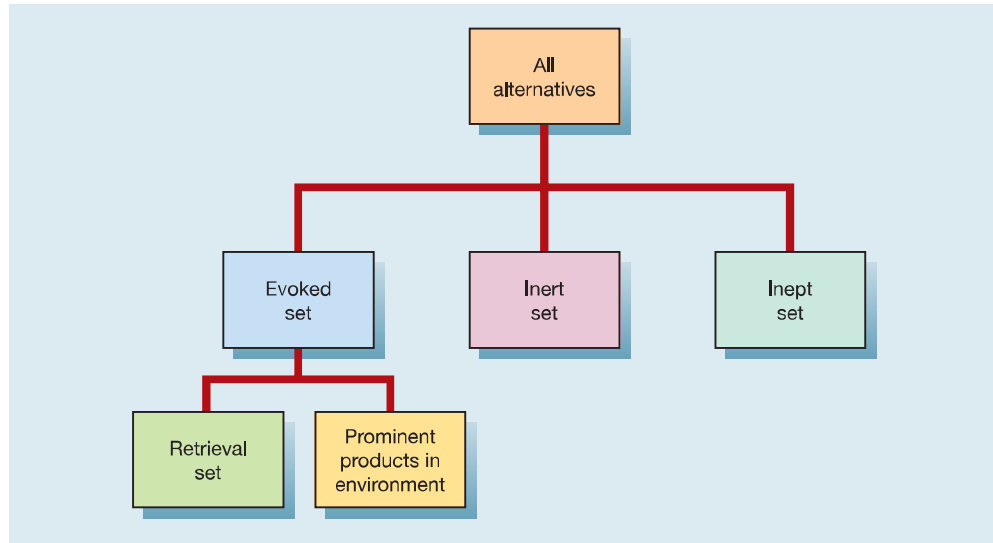


Figure 8.6 Identifying alternatives: getting in the game

her *inept set*, while those not under consideration at all comprise the *inert set*. You can easily guess in which set a marketer wants its brand to appear! These categories are depicted in Figure 8.6.

Consumers often include a surprisingly small number of alternatives in their evoked set. One study combined results from several large-scale investigations of consumers' evoked sets and found that the number of products included in these sets was limited, although there were some marked variations by product category and across countries. For example, the average evoked set size for American beer consumers was fewer than three, whereas Canadian consumers typically considered seven brands. In contrast, while car buyers in Norway studied two alternatives, American consumers on average looked at more than eight models before making a decision.⁵⁴

For obvious reasons, a marketer who finds that her or his brand is not in the evoked set of a target market has cause to worry. A product is not likely to be placed in the evoked set after it has previously been considered and rejected. Indeed, a new brand is more likely to be added to the evoked set than is an existing brand that was previously considered but passed over, even after additional positive information has been provided for that brand.⁵⁵ For marketers, consumers' unwillingness to give a rejected product a second chance underlines the importance of ensuring that it performs well from the time it is introduced.

Product categorization

Remember that when consumers process product information, they do not do so in a vacuum. Instead, a product stimulus is evaluated in terms of what people already know about a product or those things to which it is similar. A person evaluating a particular 35-mm camera will most likely compare it with other 35-mm cameras rather than to a Polaroid camera, and the consumer would certainly not compare it with a slide projector or DVD. Since the category in which a product is placed determines the other products it will be compared with, *categorization* is a crucial determinant of how a product is evaluated.

The products in a consumer's evoked set are likely to be those that share some similar features. This process can either help or hurt a product, depending on what people

compare it with. When faced with a new product, consumers refer to their already existing knowledge in familiar product categories to form new knowledge.⁵⁶

- **cognitive structure**, which refers to a set of factual knowledge about products (beliefs) and the way these beliefs are organized in people's minds.⁵⁷ We discussed these knowledge structures in Chapter 4. One reason is that marketers want to ensure that their products are correctly grouped. For example, General Foods brought out a new line of Jell-O flavours, such as Cranberry Orange, that it called Jell-O Gelatin Flavors for Salads. Unfortunately, the company discovered that people would use it only for salad, because the name encouraged them to put the product in their 'salad' structure rather than in their 'dessert' structure. The product line was dropped.⁵⁸



marketing pitfall

Kimberly-Clark Corp., the maker of successful paper products including Kleenex and Scott tissues, learned the hard way about the perils of product categorization and consumers' resistance to new categories. The company announced 'the most significant category innovation since toilet paper first appeared in roll form in 1890': Cottonelle Fresh Rollwipes, a roll of moist wipes in a plastic dispenser that clips onto a regular toilet-paper holder. To quiet skeptics who questioned whether Americans would change their habits so dramatically, Kimberly-Clark unveiled its research showing that 63% of adults were already in the habit of wetting toilet paper or using a wipe.

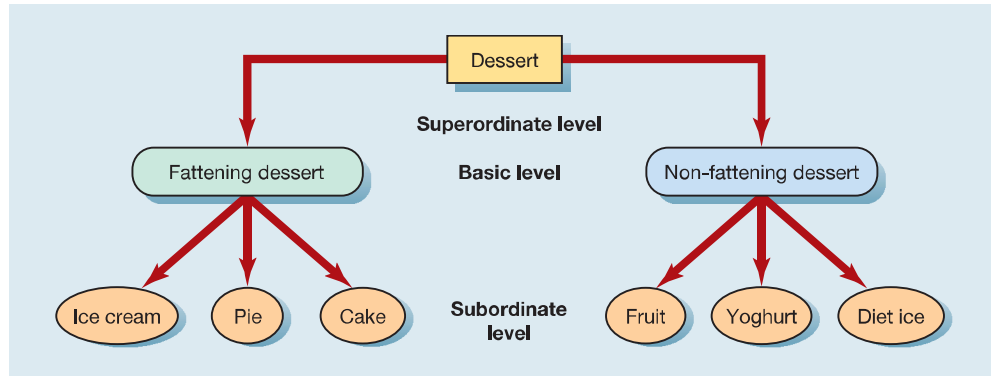
Although the company spent more than \$100 million to develop the roll and dispenser and guards it with more than 30 patents, high hopes for the product have been disappointed. Part of the problem is that the company is dealing with a product most people don't even want to discuss in the first place, and its advertising failed to show consumers what the wipes even do. Its ad agency tried to create a fun image with TV ads showing shots of people splashing in the water from behind with the slogan, 'sometimes wetter is better.' A print ad with an extreme close-up of a sumo wrestler's derriere didn't go over much better. To make matters worse, the company didn't design a version in small product sizes so it couldn't give away free samples. And, the wipes are packaged in a container that is immediately visible in a bathroom – another 'own goal' for people already bashful about buying the product.⁵⁹

Levels of categorization

Not only do people group things into categories, but these groupings occur at different levels of specificity. Typically, a product is represented in a cognitive structure at one of three levels. To understand this idea, consider how someone might respond to these questions about an ice-cream cone: What other products share similar characteristics, and which would be considered as alternatives to eating a cone?

These questions may be more complex than they first appear. At one level, a cone is similar to an apple, because both could be eaten as a dessert. At another level, a cone is similar to a slice of pie, because both are eaten for dessert and both are fattening. At still another level, a cone is similar to an ice-cream sundae – both are eaten for dessert, are made of ice cream and are fattening.

It is easy to see that the items a person associates with, say, the category 'fattening dessert' influence the choices he or she will make for what to eat after dinner. The middle level, known as a *basic level category*, is typically the most useful in classifying products, because items grouped together tend to have a lot in common with each other, but still permit a range of alternatives to be considered. The broader *superordinate category* is more abstract, whereas the more specific *subordinate category* often includes individual brands.⁶⁰ These three levels are depicted in Figure 8.7.

Figure 8.7 Levels of abstraction in categories of dessert

Of course, not all items fit equally well into a category. Apple pie is a better example of the subordinate category 'pie' than is rhubarb pie, even though both are types of pie. Apple pie is thus more *prototypical*, and would tend to be considered first, especially by category novices. In contrast, pie experts will tend to have knowledge about both typical and atypical category examples.⁶¹

Strategic implications of product categorization

Product categorization has many strategic implications. The way a product is grouped with others has very important ramifications for determining both its competitors for adoption and what criteria will be used to make this choice.

Product positioning

The success of a *positioning strategy* often hinges on the marketer's ability to convince the consumer that his or her product should be considered within a given category. For example, the orange juice industry tried to reposition orange juice as a drink that could be enjoyed all day long ('It's not just for breakfast anymore'). On the other hand, soft drinks companies are now attempting the opposite by portraying carbonated drinks as suitable for breakfast consumption. They are trying to make their way into consumers' 'breakfast drink' category, along with orange juice, grapefruit juice and coffee. Of course, this strategy can backfire, as PepsiCo discovered when it introduced Pepsi A.M. and positioned it as a coffee substitute. The company did such a good job of categorizing the drink as a morning beverage that customers wouldn't drink it at any other time, and the product failed.⁶²

Identifying competitors

At the abstract, superordinate level, many different product forms compete for membership. The category 'entertainment' might comprise both bowling and the ballet, but not many people would consider the substitution of one of these activities for the other. Products and services that on the surface are quite different, however, actually compete with each other at a broad level for consumers' discretionary cash. While bowling or ballet may not be a likely trade-off for many people, it is feasible, for example, that a symphony orchestra might try to lure away season ticket-holders to the ballet by positioning itself as an equivalent member of the category 'cultural event'.⁶³

Consumers are often faced with choices between non-comparable categories, in which a number of attributes exist that cannot be directly related to one another (the old problem of comparing apples and oranges). The comparison process is easier when consumers can derive an overlapping category that encompasses both items (for instance,

entertainment, value, usefulness) and then rate each alternative in terms of that superordinate category.⁶⁴

Exemplar products

As we saw with the case of apple pie versus rhubarb, if a product is a really good example of a category it is more familiar to consumers and is more easily recognized and recalled.⁶⁵ Judgements about category attributes tend to be disproportionately influenced by the characteristics of category exemplars.⁶⁶ In a sense, brands that are strongly associated with a category 'call the shots' by defining the evaluative criteria that should be used to evaluate all category members.

Being a bit less than prototypical is not necessarily a bad thing, however. Products that are moderately unusual within their product category may stimulate more information processing and positive evaluations, because they are neither so familiar that they will be taken for granted nor so discrepant that they will be dismissed.⁶⁷ A brand that is strongly discrepant may occupy a unique niche position, whereas those that are moderately discrepant remain in a distinct position within the general category.⁶⁸

Locating products

Product categorization also can affect consumers' expectations regarding the places where they can locate a desired product. If products do not clearly fit into categories (is a carpet furniture?), consumers' ability to find them or make sense of them may be diminished. For instance, a frozen dog food that had to be thawed and cooked failed in the market, partly because people could not adapt to the idea of buying dog food in the 'frozen foods for people' section of their supermarkets.

■ PRODUCT CHOICE: SELECTING AMONG ALTERNATIVES

Once the relevant options from a category have been assembled and evaluated, a choice must be made among them.⁶⁹ Recall that the decision rules guiding choice can range from very simple and quick strategies to complicated processes requiring much attention and cognitive processing. The choice can be influenced by integrating information from sources such as prior experience with the product or a similar one, information present at the time of purchase, and beliefs about the brands that have been created by advertising.⁷⁰

Evaluative criteria

When Daniel was looking at different television sets, he focused on one or two product features and completely ignored several others. He narrowed down his choices by only considering two specific brand names, and from the Prime Wave and Precision models, he chose one that featured stereo capability.

- **Evaluative criteria** are the dimensions used to judge the merits of competing options. In comparing alternative products, Daniel could have chosen from among any number of criteria, ranging from very functional attributes ('does this TV come with remote control?') to experiential ones ('does this TV's sound reproduction make me imagine I'm in a concert hall?').

Another important point is that criteria on which products *differ* from one another carry more weight in the decision process than do those where the alternatives are *similar*. If all brands being considered rate equally well on one attribute (e.g. if all TVs come with remote control), consumers will have to find other reasons to choose one over

- another. The attributes actually used to differentiate among choices are **determinant attributes**.

Marketers can play a role in educating consumers about which criteria should be used as determinant attributes. For example, research indicated that many consumers view the use of natural ingredients as a determinant attribute. The result was promotion of toothpaste made from baking soda, which the company, Church & Dwight, already manufactured for its Arm & Hammer brand.⁷¹ Sometimes a company can even invent a determinant attribute: PepsiCo accomplished this by stamping freshness dates on soda cans. The company spent about \$25 million on an advertising and promotional campaign to convince consumers that there's nothing quite as horrible as a stale can of soda – even though it has been estimated that 98 per cent of all cans are consumed well before this could be a problem. Six months after introducing the campaign, an independent survey found that 61 per cent of respondents felt that freshness dating is an important attribute for a soft drink.⁷²

The decision about which attributes to use is the result of *procedural learning*, in which a person undergoes a series of cognitive steps before making a choice. These steps include identifying important attributes, remembering whether competing brands differ on those attributes, and so on. In order for a marketer to recommend a new decision criterion effectively, his or her communication should convey three pieces of information:⁷³



This advert for Powerade uses a series of explicit appeals linked to different evaluation criteria such as endurance, speed, energy and co-ordination.

The Advertising Archives

- It should point out that there are significant differences among brands on the attribute.
- It should supply the consumer with a decision-making rule, such as *if* (deciding among competing brands), *then* . . . (use the attribute as a criterion).
- It should convey a rule that can be easily integrated with how the person has made this decision in the past. Otherwise, the recommendation is likely to be ignored because it requires too much mental work.



marketing
opportunity

Cybermediaries

As anyone who's ever typed a phrase like 'home theatres' into a search engine like Google knows, the Web delivers enormous amounts of product and retailer information in seconds. In fact, the biggest problem Web surfers face these days is narrowing down their choices, not increasing them. In cyberspace, simplification is key. Some people even use web filters like intermute.com to remove soundtracks, pop-up frames and other distractions from the sites they find.

With the tremendous number of websites available, and the huge number of people surfing the Web each day, how can people organize information and decide where to click? One type of business that is growing to meet this demand is called a **cybermediary**. This is an intermediary that helps to filter and organize online market information so that customers can identify and evaluate alternatives more efficiently.⁷⁴ Cybermediaries take different forms.⁷⁵

- *Directories and portals* such as Yahoo! or fashionmall.com are general services that tie together a large variety of different sites.
- *Website evaluators* reduce the risk to consumers by reviewing sites and recommending the best ones. For example, Point Communications selects sites that it designates as 'Top 5%' of the Web.
- *Forums, fan clubs and user groups* offer product-related discussions to help customers sift through options.
- *Intelligent agents* are sophisticated software programs that use *collaborative filtering* technologies to learn from past user behaviour in order to recommend new purchases. For example, when you let Amazon.com suggest a new book, it's using an intelligent agent to suggest novels based on what you and others like you have bought in the past. This approach was introduced in 1995 (the Stone Ages in web time!) by Firefly to make recommendations for taste-based products like music, books and films.⁷⁶ Now, a variety of 'shopping bots' are available to act as online purchasing shopping agents, including clickthebutton.com, mysimon.com, dealttime.com and Ask Jeeves. Collaborative filtering is still in its infancy. In the next few years, expect to see many new web-based methods developed to simplify the consumer decision-making process. Now if only someone could come up with an easier way to pay for all the great stuff you find courtesy of shopping bots!

Heuristics: mental short cuts

Do we actually perform complex mental calculations every time we make a purchase decision? Of course not! To simplify decisions, consumers often employ decision rules that allow them to use some dimensions as substitutes for others. For example, Daniel relied on certain assumptions as substitutes for prolonged information search. In particular, he assumed the selection at the out-of-town big shed retailer would be more than sufficient, so he did not bother to investigate any of its competitors. This assumption served as a short cut to more extended information processing.⁷⁷



Search engines like Ask Jeeves simplify the process of online information search.

<http://www.ask.com/>. Courtesy of Ask Jeeves, Inc.

- Especially where limited problem-solving occurs prior to making a choice, consumers often fall back on **heuristics**, or mental rules-of-thumb that lead to a speedy decision. These rules range from the very general ('Higher-priced products are higher-quality products' or 'Buy the same brand I bought last time') to the very specific ('Buy Silver Spoon, the brand of sugar my mother always bought').⁷⁸

Sometimes these short cuts may not be in consumers' best interests. A consumer who personally knows one or two people who have had problems with a particular make of car, for example, might assume he or she would have similar trouble with it and thus overlook the model's overall excellent repair record.⁷⁹ The influence of such assumptions may be enhanced if the product has an unusual name, which makes it *and* the experiences with it more distinctive.⁸⁰

Relying on a product signal

- One frequently used short cut is the tendency to infer hidden dimensions of products from observable attributes. The aspect of the product that is visible acts as a **product signal** that communicates some underlying quality. Such inferences explain why someone trying to sell a used car takes great pains to be sure the car's exterior is clean and shiny: potential buyers often judge the vehicle's mechanical condition by its appearance, even though this means they may drive away in a shiny, clean death trap.⁸¹



Consumers often simplify choices by using heuristics such as automatically choosing a favourite colour or brand.

iParty Corp.

When product information is incomplete, judgements are often derived from beliefs about *covariation*, or perceived associations among events that may or may not actually influence one another.⁸² For example, a consumer may form an association between product quality and the length of time a manufacturer has been in business. Other signals or attributes believed to co-exist with good or bad products include well-known brand names, country of origin, price and the retail outlets that carry the product.

Unfortunately, consumers tend to be poor estimators of covariation. Their beliefs persist despite evidence to the contrary. Similar to the consistency principle discussed in Chapter 5, people tend to see what they are looking for. They will look for product information that confirms their guesses. In one experiment, consumers sampled four sets of products to determine if price and quality were related. Those who believed in this relationship prior to the study elected to sample higher-priced products, thus creating a sort of self-fulfilling prophecy.⁸³

Market beliefs: is it better if I have to pay more for it?

Consumers often form assumptions about companies, products and stores. These market beliefs then become the short cuts that guide their decisions – whether or not they are accurate.⁸⁴ Recall, for instance, that Daniel chose to shop at a large ‘electronics supermarket’ because he *assumed* the prices would be more competitive there than at a specialized shop. A large number of **market beliefs** have been identified. Some of these

- are listed in Table 8.3. How many do you share?

Table 8.3 Common market beliefs

Brand	<p>All brands are basically the same.</p> <p>Generic products are just name brands sold under a different label at a lower price.</p> <p>The best brands are the ones that are purchased the most.</p> <p>When in doubt, a national brand is always a safe bet.</p>
Store	<p>Specialized shops are good places to familiarize yourself with the best brands; but once you know what you want, it's cheaper to buy it at a discount outlet.</p> <p>A store's character is reflected in its window displays.</p> <p>Sales people in specialized shops are more knowledgeable than other sales personnel.</p> <p>Larger stores offer better prices than small stores.</p> <p>Locally owned stores give the best service.</p> <p>A store that offers a good value on one of its products probably offers good values on all of its items.</p> <p>Credit and return policies are most lenient at large department stores.</p> <p>Stores that have just opened usually charge attractive prices.</p>
Prices/Discounts/Sales	<p>Sales are typically run to get rid of slow-moving merchandise.</p> <p>Stores that are constantly having sales don't really save you money.</p> <p>Within a given store, higher prices generally indicate higher quality.</p>
Advertising and sales promotion	<p>'Hard-sell' advertising is associated with low-quality products.</p> <p>Items tied to 'giveaways' are not good value (even with the freebie).</p> <p>Coupons represent real savings for customers because they are not offered by the store.</p> <p>When you buy heavily advertised products, you are paying for the label, not for higher quality.</p>
Product/Packaging	<p>Largest-sized containers are almost always cheaper per unit than smaller sizes.</p> <p>New products are more expensive when they're first introduced; prices tend to settle down as time goes by.</p> <p>When you are not sure what you need in a product, it's a good idea to invest in the extra features, because you'll probably wish you had them later.</p> <p>In general, synthetic goods are lower in quality than goods made of natural materials.</p> <p>It's advisable to stay away from products when they are new to the market; it usually takes the manufacturer a little time to sort out the bugs.</p>

Source: Adapted from Calvin P. Duncan, 'Consumer Market Beliefs: A Review of the Literature and an Agenda for Future Research', in Marvin E. Goldberg, Gerald Gorn and Richard W. Pollay, eds, *Advances in Consumer Research* 17 (Provo, UT: Association for Consumer Research, 1990): 729-35.

