coordinated behaviour.
- Define themselves as a group.

→ Contact

→ Clear boundaries

TYPOLOGY ACCORDING TO **LEVEL OF BELONGING**

NORMATIVE INFLUENCE

INFORMATIVE INFLUENCE

GROUPS THE INDIVIDUAL BELONGS TO

ACCORDING TO **NATURE/PERSONAL INVOLVEMENT**

- PRIMARY GROUPS: + direct relations, - structured
- SECONDARY GROUPS: - direct rel., + structured

ACCORDING TO **DEGREE OF ORGANIZATION**

- FORMAL GROUPS
- INFORMAL GROUPS

GROUPS THE INDIVIDUAL DOES NOT BELONG TO

ACCORDING TO **LEVEL OF ATTRACTION**

- ASPIRATIONAL GROUPS
- DISSOCIATIVE GROUPS

TYPOLOGY ACCORDING TO **LEVEL OF BELONGING**

NORMATIVE INFLUENCE **INFORMATIVE INFLUENCE**

GROUPS THE INDIVIDUAL BELONGS TO

Nature

PRIMARY GROUPS: small collectives, like families. They are characterized by a high level of (direct, face-to-face) communication. High levels of intimacy. Friends and co-workers fall into this category. Members of a family unit play different roles and have different amounts of influence when the family makes purchase decisions.

SECONDARY GROUPS: social organizations of a professional, religious, sporting or cultural nature, or similar. Relationships are less personal and communication is less continuous and interactive.

Degree of organization

FORMAL GROUPS: the roles of members are clearly defined and the group is structured around specific norms of behaviour (e.g. unions, schools, etc.). The roles assigned are permanent and members do as they are told.

INFORMAL GROUPS: the roles of members are neither exclusively assigned nor permanent. Relationships between members might arise from shared or similar interests (sports clubs, gastronomic societies, etc.). Brand communities unite consumers who share a passion for a product.

GROUPS THE INDIVIDUAL DOES NOT BELONG TO

Attraction

ASPIRATIONAL GROUP: a group the individual does not currently belong to but wishes to be part of. To that end, they try to dress, talk, act, and even think the way the members of the group do. Examples: **fitness communities, environmental activist groups, luxury brand communities.**

DISSOCIATIVE GROUP: the total opposite of an aspirational group. This refers to a group the individual does not wish to be part of or associated with. Examples: **anti-consumerism movements, political movements;** consumers who support animal rights may avoid brands associated with animal testing or exploitation.

Functions of groups

- **Integration**
- **Normativity**
- **Socialization**
- **Construction of identities (identity ≠ self-concept)**

The set of behavioural or personal characteristics that make an individual recognizable as a member of a group.

(identity ≠ self-concept)

Social perspective

Psychological perspective

An individual's perception of "self" in relation to any number of characteristics. Our definition, assessment and perception of ourself.

- **Source of role models**

HOW DOES A GROUP EXERCISE INFLUENCE?

- ✓ **PROVIDING REWARDS AND PUNISHMENTS (according to its standards)**
- ✓ **ESTABLISHING BEHAVIOURAL STANDARDS**
- ✓ **SPREADING VALUABLE INFORMATION:** the group offers information on aspects related to purchasing behaviour

Functions of groups

- **Integration:** Groups perform an integrative function by promoting the integration of individuals into society. Therefore, an individual can be said to be integrated into their community when they have group references through which they participate in the activities of the community.
- **Normativity:** Groups perform a formative function by specifying norms (explicit or implicit) that establish how their members must behave.
- **Socialization:** By socializing their members, groups transmit desirable attitudes, beliefs and behaviours, and teach rejection of what they regard as undesirable. *Socialization is the process by which the individual learns to internalize the sociocultural elements of the environment and to integrate them into their personality in order to adapt to the social environment in which they live*. Additionally, group members can play different roles. Thus, while some may dictate norms and act as leaders, others sanction or follow the majority. Groups distribute roles based on a hierarchy of status. Members with a low status tend to adapt, while those who have a high status may not only create but also transgress norms.
- **Construction of identities (identity ≠ self-concept):** Groups help develop the individual identity of their members. This is why groups are so important in teenagers' developmental stage (the stage in which self-concept is forged).
- **Source of role models:** Social groups establish a repertoire of desirable behaviours that are imitated by their members.

Functions of groups

In summary:

Groups integrate individuals into the social system, dictate norms, socialize members based on those norms and their values, help to build identities, and are a source of behaviours to be imitated

Determinants of group influence

CONSUMPTION type

- Collective / individual
- Frequent / sporadic
- Etc.

GROUP characteristics

- Size
- Degree of cohesion
- Degree of attractiveness
- Etc.

CONSUMER characteristics

- Importance of needs
- Personality
- Sociodemographic profile
- Degree of innovation

PRODUCT type

Visible consumption?
- Public consumption
- Private consumption

Exclusive product?
- Luxury or hedonic product
- Utility product

What is a REFERENCE GROUP?

A REFERENCE GROUP is an actual or imaginary individual or group conceived of (as) having significant relevance to an individual's evaluations, aspirations or behaviours.

Any external influence that provides social cues

It influences us in three different ways:

Informational influence: The individual seeks information about various brands from an association of professionals or independent group of experts.

Utilitarian influence: The individual's decision to purchase a particular brand is influenced by the preferences of people with whom they interact socially (work associates, family, etc.).

Value-expressive influence: The individual feels that the purchase or use of a particular brand will enhance the image others have of them.

The individual feels that people who purchase a particular brand are admired or respected by others.

TYPES OF REFERENCE GROUPS

- Brand communities and consumer tribes

A consumer tribe is a group of people who share a lifestyle and can identify with each other because of a shared allegiance to an activity or a product

A brand community is a group of consumers who share a set of social relationships based on usage of or interest in a product

- Membership vs. aspirational reference groups Examples?

People the consumer does not know but admires

Advertisers use celebrity spokespeople

People the consumer actually knows

Advertisers use "ordinary people"

Components that increase their influence

Proximity — Degree of exposure — Degree of coherence

- Positive vs. negative reference groups

Avoidance groups (motivation to distance)

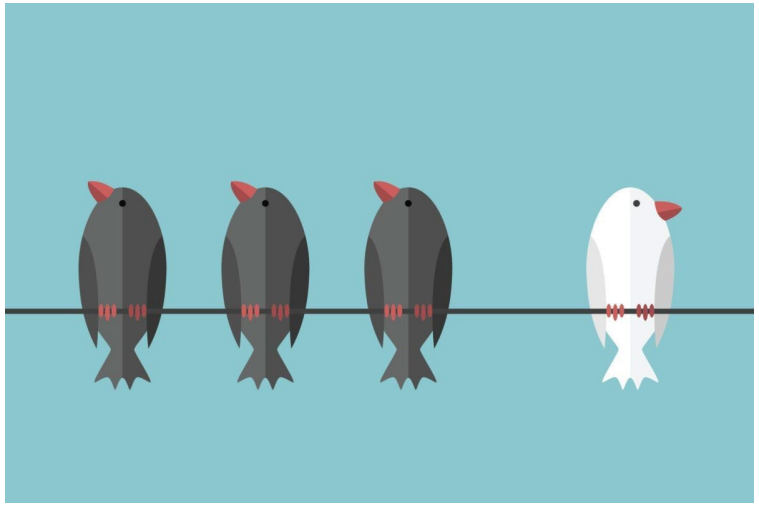
Anti-brand communities (united by disdain)

REFERENCE GROUPS: EFFECTS

Deindividuation: individual identities become submerged within a group

Social loafing: people do not devote as much effort to a task when their contribution is made as part of a larger group

Risky shift: group members show a greater willingness to consider riskier alternatives following group discussion than if they made their own decisions



Conformity: a change in beliefs or actions in response to real or imagined group pressure

- Cultural pressures
- Fear of deviance
- Commitment

- Susceptibility to interpersonal influence

- Group characteristics
  - ✓ unanimity
  - ✓ size
  - ✓ expertise

Certain people are especially likely to influence others' product choices

OPINION LEADER

A person who is frequently able to influence others' attitudes or behaviours

Characteristics of opinion leaders

- Knowledge power (competitive and experts)
- Legitimate power (socially active, interconnected in their communities)
- Similar to the consumer in terms of values and beliefs

Homophily: the degree to which two individuals are similar in terms of education, social status, and beliefs

- Intention to buy new products

Opinion leadership scale

1. In general do you like to talk about _____ with your friends?
   Yes_____-1 No_____-2
2. Would you say you give *very little information, an average amount of information*, or *a great deal of information* about _____ to your friends?
   You give very little information ..... _____-1
   You give an average amount of information.. _____-2
   You give a great deal of information..... _____-3
3. During the *past six months*, have *you told anyone about* some _____?
   Yes_____-1 No_____-2
4. Compared with *your circle of friends*, are *you less likely, about as likely*, or *more likely* to be asked for advice about _____?
   Less likely to be asked..... _____-1
   About as likely to be asked ..... _____-2
   More likely to be asked..... _____-3
5. If you and your friends were to discuss _____, what part would *you* be most likely to play? Would you *mainly listen* to your friends' ideas or would *you try to convince them* of your ideas?
   You mainly listen to your friends' ideas..... _____-1
   You try to convince them of your ideas..... _____-2
6. Which of these happens more often? Do *you tell your friends* about some _____, or do *they tell you* about some _____?
   You tell them about some _____ _____-1
   They tell you about some _____ _____-2
7. Do you have the feeling that you are generally regarded by your friends and neighbors as a good source of advice about _____?
   Yes _____-1 No _____-2

Summers, J.O. (1970), "The identity of women's clothing fashion opinion leaders", *Journal of Marketing Research*, vol. 7 no. 2, SAGE Publications. Sage CA, Los Angeles, CA, pp. 178-185, doi: 10.1177/002224377000700204.