Do higher prices mean higher quality? The assumption of a *price-quality relationship* is one of the most pervasive market beliefs.⁸⁵ Novice consumers may in fact consider price as the *only* relevant product attribute. Experts also consider this information, although in these cases price tends to be used for its informational value, especially for products (e.g. virgin wool) that are known to have wide quality variations in the marketplace. When this quality level is more standard or strictly regulated (e.g. Harris Tweed sports jackets), experts do not weigh price in their decisions. For the most part, this belief is justified; you do tend to get what you pay for. However, let the buyer beware: the price-quality relationship is not always justified.⁸⁶

Country of origin as a product signal

Modern consumers choose among products made in many countries. European consumers may buy Portuguese, Italian or Brazilian shoes, Japanese cars, clothing imported from Taiwan, or microwave ovens built in South Korea. Consumers' reactions to these imports are mixed. In some cases, people have come to assume that a product made overseas is of better quality (cameras, cars), whereas in other cases the knowledge that a product has been imported tends to lower perceptions of product quality (apparel).⁸⁷ In general, people tend to rate their own country's products more favourably than do foreigners, and products from industrialized countries are rated better than are those from developing countries.

- As briefly discussed in Chapter 6 when we were talking about persuasive communication, a product's **country of origin** in some cases is an important piece of information in the decision-making process.⁸⁸ A product's origin, then, is often used as a signal of quality. Certain items are strongly associated with specific countries, and products from those countries often attempt to benefit from these linkages. Countries, in their turn, can be very protective of product names which potentially provide them with an important competitive advantage in winning customers. The European Union has been trying to achieve a global trade agreement to protect some of its product names such as champagne and wines like Beaujolais, chianti and Madeira; cheeses such as Roquefort, Feta and Gorgonzola; as well as meat products like Parma ham and Mortadella sausages. This has been opposed in some non-EU countries where these names are seen as generic.⁸⁹ Country of origin can function as a **stereotype** – a knowledge structure based



A product's country-of-origin in some cases is an important piece of information in the decision-making process. Certain items are strongly associated with specific countries, and products from those countries often attempt to benefit from these linkages.

Sopexa USA. © Copyright ONIVINS and Isabelle Dervaux

on inferences across products. These stereotypes may be biased or inaccurate, but they do play a constructive role in simplifying complex choice situations.⁹⁰ For example, a Brazilian soft drinks company is now trying to market a beverage it is calling Samba in the United States. Samba is made from the guaraná berry, and this sweet, flowery-tasting soft drink is extremely popular in Brazil. The company is capitalizing on the carefree, partying image that many Americans have of Brazilians to get them to try it. In its commercials, a scantily clad woman says, 'In Brazil we do things a little differently. We laugh a little more, wear a little less and dance the samba. Dance the dance. Drink the drink.'⁹¹

One study showed college students in Ireland, the USA and Australia photographs of 'Irish pubs' taken in each of those three countries and asked them to guess which were the authentic ones from Ireland. Most respondents were more likely to pick the bars that were not actually the Irish ones; the bars in the USA and Australia tended to contain more stereotypical Irish decorations like four-leaf clovers that you're not as likely to find in the original article.⁹²



marketing opportunity

The growing popularity of *faux* Irish pubs around the world attests to the power of country stereotypes to influence consumers' preferences. About 800 Irish-themed pubs have been opened in countries including South Africa, Italy, Hong Kong and Russia. The Irish brewer Guinness PLC encourages the establishment of these outputs, since an Irish pub is mere blarney without Guinness on tap. The company helps owners design the pub and even assists in locating Irish bar staff to dispense its thick brew. As one Guinness executive explained, 'We created a mythology of an Irish ambience.'⁹³ Since Guinness launched its Irish Pub Concept in 1992 it has helped over 1,250 entrepreneurs in 36 countries establish their own Irish pubs. Aspiring publicans can choose from five pre-set designs: Victorian Dublin, Irish Brewery Pub, Irish Pub Shop, Irish County Cottage or Gaelic.



multicultural dimensions

Japanese consumers have a strong interest in European and American products, and other countries work hard to cultivate a favourable image in the discriminating Japanese market. Dentsu, the largest Japanese advertising agency, has conducted several studies for the Commission of the European Union to determine how Japanese consumers perceive European countries, the United States and some Asian countries, and how they evaluate products from those countries.

The study involved personal interviews with 1,600 consumers ranging in age from 15 to 59. Respondents rated countries on such overall dimensions as 'rich in history/tradition', 'abundant natural scenery' and 'would like to visit', as well as on product-related characteristics, such as 'high-quality, performance products' and 'well-designed, stylish products'. The results showed that the Japanese public associates Europe with history, tradition and well-designed products, while American advanced technology and agriculture are highly rated (products from South Korea and Taiwan tended to be rated lower than those from the United States or Europe).

Overall, respondents told the researchers that foreign products (i.e. non-Japanese) are well regarded in terms of style, but are assumed to be lower in technological sophistication than most Japanese products. There was also a widespread feeling that many non-Japanese products are not well suited to Japanese needs. These consumers felt that many foreign goods are too expensive and need more thorough after-sales service.

A perceptual map (these were described in Chapter 2) summarizing Japanese consumers' images of European countries and the United States is shown in Figure 8.8. The five countries in Group 1 have the most 'image wealth': they are strong in both overall appeal and in ratings

Figure 8.8 Perceptual positioning by country of origin among Japanese consumers



of product quality. Germany is the sole country in Group 2, indicating that its products are better regarded than is the country as a whole. The countries in Group 3 have positive images, but have yet to transfer these good feelings to their products. Finally, the countries in Group 4 appear to have their work cut out if they hope to win over the hearts and wallets of Japanese consumers.⁹⁴

Recent evidence indicates that learning of a product's country of origin is not necessarily good or bad. Instead, it has the effect of stimulating the consumer's interest in the product to a greater degree. The purchaser thinks more extensively about the product and evaluates it more carefully.⁹⁵ The origin of the product can thus act as a product attribute that combines with other attributes to influence evaluations.⁹⁶ In addition, the consumer's own expertise with the product category moderates the effects of this attribute. When other information is available, experts tend to ignore country-of-origin information, whereas novices continue to rely on it. However, when other information is unavailable or ambiguous, both experts and novices will rely on this attribute to make a decision.⁹⁷

The tendency to prefer products or people of one's own culture to those from other countries is called **ethnocentrism**. Ethnocentric consumers are likely to feel it is wrong



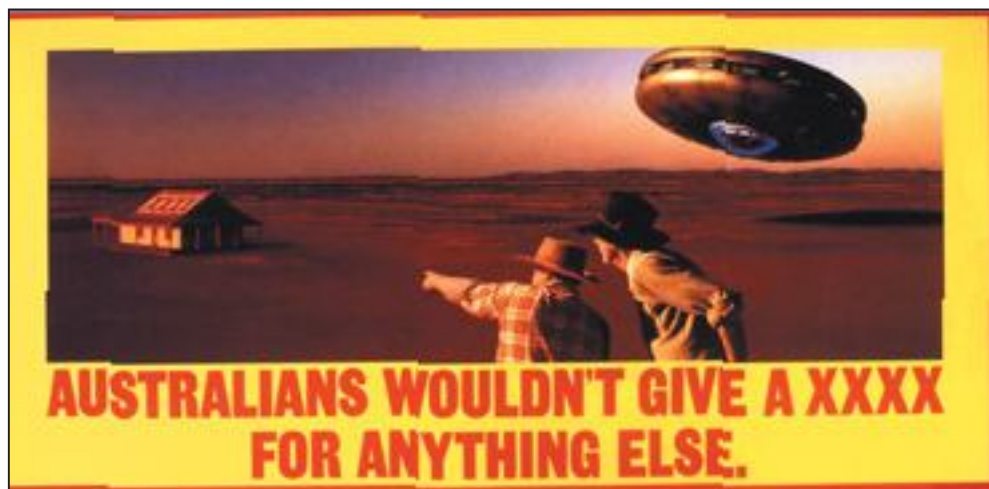
Some countries are strongly associated with certain types of alcoholic products. This Polish ad plays on these stereotypes.

Grey Worldwide Warszawa. Photo: Jacek Wolowski

to buy products from other countries, particularly because of the negative effect this may have on the domestic economy. Marketing campaigns stressing the desirability of 'buying American' in the United States are more likely to appeal to this consumer segment. This trait has been measured on the Consumer Ethnocentrism Scale (CETSCALE) that was devised for this purpose. The scale identifies ethnocentric consumers by their extent of agreement with statements such as:

- purchasing foreign-made products is un-American,
- curbs should be put on all imports,
- American consumers who purchase products made in other countries are responsible for putting their fellow Americans out of work.⁹⁸

Americans are not the only people who display ethnocentrism. Citizens of many countries tend to feel that their native products are superior (just ask a Frenchman to choose



This advertisement illustrates Australian ethnocentrism by emphasizing the importance placed by Australian consumers on drinking their own 'XXXX' beer, as opposed to any other beverage.

The Advertising Archives

between French or Californian wines!). Many Canadians are concerned about the dilution of their culture due to a strong US influence. In one poll, 25 per cent of the country's citizens identified 'life, liberty, and the pursuit of happiness' as a Canadian constitutional slogan rather than an American one.⁹⁹ Canadian nationalism was stoked by a commercial for Molson Canadian beer called 'The Rant' that almost overnight became an unofficial anthem in Canada. A flannel-shirted young Canadian walks onto a stage and calmly begins explaining away Canadian stereotypes: 'I'm not a lumberjack or a fur trader. I don't live in an igloo or eat blubber or own a dog sled . . . My name is Joe and I . . . AM . . . CANADIAN! . . .' In the six weeks after the ad started airing, the Molson brand gained almost two points in market share.¹⁰⁰ The scale for testing for ethnocentrism (CETSCALE) was originally developed in the USA, and its applicability in other cultural contexts such as Spain is currently being explored.¹⁰¹

Choosing familiar brand names: loyalty or habit?

Branding is a marketing strategy that often functions as a heuristic. People form preferences for a favourite brand, and then they literally may never change their minds in the course of a lifetime. In a study of the market leaders in 30 product categories by the Boston Consulting Group, it was found that 27 of the brands that were number one in 1930 in the United States remain at the top today. These include such perennial American favourites as Ivory Soap, Campbell's Soup and Gold Medal Flour.¹⁰² A recent study has applied cultural theory to understanding how brands become icons over time.¹⁰³

A brand that exhibits that kind of staying power is treasured by marketers, and for good reason. Brands that dominate their markets are as much as 50 per cent more profitable than their nearest competitors.¹⁰⁴ A survey on brand power in Asia, Australia, South Africa, Europe and the United States calculated brand scores to produce the list of the most positively regarded brand names around the world given in Table 8.4.¹⁰⁵

In a survey of global brands, Interbrand and *BusinessWeek* identified the importance for companies of building 'communities around their products and services creating "cult brands" that enable customers to feel as if they own the brand. Cutting-edge technology companies did well as four of the top five biggest gainers in brand value are from the tech sector, while long-established brands such as Coca-Cola, Disney and Ford actually lost brand value . . . the overall number of American companies on the list dropped from 64 to 58.¹⁰⁶

Consumers' attachments to certain brands, such as Marlboro, Coca-Cola and Levi's, are so powerful that this loyalty is often considered as a positive product attribute in and of itself. Brand equity can actually be quantified in terms of *goodwill*, defined as

Table 8.4 The most positively regarded brand names around the world

	1990	1996
1	Coca-Cola	McDonald's
2	Kellogg's	Coca-Cola
3	McDonald's	Disney
4	Kodak	Kodak
5	Marlboro	Sony
6	IBM	Gillette
7	American Express	Mercedes-Benz
8	Sony	Levi's
9	Mercedes-Benz	Microsoft
10	Nescafé	Marlboro

the difference between the market value and the book value of a brand. The British company Grand Metropolitan recorded the brand names it had acquired on its balance sheets, including these intangible assets in its financial reports to shareholders.¹⁰⁷ In 1992, Marlboro was the most valuable brand name in the world, valued at \$31.2 billion.¹⁰⁸ By 2004, Marlboro was the tenth most valuable brand name in the world, valued at \$22.13 billion, with Coca-Cola leading the world's brands and valued at \$67.39 billion.¹⁰⁹

However, there are growing concerns about the impact of geopolitics on some of the iconic US brands in European markets (e.g. Germany and France) where Coca-Cola, Marlboro, McDonald's, Wal-Mart, Disney and Gap have all reported weak or falling sales, though the companies also point to local factors.¹¹⁰ A recent survey of 8,000 consumers in eight countries showed strong evidence of the potential influence of politics on consumer behaviour, with 20 per cent of European and Canadian consumers saying that they would refrain from buying US brands because of US foreign policy.¹¹¹



multicultural dimensions

'Is the world falling out of love with US brands?'

'For more than half a century, the US and its products have stood for progress, glamour and freedom in the minds of consumers around the world. However poll after poll has shown that allegations of human rights abuses and the failure to find weapons of mass destruction in Iraq have tarnished the international reputation of the US. But geopolitics is easily left behind when shoppers get to the till. Those activists who express their anger at the US through conscious boycotts of its companies remain a small minority ...

The bigger question worrying the business world is whether the opinion poll data point to a more subtle tarnishing of US brands in the minds of millions of ordinary consumers. If the American dream played such an important role in the growth of iconic US brands, what happens if significant numbers of consumers begin to think of the US as a bit of a nightmare?

Mr Nye, a former dean of Harvard's Kennedy School of Government and assistant secretary of defence in the Clinton administration, is one of many who are certain of the connection. 'US brands have benefited from a sense that it is fashionable, chic and modern to be American,' he says. 'The other side of that coin is when US policies become unpopular, there is a cost.'

Earl Taylor, chief marketing officer of the Marketing Science Institute, a US think-tank, takes a different view: 'Consumers are able to compartmentalise the brands of a country from its foreign policy,' he says. 'If there was a simple relationship between US brands and foreign policy we would have seen it decades ago.' Could it be that it is the era of one-size-fits-all global brands, rather than US dominance of consumer markets, that is coming to an end?

But there is growing evidence that this is a problem that US companies cannot afford to ignore. In European markets such as Germany and France many iconic US names - Coca-Cola, Marlboro, McDonald's, Wal-Mart, Disney, Gap - have reported weak or falling sales, though each blames other local factors. Not all brands are treated the same, of course. Companies such as Kodak, Kleenex, Visa and Gillette are simply not perceived as American. Users of Microsoft software might know its heritage but have few alternatives. Technology companies also seem immune - as the worldwide success of Apple's iPod and the Chinese purchase of IBM's consumer PC business demonstrate.

But among those consumer companies perceived as American, and vulnerable to boycotts, there is a remarkably consistent set of problems in the countries that have seen the biggest swing in public opinion. Coca-Cola, which makes 80 per cent of its profits outside North America, sold 16 per cent less beverages to Germans in the third quarter of 2004 than a year previously. McDonald's blamed falling German sales for virtually eliminating growth across Europe. And Altria sold 24.5 per cent fewer Marlboro cigarettes in France and 18.7 per cent fewer in Germany during the third quarter.

In each instance other factors play a role. The falling dollar masks problems by inflating repatriated profits and lowering the cost of exports. Marlboro, for example, blames tax changes that encourage customers to trade down to cheaper brands. Coke says German bottling laws have a similar effect. But neither seems able to overcome such obstacles as well as it used to. Most importantly, some European companies such as Unilever and Nestlé have experienced their own problems with weak consumer spending.

Neville Isdell, new chief executive of Coca-Cola, is typical of many business leaders who work hard to stress local credentials with sports sponsorship and customised advertising. 'We are not an American brand,' he says. Starbucks, the coffee chain, has thrived by making more of its products' associations with the developing world than of its own Seattle heritage.

If nothing else, the trend reveals a declining confidence in the aspirational pull of the US. Simon Anholt, author of *Brand America*, sums up how far the US has slipped from its pedestal: 'The world's love affair with America isn't exactly over, but it has stopped being a blind and unquestioning kind of love.'¹¹²

Inertia: the fickle customer

- Many people tend to buy the same brand just about every time they go shopping. This consistent pattern is often due to **inertia** – a brand is bought out of habit merely because less effort is required. If another product is introduced that is for some reason easier to buy (for instance, it is cheaper or the original product is out of stock), the consumer will not hesitate to do so. A competitor who is trying to change a buying pattern based on inertia often can do so rather easily, because little resistance to brand switching will be encountered if the right incentive is offered. Since there is little to no underlying commitment to a particular brand, promotional tools such as point-of-purchase displays, extensive couponing, or noticeable price reductions may be sufficient to 'unfreeze' a consumer's habitual pattern.

Brand loyalty: a 'friend', tried and true

- This kind of fickleness will not occur if true **brand loyalty** exists. In contrast to inertia, brand loyalty is a form of repeat purchasing behaviour reflecting a *conscious* decision to continue buying the same brand.¹¹³ For brand loyalty to exist, a pattern of repeat purchase must be accompanied by an underlying positive attitude towards the brand. Brand loyalty may be initiated by customer preference based on objective reasons, but after the brand has existed for a long time and is heavily advertised it can also create an emotional attachment, either by being incorporated into the consumer's self-image or because it is associated with prior experiences.¹¹⁴ Purchase decisions based on brand loyalty also become habitual over time, though in these cases the underlying commitment to the product is much firmer.

Compared to an inertia situation in which the consumer passively accepts a brand, a brand-loyal consumer is actively (sometimes passionately) involved with his or her favourite. Because of the emotional bonds that can come about between brand-loyal consumers and products, 'true-blue' users react more vehemently when these products are altered, redesigned or withdrawn.¹¹⁵ Recall, for example, when Coca-Cola replaced its tried-and-true formula with New Coke in the 1980s.

A decade ago, marketers struggled with the problem of *brand parity*, which refers to consumers' beliefs that there are no significant differences among brands. For example, one survey at that time found that more than 70 per cent of consumers worldwide believed that all paper towels, all soaps and all crisps are alike.¹¹⁶ Some analysts even proclaimed the death of brand names, predicting that private label or generic products that offered the same value for less money would kill off the tried-and-true products.

However, the reports of this death appear to be premature – major brands are making a dramatic comeback. Some attribute this renaissance to information overload – with too many alternatives (many of them unfamiliar names) to choose from, people seem to be looking for a few clear signals of quality. Following a period in the late 1980s and early 1990s when people had strong doubts about the ability of large companies to produce quality products, more recent surveys indicate consumers are slowly beginning to trust major manufacturers again.¹¹⁷ Brand names are very much alive.



net profit

Brand loyalty lives – online. Many brand fans create personal web pages that trumpet their allegiance to one or more favourite products. These pages may take the form of passionate essays or perhaps photo albums that show in vivid detail the ways the page creator uses the product. Many of them include external links that provide reams of additional details about the featured products. A study of these personal web pages found that the brands referenced range from common software and net application products to entertainment/entertainers (fan sites), clothing, financial/governmental/political organizations, restaurants and even household goods. In addition to providing a fascinating glimpse into how far people will go to express their allegiance to favourite products (yes, even to appliances!), these personal online ‘shrines’ to favourite products potentially are a great untapped resource for marketers that want to locate brand-loyal followers who will help them to spread the word in cyberspace.¹¹⁸

Decision rules

Consumers consider sets of product attributes by using different rules, depending on the complexity of the decision and the importance of the decision to them. As we have seen, in some cases these rules are quite simple: people simply rely on a short cut to make a choice. In other cases, though, more effort and thought is put into carefully weighing alternatives before coming to a decision.

One way to differentiate among decision rules is to divide them into those that are *compensatory* versus those that are *non-compensatory*. To aid the discussion of some of these rules, Table 8.5 summarizes the attributes of the TV sets Daniel considered. It is now possible to see how some of these rules result in different brand choices.

Non-compensatory decision rules

Simple decision rules are non-compensatory, meaning that a product with a low standing on one attribute cannot make up for this position by being better on another. Simple

- **non-compensatory decision rules** are therefore short cuts to making choices. This means that people simply eliminate all options that do not meet some basic standards. A consumer like Daniel who uses the decision rule, ‘Only buy well-known brand names’,

Table 8.5 Hypothetical alternatives for a television set

Attribute	Brand ratings			
	Importance ranking	Kamashita	Prime Wave	Precision
Size of screen	1	Excellent	Excellent	Excellent
Stereo broadcast capability	2	Good	Poor	Excellent
Brand reputation	3	Poor	Excellent	Excellent
On-screen programming	4	Poor	Excellent	Poor
Cable-ready capability	5	Good	Good	Good
Sleep timer	6	Good	Excellent	Poor

would not consider a new brand, even if it were equal or superior to existing ones. When people are less familiar with a product category or are not very motivated to process complex information, they tend to use simple, non-compensatory rules, which are summarized below:¹¹⁹

The Lexicographic Rule When the lexicographic rule is used, the brand that is the best on the most important attribute is selected. If two or more brands are seen as being equally good on that attribute, the consumer then compares them on the second most important attribute. This selection process goes on until the tie is broken. In Daniel's case, because both the Prime Wave and Precision models were tied on his most important attribute (a 26-inch screen), the Precision was chosen because of its rating on this second most important attribute – its stereo capability.

The Elimination-by-Aspects Rule Using the elimination-by-aspects rule, brands are also evaluated on the most important attribute. In this case, though, specific cut-offs are imposed. For example, if Daniel had been more interested in having a sleep timer on his TV (if that had had a higher importance ranking), he might have stipulated that his choice 'must have a sleep timer'. Because the Prime Wave model had one and the Precision did not, the Prime Wave would have been chosen.

The Conjunctive Rule Whereas the two former rules involve processing by attribute, the conjunctive rule entails processing by brand. As with the elimination-by-aspects procedure, cut-offs are established for each attribute. A brand is chosen if it meets all of the cut-offs, while failure to meet any one cut-off means it will be rejected. If none of the brands meet all of the cut-offs, the choice may be delayed, the decision rule may be changed, or the cut-offs may be modified.

If Daniel had stipulated that all attributes had to be rated 'good' or better, he would not have been able to choose any of the options. He might then have modified his decision rule, conceding that it was not possible to attain these high standards in the price range he was considering. In this case, Daniel might decide that he could live without on-screen programming, so the Precision model could again be considered.

Compensatory decision rules

- Unlike non-compensatory decision rules, **compensatory decision rules** give a product a chance to make up for its shortcomings. Consumers who employ these rules tend to be more involved in the purchase and thus are willing to exert the effort to consider the entire picture in a more exacting way. The willingness to offset good product qualities against bad ones can result in quite different choices. For example, if Daniel had not been concerned about having stereo reception, he might have chosen the Prime Wave model. But because this brand doesn't feature this highly ranked attribute, it doesn't stand a chance when he uses a non-compensatory rule.

Two basic types of compensatory rules have been identified. When using the *simple additive rule*, the consumer merely chooses the alternative that has the largest number of positive attributes. This choice is most likely to occur when his or her ability or motivation to process information is limited. One drawback to this approach for the consumer is that some of these attributes may not be very meaningful or important. An ad containing a long list of product benefits may be persuasive, despite the fact that many of the benefits included are actually standard within the product class and aren't determinant attributes at all.

The more complex version is known as the *weighted additive rule*.¹²⁰ When using this rule, the consumer also takes into account the relative importance of positively rated attributes, essentially multiplying brand ratings by importance weights. If this process sounds familiar, it should. The calculation process strongly resembles the multi-attribute attitude model described in Chapter 5.

■ CHAPTER SUMMARY

- Consumers are faced with the need to make decisions about products all of the time. Some of these decisions are very important and entail great effort, whereas others are made more or less automatically.
- Perspectives on decision-making range from a focus on habits that people develop over time to novel situations involving a great deal of risk where consumers must carefully collect and analyse information prior to making a choice. Many of our decisions are highly automated and made largely by habit. This trend is accelerating as marketers begin to introduce smart products that enable silent commerce where some purchases are made automatically by the products themselves (e.g. a malfunctioning appliance that contacts the repairer directly).
- A typical decision process involves several steps. The first is problem recognition, where the consumer first realizes that some action must be taken. This realization may be prompted in a variety of ways, ranging from the actual malfunction of a current purchase to a desire for new things based on exposure to different circumstances or advertising that provides a glimpse into what is needed to 'live the good life'.
- Once a problem has been recognized and is seen as sufficiently important to warrant some action, *information search* begins. This search may range from simply scanning memory to determine what has been done to resolve the problem in the past, to extensive fieldwork in which the consumer consults a variety of sources to amass as much information as possible. In many cases, people engage in surprisingly little search. Instead, they rely on various mental short cuts, such as brand names or price, or they may simply imitate others.
- In the *evaluation of alternatives* stage, the product alternatives that are considered comprise the individual's evoked set. Members of the evoked set usually share some characteristics; they are categorized similarly. The way products are mentally grouped influences which alternatives will be considered, and some brands are more strongly associated with these categories than are others (in other words, they are more prototypical).
- The World Wide Web has changed the way many consumers search for information. Today, the problem is often weeding out excess detail rather than searching for more. Comparative search sites and intelligent agents help to filter and guide the search process. Cybermediaries such as web portals may be relied upon to sort through massive amounts of information to simplify the decision-making process.
- Research in the field of behavioural economics illustrates that decision-making is not always strictly rational. Principles of mental accounting demonstrate that decisions can be influenced by the way a problem is posed (called framing) and whether it is put in terms of gains or losses.
- When the consumer eventually must make a product choice from among alternatives, a number of decision rules may be used. *Non-compensatory rules* eliminate alternatives that are deficient on any of the criteria the consumer has chosen to use. *Compensatory rules*, which are more likely to be applied in high-involvement situations, allow the decision maker to consider each alternative's good and bad points more carefully to arrive at the overall best choice.
- Very often, heuristics, or mental rules-of-thumb, are used to simplify decision-making. In particular, people develop many market beliefs over time. One of the most common beliefs is that price is positively related to quality. Other heuristics rely on well-known brand names or a product's country of origin as signals of product quality. When a brand is purchased consistently over time, this pattern may be due to true *brand loyalty*, or simply to *inertia* because it's the easiest thing to do.

► KEY TERMS

Behavioural influence perspective (p. 260)	Information search (p. 265)
Brand loyalty (p. 289)	Limited problem-solving (p. 262)
Cognitive structure (p. 275)	Market beliefs (p. 281)
Compensatory decision rules (p. 291)	Mental accounting (p. 269)
Country of origin (p. 283)	Non-compensatory decision rule (p. 290)
Cybermediary (p. 279)	Perceived risk (p. 271)
Determinant attributes (p. 277)	Problem recognition (p. 263)
Ethnocentrism (p. 285)	Product signal (p. 280)
Evaluative criteria (p. 277)	Prospect theory (p. 269)
Evoked set (p. 273)	Purchase momentum (p. 259)
Experiential perspective (p. 260)	Rational perspective (p. 259)
Extended problem-solving (p. 261)	Silent commerce (p. 263)
Habitual decision-making (p. 262)	Stereotype (p. 283)
Heuristics (p. 280)	Variety seeking (p. 267)
Inertia (p. 289)	

CONSUMER BEHAVIOUR CHALLENGE

- 1 If people are not always rational decision-makers, is it worth the effort to study how purchasing decisions are made? What techniques might be employed to understand experiential consumption and to translate this knowledge into marketing strategy?
- 2 List three product attributes that can be used as quality signals and provide an example of each.
- 3 Explain the 'evoked set'. Why is it difficult to place a product in a consumer's evoked set after it has already been rejected? What strategies might a marketer use in an attempt to accomplish this goal?
- 4 Define the three levels of product categorization described in the chapter. Diagram these levels for a health club.
- 5 Discuss two different non-compensatory decision rules and highlight the difference(s) between them. How might the use of one rule versus another result in a different product choice?
- 6 Choose a friend or parent who shops for groceries on a regular basis and keep a log of their purchases of common consumer products during the term. Can you detect any evidence of brand loyalty in any categories based on consistency of purchases? If so, talk to the person about these purchases. Try to determine if his or her choices are based on true brand loyalty or on inertia. What techniques might you use to differentiate between the two?
- 7 Form a group of three. Pick a product and develop a marketing plan based on each of the three approaches to consumer decision-making: rational, experiential and behavioural influence. What are the major differences in emphasis among the three

perspectives? Which is the most likely type of problem-solving activity for the product you have selected? What characteristics of the product make this so?

- 8** Find a person who is about to make a major purchase. Ask that person to make a chronological list of all the information sources consulted prior to making a decision. How would you characterize the types of sources used (i.e. internal versus external, media versus personal, etc.)? Which sources appeared to have the most impact on the person's decision?
- 9** Perform a survey of country-of-origin stereotypes. Compile a list of five countries and ask people what products they associate with each. What are their evaluations of the products and likely attributes of these different products? The power of a country stereotype can also be demonstrated in another way. Prepare a brief description of a product, including a list of features, and ask people to rate it in terms of quality, likelihood of purchase, and so on. Make several versions of the description, varying only the country from which it comes. Do ratings change as a function of the country of origin?
- 10** Ask a friend to 'talk through' the process he or she used to choose one brand rather than others during a recent purchase. Based on this description, can you identify the decision rule that was most likely employed?
- 11** Technology has the potential to make our lives easier by reducing the amount of clutter we need to work through in order to access the information on the internet that really interests us. On the other hand, perhaps intelligent agents that make recommendations based only on what we and others like us have chosen in the past limit us - they reduce the chance that we will stumble upon something (e.g. a book on a topic we've never heard of, or a music group that's different from the style we usually listen to). Will the proliferation of shopping 'bots make our lives too predictable by only giving us more of the same? If so, is this a problem?
- 12** Give one of the scenarios described in the section on biases in decision-making to 10 to 20 people. How do the results you obtain compare with those reported in the chapter?
- 13** Think of a product you recently shopped for online. Describe your search process. How did you become aware you wanted/needed the product? How did you evaluate alternatives? Did you end up buying online? Why, or why not? What factors would make it more or less likely that you would buy something online rather than in a traditional store?
- 14** Consider the five types of perceived risk in Figure 8.5 of this chapter within the context of making a decision to purchase a new diamond. Review the following websites, and discuss the kinds of risk you would consider in buying a diamond on the Web: www.diamond.com, www.mondera.com, www.bluenile.com.

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SHOPPING, BUYING, EVALUATING AND DISPOSING

9



Helmut's old VW barely resembled a car any more. His friends at the last Green Party meeting commented on the fading Greenpeace sticker on the windscreen and the growing oil spots on the road under his old car. They had also discussed with great enthusiasm the new ecologically sound hybrid cars soon to be introduced on the German market and suggested that Helmut ought to think about getting one. His colleagues at the bank where he worked joked about his car making theirs look bad in the staff car park. With the coming of spring Helmut's heart turned to love - and sports cars. After much encouragement from his work colleagues, he replaced his faithful old Beetle with a new

BMW. Both he and his friends were elated. The staff car park was much improved and his problems were over - or so he thought. The old VW was still in his garage and he could not decide whether to sell it for a few hundred euros which he could use now, or have the car recycled at a significant cost. The next Green Party meeting was at hand and, recalling their advice, he wondered whether he should have opted for a less stylish, hybrid car. His anxiety was so high about being 'exposed' as a closet yuppie that he even considered driving the old VW to the meeting, if it would start. He could not help wondering whether he had done the right thing in buying the BMW, but it seemed like such a good idea at the time.

SUZANNE BECKMANN, Copenhagen Business School

■ INTRODUCTION

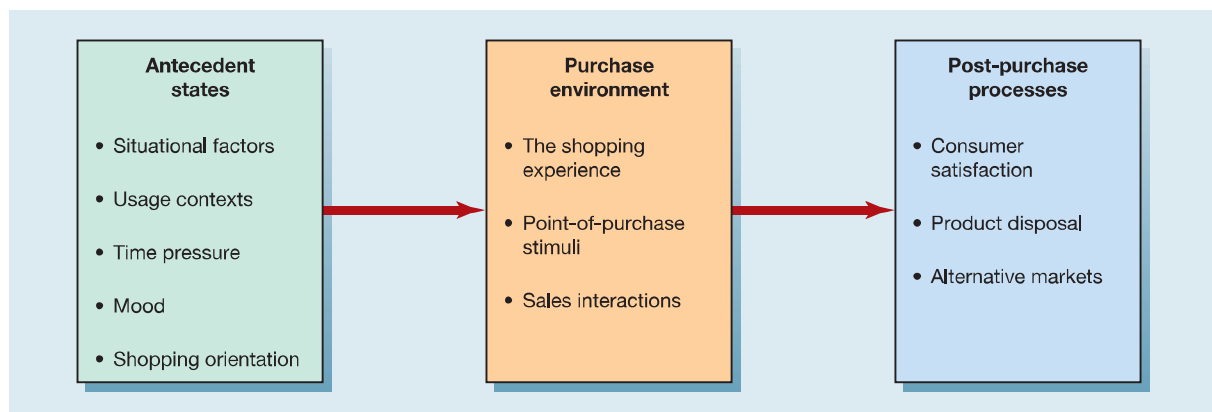
Helmut's dilemma highlights the importance of the purchase situation (it is spring, one wants to feel more 'seductive') and the post-purchase evaluation (was it the right choice?). On top of this, the experience of service linked to the act of purchasing and evaluating the purchase play central roles. In a British poll, 80 per cent of consumers said that they would change suppliers if they were unhappy with the service; and 86 per cent said that they expected better service currently than they did five years ago.¹ Furthermore, the issue of environmental friendliness is becoming more and more important for many purchase decisions, just as it was for Helmut, even though environmentalism in this case was overruled by other desires.

Helmut's experience illustrates some of the concepts to be discussed in this chapter. Making a purchase is often not a simple, routine matter of going to a shop and choosing something. As illustrated in Figure 9.1, a consumer's choices are affected by many personal factors, such as mood, time pressure and the particular situation or context for which the product is needed. In some situations, like the purchase of a car or a home, the salesperson or the reference group (which we will discuss in Chapter 10) play a pivotal role in the final choice. And today people are using the Web to arm themselves with product and price information before they even enter a car dealership or a shop (note Daniel's preliminary search for televisions via the internet in the opening vignette of Chapter 8), which puts added pressure on retailers to deliver the value they expect.

The store environment also exerts a major influence: shopping is like a stage performance, with the customer involved either as a member of the audience or as an active participant. The quality of the performance is affected by the other *cast members* (salespeople or other shoppers), as well as by the *setting* of the play (the image of a particular store and the 'feeling' it imparts) and *props* (store fittings and promotional material which try to influence the shopper's decisions).

In addition, the consumer activity per se occurs *after* a product has been purchased and brought home. After using a product, the consumer must decide whether he or she is satisfied with it. The satisfaction process is especially important to marketers, who realize that the key to success is not selling a product once, but rather forging a relationship with the consumer so that he or she will continue to buy in the future. Finally, just as Helmut thought about the resale of his car, we must also consider how consumers go about disposing of products and how secondary markets (e.g. second-hand car dealers) often play a pivotal role in product acquisition. This chapter considers many issues related to purchase and post-purchase phenomena.

Figure 9.1 Issues related to purchase and post-purchase activities



■ ANTECEDENT STATES

A person's mood or physiological condition at the time of purchase can have a major impact on what is bought and can also affect how products are evaluated.² One reason is that behaviour is directed towards certain goal states, as was discussed in Chapter 3. In addition, the person's particular social identity, or the role that is being played at a given time, will be influential.³

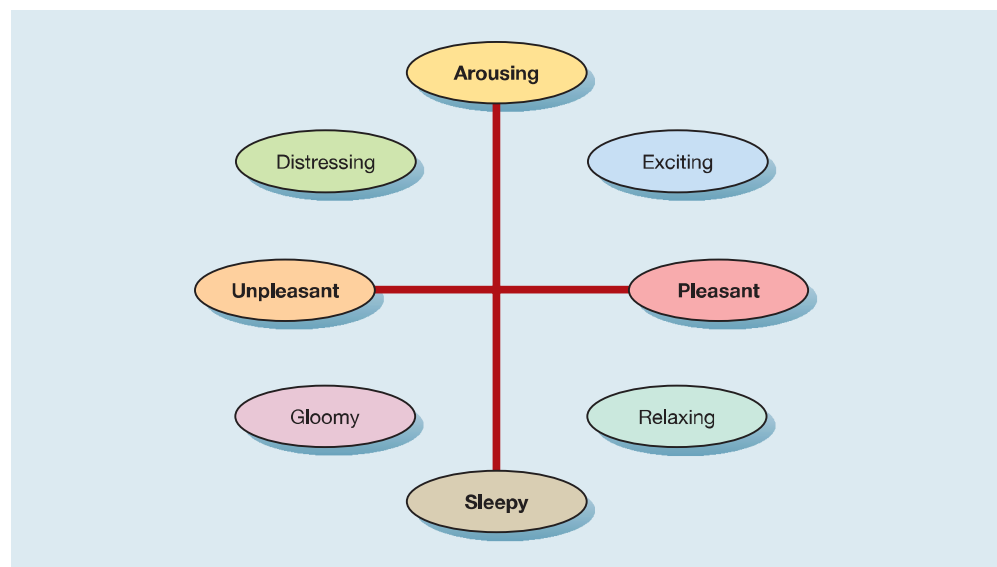
Situational effects: mood and consumption situations

A consumer's mood will have an impact on purchase decisions. For example, stress can reduce a consumer's information-processing and problem-solving abilities.⁴ Two dimensions determine whether a shopper will react positively or negatively to a store environment: *pleasure* and *arousal*. A person can enjoy or not enjoy a situation, and he or she can feel stimulated or not. As Figure 9.2 indicates, different combinations of pleasure and arousal levels result in a variety of emotional states. For example, an arousing situation can be either distressing or exciting, depending on whether the context is positive or negative (e.g. a street riot vs. a street festival). Maintaining an upbeat mood in a pleasant context is one factor behind the success of theme parks such as Disneyland, which try to provide consistent doses of carefully calculated stimulation to patrons.⁵

A specific mood is some combination of these two factors. For example, the state of happiness is high in pleasantness and moderate in arousal, while elation would be high on both dimensions.⁶ In general, a mood state (either positive or negative) biases judgements of products and services in that direction.⁷ Put simply, consumers like things better when they are in a good mood (this may explain the popularity of the business lunch!).