Word-of-mouth communication is the most important driver of product choice

The things (good and bad) other consumers tell us about products are often more influential than the advertising we watch

WORD-OF-MOUTH COMMUNICATION

WOM is product information transmitted by individuals to individuals

Characteristics of WOM communication:

- More reliable form of marketing
- Social pressure to conform
- Influences two-thirds of all sales
- We rely on WOM in later stages of product adoption
- Powerful when we are unfamiliar with product category

WORD-OF-MOUTH COMMUNICATION

Negative WOM:

- Consumers give more weight to negative WOM than to positive comments.

Buzz building:

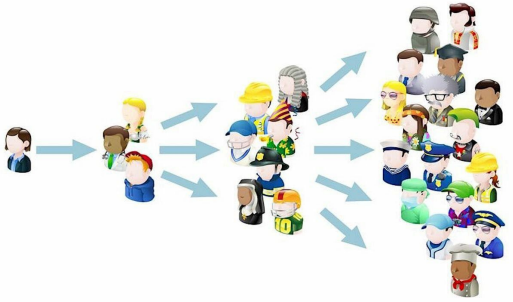
- **Viral marketing** refers to the strategy of getting visitors to a website or a TikTok/Instagram account to forward information from the site/account to their friends to make more consumers aware of the products involved. It usually takes off when an organization/person creates online content that is entertaining or just plain weird.

https://www.youtube.com/watch?v=2GjVG_DguQY

For marketers:

- ✓ Be aware of the importance of online technologies
- ✓ Be careful with negative WOM: rumours are powerful

Buzz marketing → Viral marketing



5 Viral Marketing Campaign Examples

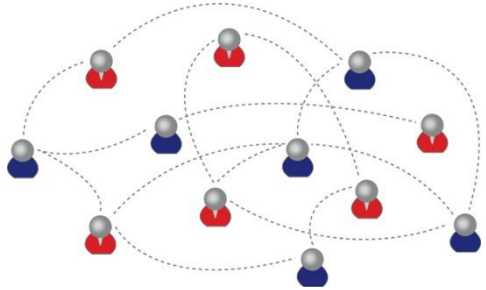
Go to virtual classroom or CLICK HERE and, in groups, discuss one example of successful viral campaigns in 2023 (search for more information):

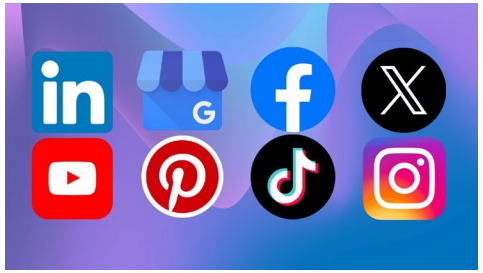
1. *ALS Ice Bucket Challenge*
2. *Apple 'Shot on iPhone'*
3. *Oreo 'Dunk in Dark'*
4. *Dove 'Real Beauty Sketches'*
5. *Wendy's Chicken Nuggets Retweet*

SOCIAL NETWORKS

Virtual communities

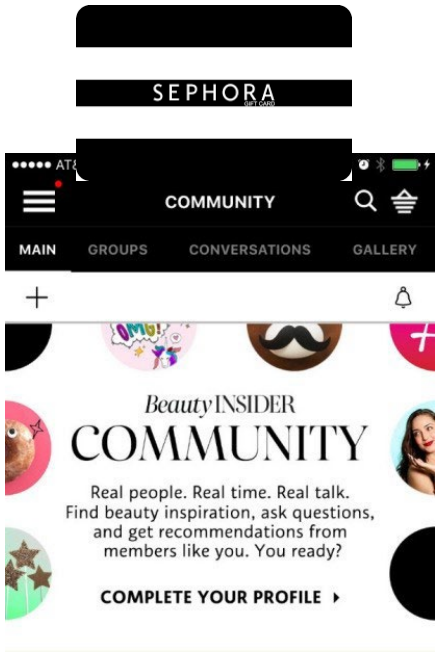
People whose online interactions are based on knowledge and a shared passion for a specific consumer activity





8 Inspiring Examples Of Online Brand Communities

CLICK HERE



FAMILY

Group of members in a household who are related to each other, to some degree, by **blood, adoption** or **marriage**

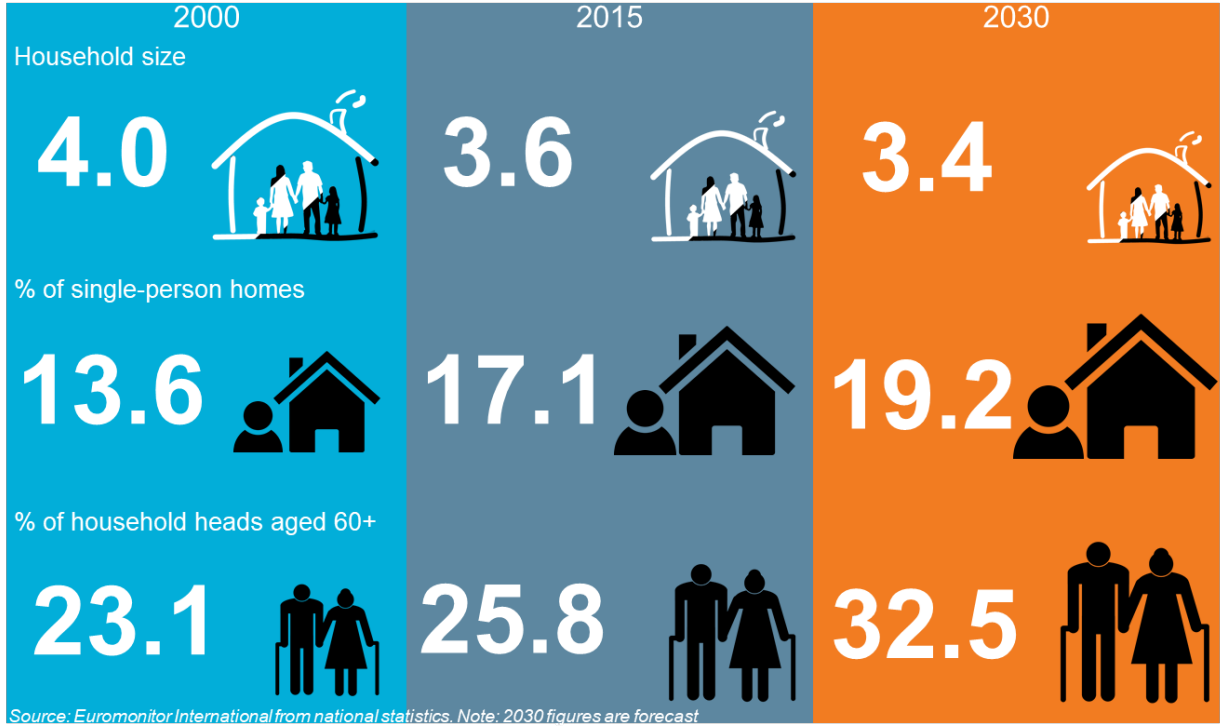
HOUSEHOLD: subjects who share a home and basic needs

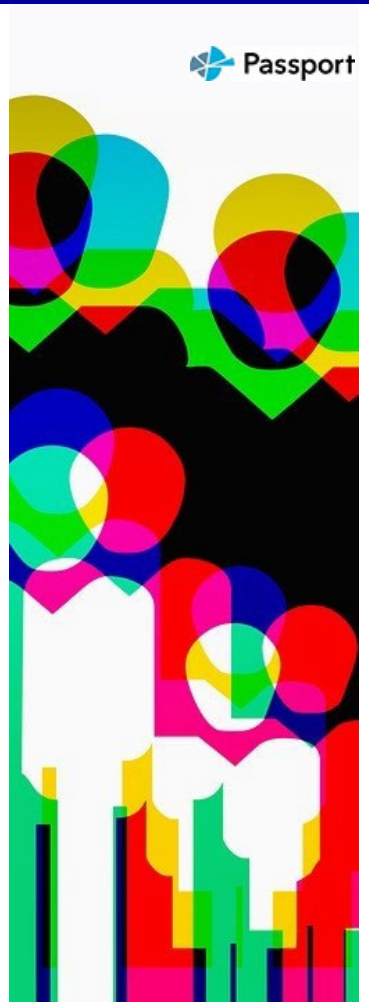
→ Family households
Non-family households

↓ Nuclear families
Extended families

The future of the family – Euromonitor International

- The traditional definition of a family — two adults and children — is transforming rapidly under evolving conditions. Modern definitions of a family can include unmarried couples raising children; gay and lesbian couples raising children; single parents having children without a partner to help raise them; people living together without marrying; both parents of young children working outside the home; and couples not ever having children.





Euromonitor Passport (2018), http://www.portal.euromonitor.com/portal/analysis/tab

The fractured family offers new opportunities and challenges

Passport

Single-parent family is on the rise

A surge in divorce rates is creating a new major consumption class – the single-parent family. Currently underserviced, this family segment offers significant opportunities to brands.

Fractured Families are creating more homes

As more cohabiting couples and marriages split, a larger number of households is created, providing rising demand for appliances and real estate.

The single-person household is the new normal

The nuclear family is gradually being replaced by the single-person household, with its own special demands and specifications. This has major impacts on real estate and labour markets.

Diverging destinies

Academic research has demonstrated that children from unstable and/or divorced families are more likely to be in the lower-income bracket, thus limiting household purchasing power in the long term.

Challenges for the state

The fractured family places pressure on state resources, as single-parent households are typically most in need of financial assistance, subsidies and various welfare packages.