Moods can be affected by store design, the weather or other factors specific to the consumer. In addition, music and television programming can affect mood; this has important consequences for commercials.⁸ When consumers hear happy music or watch happy programmes, they have more positive reactions to commercials and products, especially when the marketing appeals are aimed at arousing emotional reactions.⁹

Figure 9.2 Dimensions of emotional states



Source: James Russell and Geraldine Pratt, 'A description of the affective quality attributed to environment', *Journal of Personality and Social Psychology* 38 (August 1980): 311-22.

A *consumption situation* is defined by factors over and above characteristics of the person and of the product. Situational effects can be behavioural (such as entertaining friends) or perceptual (being depressed, or feeling pressed for time).¹⁰ Common sense tells us that people tailor their purchases to specific occasions or that the way we feel at a specific time affects what we feel like buying or doing.

One reason for this variability is that the role a person plays at any time is partly determined by his or her *situational self-image*: 'Who am I right now?' (see also Chapter 7).¹¹ Someone trying to impress his girlfriend by playing the role of 'man about town' may spend more lavishly, ordering champagne rather than beer and buying flowers – purchases he would never consider when he is with his male friends in a pub and playing the role of 'one of the boys'. As this example demonstrates, knowledge of what consumers are doing at the time a product is consumed may improve predictions of product and brand choice.¹² As one renowned European consumer researcher has pointed out, the question '*where* is consumer behaviour?' has been surprisingly little investigated.¹³



marketing
pitfall

Sometimes a marketing strategy can work too well. This was the case with Nabisco's Grey Poupon mustard brand, which the company has successfully positioned as a premium product in the USA. The problem was that consumers tend to save the brand for special occasions rather than spreading the mustard on just any old sandwich.

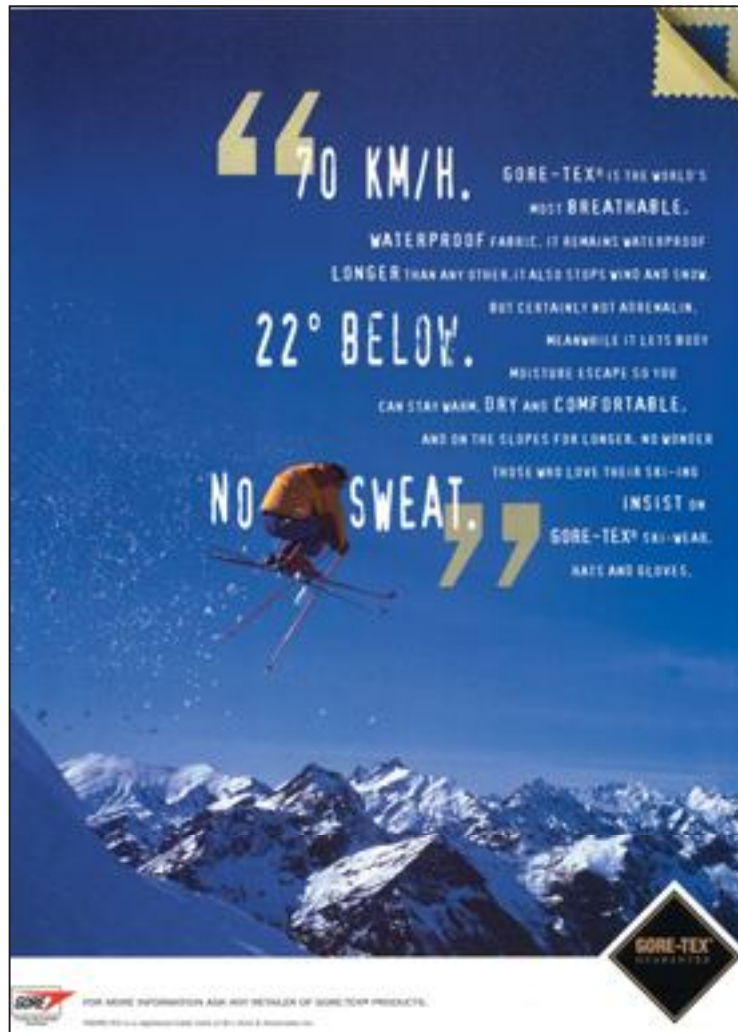
Grey Poupon's 'special' cachet was due to its long-running advertising campaign, in which toffee-nosed aristocrats passed the mustard through the windows of their limousines. The campaign is so well known that the familiar tag line 'Pardon me, would you have any Grey Poupon?' was even repeated in the film *Wayne's World*.

To dig themselves out of this situational hole, the brand's advertising agency developed a new advertising campaign, with magazine ads featuring simpler occasions, such as a picnic.¹⁴



This Burberry ad shows the situational context for the consumption of their products, notably in social settings and by upper class, young adult consumers.

The Advertising Archives



Clothing choices often are heavily influenced by the situation in which they need to be worn.

The Advertising Archives

Situational segmentation

By systematically identifying important usage situations, market segmentation strategies can be developed to position products that will meet the specific needs arising from these situations. Many product categories are amenable to this form of segmentation. For example, consumers' furniture choices are often tailored to specific settings. We prefer different styles for a town house, country cottage, or an executive suite. The South African ad for Volkswagen on p. 304 emphasizes the versatility of the Volkswagen people carrier bus for different situations.¹⁵

Table 9.1 gives one example of how situations can be used to fine-tune a segmentation strategy. By listing the major contexts in which a product is used (e.g. skiing and sunbathing for a suntan lotion) and the different users of the product, a matrix can be constructed that identifies specific product features that should be emphasized for each situation. For example, during the summer a lotion manufacturer might promote the fact that the bottle floats and is hard to lose, but promote its non-freezing formula during the winter season. Furthermore, our brand loyalty may be dependent on the situation. French research has demonstrated how our brand loyalty within product categories such as fruit juice, cheese or coffee depends on whether our situation is one of the following: shopping for a party for friends, running out of the product ourselves, or the shop having run out of stock.¹⁶



This South African ad for Volkswagen emphasizes that brand criteria can differ depending upon the situation in which the product will be used.

Courtesy of Volkswagen of South Africa

Table 9.1 A person-situation segmentation matrix for suntan lotion

Situation	Young children	Teenagers	Adult women	Adult men	Benefits/features
	Fair skin Dark skin	Fair skin Dark skin	Fair skin Dark skin	Fair skin Dark skin	
Beach/boat sunbathing	Combined insect repellent		Summer perfume		a. Product serves as windburn protection b. Formula and container can stand heat c. Container floats and is distinctive (not easily lost)
Home-poolside sunbathing			Combined moisturizer		a. Product has large pump dispenser b. Product won't stain wood, concrete, furnishings
Sunlamp bathing			Combined moisturizer and massage oil		a. Product is designed specifically for type of lamp b. Product has an artificial tanning ingredient
Snow skiing			Winter perfume		a. Product provides special protection from special light rays and weather b. Product has antifreeze formula
Person benefit/features	Special protection a. Protection is critical b. Formula is non-poisonous	Special protection a. Product fits in jeans pocket b. Product used by opinion leaders	Special protection Female perfume	Special protection Male perfume	

Source: Adapted from Peter R. Dickson, 'Person-situation: Segmentation's missing link', *Journal of Marketing* 46 (Fall 1982): 62.

A recent study of 2,500 online customers¹⁷ identified 'occasion-based segmentation'. Using variables such as length of session, time spent on each page of the website, and the user's familiarity with the site, seven different occasions were identified which could be classified into two groups. Firstly, Loitering, Information Please and Surfing – this group spent between 33 and 70 minutes online, and were more likely to purchase. The second group, Quickies, Just the Facts, Single Mission and Do It Again, remained online for much shorter periods. 'Depending on the occasion, some users will be far more open to a range of messages, while others will pay attention only to highly targeted messages. Others will simply whizz by and ignore anything unrelated to what they are doing. So it's only by decoding the type of occasion – such as gathering product information – that marketers can fully harness the web's interactive powers by aiming messages and offers at the right place at the right time.'¹⁸

■ SOCIAL AND PHYSICAL SURROUNDINGS

A consumer's physical and social environment can make a big difference in affecting his or her motives for product purchase and usage and also affect how he or she evaluates products. Important cues include the person's physical surroundings, as well as the amount and type of other consumers also present in that situation. Dimensions of the physical environment, such as decor, smells and even temperature can significantly influence consumption. One study found that the use of scents in the retail environment can increase the pleasure and hedonic values derived from shopping.¹⁹



Many stores and services (like airlines) try to differentiate themselves in terms of the physical environments they offer, touting such amenities as comfort and space.

Courtesy of Qantas Airlines and M&C Saatchi

In addition to physical cues, many of a consumer's purchase decisions are significantly affected by the groups or social settings in which these occur (as we shall see in the next chapter). In some cases, the presence or absence of **co-consumers**, the other patrons in a setting, can be a determinant attribute (see the discussion in Chapter 8) and function as a product attribute, as when an exclusive resort or boutique promises to provide privacy to privileged customers. At other times, the presence of others can have positive value. A sparsely attended football match or an empty bar can be depressing sights.

The presence of large numbers of people in a consumer environment increases arousal levels, so a consumer's subjective experience of a setting tends to be more intense. This polarization, however, can be both positive and negative. While the experience of other people creates a state of arousal, the consumer's actual experience depends on his or her *interpretation of* and *reaction to* this arousal. Crowding may result in avoidance (leaving the store earlier), aggressiveness (rushing others), opportunism (using the extra time to find bargains) or self-blame (for coming into the store at the wrong hour).²⁰ It is important, therefore, to distinguish between *density* and *crowding* for this reason. Density refers to the actual number of people occupying a space, while the psychological state of crowding exists only if a negative affective state occurs as a result of this density.²¹ For example, 100 students packed into a classroom designed for 75 may result in an unpleasant situation for all concerned, but the same number of people jammed together at a party occupying a room of the same size might just make for a great party.

In addition, the *type* of consumers who patronize a store or service can serve as a store attribute; and the *type* of consumers who use a product can influence evaluations. We may infer something about a store by examining its customers. For this reason, some restaurants require men to wear a jacket for dinner, and bouncers at some 'hot' nightspots hand-pick patrons from the queue based on whether they have the right 'look' for the club. To paraphrase the comedian Groucho Marx, 'I would never join a club that would have me for a member!'

Temporal factors

Time is one of consumers' most precious and limiting resources. We talk about 'making time' or 'spending time' and we are frequently reminded that 'time is money'. Our perspectives on time can affect many stages of decision-making and consumption, such as needs that are stimulated, the amount of information search we undertake and so on. Common sense tells us that more careful information search and deliberation occurs when we have the luxury of taking our time. A meticulous shopper who would normally price an item at three different stores before buying might be found sprinting through the shopping centre on Christmas Eve, just before closing time, frantically scooping up anything left on the shelves that might serve as a last-minute gift.

Economic time

Time is an economic variable; it is a resource that must be divided among activities.²² Consumers try to maximize satisfaction by allocating time to the appropriate combination of tasks. Of course, people's allocation decisions differ; we all know people who seem to play all of the time, and others who are workaholics. An individual's priorities determine his or her **time style**.²³ Time style, it has been suggested, incorporates such dimensions as economic time, past orientation, future orientation, time submissiveness and time anxiety.²⁴ Recent research identified four dimensions of time: social, temporal, planning, and polychronic orientation. The social dimension refers to individuals' categorization of time as either 'time for me' or 'time with/for others'. The temporal orientation depicts the relative significance individuals attach to past, present or future. The planning orientation dimension alludes to different time management styles varying on a continuum from analytic to spontaneous. And lastly, polychronic orientation denotes

doing-one-thing-at-a-time versus multitasking time styles. By viewing time as a multi-dimensional construct, the richness and complexity of the nature and interactions of four different time style dimensions were revealed. These multiple dimensions of time style push and pull individuals in different directions, which ultimately leads to psychological conflicts. From these dimensions, five emergent symbolic metaphors of time were proposed,²⁵ which reflected US women participants' perspective on time and the process by which the perspective was created:

- 1 *'Time is a pressure cooker:* Women who personify this metaphor are usually analytic in their planning, other oriented, and monochronic in their time styles. They treat shopping in a methodical manner and they often feel under pressure and in conflict.
- 2 *Time is a map:* Women who exemplify this metaphor are usually analytic planners, have a future temporal orientation and a polychronic time style. They often engage in extensive information search and in comparison shopping.
- 3 *Time is a mirror:* Women who come under this metaphor are also analytic planners and have a polychronic orientation. However, they have a past temporal orientation. Due to their risk averseness in time use, these women are usually loyal to products and services they know and trust.
- 4 *Time is a river:* Women whose time styles can be described through this metaphor are usually spontaneous in their planning orientation and have a present focus. They go on unplanned, short and frequent shopping trips undertaken on impulse.
- 5 *Time is feast:* These women are analytic planners who have a present temporal orientation. They view time as something to be consumed in the pursuit of sensory pleasure and gratification and, hence, they are motivated by hedonic and variety seeking desires in their consumption behavior.'

Some of the implications for consumer behaviour which flowed from this research²⁶ included that:

- 1 'There are major differences in individuals' attitudes and behaviors in relation to shopping across the five temporal metaphors.
- 2 These symbolic metaphors are also associated with differences in individuals' consumption of leisure, food habits, expenditure of time and money on keeping up with appearances.
- 3 In the domain of food habits, women who exemplify time as a feast metaphor demonstrated preference for fresh and novel ingredients, while women that fit with the mirror metaphor were more inclined towards convenience food choices.
- 4 Individuals who placed emphasis on keeping up with their appearances coupled with their social orientation were found to spend more time and money on their presentation of self and their material possessions.'

Many consumers believe they are more pressed for time than ever before, a feeling called **time poverty**. This feeling may, however, be due more to perception than to fact. People may simply have more options for spending their time and feel pressured by the weight of it all. The average working day at the turn of the century was 10 hours (6 days per week), and women did 27 hours of housework per week, compared to under 5 hours now. Of course, one reason for this difference is that men are sharing these burdens more; and in some families maintaining an absolutely spotless home may not be as important as it used to be.²⁷

This sense of *time poverty* has made consumers very responsive to marketing innovations that allow them to save time. More and more companies, and in Denmark even some kindergartens, offer to do the shopping and other daily chores for busy families during working hours, so that the whole evening can be devoted to family activities.



Time poverty is creating opportunities for many new products (like portable soups) that let people multitask.

The Advertising Archives

New online business concepts based on improved delivery are popping up all over the Web. Delivery of videos, groceries, dry cleaning or developed photos to customers' doors are a few of the new time-saving online possibilities.²⁸ In a British pilot project, the Safeway supermarket chain provided 200 consumers with personal organizers to create shopping lists. By using frequent shopper data, the device can suggest items to replenish based on past purchase patterns. A 'smart refrigerator' developed by Frigidaire comes with a bar-code scanner so that consumers can order a fresh bottle of salad dressing, ketchup or other frequently used items by scanning the used container across the door. The refrigerator picks up the bar code and automatically orders a fresh supply from the supermarket (see also the Electrolux refrigerator described in Chapter 15).²⁹ In Hong Kong rush-hour commuters no longer need to stand and queue to buy Underground tickets. Instead, a scanner automatically reads an Octopus card and automatically deducts the fare from their account. The card doesn't even require contact to be read, so women can just pass their entire handbag over the scanner and race to catch their trains.³⁰



net profit

With the increase in time poverty, researchers are also noting a rise in *polychronic activity*, where consumers do more than one thing at a time.³¹ One area where this type of activity is especially prevalent is eating. Many consumers often do not allocate a specific time to dining, but do something else while eating. As one food industry executive commented, 'We've moved beyond grazing and into gulping.'³² On the other hand, counter-trends of slow food are also found among other segments. A new 'slow food movement' originating in Italy and spreading via France to several European countries and even the United States witnesses a cultural resistance to the disappearance of cooking and eating a meal as a social event.³³

Psychological time

- The psychological dimension of time, or how it is experienced, is an important actor in
- **queuing theory.** A consumer's experience of waiting can radically influence his or her perceptions of service quality. Although we assume that something must be good if we have to wait for it, the negative feelings aroused by long waits can quickly deter customers.³⁴ For example, it seems that the longer the wait, the more we like to wait alone rather than with others, presumably because for a short wait it is pleasant to have others

to talk to, but the longer the waiting time, the more we perceive our fellow waiters as the main reason for the delay.³⁵ There are large cross-cultural differences in the acceptance of waiting time. Some 20 per cent of Sicilians consider a waiting time of 30 minutes for a dental appointment reasonable, and the average waiting time at a bank counter is 24 minutes.³⁶ What do you think?

Marketers have adopted a variety of 'tricks' to minimize psychological waiting time. These techniques range from altering customers' perceptions of a queue's length to providing distractions that divert attention away from waiting.³⁷ However, one study concluded that differences in queuing systems had only a minor effect on perceived waiting time compared to differences in waiting environment attractiveness and actual waiting time.³⁸

- One hotel chain, after receiving numerous complaints about the wait for lifts, installed mirrors near the lift entrances. People's natural tendency to check their appearance reduced complaints, even though the actual waiting time was unchanged.
- Airline passengers often complain of the time they have to wait to claim their baggage. In one airport, it would take them one minute to walk from the plane to the baggage carousel where they would wait seven minutes for their luggage. By changing the layout so that the walk to the carousel took six minutes and bags arrived two minutes after that, complaints were almost entirely eliminated. More and more airlines are introducing 'ticket-less flights' and self-check-in procedures in order to cut costs but also to avoid the annoying queues at the check-in counter.
- Automated check-out cashier registers are being tested in a variety of countries and contexts. One Swedish study found that many customers in both a grocery store and a library embraced the new technique in spite of its 'impersonal character' because they found it easy and quicker to use (after a period of adaptation), even if the actual time saving was not that significant.³⁹



multicultural dimensions

Even though the western time concept may become more and more dominant, at least in the international business world, this conception of time is far from universal. Large cultural differences exist in terms of people's time perspectives.⁴⁰ Some cultures run on procedural time and ignore the clock completely. People decide to do something 'when the time is right'. Much of the world appears to live on 'event time': for example, in Burundi people might arrange to meet when the cows return from the watering hole, while in Madagascar the response if someone asks how long it takes to get to the market might be 'the time it takes to cook rice'.⁴¹

Alternatively, in circular or cyclic time, people are governed by natural cycles, such as the regular occurrence of the seasons (a perspective found in many Latino cultures). To these consumers, the notion of the future does not make sense, because that time will be much like the present. Since the concept of future value does not exist, these consumers often prefer to buy an inferior product that is available now to waiting for a better one that will become available later. Also, it is hard to convince people who function on circular time to buy insurance or save for the future.

A social scientist recently compared the pace of life in 31 cities around the world as part of a study of time styles. He and his assistants timed how long it takes pedestrians to walk 60 feet and postal clerks to sell a stamp. Based on these responses, the fastest countries were claimed to be:

1. Switzerland, 2. Ireland, 3. Germany, 4. Japan, 5. Italy

and the slowest countries:

31. Mexico, 30. Indonesia, 29. Brazil, 28. El Salvador, 27. Syria.

Obviously, such national results depend on the actual place of measurement: consider, for example, the difference of Sicilian time compared with Milan time.⁴²



Multitasking has become a way of life for many of us.

Hewlett-Packard Development Company, L.P.