Euromonitor Passport (2018), http://www.portal.euromonitor.com/portal/analysis/tab

Six transformational trends in the future of the family

Passport

Fewer children per home

- **Declining fertility** rates
- More couples and females decide **not to have children**
- As elderly persons live longer, there are **more households without children**
- High **cost of childcare** discourages large families

Rise of singleton homes

- Surging number of **single-person households**
- Driven by **millennials** (who choose education and career over family life) and **the elderly** (living alone due to being widowed or divorced)

Marriage is fluid

- Marriage no longer viewed as a necessity by couples. Many are happy to **cohabit**
- Rise of **single-parent** households
- **Divorce** is a major international business

Multigenerational families in decline

- **Fewer extended families** are living together
- **Number of persons per household** declining
- Rise in **retirement homes** and **senior people living alone**

Urbanization/Immigration

- **Urbanization** and immigration (both international and from rural to urban)
- More **multiculturalism**
- New **urban values,** different global outlook

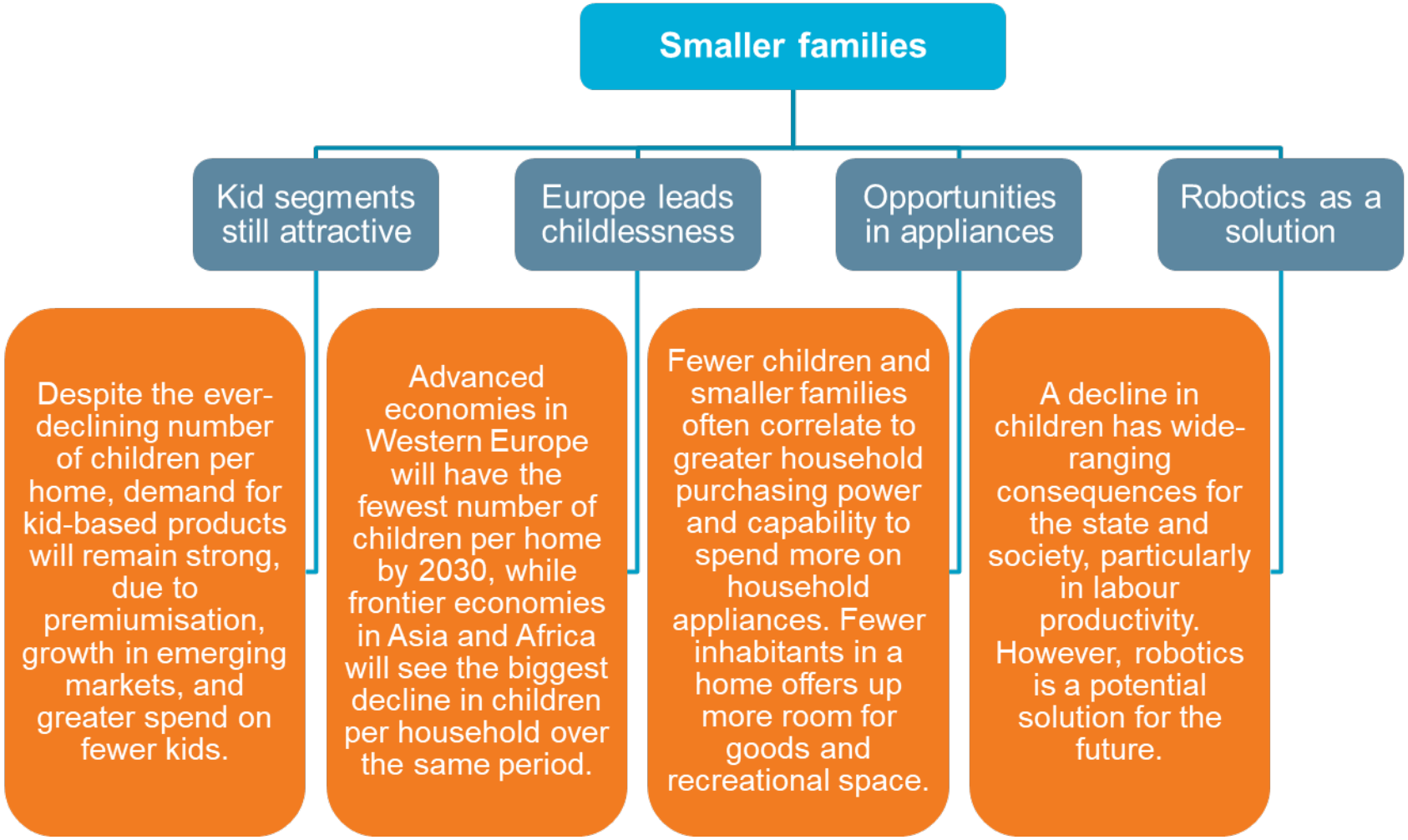
Ageing

- **Increases in life expectancy** are changing the structure of multigenerational families
- Joint survivorship within and across generations is resulting in **family support being required over longer periods**

Euromonitor Passport (2019), http://www.portal.euromonitor.com/portal/analysis/tab

Changes in the structure of the family:

Companies must adjust to the nuclear family fallout



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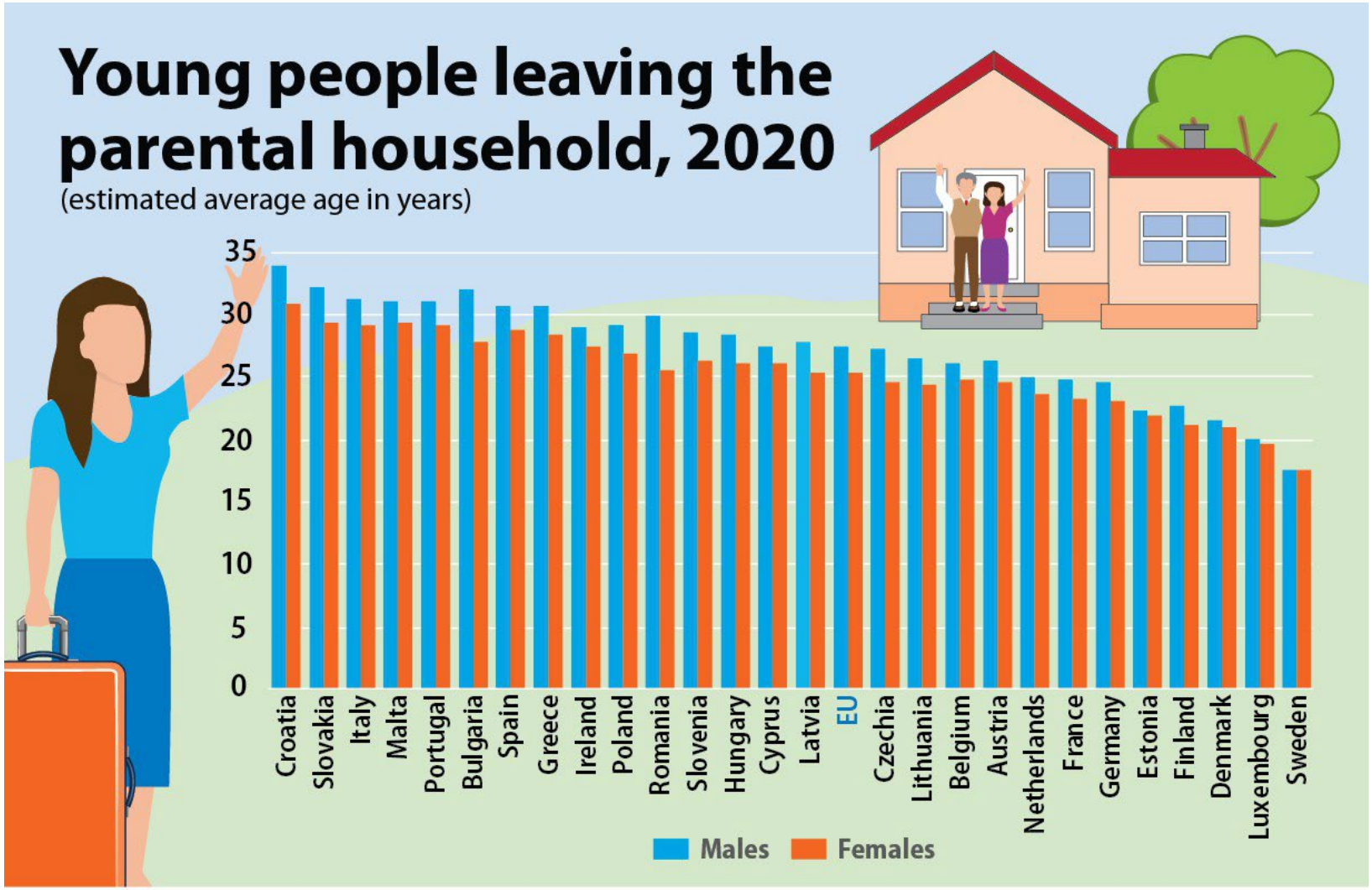


Euromonitor Passport (2018), http://www.portal.euromonitor.com/portal/analysis/tab

IMPORTANCE OF FAMILY IN CONSUMER BEHAVIOUR

- Many products are consumed within the family
- Its members influence each other in purchase and consumption decisions
- Sometimes consumer decisions — priorities — are family rather than individual decisions
- Within the family, many aspects of consumption are learned through socialization

Learning process in:

- Development **of consumption habits**
- Teaching **autonomous behaviour** and consumer purchasing
- Acceptance/rejection of **children's influence** over family purchasing decisions
- **Attitudes** towards consumption

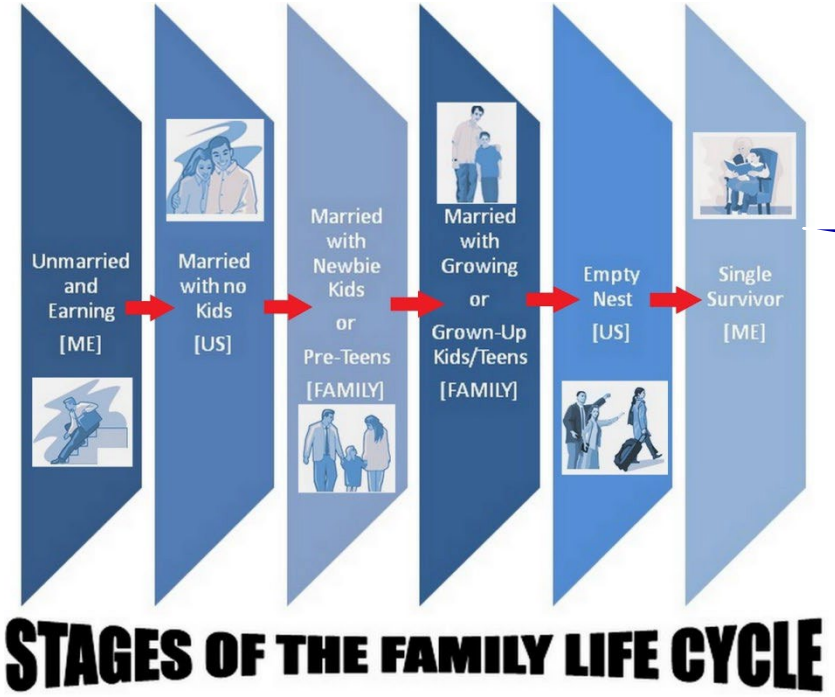
FAMILY LIFE CYCLE

Factors that determine how couples spend money:

- Whether they have children
- Whether both partners work

→ Family needs and expenditures

The family life cycle (FLC) concept combines trends in income and family composition with change in demands placed on income



STAGES OF THE FAMILY LIFE CYCLE

VARIABLES AFFECTING FAMILY LIFE CYCLE

- Age
- Marital status
- Income
- Children in the home

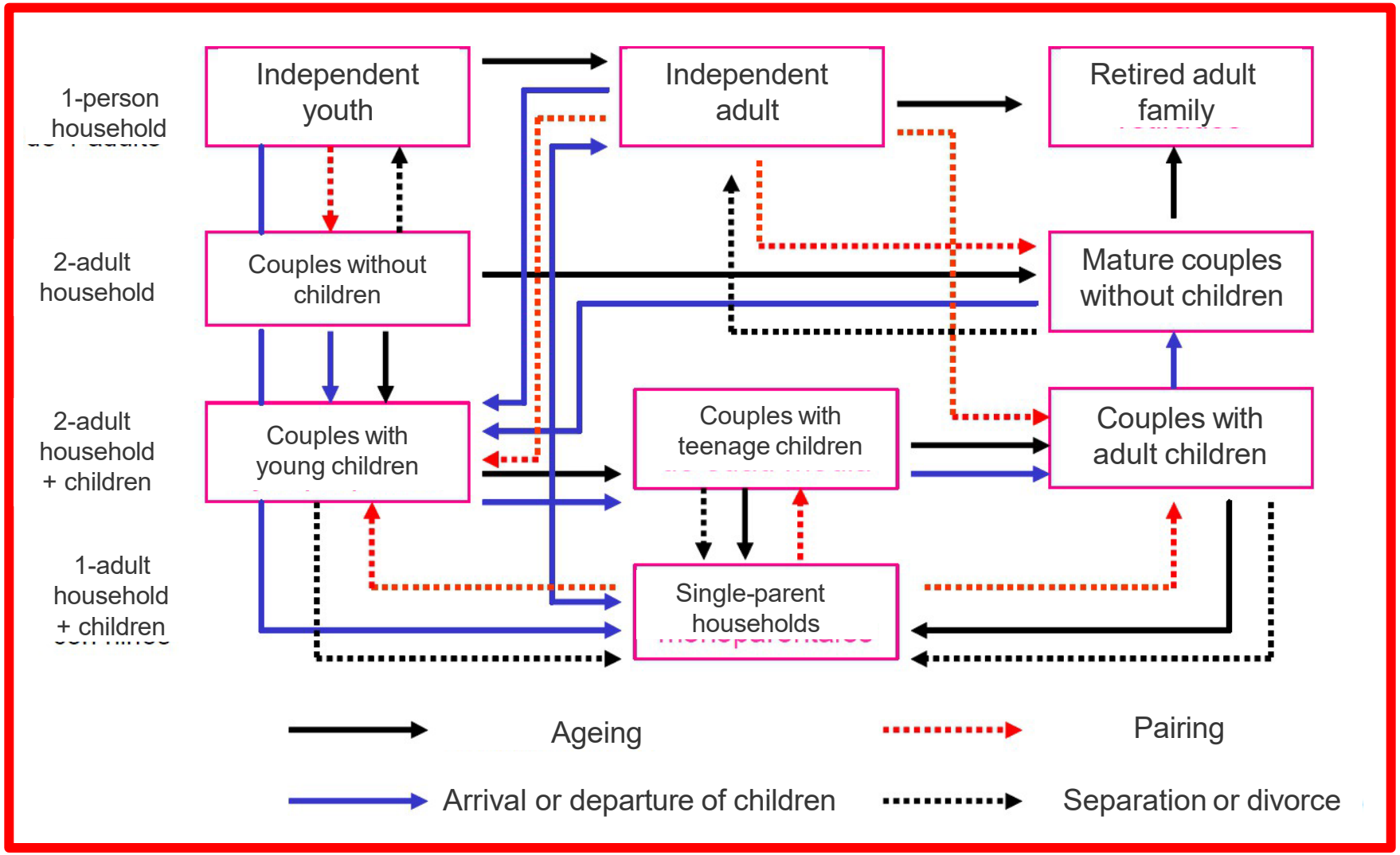
FAMILY LIFE CYCLE

Stage of cycle	Composition	Goods and services needed
Singleness	Single young persons	Education, 1st vehicle, laptop, travel, leisure and sports
Newly married couples	Young couple without children	1st house, household appliances, holidays, clothes and complements, credit loans
Full nest 1	Young couple with children <6 years	Household products, children's products, heating, medical services, schools
Full nest 2	Young couple with children >6 years	Schools, commodities, new house, sport equipment, credit loans
Full nest 3	Mature couple with dependent children at home	College, 2nd vehicle, furniture and house equipment, internet devices, streaming platforms, vacation services
Empty nest	Older couple with no children at home	Home improvements, retirement plants, medical services, vacation services, investment products
Survival	People living alone	Transport, care services, medicines, senior vacation services

Family needs change depending on:

- **Family composition**
- **Income**
- **Age**
- **Marital status**

Alternative (and more real and dynamic) model of the family cycle



FAMILY DECISION-MAKING

Families make two types of decisions:

Consensual purchase decisions

Accommodative purchase decisions

⟺ **CONFLICT** in families. It depends on:

- Need
- Product involvement and utility
- Responsibility
- Power

Who makes key decisions in the family?

Autonomous decision — One family member chooses a product

Syncretic decision — Both partners are involved

FAMILY DECISION-MAKING ⬅ FACTORS AFFECTING

Patterns among couples

- ✓ Sex-role stereotypes
- ✓ Couple relations
- ✓ Experience
- ✓ Socioeconomic status
- ✓ Type of product
- ✓ Role distribution

Marketers also take into consideration...

CHILDREN AS DECISION MAKERS

CHILDREN AS DECISION MAKERS:

Consumers-in-training

Children learn over time what and how to consume

Importance of children within the family:

- Primary market: kids spend their own money
- Influence market: parents buy what their kids tell them to buy (parental yielding)
- Future market: kids "grow up" quickly and purchase items normally purchased by adults

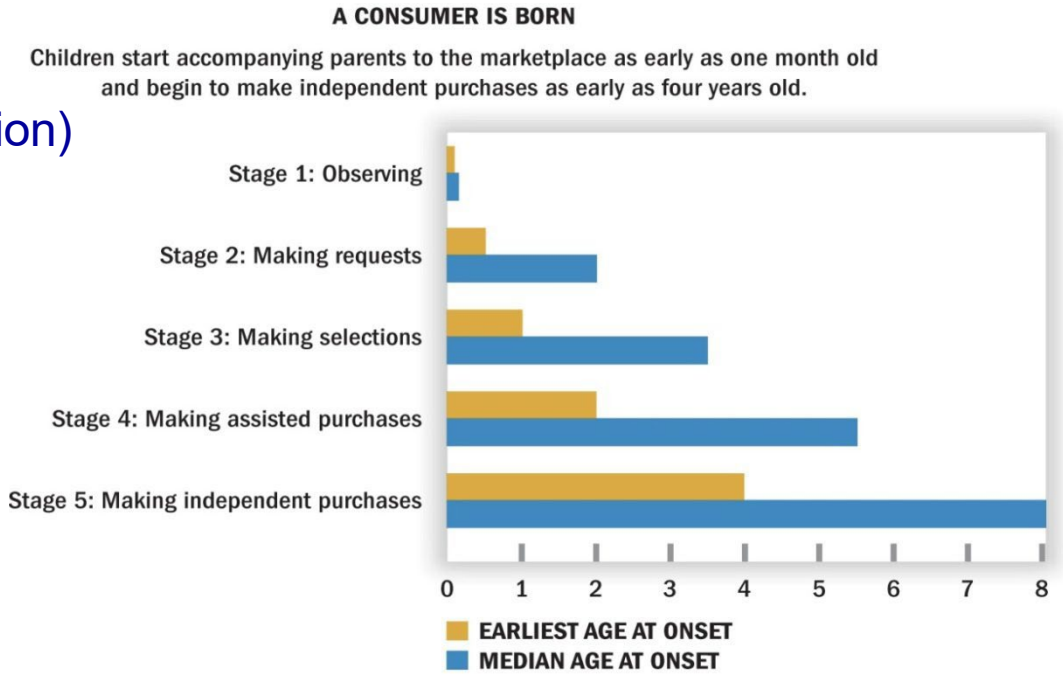
CHILDREN AS DECISION MAKERS:
Consumers-in-training

Consumer socialization is the process by which young people acquire skills, knowledge, and attitudes relevant to their functioning in the marketplace

Children's purchasing behaviour is influenced by:

- Parents, family, and teachers
- Television and toys
- Culture (sex-role socialization)

Cognitive development

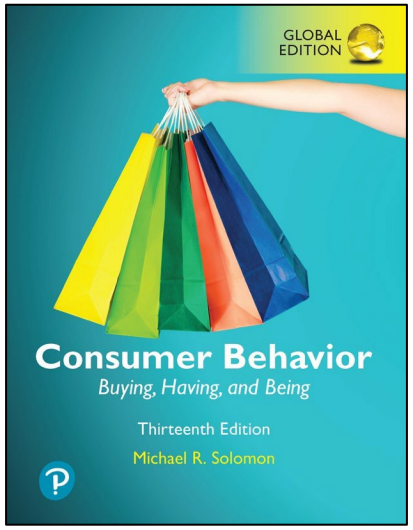


At the end of this topic, the student will understand that:

- Individuals and groups, especially those with certain social power, influence people's purchasing decisions.
- Word-of-mouth (WOM) communication is the most important driver of product choice.
- Recommendations from opinion leaders have more influence than those from other individuals in the selection and purchase process.
- Social media is changing the way consumers learn about and select products.
- Virtual consumer communities bring together those who share strong feelings (positive or negative) about a particular product.
- Family, in its current, modern form, remains a context in which individuals learn to develop attitudes and make purchasing decisions.