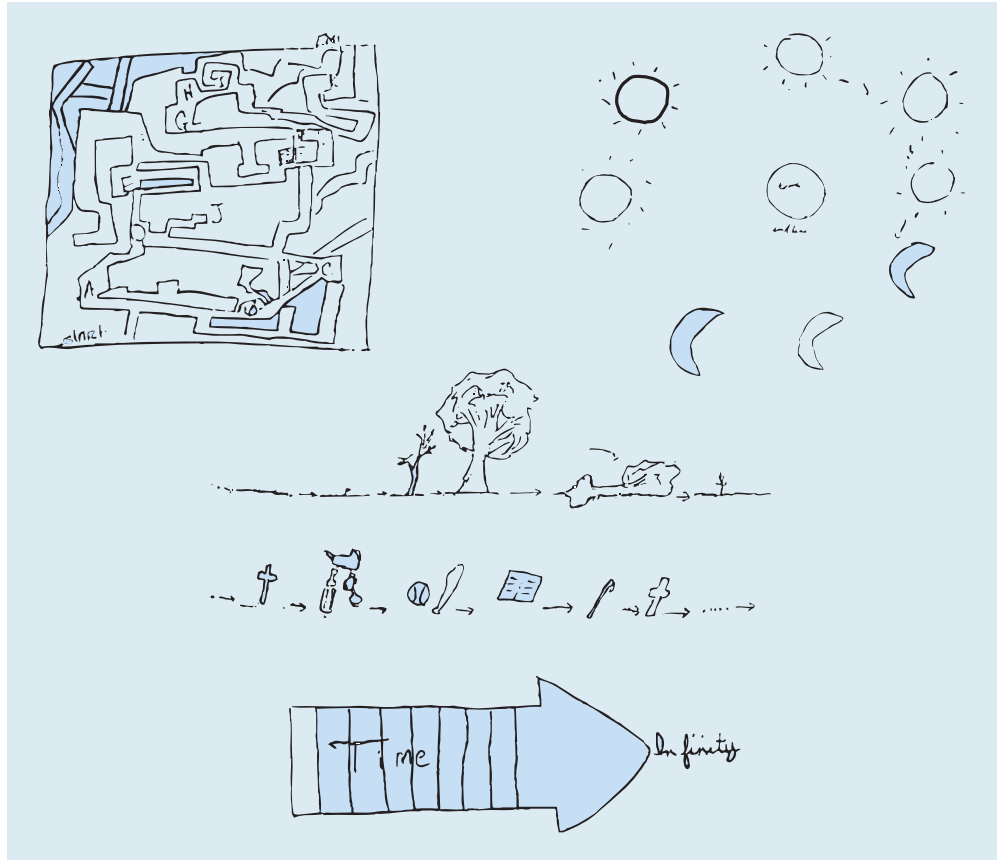
The fluidity of time is important for marketers to understand, because we're more likely to be in a consuming mood at some times rather than others. We can identify time categories in terms of when people are likely to be receptive to marketing messages:⁴³

- *Flow time*: In a flow state we become so absorbed in an activity we notice nothing else. Not a good time to be hitting people with ads.
- *Occasion time*: Special moments when something monumental occurs, such as a birth or an important job interview. Ads clearly relevant to the situation will be given our undivided attention.
- *Deadline time*: When we're working against the clock. This is the worst time to catch someone's attention.
- *Leisure time*: During down time, we are more likely to notice ads and perhaps try new things.
- *Time to kill*: Waiting for something to happen such as catching a plane or sitting in a waiting room. This is bonus time, where we feel we have the luxury to focus on extraneous things. As a result we are more receptive to commercial messages, even for products we don't normally use.

Social time

Social time has been proposed as an important but overlooked time dimension in consumer behaviour.⁴⁴ Social time refers to the time in relation to social processes and rhythms and schedules in society. It takes into account how determined our lives are by interrelated temporal phenomena, such as working hours, opening hours, eating hours and other institutionalized schedules.

To most Western consumers, time is something that is neatly compartmentalized: we wake up in the morning, go to school or work, come home, eat, go out, go to bed, then do it all over again. This perspective is called linear separable time (or Christian time): events proceed in an orderly sequence and different times are well defined: 'There's a time and a place for everything.' In this worldwide 'modernized' conception of time, there is a

Figure 9.3 Drawings of time

Source: Esther S. Page-Wood, Carol J. Kaufman and Paul M. Lane, 'The Art of Time', *Proceedings of the Academy of Marketing Science* (1990).

clear sense of past, present and future, and the present is preferred to the past, whereas the future is generally rated better than the present.⁴⁵ Many activities are performed as the means to an end that will occur at a future point, as when people 'save for a rainy day'.

But even in North European and American cultures, the very linear and compartmentalized chronological time is not hegemonic, as indicated by the above-mentioned psychological time patterns, which call for a more relativistic and complex approach to time structures in societies most influenced by economic time concepts.⁴⁶

When groups of university students were asked to draw a picture of time, the resulting sketches (Figure 9.3) illustrated some of these different temporal perspectives.⁴⁷ The drawing at the top represents procedural time: there is a lack of direction from left to right and little sense of past, present and future. The two drawings in the middle denote cyclical time, with regular cycles designated by markers. The bottom drawing represents linear time, with a segmented time line moving from left to right in a well-defined sequence.



**marketing
pitfall**

An emphasis on speed resulted in some serious public relations problems for the American pizza delivery company Domino's Pizza, which guarantees delivery within 30 minutes. Critics claimed that this policy encouraged reckless driving and backed up this charge with some damaging statistics. In 1989, more than a dozen lawsuits, stemming from death or serious injuries caused by delivery people rushing to make the half-hour deadline, were filed against the company. The employee death rate was 50 per 100,000, equal to that suffered in the mining industry.⁴⁸ Domino's no longer offers the guarantee.

Some products and services are believed to be appropriate for certain times and not for others. Some products crossing cultural borders are also crossing over from one time of day consumption to another. In its home country of Italy, the cappuccino is known as a breakfast coffee. Now it has become popular all over Europe, and in these new markets it is drunk at all times of the day whenever a cup of regular coffee would traditionally have been appropriate. So the cappuccino has moved from a 'breakfast time' category to a more general 'coffee time' category.⁴⁹

■ SHOPPING: MOTIVATIONS AND EXPERIENCES

People often shop even though they do not necessarily intend to buy anything at all, whereas others have to be dragged to the shopping centre. Shopping is a way to acquire needed products and services, but social motives for shopping also are important. Retailers need to understand the variety of shopping motivations because these all affect how consumers evaluate different aspects of their retail experience such as atmospherics, promotion and marketing communications.⁵⁰ One scholar has suggested that shopping activities have a lot to do with love and caring for significant others, to the extent that shopping can be seen as a person's (often the mother's) personal sacrifice of time and devotion for the well-being of the family.⁵¹

Other scholars distinguish between shopping as an activity performed for utilitarian (functional or tangible) or hedonic (pleasurable or intangible) reasons.⁵² These different motives are illustrated by scale items used by researchers to assess people's underlying reasons for shopping. One item that measures hedonic value is 'During the trip, I felt the excitement of the hunt.' When that type of sentiment is compared to a functionally related statement such as 'I accomplished just what I wanted to on this shopping trip', the contrast between these two dimensions is clear.⁵³ European research identified the following hedonic shopping motives:⁵⁴

- *Anticipated utility*: Desire for innovative products, expectations of benefits or hedonistic states which will be provided by the product to be acquired.
- *Role enactment*: Taking on the culturally prescribed roles regarding the conduct of shopping activity, such as careful product and price comparisons, possibly discussed with other shoppers.
- *Choice optimization*: Desire to find the absolutely best buy.
- *Negotiation*: To seek economic advantages and sports-like pleasure through bargaining interactions with sellers in a 'bazaar atmosphere'.
- *Affiliation*: Shopping centres are a natural place to affiliate. The shopping arcade has become a central meeting place for teenagers. It also represents a controlled, secure environment for other groups, such as the elderly.
- *Power and authority*: Entering a power game with the sales personnel and maybe feeling superior to the personnel. As every salesperson knows, some people love the experience of being waited on, even though they may not necessarily buy anything. One men's clothing salesman offered this advice: 'remember their size, remember what you sold them last time. Make them feel important! If you can make people feel important, they are going to come back. Everybody likes to feel important!'⁵⁵
- *Stimulation*: Searching for new and interesting things offered in the marketplace – shopping just for fun.

Recent US research⁵⁶ has identified six broad categories of hedonic shopping motivations:⁵⁷

- *'Adventure shopping'*: refers to shopping for stimulation, adventure and the feeling of being in another world.

- *Social shopping*: refers to the enjoyment of shopping with friends and family, socializing while shopping and bonding with others while shopping.
- *Gratification shopping*: involves shopping for stress relief, shopping to alleviate a negative mood and shopping as a special treat to oneself.
- *Idea shopping*: refers to shopping to keep up with trends and new fashions and to see new products and innovations.
- *Role shopping*: reflects the enjoyment that shoppers derive from shopping for others, the influence that this activity has on the shoppers' feelings and moods, and the excitement and intrinsic joy felt by shoppers when finding the perfect gift for others.
- *Value shopping*: refers to shopping for sales, looking for discounts and hunting for bargains.'

Shopping, therefore, is an activity that can be performed for either utilitarian (functional or tangible) or hedonic (pleasurable or intangible) reasons.⁵⁸ Women often find emotional fulfilment in the act of buying while men seek to demonstrate their expertise or ability to procure status items.⁵⁹ Obviously there are many exceptions to this viewpoint, but nonetheless it's clear that the reasons we shop are more complex than may appear on the surface.

Do people hate to shop or love it? It depends. From the six hedonic motivations above five shopper segments were identified:⁶⁰

- *'Minimalists*: mainly middle-aged males who scored low on all the hedonic motivations apart from value shopping.
- *Gatherers*: mainly younger males who are enthusiastic about information gathering on new products and trends; they scored highly on idea and role shopping.
- *Providers*: mainly middle-aged women, who emphasized role and value shopping in their responses, and who scored low on non-generosity.
- *Enthusiasts*: largely younger women who scored highly across all the hedonic motivations.
- *Traditionalists*: women slightly outnumbered men in this group; and these respondents tended to be younger to middle-aged with moderate scores on most of the hedonic dimensions.'

► Consumers can also be segmented in terms of their **shopping orientation**, or general attitudes about shopping. These orientations may vary depending on the particular product categories and store types considered. Many people feel insecure about shopping for a car (many women, for instance, feel quite intimidated by car showrooms), but they may love to browse in record shops. Our feelings about shopping are also influenced by the culture in which we live. Several shopping types have been identified, although the following list does not cover the whole range of possibilities:⁶¹

- *The economic shopper*: a rational, goal-oriented shopper who is primarily interested in maximizing the value of his or her money.
- *The personalized shopper*: a shopper who tends to form strong attachments to store personnel ('I shop where they know my name').
- *The ethical shopper*: a shopper who likes to help out the underdog and will support local shops rather than chain stores.
- *The apathetic shopper*: one who does not like to shop and sees it as a necessary but unpleasant chore.
- *The recreational shopper*: a person who views shopping as a fun, social activity – a preferred way to spend leisure time.

Given what we said above, however, one type of shopper is missing from this list: *the hate-to-shop shopper*. He or she is emerging from research on a variety of examples of the aversive side of shopping, including the hassle of finding a parking space, shopping with a girl- or boyfriend with completely different shopping motivations, dealing with the fact that just when you've made a purchase you find something better or less expensive, or coping with intruding 'can-I-help-you' sales assistants.⁶²



multicultural dimensions

Who loves to shop the most? In a survey of women around the world, over 60 per cent said they enjoy shopping for clothes in every country except Hong Kong, where only 39 per cent responded so positively. The 'Born to Shop' prize goes to Latin Americans: over 80 per cent of women in countries like Brazil and Colombia agree that clothes shopping is a favourite activity. Other high-scoring countries include France, Italy and Japan. In comparison, only 61 per cent of American women said they like or love to go clothes shopping. Reflecting the casual trend that's swept the country in recent years, the survey indicates that American women are more likely to say that they are not as interested in clothing as they used to be, are more willing to be slightly underdressed at a party rather than slightly overdressed, and are more willing to wear one comfortable outfit all day long than change clothes to fit each occasion. Almost everywhere in the world, women agreed that store displays are the most important source of information about clothing. Two exceptions are German women, who ranked fashion magazines highest, and Mexican women, who reported that their families are the best place to learn about what to wear.

Trends in the purchase environment

We see bumper stickers and T-shirts everywhere: 'Shop 'til you drop', 'When the going gets tough, the tough go shopping', 'Born to shop'. Like it or not, shopping is a major activity for many consumers. The competition for shoppers among retailers is getting tougher. Retailers must now offer something extra to lure shoppers, whether that something is excitement or just plain bargains.⁶³ One prominent trend is the tendency to blur the boundaries between types of outlet. For example, supermarket and hypermarket chains posed a serious threat to the petrol companies by taking larger and larger shares of their market from the mid 1990s onwards (in France, the supermarkets' share was about 50 per cent).⁶⁴ In Denmark and other countries, the petrol stations are striking back, increasing their share of the market for daily groceries.

Another European trend is the increase of trade from kiosks (for instance in Greece), and from smaller stores with extended opening hours carrying a small selection of daily goods as well as snack products, sweets, newspapers, etc., sometimes more or less like the 7-11 concept imported from the United States. In many countries, such kiosks are well established and are often run by Middle Eastern or North African immigrants. But in countries such as Finland, where the introduction of kiosks is more recent, it has created a whole new situation for a certain part of the retail system.⁶⁵

In order to be able to compete in the European single market, many retail chains have undergone an internationalization process. For example, of the top 25 European retail chains of daily goods, only one (no. 25) is not internationalized or at least participating in an international network of cooperating chains. The ten biggest companies control 30 per cent of the turnover in daily goods in Europe, and the concentration is growing.⁶⁶

Store loyalty

In this turbulent environment, store-loyal consumers are highly valued by retailers. They will routinely visit a small set of stores without considering others or doing much in the

way of comparative pre-purchase searching. However, consumers now have an abundance of choices regarding where to shop, including the electronic alternatives. For this reason, people tend not to be as store-loyal as they once were.⁶⁷ In Great Britain, the retail chain Tesco was the biggest spender on marketing among British retailers in 1990–4. Together with the introduction of a customer loyalty's card, their marketing strategy helped them to take over from their rival Sainsbury's as the biggest British retailer. Sainsbury's finally gave up its initial resistance to the introduction of loyalty cards in 1996. Their new card became an instant success: between June and August of that year they issued more than 5 million loyalty cards and gained 1 per cent market share increase.⁶⁸

■ E-COMMERCE: CLICKS VS. BRICKS

- ▶ As more and more websites pop up to sell everything from fridge magnets to cars, marketers continue to debate how this **cyberspace** marketplace in the online world will affect how they conduct business.⁶⁹ In particular, many are losing sleep wondering whether e-commerce is destined to replace traditional retailing, work in concert with it, or perhaps even fade away to become another fad your kids will laugh about some day. That's unlikely, even though the predictions so far concerning the e-revolution have tended grossly to overestimate the growth rapidity. Even in the most 'advanced' e-commercial markets, like the USA, the share of turnover is still only a few per cent of the total market exchanges taking place. And the largest proportion is still accounted for by the business-to-business market. The European online buying population will be well over 100 million in just a few years.⁷⁰ A Swedish survey indicates that searching for product and service information are more important aspects of internet behaviour than actual purchases (note Daniel's behaviour in the opening vignette for Chapter 8). Only 9 per cent of consumers want to buy food online (and a mere 1 per cent had actually tried it), and even the highest scoring purchase types like travel and ticket purchase do not exceed 30 per cent.⁷¹ But there are obvious differences between the older and younger segments concerning these matters. The e-market will become more and more important – however, it will not come overnight and not to the same extent in all sectors. So far the



Many online shopping sites offer time-saving convenience. This French ad for a shopping/home delivery website says, 'stop the muscle training on Saturdays ... yes, this is total laziness. But so what?'

Jean & Montmarin, Paris

obvious e-commerce failures in consumer markets have largely exceeded the number of successes.

For marketers, the growth of online commerce is a sword that cuts both ways: On the one hand, they can reach customers around the world even if they're physically located 100 miles from nowhere. On the other hand, their competition now comes not only from the shop across the street, but from thousands of websites spanning the globe. A second problem is that offering products directly to consumers has the potential to cut out the middleman – the loyal store-based retailers who carry the firm's products and who sell them at a marked-up price.⁷² The 'clicks vs. bricks' dilemma is raging in the marketing world.

So, can you have your cake and eat it too? Coca-Cola thinks so, with its new 'think local, act local' strategy based on a philosophy of getting closer to the consumers. A Danish–Swedish–Norwegian–Finnish (probably as local as Coca-Cola gets!) campaign featuring an Indiana Jones-inspired adventure quiz has as its primary purpose to get teenagers to log on to the Coca-Cola website in order to participate in a quiz with adventurous travels as prizes. 'If we want to communicate on the teens premises, we have to make an active use of the internet and SMS media', says one executive.⁷³ This is also becoming true for US teenagers who have been slower than other teenagers to adopt mobile phones for text messaging.⁷⁴ Another possibility for reaching the youth markets is product placement in the chat rooms. For example, a virtual rose given to a fellow chatterer could be from a branded chain of florists. Or the chat environment can be constructed as a cruise ship with various branded services and games available for the chatterers.⁷⁵ But more serious organizations have also demonstrated their abilities to utilize the net. A Danish anti-cancer organization supporting research and cancer patients has a website where visitors can give a small gift by clicking on a button. Immediately 'thank you' appears with six banners referring to sponsoring companies who paid for the small gift, encouraging the visitor to visit the sponsors. This format has produced a much higher rate of banner-clicking than normal commercial banners.⁷⁶

So, what makes e-commerce sites successful? According to a survey by NPD Online, 75 per cent of online shoppers surveyed said that good customer service would make them shop at the site again.⁷⁷ A study of how online grocery shoppers negotiated three different store layouts, freeform, grid and racetrack,⁷⁸ indicated that they found the freeform layout most useful for finding shopping list products within the store, and also by far the most entertaining to use. They also found the grid layout much easier to use than the other layouts.⁷⁹ Another recent study suggested that 'four factors were predictive of customer judgments about quality and satisfaction, customer loyalty and attitudes towards a website (see Table 9.2):

- *Website design.* This covers all elements of the customer's experience at the website including navigation, information search, order processing, appropriate personalization and product selection.
- *Fulfilment/reliability.* This involves, firstly, the accurate display and description of a product so that what customers receive is what they thought they ordered; and secondly, the delivery of the right product within the time frame promised.
- *Privacy/security.* This involves the security surrounding credit card payments and the privacy of shared information.
- *Customer service.* This needs to be responsive, helpful and willing service with a quick response time to customer enquiries.⁸⁰

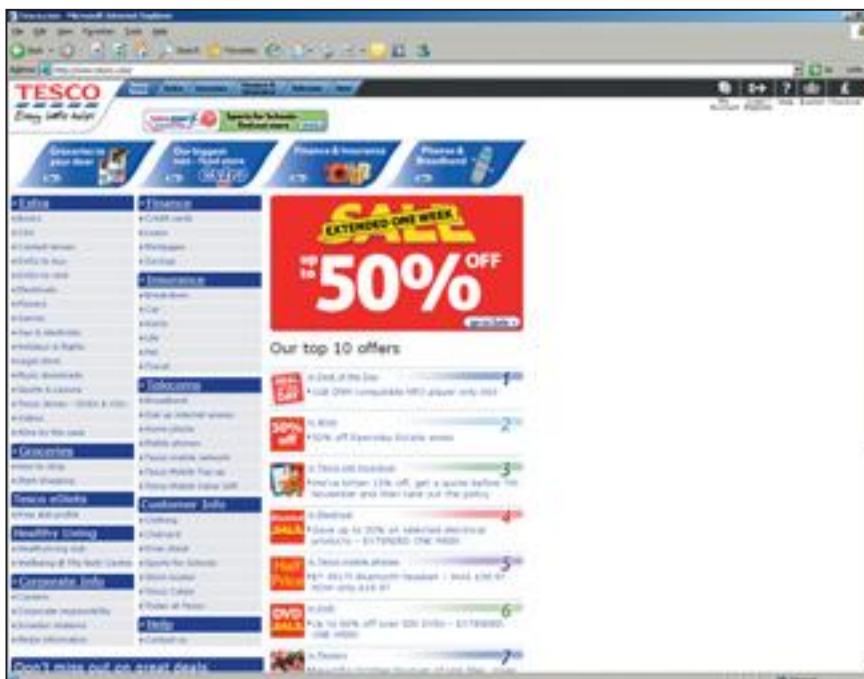
Many successful e-tailers are learning that using technology to provide extra value for customers is attracting and keeping customers. A variety of online banking services are becoming very popular.⁸¹ And estate agents can provide much more information, floor plans and more appealing photographs of homes for sale as well as virtual guided tours,