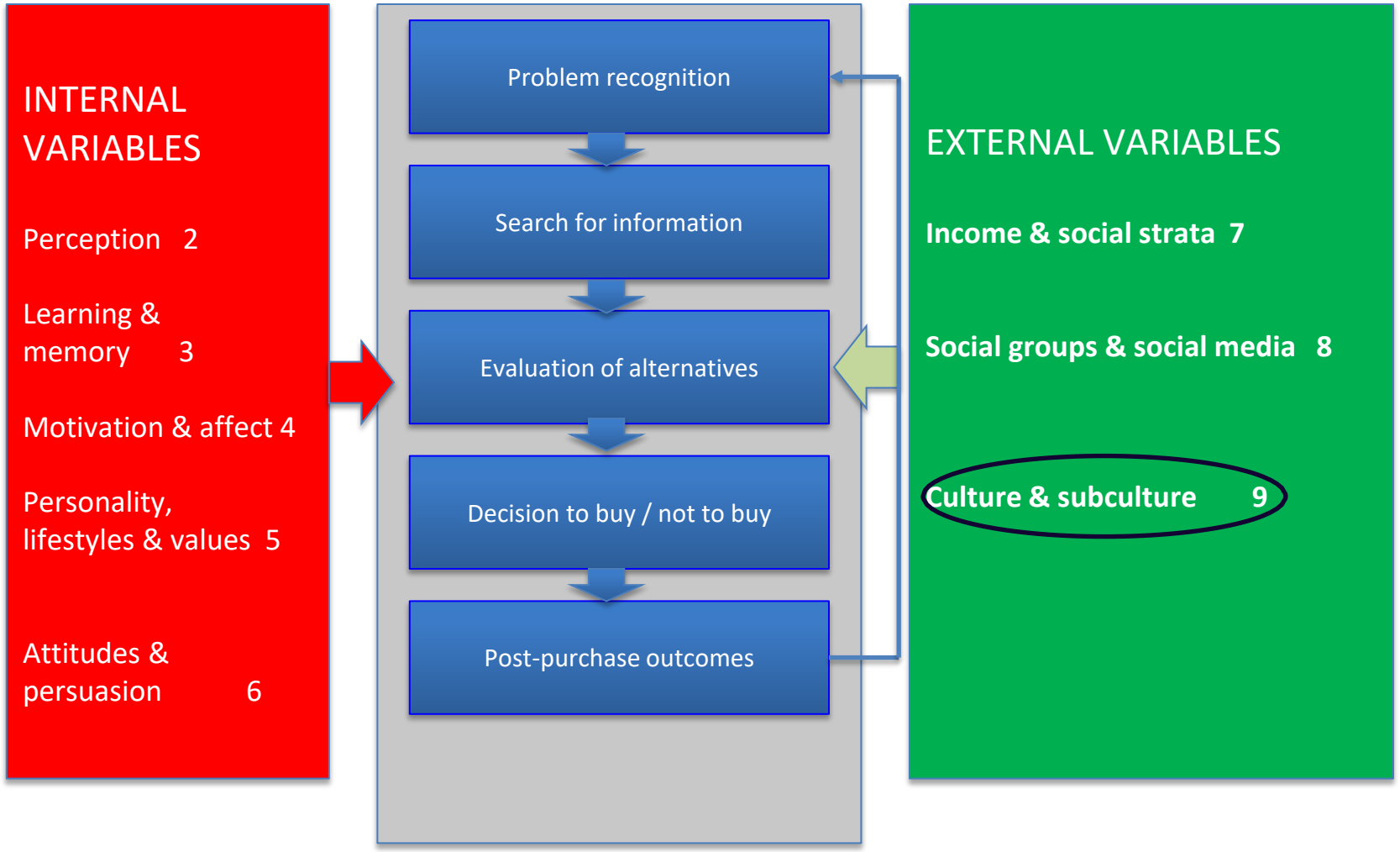
TOPIC 9. Culture and subculture

1. Culture: concept, dimensions and characteristics
2. Subculture and microculture



Solomon, M.R. (2020): Consumer Behavior: Buying, Having, and Being. Thirteenth edition. Harlow, England: Pearson

PURCHASING PROCESS: CUSTOMER JOURNEY



What is CULTURE?

A **CULTURE** is like a society's personality, and it shapes our identities as individuals

CULTURE refers to:

- The accumulation of meanings, rituals, norms, traditions, etc., shared and transmitted by the members of a society.

- The collective programming of the mind that distinguishes the members of one human group from another.

Characteristics of culture

- It is a global, multidimensional phenomenon
- It is shared and learned
- It generates satisfaction
- It is the result of a learning process
- It is an adaptive process (it is continuously evolving)

Signs, symbols, and customs

Letters/ Emoticons/ Emojis:

ñ, j, z

1. Culture: concept, dimensions and characteristics

Dimensions of CULTURE

Symbolic dimension

It refers to the INTANGIBLES that are shared in the group whose culture we intend to define.

Symbolic dimension: the cross in Christianity, the star and crescent in Islam, the thumbs-up sign, etc.

Identity dimension

Culture is defined as an ALL;
it is perceived as and assumed to be unitary.

CULTURE

Behavioural dimension

The internalization of values and norms.
Cultural change is reflected in a series of customs and traditions that manifest themselves in behaviours.

Social dimension

Culture emerges in the group.

Race, gender, sexuality, and ability are socially constructed cultural identities that developed over time in relation to historical, social, and political contexts. They are cultural identities that affect our communication and our relationships.

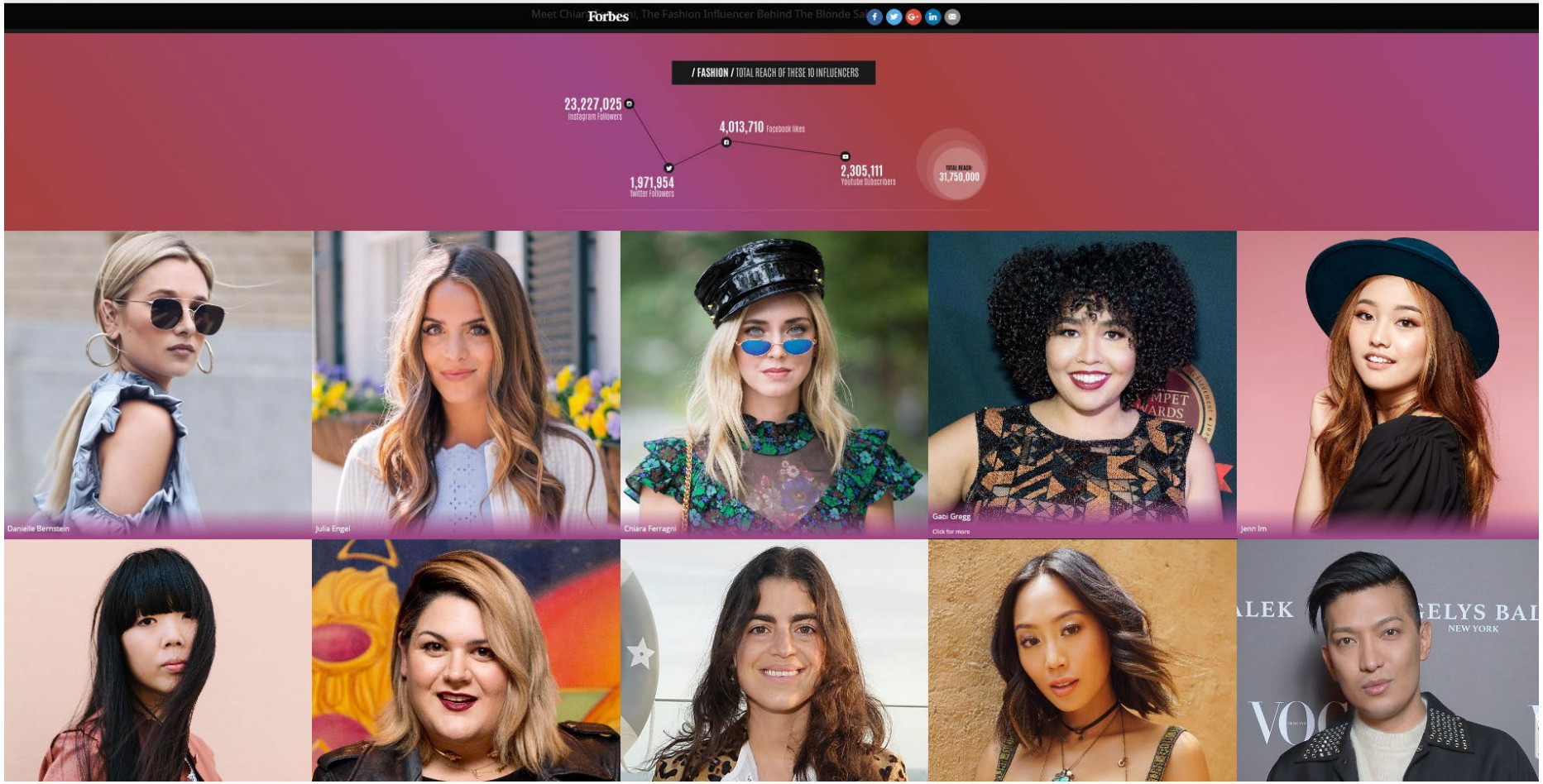
Cultural productions

VALUES
NORMS
CUSTOMS
LANGUAGE

BEHAVIOURS
MYTHS
RITUALS
TRENDS

Certain traditions may influence purchasing behaviour (local festivities, buying presents for Valentine's Day or buying turkey for Thanksgiving Day in US).
Social dimension: physical cultural manifestations, such as infrastructure, art exhibitions, performance art, theatre, music, etc.