Table 9.2 eTailQ items: measuring customer satisfaction with websites

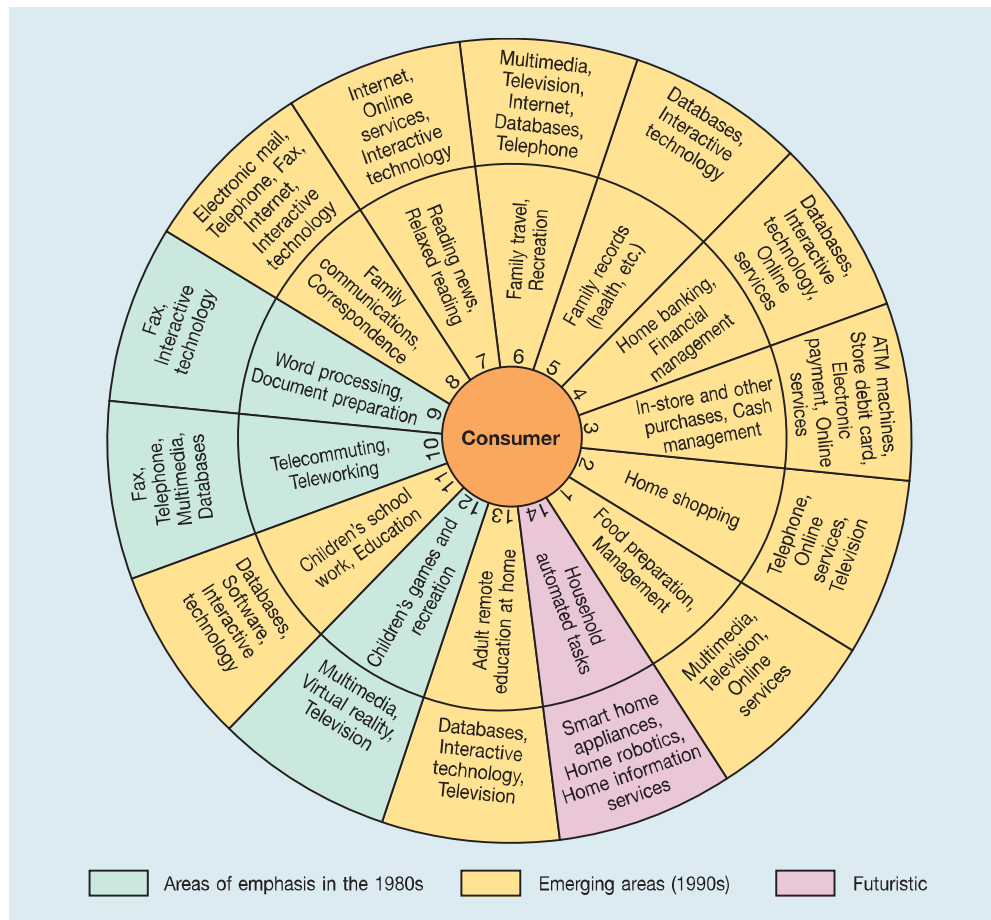
Factor	Customer judgement
Website design	1. The website provides in-depth information. 2. The site doesn't waste my time. 3. It is quick and easy to complete this transaction at this website. 4. The level of personalization at this site is about right, not too much or too little.
Fulfilment/reliability	5. This website has good selection. 6. The product that came was represented accurately by the website. 7. You get what you ordered from this site.
Security/privacy	8. The product is delivered by the time promised by the company. 9. I feel like my privacy is protected at this site. 10. I feel safe in my transactions with this website.
Customer service	11. The website has adequate security features. 12. The company is willing and ready to respond to customer needs. 13. When you have a problem, the website shows a sincere interest in solving it. 14. Inquiries are answered promptly.

Source: Based on Mary Wolfinger and Mary C. Gilly, 'eTailQ: Dimensionalizing, measuring and predicting etail quality', *Journal of Retailing* 79 (2003): Table 4. Reproduced by permission.

for example, than has been possible through the traditional print media. In a similar way companies such as Expedia have offered potential customers virtual tours of holiday destinations including pictures of hotel rooms and beaches.⁸² Interactive TV is letting home viewers provide input to the videos played on MTV and to play along on *Who Wants to Be a Millionaire?* Soon MTV viewers will be able to use their remote controls to purchase the CDs that go with the music videos they are seeing. In Germany, the most successful application of interactive television (after home shopping) is the call-in quiz show, which combines television and telephone.⁸³



E-commerce sites like Tesco give shoppers the option of shopping without leaving home.
<http://www.tesco.com>. Courtesy of Tesco Stores Limited

Figure 9.4 Everyday life of a consumer in cyberspace

Source: Alladi Venkatesh, 'Cybermarketscapes and consumer freedoms and identities', *European Journal of Marketing* 32(7/8) (1998): 664-76. Used by permission.

From the consumer's perspective, electronic marketing has increased convenience by breaking down many of the barriers caused by time and location. You can shop 24 hours a day without leaving home, you can read today's newspaper without getting drenched picking up a hard copy when it is pouring with rain, and you don't have to wait for the 6 o'clock news to find out what the weather will be like tomorrow – at home or around the globe. And, with the increasing use of hand-held devices and wireless communications, you can get that same information – from stock quotes to the weather – even when you're away from your computer. In Figure 9.4, the major domains in the development of consumer possibilities in cyberspace are depicted.

Consumer experiences in cyberspace can be analysed according to two dimensions: *telepresence* and *bricolage*.⁸⁴ Telepresence expresses the degree to which the consumer feels immersed in the virtual environment, the time spent there and the positive feelings generated, whereas bricolage (a French word meaning getting by with whatever is at hand) is an indication of the interactive medium's possibilities for the consumer to be in control of the information gathered and used, presumably leading to a higher degree of involvement in and retention of the information.

However, all is not perfect in the virtual world. E-commerce does have its limitations. Security is one important concern. We hear horror stories of consumers whose credit cards and other identity information has been stolen. While an individual's financial

liability in most theft cases is limited to approximately 60 euros or £40, the damage to one's credit rating can last for years. Some shady companies are making money by prying and then selling personal information to others – one company promotes itself as 'an amazing new tool that allows you to find out EVERYTHING you ever wanted to know about your friends, family, neighbours, employees, and even your boss!'⁸⁵ Pretty scary. Almost daily we hear of hackers getting into a business or even a government website and causing havoc. Businesses risk the loss of trade secrets and other proprietary information. Many must spend significant amounts to maintain security and conduct regular audits to ensure the integrity of their sites.

Other limitations of e-commerce relate to the actual shopping experience. While it may be satisfactory to buy a computer or a book on the internet, buying clothing and other items in which touching the item or trying it on is essential may be less attractive. Lack of tactile input (feeling material; smelling a bouquet) is one the major factors which deters consumers from using the internet for buying goods. A recent study established that consumers with a higher need for tactile inputs tended not to use the internet so much for product purchase; and men tend to exhibit less need for tactile input than women when evaluating products.⁸⁶ Even though most companies have very liberal returns policies, consumers can still get stuck with large delivery and return postal charges for items where the material does not hang properly, or they don't fit, or they simply aren't the right colour. However, a potentially interesting counter-example to this is the purchase of wedding dresses online, where customers have the opportunity to co-design their dresses. This was a particularly attractive opportunity for customers who were already comfortable with technology and already owned personal technological devices; have already bought formal clothes online; and regularly spend time online.⁸⁷ Some of the pros and cons of e-commerce are summarized in Table 9.3. It's clear that traditional shopping isn't quite dead yet.

Many of the winners in the future retail scene will be those who can create a high degree of synergy between their online and offline outlets.⁸⁸ There is already evidence of

Table 9.3 Pros and cons of e-commerce

Benefits of e-commerce	Limitations of e-commerce
For the consumer Shop 24 hours a day Less travelling Can receive relevant information in seconds from any location More choice of products More products available to less-developed countries Greater price information Lower prices so that less affluent can purchase Participate in virtual auctions Fast delivery Electronic communities	For the consumer Lack of security Fraud Can't touch items Exact colours may not reproduce on computer monitors Expensive to order and then return Potential breakdown of human relationships
For the marketer The world is the marketplace Decreases costs of doing business Very specialized businesses can be successful Real-time pricing	For the marketer Lack of security Must maintain site to reap benefits Fierce price competition Conflicts with conventional retailers Legal issues not resolved

Source: Adapted from Michael R. Solomon and Elnora W. Stuart, *Welcome to Marketing.Com: The Brave New World of E-Commerce* (Englewood Cliffs, NJ: Prentice Hall, 2001).

the rewards for retailers who successfully link offline with online because the fastest growing trend in consumer behaviour is combining patronage of offline company outlets (shops and/or mail order catalogues) with online company websites.⁸⁹

Bricks-and-mortar retailers will need to work hard to give shoppers something they can't get (yet anyway) in the virtual world – a stimulating or pleasant environment in which to browse with sensory appeals not available online.⁹⁰ They will need to build emotional bonds with their customers through imaginative and entertaining retail design and merchandising strategies.⁹¹ Now let's consider how they're doing that.

■ SERVICESCAPES: RETAILING AS THEATRE

Shopping can no longer be regarded as a simple act of purchasing.⁹² A retail culture has arisen,⁹³ where the act of shopping has taken on new entertainment and/or experiential dimensions as retailers compete for customers' attention, not to speak of their loyalty. The act of shopping ties into a number of central existential aspects of human life such as sexuality.⁹⁴ Furthermore, the customer may be regarded not as a passive recipient of the offerings of the purchase environment but rather as an active co-creator of this very environment and the meanings attached to it,⁹⁵ in a situation analogous to the focus among 'marketing mavens' (see next chapter) on flexibility in the area of product supply and tailor-made marketing mixes for the individual consumer.⁹⁶ One of the most obvious trends in the retailing sector in Europe is the construction of shopping centres, often modelled on American prototypes. In the United States today, the shopping centre or mall is often a focal point in a community: 94 per cent of adults visit a mall at least once a month and more than half of all retail purchases (excluding cars and petrol) are made in a mall.⁹⁷ Shopping centres are also flourishing in Europe, where, once introduced into an area, they often bring with them a whole new combination of leisure activities, shopping and social encounters in safe environments.⁹⁸

The competition for customers is becoming even more intense as non-store alternatives from websites and print catalogues to TV shopping networks and home shopping parties continue to multiply. With all of these shopping alternatives available, how can a traditional store compete?

Shopping centres are becoming giant entertainment centres, almost to the point that their traditional retail occupants seem like an afterthought. Shopping centres have tried to gain the loyalty of shoppers by appealing to their social motives as well as providing access to desired goods. It is now typical to find such features as children's rides, miniature golf, and batting cages in a suburban shopping centre. As one retailing executive put it, 'Malls are becoming the new mini-amusement parks.'⁹⁹ The importance of creating a positive, vibrant and interesting image has led innovative marketers to blur the line between shopping and the theatre. Shopping centres and individual stores have to create environments that stimulate people and allow them to shop and be entertained at the same time.¹⁰⁰ Themed shopping centres and stores bear witness to the multitude of styles that flourish in the attempt to attract consumers who seek more than just a distribution outlet.¹⁰¹ The Hard Rock Café, established in London over 25 years ago, now has over 45 restaurants around the world, and has become a sort of pilgrimage place in itself. Some consumers make a point of collecting as many Hard Rock Café merchandise items (T-shirts, etc.) from as many HRCs in the world as possible.

The classic European counterpart to the American mall is the department store.¹⁰² The first department stores can be seen as marking the introduction of a modern consumer culture, nourished by dreams of abundance.¹⁰³ Department stores often hold elaborate store-wide promotions based, for example, on the culture of a selected country (see also De Bijenkorf's promotions in Amsterdam). During these events the entire store is transformed, with each department featuring unusual merchandise from the country. These

promotions are accompanied by lavish parties, food and entertainment associated with that country.

The following are a few examples of 'performers' in the retailing theatre:

- A Dutch internet bank, ING, has turned the ground floor of its office in Toronto, Canada, into a stylish café, complete with counter, armchairs, sofas and background music. But in addition to the variety of coffees, the chalkboard behind the counter announces interest rates in various savings accounts and other banking information.¹⁰⁴
- The Powerscourt Townhouse Centre in Dublin succeeded in merging a variety of styles and features, including a grand piano on a stage in the central hall, to make a sort of new version of a Victorian marketplace atmosphere. Unlike the Mall of America, it does not appear as a carefully planned environment but rather a happy blend of many consumption opportunities including an Italian restaurant, a modern hairstylist, an antique shop, etc. in a stylish classical setting.¹⁰⁵
- American malls, the new 'retail-entertainment complexes', have also attracted a lot of attention among European retail environment designers and academics in the last few years. Minneapolis's Mall of America, the largest one in the United States, is organized around a complete amusement park (Camp Snoopy) as well as a Lego playing/exhibition area. Furthermore, it comprises 400 stores, 45 restaurants, 9 discos and 14 cinemas and ranks among the foremost *tourist attractions* in the USA. It has a complete aquatic theme park (Underwater World) as well as a number of other featured themed environments including Planet Hollywood and Rainforest Café, and an Italian restaurant, Tutti Benucci, built upon the image of a classical 1950s' southern Italian restaurant by Mr Benucci himself, using his family photos as wall decoration and his grandmother's and mother's recipes in the kitchen. The only thing is, Mr Benucci never really existed but was created by a marketing department . . .¹⁰⁶

The quest to entertain means that many stores are going all-out to create imaginative environments that transport shoppers to fantasy worlds or provide other kinds of stimulation. This strategy is called **retail theming**. Innovative merchants today use four basic kinds of theming techniques:

- *Landscape themes* rely upon associations with images of nature, earth, animals and the physical body. Bass Pro Shops, for example, create a simulated outdoor environment including pools stocked with fish.
- *Marketscape themes* build upon associations with man-made places. An example is The Venetian hotel in Las Vegas that lavishly recreates parts of the Italian city.
- *Cyberspace themes* are built around images of information and communications technology. eBay's retail interface instils a sense of community among its vendors and traders.
- *Mindscape themes* draw upon abstract ideas and concepts, introspection and fantasy, and often possess spiritual overtones. At the Seibu store in Tokyo, shoppers enter as neophytes at the first level. As they progress through the physical levels of the store each is themed to connote increasing levels of consciousness until they emerge at the summit as completed shoppers.¹⁰⁷



**multicultural
dimensions**

American retailers, including Blockbuster Video, Original Levi's stores, Foot Locker, Toys"R"Us and The Gap, are exporting their version of the dynamic retail environment to Europe - with some adaptations. These 'invasions' often begin in Britain, since cultural differences seem smaller, bureaucratic hurdles lower and personnel costs reduced. The Gap found that it needed to stock smaller sizes than in the US, and that many of its European customers prefer darker colours. Also, some retailers have done away with the 'greeters' who stand at the entrance in many American stores - Europeans tend to find them intimidating.¹⁰⁸



Hard Rock Café: one of the oldest and most well-established themed consumer environments.

© SIME/Corbis

Spectacular consumption environments represent another example of servicescapes, where the emphasis is on *play*, and the co-creation of the experience by the producer and the consumer. Recent research within a themed retail environment, the ESPN Zone Chicago, examined the agency of the consumer in this type of environment and how the use of technology affected consumers' sense of reality. Consumers seemed to exercise creative control over the spectacular environment by using technology and their bodies to produce parts of the spectacle, and to create and alter space, suggesting a dialectical relationship between producers and consumers. The researchers identified two ludic elements that help us understand the role of *play* in consumption environments:¹⁰⁹

- 1 *'Liminoid Real Estate'*: This refers to the creation of new worlds through consumer play, which consumers interpret as different realities. This notion of transcendent surrender provides a link between play and religion, ritual, sacrifice and the sacred.
- 2 *The Observe Panopticon*: This refers to physical structures that are designed in a way that appeals to exhibitionistic desires of consumers by enabling them to be observed by others.'

Store image

With so many stores competing for customers, how do consumers select one rather than another? Like products, we can think of stores as having 'personalities'. Some stores have very clearly defined images (either good or bad). Others tend to blend into the crowd. They may not have anything distinctive about them and may be overlooked for this reason. This personality, or **store image**, is composed of many different factors. The design and general image of the store is central to the perception of the goods displayed there, whether we are talking about fashion,¹¹⁰ food products¹¹¹ or any other type of good. Store features, coupled with such consumer characteristics as shopping orientation, help to predict which shopping outlets people will prefer.¹¹² Some of the important dimensions

of a store's profile are location, merchandise suitability and the knowledge and congeniality of the sales staff.¹¹³

These features typically work together to create an overall impression. When shoppers think about stores, they may not say, 'Well, that place is fairly good in terms of convenience, the salespeople are acceptable, and services are good.' They are more likely to say, 'That place gives me the creeps', or 'I always enjoy shopping there.' Consumers evaluate stores in terms of both their specific attributes *and* a global evaluation, or the ► **store gestalt** (see Chapter 2).¹¹⁴ This overall feeling may have more to do with such intangibles as interior design and the types of people one finds in the store than with aspects such as returns policies or credit availability. As a result, some stores are likely to be consistently in consumers' evoked sets (see Chapter 8), whereas others will never be considered.¹¹⁵

A recent makeover of FedEx retail outlets illustrates the crucial role design can play in communicating a desirable store image. Consumer research conducted by Ziba Design for FedEx indicated that, compared to its main competitors, the firm's brand personality was more innovative, leading-edge and outgoing – but this impression was certainly not reinforced by its cluttered storefront locations where customers go to drop off packages for delivery. The designers used colours and shapes associated with these attributes to make over the stores.

Atmospherics

► Because a store's image is now recognized as a very important aspect of the retailing mix, store designers pay a lot of attention to **atmospherics**, or the 'conscious designing of space and its various dimensions to evoke certain effects in buyers'.¹¹⁶ These dimensions include colours, scents and sounds. For any store or any shopping centre, one may think of this process as a careful *orchestration* of the various elements, each playing its part to form a whole.¹¹⁷

Many elements of store design can be cleverly controlled to attract customers and produce desired effects on consumers. Light colours impart a feeling of spaciousness and serenity, and signs in bright colours create excitement. In one subtle but effective application, fashion designer Norma Kamali replaced fluorescent lights with pink ones in department store dressing rooms. The light had the effect of flattering the face and banishing wrinkles, making female customers more willing to try on (and buy) the company's bathing suits.¹¹⁸ One study found that brighter in-store lighting influenced people to examine and handle more merchandise.¹¹⁹

In addition to visual stimuli, all sorts of cues can influence behaviours.¹²⁰ For example, music can affect eating habits. A study found that diners who listened to loud, fast music ate more food. In contrast, those who listened to Mozart or Brahms ate less and more slowly. The researchers concluded that diners who choose soothing music at mealtimes can increase weight loss by at least five pounds a month!¹²¹ Classical music can have a positive effect on consumers' evaluation of store atmosphere.¹²²

In-store decision-making

Despite all their efforts to 'pre-sell' consumers through advertising, marketers are increasingly recognizing the significant degree to which many purchases are strongly influenced by the store environment. Women tell researchers, for example, that store displays are one of the major information sources they use to decide what clothing to buy.¹²³ A Danish survey indicated that nine out of ten customers did not plan the purchase of at least one-third of the goods they acquired.¹²⁴ The proportion of unplanned purchases is even higher for other product categories such as food – it's estimated that about two out of every three supermarket purchases are decided in the aisles. And people with lists

are just as likely to make spontaneous purchases as those without them.¹²⁵ For the US market it is estimated that the purchase of 85 per cent of sweets and chewing gum, almost 70 per cent of cosmetics and 75 per cent of oral hygiene purchases are unplanned.¹²⁶

Marketers are scrambling to engineer purchasing environments in order to increase the likelihood that they will be in contact with consumers at the exact time they make a decision. This strategy even applies to drinking behaviour: Diageo, the world's largest liquor company, discovered that 60 per cent of bar customers don't know what they will drink until seconds before they place their orders. To make it more likely that the customer's order will include Smirnoff vodka, Johnnie Walker Scotch or one of its other brands, Diageo launched its Drinks Invigoration Team to increase what it calls its 'share of throat'. The Dublin-based team experiments with bar 'environments', bottle-display techniques and how to match drinks to customers' moods. For example, the company researchers discovered that bubbles stimulate the desire for spirits, so it's developing bubble machines to put in the back of bars. Diageo has even categorized bars into types and is identifying the types of drinkers – and the drinkers they prefer – who frequent each. These include 'style bars', where cutting-edge patrons like to sip fancy fresh-fruit martinis, and 'buzz bars', where the clientele is receptive to a drink made of Smirnoff and energy brew Red Bull.¹²⁷

Spontaneous shopping

When a shopper is prompted to buy something in a shop, one of two different processes may be at work: *unplanned buying* may occur when a person is unfamiliar with a store's layout or perhaps when under some time pressure; or, a person may be reminded to buy something by seeing it on a store shelf. About one-third of unplanned buying has been attributed to the recognition of new needs while within the store.¹²⁸

Impulse buying

- In contrast, **impulse buying** occurs when the person experiences a sudden urge that he or she cannot resist. For this reason, so-called impulse items such as sweets and chewing gum are conveniently placed near the checkout. Similarly, many supermarkets have installed wider aisles to encourage browsing, and the widest tend to contain products with the highest margin. Low mark-up items that are purchased regularly tend to be stacked high in narrower aisles, to allow shopping trolleys to speed through.¹²⁹ A more recent high-tech tool has been added to encourage impulse buying: a device called 'The Portable Shopper', a personal scanning gun which allows customers to ring up their own purchases as they shop. The gun was initially developed for Albert Heijn, the Netherlands' largest grocery chain, to move customers through the store more quickly. It is now in use in over 150 supermarkets worldwide.¹³⁰

One particular type of occasion where a lot of impulse buying goes on is the seasonal sales, which appeal especially to younger and price-conscious shoppers according to one British study.¹³¹ In general, shoppers can be categorized in terms of how much advance planning they do. *Planners* tend to know what products and specific brands they will buy beforehand, *partial planners* know they need certain products, but do not decide on specific brands until they are in the store, and *impulse purchasers* do no advance planning whatsoever.¹³² Figure 9.5 was drawn by a consumer who participated in a study on consumers' shopping experiences and who was asked to sketch a typical impulse purchaser.

Point-of-purchase stimuli

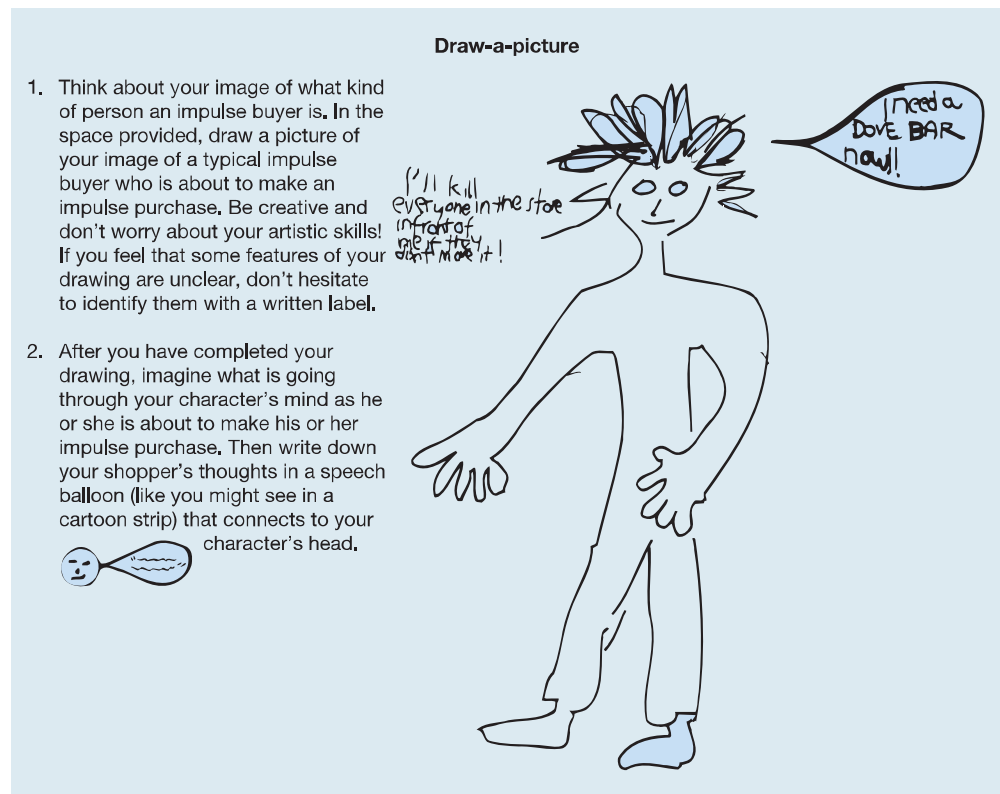
Because so much decision-making apparently occurs while the shopper is in the purchasing environment, retailers are beginning to pay more attention to the amount of information in their stores, as well as to the way it is presented. It has been estimated that impulse purchases increase by 10 per cent when appropriate displays are used. Consumers' images of a good-value-for-money purchase are in many cases not induced



Smart retailers recognize that many purchase decisions are made at the time the shopper is in the store. That's one reason why grocery carts sometimes resemble billboards on wheels.

Peter Byron/Photo Researchers, Inc.

Figure 9.5 One consumer's image of an impulse buyer



Source: Dennis Rook, 'Is Impulse Buying (Yet) a Useful Marketing Concept?', unpublished manuscript, University of Southern California, Los Angeles, 1990: Figure 7.A.

by careful price examinations but by powerful and striking in-store information.¹³³ That explains why US companies spend more than \$13 billion each year on **point-of-purchase stimuli (POP)**. A POP can be an elaborate product display or demonstration, a coupon-dispensing machine, or someone giving out free samples of a new perfume in the cosmetics aisles. Recent research indicated that European consumers responded more positively to spray samplers than to vials and plugs in the promotion campaign for a fragrance. 'Both fragrance marketers and retailers confirm[ed] that spray samplers successfully entice customers to try, experience and buy an upscale product. The sprays are able to effectively communicate the feel, gesture and essence of a brand' and are now being increasingly tried out in the U.S. as an effective way of getting consumers to try a new fragrance.¹³⁴ Winning consumers in the store with packaging and displays is regarded as 'the first moment of truth'.¹³⁵ P&G are now putting designers alongside R&D and marketing managers because 'competitive advantage comes not just from patents, but also from incorporating design into products, much like Apple, Sony or Dell'.¹³⁶

Much of the growth in point-of-purchase activity has been in new electronic technologies.¹³⁷ Videotronic, a German hardware producer, has specialized in compact in-store video displays. The newest feature is a touch-screen selection with various pieces of information which eventually provoke scent to appear.¹³⁸ The Point-of-Purchase Radio Corporation offers in-store radio networks which are now used by about 60 grocery chains.¹³⁹ Some shopping trolleys have a small screen that displays advertising, which is keyed to the specific areas of the store through which the trolley is wheeled.¹⁴⁰ New interactive possibilities seem to enhance the effectiveness of POP information systems,¹⁴¹ although the effect of in-store advertising and other POP continues to be difficult to assess. High-tech solutions such as hand-held computers which will process filmed as well as alphanumerical data are used by Reebok to show whether their in-store efforts are used correctly and which type works best in comparison with competitors.¹⁴²

In-store *displays* are another commonly used device to attract attention in the store environment. While most displays consist of simple racks that dispense the product and/or related coupons, some highlight the value of regarding retailing as theatre by supplying the 'audience' with elaborate performances and scenery. For example, POP displays are one of the most important tools in the annual toy acquisition peak before Christmas, and the winners are the large and established brands like Barbie, Lego, etc. as well as newcomers who know how to make an impressive visual impact. In the UK market for construction toys, Lego has long dominated, with Meccano a distant second. However, by using an aggressive POP strategy, K'Nex came close to a 20 per cent market share in 1996 from a standing start that same year.¹⁴³

Place-based media

Advertisers are also being more aggressive about hitting consumers with their messages, wherever they may be. *Place-based media* is a specialized medium that is growing in popularity: it targets consumers based on the locations in which the message is delivered. Tesco plans to follow Wal-Mart and install TV in 300 stores where 'in between news clips, recipe tips and beauty advice, the screens will show ads for products in the aisles'.¹⁴⁴ Other outlets include airports, doctors' surgeries, university campuses or health clubs. Turner Broadcasting System began such ventures as Checkout Channel for supermarkets and Airport Channel, and even tested McDTV for McDonald's restaurants.¹⁴⁵ Twentieth Century Fox has negotiated a partnership deal with shopping centres owned by US General Growth Properties for the promotion of its films using methods which range from banners, posters, window stickers to tray liners and ad placements in eating areas.¹⁴⁶ Even MTV is in on the act: its Music Report, shown in record stores, is a two-hour 'video capsule' featuring video spots and ads for music retailers and corporate sponsors. An MTV executive observed, 'They're already out there at the retail environment. They're ready to spend money.'¹⁴⁷ A Dutch CD retailer, Free Record Shop, has

installed a device that permits shoppers to compile and burn their own CD in-store. Consumers can select up to 74 minutes of music and are charged a per-song amount (up to 1.23 euros). The teens are delighted about this legal way of making personalized compilations. The company hopes to spread the system to their other stores in the Netherlands, Belgium, Norway and France.¹⁴⁸



**multicultural
dimensions**

Wal-Mart is upgrading its vast in-store television network: the fifth-largest television network in the United States

'Wal-Mart TV Network, a Web network of in-store programming that the company started in 1998. These days it shows previews of soon-to-be-released movies, snippets of sports events and rock concerts, and corporate messages from the world of Wal-Mart, including some intended to improve its battered public image. But the principal reason for Wal-Mart TV is to show a constant stream of consumer product ads purchased by companies like Kraft, Unilever, Hallmark and PepsiCo. And little wonder. According to Wal-Mart and to an agency that handles its ad sales, the TV operation captures some 130 million viewers every four weeks, making it the fifth-largest television network in the United States after NBC, CBS, ABC and Fox.'¹⁴⁹



net profit

The ATM machine is slowly but surely being transformed into a high-tech point-of-purchase display as marketers find new ways to use it to deliver products and advertising. The Bank of America's machines show a brief ad while a customer waits for the cash to drop. But that's yesterday's news. State-of-the art web-enabled ATMs are being developed that will take the cash withdrawal experience to a new level. Soon users will have access to account updates and coupon printing while full motion videos play in the background. This new generation of ATMs will be able to scan a deposited cheque and print a copy of it on your receipt. These machines will do a lot more than your banking, however. They will offer such services as ticket purchasing, personalized stock market share quotes, sports scores, maps, directions, bill payment and the ability to call up an image of a cancelled cheque from your account.¹⁵⁰ Soon, you'll be able to spend your money before you even withdraw it!

The salesperson

One of the most important in-store factors is the salesperson, who attempts to influence the buying behaviour of the customer.¹⁵¹ This influence can be understood in terms of ► **exchange theory**, which stresses that every interaction involves an exchange of value. Each participant gives something to the other and hopes to receive something in return.¹⁵²

What 'value' does the customer look for in a sales interaction? There are a variety of resources a salesperson might offer. For example, they might offer expertise about the product to make the shopper's choice easier. Alternatively, the customer may be reassured because the salesperson is an admired or likeable person whose tastes are similar and who is seen as someone who can be trusted.¹⁵³ A long stream of research attests to the impact of a salesperson's appearance on sales effectiveness. In sales, as in much of life, attractive people appear to hold the upper hand.¹⁵⁴ In addition, it's not unusual for service personnel and customers to form fairly warm personal relationships; these have been termed *commercial friendships* (think of all those patient bartenders who double as therapists for many people). Researchers have found that commercial friendships are

similar to other friendships in that they can involve affection, intimacy, social support, loyalty and reciprocal gift giving. They also work to support marketing objectives such as satisfaction, loyalty and positive word-of-mouth.¹⁵⁵

A buyer/seller situation is like many other dyadic encounters (two-person groups); it is a relationship where some agreement must be reached about the roles of each participant, when a process of *identity negotiation* occurs.¹⁵⁶ For example, if the salesperson immediately establishes him- or herself as an expert, the salesperson is likely to have more influence over the customer through the course of the relationship. Some of the factors that help to determine a salesperson's role (and relative effectiveness) are their age, appearance, educational level and motivation to sell.¹⁵⁷

In addition, more effective salespeople usually know their customers' traits and preferences better than do ineffective salespeople, since this knowledge allows them to adapt their approach to meet the needs of the specific customer.¹⁵⁸ The ability to be adaptable is especially vital when customers and salespeople differ in terms of their *interaction styles*.¹⁵⁹ Consumers, for example, vary in the degree of assertiveness they bring to interactions. At one extreme, non-assertive people believe that complaining is not socially acceptable and may be intimidated in sales situations. Assertive people are more likely to stand up for themselves in a firm but non-threatening way. Aggressives may resort to rudeness and threats if they do not get their way.¹⁶⁰

■ POST-PURCHASE SATISFACTION

- **Consumer satisfaction/dissatisfaction (CS/D)** is determined by the overall feelings, or attitude, a person has about a product after it has been purchased. Consumers engage in a constant process of evaluating the things they buy as they integrate these products into their daily consumption activities.¹⁶¹ Despite evidence that customer satisfaction is steadily declining in many industries, good marketers are constantly on the lookout for sources of dissatisfaction so that they can improve.¹⁶² Customer satisfaction has a real impact on profitability: a recent study conducted among a large sample of Swedish consumers found that product quality affects customer satisfaction, which in turn results in increased profitability among firms who provide quality products.¹⁶³ Quality is more than a marketing 'buzzword'.

Perceptions of product quality

Just what do consumers look for in products? The answer's easy: they want quality and value. Especially because of foreign competition, claims of product quality have become strategically crucial to maintaining a competitive advantage.¹⁶⁴ Consumers use a number of cues to infer quality, including brand name, price, and even their own estimates of how much money has been put into a new product's advertising campaign.¹⁶⁵ These cues, as well as others such as product warranties and follow-up letters from the company, are often used by consumers to relieve perceived risk and assure themselves that they have made smart purchase decisions.¹⁶⁶

What is quality?

Although everyone wants quality, it is not clear exactly what it means. In *Zen and the Art of Motorcycle Maintenance*, a cult book from the mid-1970s, the hero literally goes mad trying to work out the meaning of quality.¹⁶⁷ Marketers appear to use the word 'quality' as a catch-all term for 'good'. Because of its wide and imprecise usage, the attribute 'quality' threatens to become a meaningless claim. If everyone has it, what good is it?

One way to define quality is to establish uniform standards to which products from around the world must conform. This is the intention of the International Standards



This ad for Audi relies on a claim about quality based on technical excellence in engineering and design.
The Advertising Archives

- Organization, a Geneva-based organization that does just that. A set of quality criteria was initially developed in 1987 to regulate product quality. The broad set of guidelines is known as **ISO standards**. These standards exist in different versions and cover issues related to the manufacture and installation of products and post-sale servicing, but also sustainability and environmentally friendly production processes.

The importance of expectations

Global standards for quality help to ensure that products work as promised, but consumers' evaluations of those products are a bit more complex. Satisfaction or dissatisfaction is more than a reaction to the actual performance quality of a product or service. First of all, satisfaction is not just a matter of functional but also of the hedonic performance of the product – something which may be more difficult for the producer to ensure beforehand. When we buy a book, we don't expect that the pages will come loose or fall out.¹⁶⁸

- Satisfaction, then, is highly influenced by prior expectations regarding all aspects of quality. According to the **expectancy disconfirmation model**, consumers form beliefs about product performance based on prior experience with the product and/or communications about the product that imply a certain level of quality.¹⁶⁹ When something performs the way we thought it would, we may not think much about it. If, on the other hand, it fails to live up to expectations, negative affect may result. Furthermore, if performance happens to exceed our expectations, we are satisfied and pleased.

To understand this perspective, think about different types of restaurants. People expect to be provided with sparkling clear glassware at high-class restaurants, and they might become upset if they discover a grimy glass. On the other hand, we may not be surprised to find fingerprints on our mug at a local 'greasy spoon'; we may even shrug it off because it contributes to the 'charm' of the place. An important lesson emerges for marketers from this perspective: don't overpromise if you can't deliver.¹⁷⁰



marketing pitfall

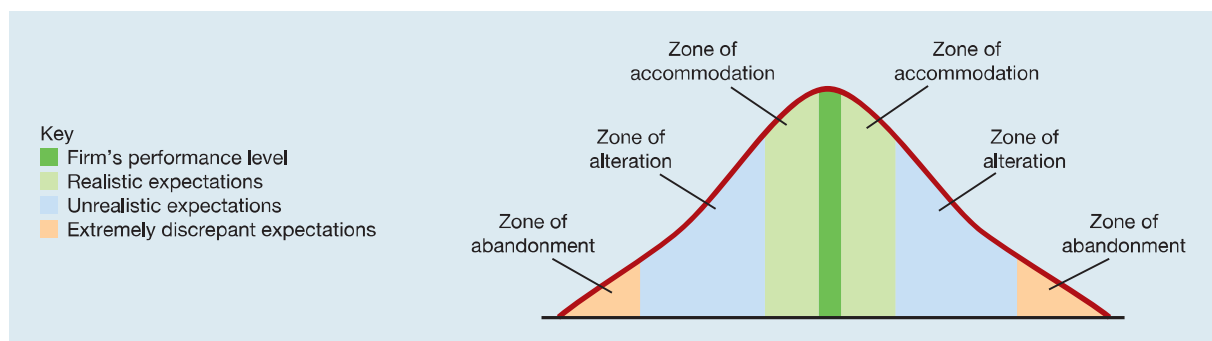
Consumers are not the only ones who are angry. Many employees have an axe to grind as well. At a website put up by a disgruntled former employee of a certain fast-food franchise, we share the pain of this ex-burger cook: 'I have seen the creatures that live at the bottom of the dustbins. I have seen the rat by the carbonated drinks machine. I have seen dead frogs in the fresh salad lettuce.'¹⁷¹ Chips with that?