1. Culture: concept, dimensions and characteristics

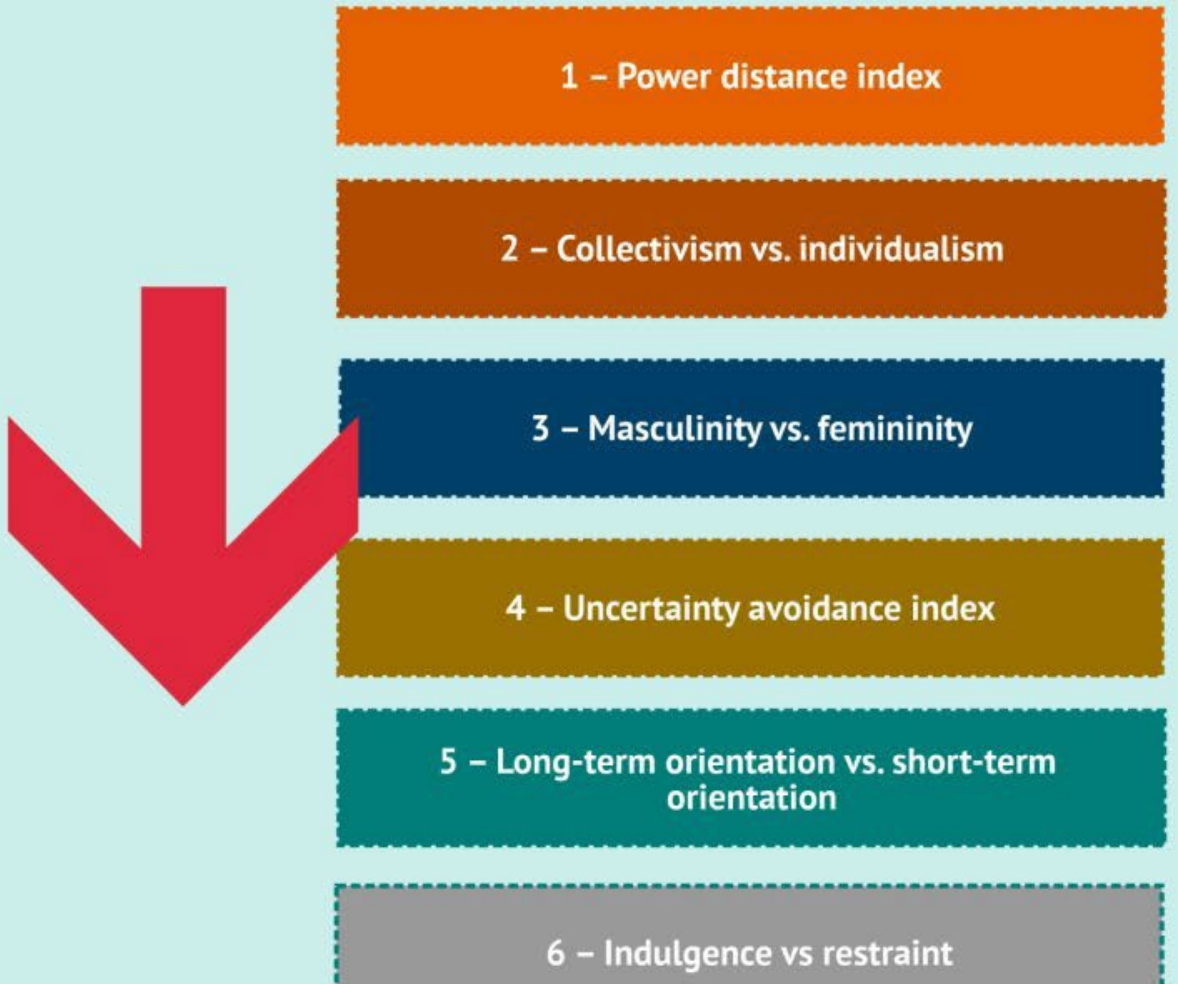


https://www.forbes.com/top-influencers/fashion/#6ba9c5504552

Hofstede's cultural dimensions theory is a framework for cross-cultural communication. To create his theory, Hofstede analyzed the results of a global survey of IBM employees to determine the dimensions in which different cultures vary. Between 1967 and 1973, approximately 117,000 employees across 50 countries were asked about workplace values and leadership and how they were influenced by culture.

Hofstede - Cultural Dimensions

Comparing Japanese and American Culture with Hofstede



Hofstede's Cultural Dimensions

6

Power Distance Index (PDI)

High: Acceptance of a hierarchical order in which everybody has a place and which needs no further justification.	Low: People strive to equalize the distribution of power and demand justification for inequalities of power.	PDI

Individualism versus Collectivism (IDV)

Individualism: As a preference for a loosely-knit social framework	Collectivism: Tightly-knit framework in society.	IDV

Masculinity versus Femininity (MAS)

Masculinity: Preference in society for achievement, heroism, assertiveness and material rewards for success.	Femininity: Stands for a preference for cooperation, modesty, caring for the weak and quality of life.	MAS

Uncertainty Avoidance Index (UAI)

High: Maintains rigid codes of belief and behavior and are intolerant of unorthodox behavior and ideas.	Low: Societies maintain a more relaxed attitude in which practice counts more than principles.	UAI

Long Term Orientation versus Short Term Normative Orientation (LTO)

High: Pragmatic approach, they encourage thrift and efforts in modern education as a way to prepare for the future.	Low: Societies prefer to maintain time-honored traditions and norms while viewing societal change with suspicion.	LTO

Indulgence versus Restraint (IND)

Indulgence: Societies that allow relatively free gratification of basic and natural human drives related to enjoying life and having fun.	Restraint: Societies that suppress gratification of needs and regulates it by means of strict social norms.	IND

@anaisabelsofer
Skyword 2015
http://www.skyword.com/contentstandard/
Source: http://geert-hofstede.com/national-culture.html

1. Culture: concept, dimensions and characteristics

HOFSTEDE'S DIMENSIONS OF NATIONAL CULTURE:

1. POWER DISTANCE INDEX
2. INDIVIDUALISM VS. COLLECTIVISM
3. MASCULINITY VS. FEMININITY
4. UNCERTAINTY AVOIDANCE INDEX
5. LONG-TERM ORIENTATION
6. INDULGENCE VS. RESTRAINT

McDonalds Commercials in the U.S. vs. China

Global brands also need to customize or adapt their communication depending on deeper emotional insights.

Social Hierarchy

Authority

"My rightful place"

Dimension 1 –

The perception amongst the less influential members of society

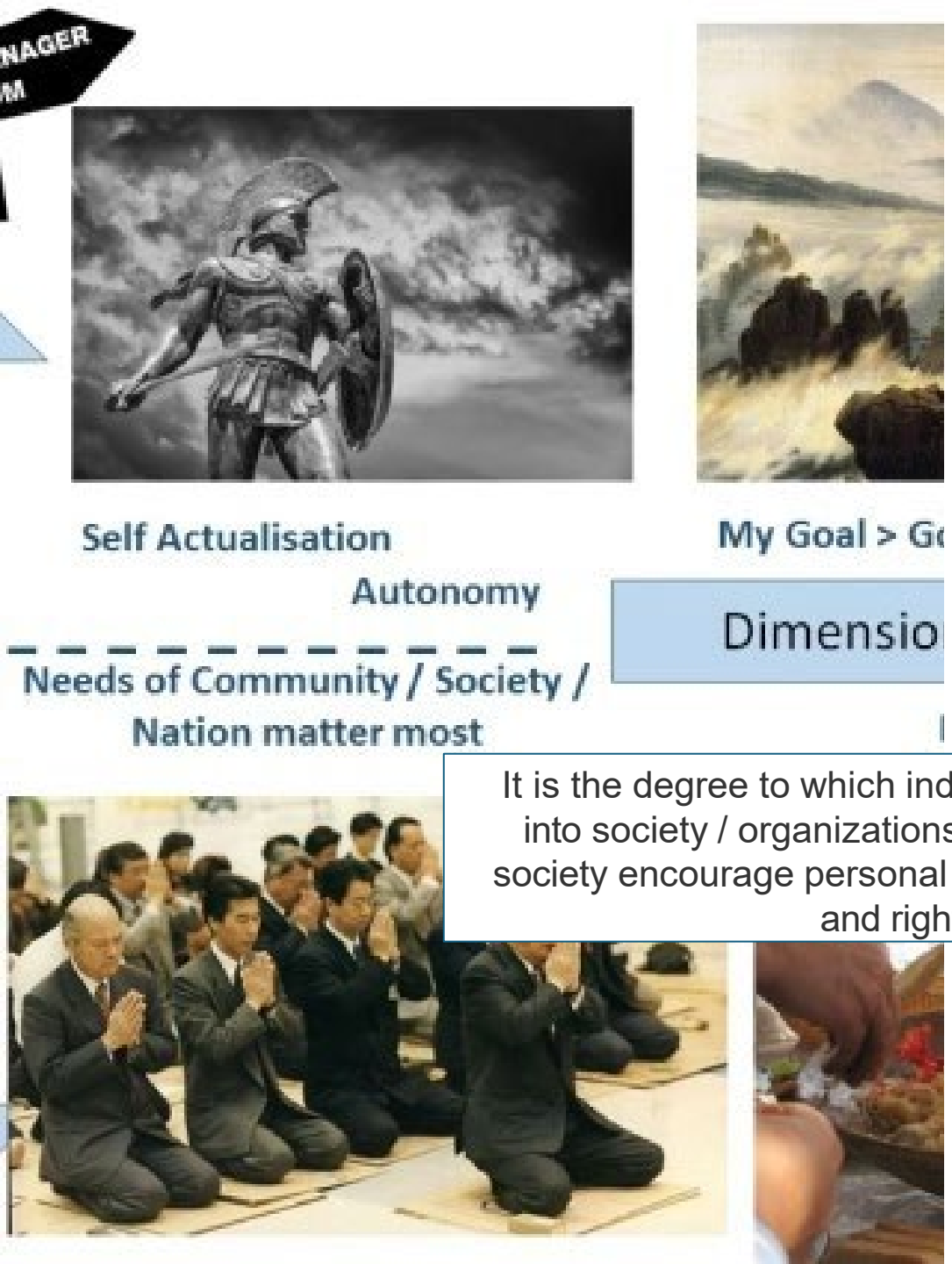
Ind

Equa

Blue

- **To identify the level of power distance, look for places where:**
- Formal roles and hierarchies are highly respected – teachers, parents, bosses, employers.
- Subordinates expect to be told what to do (vs. being consulted or involved in a collaborative effort with supervisors).
- Supervisors would not socialize with subordinates in a casual setting.
- Blue collar jobs are not respected.
- Decision-making is centralized in organizations (government, corporations, etc.).
- **What it means for you**
- Privileges and status symbols drive consumption behaviour. There is an equally clear hierarchy in terms of products that are used by different strata of society.
- Brands also need to communicate and appeal to social status.

Source: https://brandmanagerguide.wordpress.com/2015/09/17/global-brand-adaptation-and-culture-the-hofstede-model-dimensions/



It is the degree to which individuals are integrated into society / organizations or groups. Does the society encourage personal achievement, opinions and rights?

- **To identify the level of this dimension, look for the following:**
- Obligations are defined by "ME" – personal opinions, self-education, personal goals, independence.
- Organizations promote people based on achievement, results, etc. (instead of seniority or loyalty).
- People's 'private' and 'work' lives are separate.

- **What it means for you**
- In collectivist markets, 'trust' is key. Umbrella brands / large corporate brands and brand extensions would thrive here. However, in individualistic cultures, brands that are sharply positioned to the category or a specific attribute are a requisite – 'Shouldn't the brand stand for something (have a point of view)?'
- Brand communication in collectivist cultures also needs to create positive feelings of harmony, family and group consumption (vs. providing information or being seen as successful – which would resonate more with individualistic cultures).
- In direct sales, you can quickly get to the point in individualistic markets, while in collectivist cultures you need to slowly build trust and a personal relationship.
- Do remember that the classic 'AIDA' model – created from an individualistic, western markets perspective – may not be relevant in some markets where the consumer is NOT actively seeking new information.

Source: https://brandmanagerguide.wordpress.com/2015/09/17/global-brand-adaptation-and-culture-the-hofstede-model-dimensions/

rmance /
evement

Being the best

Asserti

Dimension 3 – M

Quality of life

Liking what you do

Masculine cultures value performance, success, material possessions, self-assertion, career, ambition, etc.

- **Look for the following:**
- High levels of competition and competitive behaviour. Society would most admire success and achievers.
- Career forms an important part of a person's life. Success here is more important than 'work satisfaction'.
- Problems are solved through analysis (vs. intuition).
- Clear definition of household work based on gender. Men would not be seen doing household work. Men would also hold all key roles in society.
- **What it means for you**
- Brands need to be seen as 'winners / prestigious / performers', etc., in masculine cultures, whereas they to be seen as brands that 'care / nurture / or give' in feminist cultures.
- People consume for show in masculine cultures, and for use in feminist cultures.
- The 'larger', 'faster' or 'shinier', the better the chance of product success in masculine cultures.
- Big bang launches are a must to get noticed.

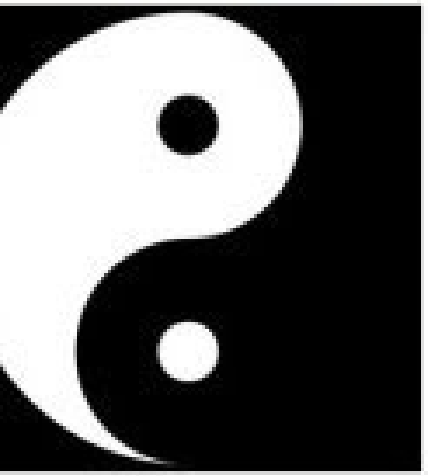
Source: https://brandmanagerguide.wordpress.com/2015/09/17/global-brand-adaptation-and-culture-the-hofstede-model-dimensions/

Precision and punctuality

rtainty is a "threat"

Dimension 4 – Uncertainty Avoidanc

rtainty is a "way of life"



Few laws and rules

- **Look for the following to identify countries with high uncertainty avoidance:**
- Strict rules and regulations – that are followed – for everything.
- Low / No appetite for risk-taking. Failure is dishonourable.
- People feel an inner need to keep themselves busy and work hard.
- There is high suspicion of the young. Children are brought up under strict rules and discipline.
- Intolerance towards different opinions, and there is a need to come to quick agreement and consensus.
- **What it means for you**
- The brand needs to be seen as an expert and knowledgeable (in high UA countries) vs. it is ok to be a generalist (in low).
- In countries with high UA, people are more interested in how your product works than the extent of results. People are process-oriented vs. result-oriented. Ensure product demonstrations / ingredient explanations, etc., are part of your communication strategy here.
- In countries with low UA, results are more important than the process. You can also use humour in your communication strategy.
-

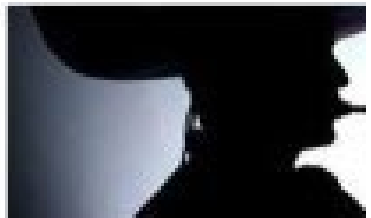
As the name suggests, it is the extent to which a society will go to avoid dubious, unfamiliar situations. Is uncertainty seen as a threat or as a way of life?

Source: https://brandmanagerguide.wordpress.com/2015/09/17/global-brand-adaptation-and-culture-the-hofstede-model-dimensions/

Perseverance

Dimension 5

Immediate grat
Quick res

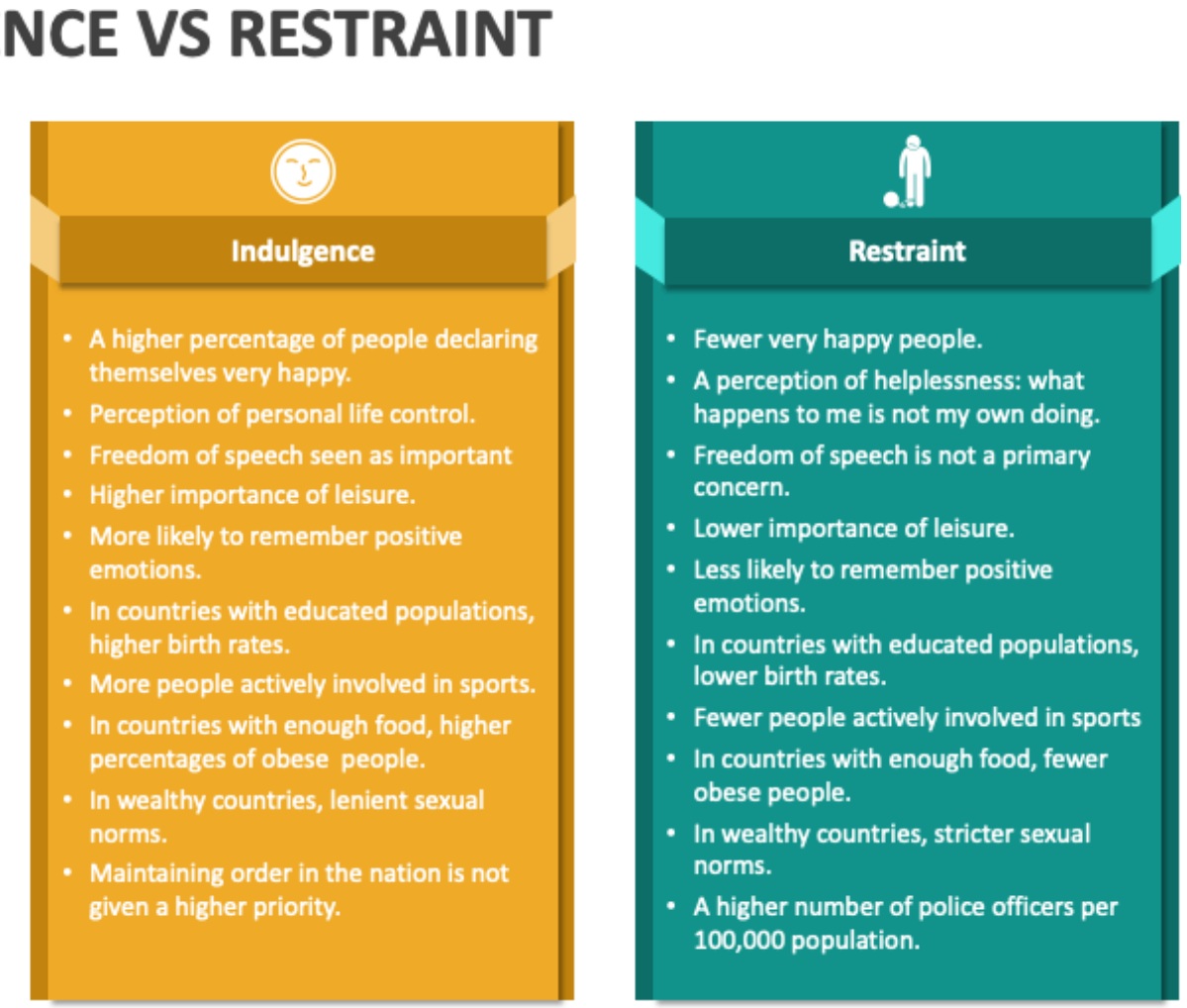


These values capture a society's orientation of time. Does the society attribute more value to the future or to the past and present?

- Societies with long-term orientation have strong values of perseverance, sustained effort, frugality, saving and investing for the future.
- In societies with short-term orientation, people look for immediate results and gratification, and have a tendency to spend most of what they earn.
- Leisure is important in STO countries.
- **What it means for you**
- There is low scope for products of indulgence in LTO countries.
- Societies with short-term orientation also place emphasis on the past. They thus value brands with heritage value.

Source: https://brandmanagerguide.wordpress.com/2015/09/17/global-brand-adaptation-and-culture-the-hofstede-model-dimensions/

- This dimension is a measure of societal impulse and desire control. High levels of indulgence indicate that society allows relatively free gratification and high levels of bon de vivre.
- Meanwhile, restraint indicates that society tends to suppress the gratification of needs and regulate them through social norms.
- For example, in a highly indulgent society, people may tend to spend more money on luxuries and enjoy more freedom when it comes to leisure time activities. In a restrained society, people are more likely to save money and focus on practical needs (Hofstede, 2011).



1. Culture: concept, dimensions and characteristics

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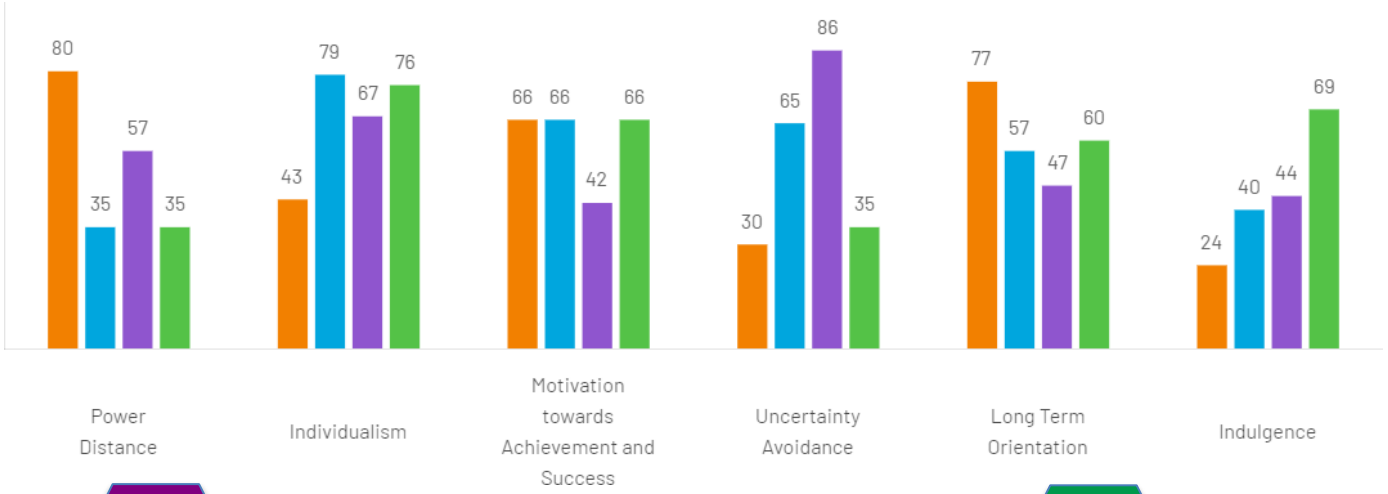


CHINA

80

At 80, China sits in the higher rankings of PDI – i.e. a society that believes that inequalities among people are acceptable. The subordinate–superior relationship tends to be polarized, and there is no defence against power abuse by superiors. Individuals are influenced by formal authority and sanctions, and are generally optimistic about people's capacity for leadership and initiative. People should not have aspirations beyond their rank.

SPAIN

57

Spain's score for this dimension (57) is a high score, which means that Spain has a hierarchical society. This means that people accept a hierarchical order in which everybody has a place and which needs no further justification. Hierarchy in an organization is seen as reflecting inherent inequalities, centralization is popular, subordinates expect to be told what to do, and the ideal boss is a benevolent autocrat.

UNITED KINGDOM

35

At 35, Britain sits in the lower rankings of PDI – i.e. a society that believes that inequalities among people should be minimized. Interestingly, research shows the PD index is lower among the higher class in Britain than among the working classes. The PDI score at first seems incongruent with the well-established and historical British class system, and it exposes one of the inherent tensions in British culture – between the importance of birth rank on the one hand and a deep-seated belief that where you are born should not limit how far you can travel in life on the other. A sense of fair play drives a belief that people should be treated in some way as equals.

Country	Power Distance	Individualism	Masculinity	Uncertainty Avoidance	Long Term	Country	Power Distance	Individualism	Masculinity	Uncertainty Avoidance	Long Ter
Argentina	49	46	56	86	20	Mexico	81	30	69	82	24
Australia	36	90	61	51	21	Namibia	65	30	40	45	35
Bangladesh	80	20	55	60	47	New Zealand	22	79	58	49	33
Belgium	65	75	54	94	82	Nigeria	80	30	60	55	13
Brazil	69	38	49	76	44	Pakistan	55	14	50	70	50
Canada	39	80	52	48	36	Phillipines	94	32	64	44	27
China	80	20	66	30	87	Poland	68	60	64	93	38
Egypt	70	25	45	80	7	Russia	93	39	36	95	81
Finland	33	63	26	59	38	Saudi Arabia	95	25	60	80	36
Germany	35	67	66	65	83	Senegal	70	25	45	55	25
Ghana	80	15	40	65	4	Singapore	74	20	48	8	72
Greece	60	35	57	100	45	South Africa	49	65	63	49	34
Hong Kong	68	25	57	29	61	South Korea	60	18	39	85	100
Hungary	46	80	88	82	58	Spain	57	51	42	86	48
India	77	48	56	40	51	Sri Lanka	80	35	10	45	45
Indonesia	78	14	46	48	62	Sweden	31	71	5	29	53
Iran	58	41	43	59	14	Switzerland	34	68	70	58	74
Iraq	95	30	70	85	25	Syria	80	35	52	60	30
Israel	13	54	47	81	38	Tanzania	70	25	40	50	34
Italy	50	76	70	75	61	Thailand	64	20	34	64	32
Japan	54	46	95	92	88	UAE	90	25	50	80	
Kenya	70	25	60	50		UK	35	89	66	35	51
Libya	80	38	52	68	23	USA	40	91	62	46	26
Malaysia	100	26	50	36	41	Vietnam	70	20	40	30	57

Find your country and compare it with Spain

What should companies do in relation to cultural variety?

2. Subculture and microculture

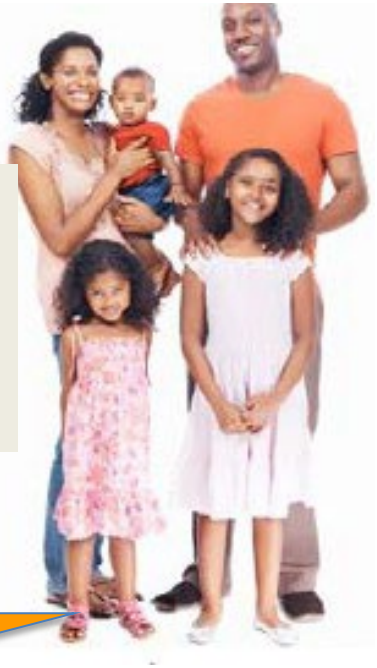
A SUBCULTURE is a group of people within a CULTURE which differentiates itself from the larger culture to which it belongs

A SUBCULTURE is a group whose members share beliefs and common experiences that set them apart from others

Depending on...

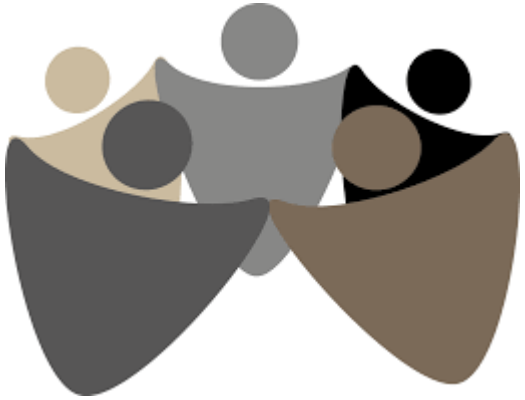
- Age
- Race
- Ethnic background
- Religion
- Place of residence
- ...

Impact on consumer behaviour



2. Subculture and microculture

MICROCULTURE refers to the specialized subgroups, marked with their own languages, ethos and rule expectations, that permeate differentiated industrial societies



A MICROCULTURE:

- Depends on the smallest units of organization, as opposed to the broader subcultures of race or class, and the wider national/global culture,
- (compared to which) it also tends to be more short-lived,
- as well as voluntarily chosen.

People who are part of a microculture freely identify with a lifestyle or aesthetic preference

Impact on consumer behaviour

Upon completing this topic, the student will understand that:

- Culture is the personality of a society.
- Many consumption activities — including holiday celebrations, personal grooming, and gift-giving — are rituals.
- Products that succeed in one culture may fail in another if marketers do not take into account the cultural differences among consumers in those countries.
- People's affiliation with ethnic, racial, and religious subcultures often guides their consumption decisions.