A website called customersuck.com gets 1,200 hits a day. This is a forum for restaurant and store workers who have to grin and bear it all day. Once off the clock, they can share their frustrations about the idiocy, slovenliness and insensitivity of their customers. Some contributors to the website share stupid questions their customers ask, such as 'How much is a 99 cent cheeseburger?' while others complain about working conditions and having to be nice to not-so-nice people. The slogan of the site is 'the customer is never right'.¹⁷² Clearly, there are a lot of unhappy people on both sides of the cash till.

This perspective underscores the importance of *managing expectations* – customer dissatisfaction is usually due to expectations exceeding the company's ability to deliver. Figure 9.6 illustrates the alternative strategies a firm can choose in these situations. When confronted with unrealistic expectations about what it can do, the firm can either accommodate these demands by improving the range or quality of products it offers, alter the expectations, or perhaps even choose to abandon the customer if it is not feasible to meet his or her needs.¹⁷³ Expectations are altered, for example, when waiters tell patrons in advance that the portion size they have ordered will not be very big, or when new car buyers are warned of strange smells they will experience during the running-in period. A firm also can under-promise, as when Xerox inflates the time it will take for a service rep to visit. When the rep arrives a day earlier, the customer is impressed.

One approach to customer satisfaction, known as the *Kano-model*, operates with three kinds of expectation: basis, performance and enthusiasm expectations. The first includes the implicit and taken-for-granted qualities expected from a product. If these are not satisfied, the product will never be able to live up to the customer's requirements, but even if fulfilled, they do not profile the product because these qualities are taken for granted as a minimum. For the performance expectations satisfaction is proportional to how well the product lives up to the expectations. Such quality requirements are often specified and articulated by the customer. As for enthusiasm-related product features, it is wrong to call them expectations since their essential character is that they are *not* expected by the customer. Therefore, such positive surprises can lead to a very great feeling of satisfaction, since the product quality was even better than expected.¹⁷⁴ Furthermore, research evidence indicates that product experience is important for

Figure 9.6 Customer expectation zones: managing quality expectations



customer satisfaction. When people have no experiences they are relatively easy to satisfy, but with growing experience they become harder to satisfy. Then, when they reach a certain level of experience, satisfaction again becomes easier to obtain, since consumers are now 'experts' and this facilitates choice and generates more realistic expectations.¹⁷⁵

Furthermore, satisfaction levels are determined not only by the product purchased but also by the expectations about the quality of alternatives that were *not* purchased. In other words, the higher the expectations about unselected alternatives, the lower the level of satisfaction with the chosen good.¹⁷⁶ A general conclusion which one should draw from such a discussion is that consumer goals may be multiple and the product or service offer so complex to evaluate that any measurement of satisfaction must be used with caution.¹⁷⁷

Quality and product failures

The power of quality claims is most evident when a company's product fails. Here, consumers' expectations are dashed and dissatisfaction results. In these situations, marketers must immediately take steps to reassure customers. When the company confronts the problem truthfully, consumers are often willing to forgive and forget, as was the case with Perrier when traces of benzene were found in the water. When the company appears to be dragging its heels or covering up, on the other hand, consumer resentment will grow, as occurred during Union Carbide's chemical disaster in India, the massive Alaskan oil spill caused by the tanker *Exxon Valdez* or the recent corporate scandals such as the collapse of Enron.

Acting on dissatisfaction

If a person is not happy with a product or service, what can be done? Essentially, a consumer can take one or more possible courses of action:¹⁷⁸

- 1 *Voice response*: The consumer can appeal directly to the retailer for redress (e.g. a refund).
- 2 *Private response*: Express dissatisfaction about the store or product to friends and/or boycott the store. As will be discussed in Chapter 10, negative word-of-mouth (WOM) can be very damaging to a retailer's reputation.
- 3 *Third-party response*: The consumer can take legal action against the merchant, register a complaint with the Ombudsman, or perhaps write a letter to a newspaper (e.g. the weekly consumer complaints page in *The Guardian's* G2 section).

A number of factors influence which route is taken. The consumer may in general be assertive or meek. Action is more likely to be taken for expensive products such as household durables, cars and clothing than for inexpensive products.¹⁷⁹ If the consumer does not believe that the store will respond positively to a complaint, the person will be more likely to switch brands than fight.¹⁸⁰ Ironically, marketers should *encourage* consumers to complain to them: people are more likely to spread the word about unresolved negative experiences to their friends than they are to boast about positive occurrences.¹⁸¹ Consumers are more likely to spread negative information about a bad service than they are to spread information about a successful complaint handling. Complaint management is thus not as good an alternative as high-quality service in the first place.¹⁸² In addition, consumers who are satisfied with a store are more likely to complain; they take the time to complain because they feel connected to the store. Older people are more likely to complain, and are much more likely to believe the store will actually resolve the problem. Shoppers who get their problems resolved feel even *better* about the store than if nothing went wrong.¹⁸³



tangled web

Many dissatisfied customers and disgruntled former employees have been inspired to create their own websites just to share their tales of woe with others. For example, a website for people to complain about the Dunkin' Donuts chain became so popular that the company bought it in order to control the bad press it was getting. A customer initially created the site to express his outrage over the fact that he was unable to get skimmed milk for his coffee.¹⁸⁴ As a media lawyer observed, 'The person who, 20 years ago, was confined to walking up and down outside Chase Bank with a placard can now publish to millions of people with the click of a button.'¹⁸⁵ Indeed, a single individual can do a lot of damage in cyberspace. One famous hacker who went by the *nom de guerre* of Pimpshiz hacked into more than 200 websites to insert a message supporting Napster before he was finally arrested.¹⁸⁶

The Web is a very efficient staging ground for mass demonstrations. Political activists protesting against corporate policies are able to mobilize large numbers of consumers by touting their causes online. Some websites like **fightback.com** maintained by consumer activist David Horowitz focus on a range of consumerism issues, while others like **mcspotlight.org** chronicle the ostensible misdeeds of a specific company like McDonald's. Indeed, while their life spans often are brief, at any one time there are a surprising number of web pages out there devoted to trashing specific companies, such as **walmartsucks.com**, **NorthWorstAir.org**, **chasebanksucks.com** and **starbucked.com**.

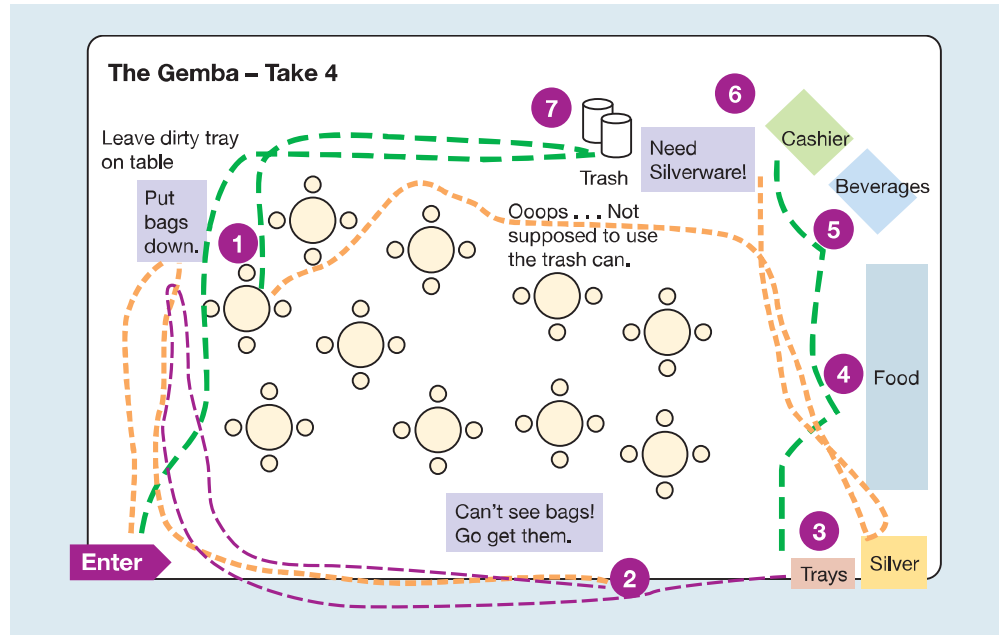
■ TQM: GOING BACK TO THE GEMBA

Many analysts who study consumer satisfaction or who are trying to design new products or services to increase it recognize that it is crucial to understand how people actually interact with their environment in order to identify potential problems. These investigations typically are done in focus groups where a small set of consumers try out a new item while being observed by company personnel. However, some researchers advocate a more up-close and personal approach that allows them to watch people in the actual environment where the item is consumed. The Japanese approach to Total Quality Management (TQM), a complex set of management and engineering procedures aimed at reducing errors and increasing quality, has influenced this perspective.

- ▶ To help attain this objective, researchers can *go to the gemba*. The **gemba** means the one true source of information. According to this philosophy, it's essential to send marketers and designers to the precise place where the product or service is being used rather than asking consumers to interact with it in a simulated environment. Figure 9.7 illustrates this idea in practice. Host Foods, which operates food concessions in major airports, sent a team to the *gemba* – in this case, an airport cafeteria – to identify problem areas. Employees watched as customers chose (or didn't) to enter the facility, then followed them as they inspected the menu, chose cutlery, paid and found a table. The findings were crucial to Host's redesign of the restaurant to make it easier to use. For example, the team hadn't realized the problem caused by having to put down one's luggage to enter the food line and not being able to keep an eye on valuables during the process.¹⁸⁷

■ PRODUCT DISPOSAL

Because people often do form strong attachments to products, the decision to dispose of something can be a painful one. One function performed by possessions is to serve as anchors for our identities: our past lives on in our things.¹⁸⁸ This attachment is

Figure 9.7 Going to the gemba

Source: Reprinted by permission of QFD Institute. © QFD Institute. www.qfdi.org.

exemplified by the Japanese, who ritually ‘retire’ worn-out sewing needles, chopsticks and even computer chips by burning them as thanks for good service.¹⁸⁹

Although some people have more trouble than others in discarding things, even a ‘magpie’ does not keep everything. Consumers must often dispose of things, either because they have fulfilled their designated functions, or possibly because they no longer fit with consumers’ views of themselves. Concern about the environment coupled with a need for convenience has made ease of product disposal a key attribute in categories from razors to nappies. Since we will deal with recycling and environmentalism in a later chapter, we will only briefly address other aspects of product disposal here.



This British ad promotes the recycling of glass.
The Advertising Archives

Disposal options

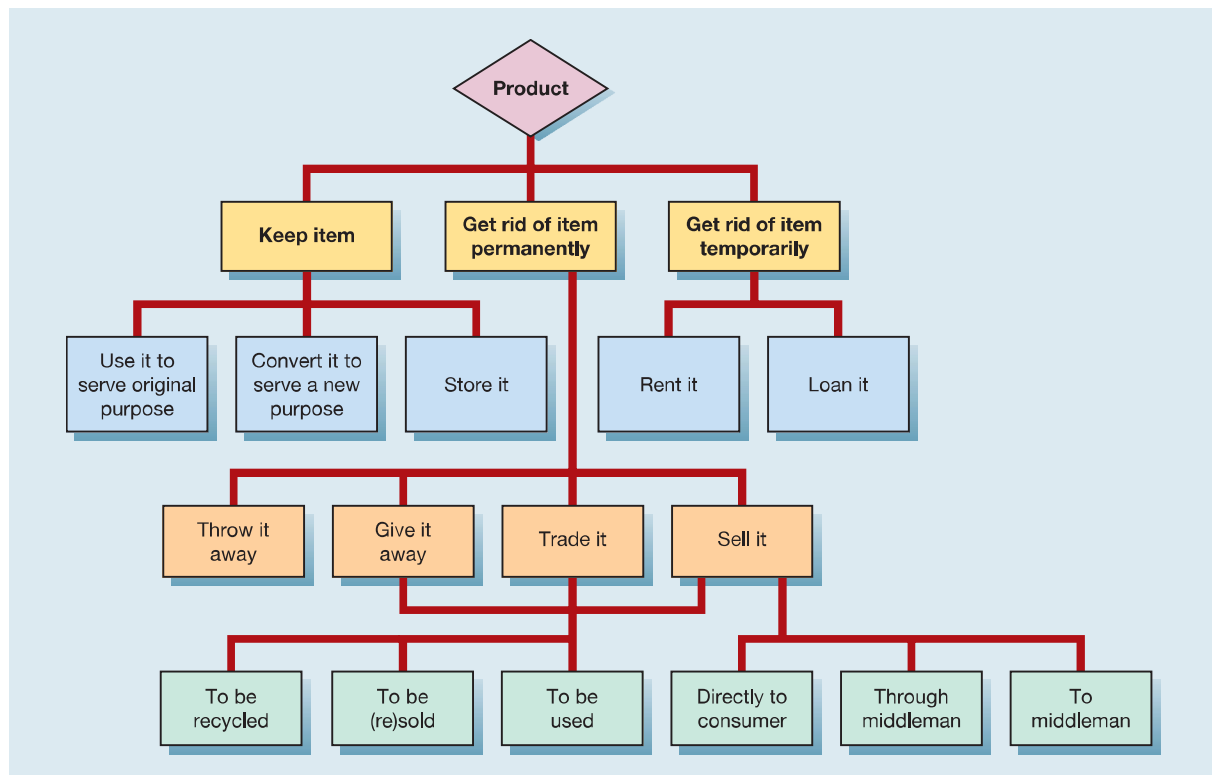
When a consumer decides that a product is no longer of use, several choices are available. The person can either (1) keep the item, (2) temporarily dispose of it, or (3) permanently dispose of it. In many cases, a new product is acquired even though the old one still functions. Some reasons for this replacement include a desire for new features, a change in the person's environment (e.g. a refrigerator is the wrong colour for a freshly painted kitchen), or a change in the person's role or self-image.¹⁹⁰ Figure 9.8 provides an overview of consumers' disposal options. Compared with the original scheme, we have added the opportunity of 'to be recycled' in the lower left corner. This is interesting because it bears witness to the fact that thinking about recycling as a 'natural' thing to do is a rather recent occurrence.

The issue of product disposal is doubly vital because of its enormous public policy implications. We live in a throwaway society, which creates problems for the environment and also results in a great deal of unfortunate waste.

Training consumers to recycle has become a priority in many countries. Japan recycles about 40 per cent of its rubbish, and this relatively high rate of compliance is partly due to the social value the Japanese place on recycling: citizens are encouraged by dustbin lorries that periodically rumble through the streets playing classical music or children's songs.¹⁹¹ Companies continue to search for ways to use resources more efficiently, often at the prompting of activist consumer groups. For example, McDonald's restaurants bowed to pressure by eliminating the use of styrofoam packages, and its outlets in Europe experimented with edible breakfast plates made of maize.¹⁹²

A study examined the relevant goals consumers have in recycling. It used a means–end chain analysis of the type described in Chapter 4 to identify how specific

Figure 9.8 Consumers' disposal options



Source: Adapted from Jacob Jacoby, Carol K. Berning and Thomas F. Dietvorst, 'What about disposition?', *Journal of Marketing* 41 (April 1977): 23.



This Dutch ad says, 'and when you've had enough of it, we'll clear it away nicely'.

Courtesy of Volkswagen of The Netherlands

instrumental goals are linked to more abstract terminal values. The most important lower-order goals identified were 'avoid filling up landfills', 'reduce waste', 'reuse materials' and 'save the environment'. These were linked to the terminal values of 'promote health/avoid sickness', 'achieve life-sustaining ends' and 'provide for future generations'. Another study reported that the perceived effort involved in recycling was the best predictor of whether people would go to the trouble – this pragmatic dimension outweighed general attitudes toward recycling and the environment in predicting intention to recycle.¹⁹³ By applying such techniques to study recycling and other product disposal behaviours, it will be easier for social marketers to design advertising copy and other messages that tap into the underlying values that will motivate people to increase environmentally responsible behaviour.¹⁹⁴



marketing pitfall

As if other kinds of waste weren't bad enough, one consequence of our infatuation with new technology is working out what to do with the things that quickly become obsolete. Now even discarded mobile phones are becoming a problem as customers rapidly switch among mobile services and upgrade to new models. One popular solution seems to be to ship unwanted electronic waste such as old computer monitors and circuit boards to the Third World. As much as 50 to 80 per cent of electronic waste collected for recycling in the United States is placed on container ships and sent to China, India, Pakistan or other developing countries, where it is reused or recycled under largely unregulated conditions. Recycling industries in these places often use young children to handle cathode ray tubes filled with lead and other toxic substances. The European Union is so concerned about the problem that it is moving toward requiring manufacturers to take cradle-to-grave responsibility for their products.¹⁹⁵



marketing opportunity

Some enterprising entrepreneurs have found profitable ways to encourage recycling by creating fashion items out of recycled materials. Two young jewellery designers in New York created a fad by making necklaces out of old bottle caps. They even pay homeless people to collect the caps. A company called Little Earth Productions Inc. makes all its products from recycled materials. They sell backpacks decorated with old licence plates, a shoulder bag made from rubber and hubcaps, and even purses crafted from discarded tuna cans.¹⁹⁶

Lateral cycling: junk vs. 'junque'

- Interesting consumer processes occur during **lateral cycling**, where already-purchased objects are sold to others or exchanged for yet other things. Many purchases are made second-hand, rather than new. The reuse of other people's things is especially important in our throwaway society because, as one researcher put it, 'there is no longer an "away" to throw things to'.¹⁹⁷

Flea markets, garage sales, classified advertisements, bartering for services, hand-me-downs, car-boot sales, charity shops and the black market all represent important alternative marketing systems that operate alongside the formal marketplace. In the United States the number of used-merchandise retail establishments has grown at about ten times the rate of other stores;¹⁹⁸ and the number of flea markets has grown exponentially since 1990 when there were more than 3,500.¹⁹⁹ These outlets provide consumers with opportunities to buy and sell items related to popular cultural events and people to which they have long-term attachments. For example, demand for rock 'n' roll memorabilia from icons like The Beatles or Buddy Holly remains strong. A buyer recently paid \$850,000 for a guitar that formerly belonged to the Grateful Dead's Jerry Garcia.²⁰⁰ In the face of the changing economic environment, and the mounting costs of weddings, there is a growing market for second-hand wedding dresses. Second-hand retailers report that business is booming. 'In order to keep their stock fresh with the latest styles – strapless and spaghetti-strap dresses are currently "in" – most bridal consignment



Flea markets are an important form of lateral cycling.

Alamy/Stockfolio

shops have age limits on dresses, ranging from one to three years, with unusual sizes or styles the exception. The gowns are typically reduced by 25 per cent or more from the retail price and the bride receives half of the sale; gowns that were originally in the \$3,000 to \$5,000 range, and by name designers like Ms Wang or Badgley Mischka, sell best.²⁰¹

The internet has revolutionized the lateral cycling process, as millions of people flock to eBay to buy and sell their 'treasures'. This phenomenally successful online auction site started as a trading post for Beanie Babies and other collectibles. Now two-thirds of the site's sales are for practical goods. eBay expects to sell \$2 billion worth of used cars and \$1 billion worth of computers a year. Coming next are event tickets, food, industrial equipment and property.²⁰²

Ironically, an economic slowdown is good news for auction sites like eBay, because it's the kind of business that prospers when other businesses aren't doing well. As one analyst explained, 'The interesting thing about eBay is that it may benefit because some people may choose not to buy something new, like a computer or consumer electronics.' Hobbies and crafts also are selling strongly, which may be due to the number of people staying at home rather than travelling.

Free recycling – which already existed in a number of forms offline, for example, jumble sales and donations to charity shops and church institutions (such as the Salvation Army) – has also started to emerge online with the establishment of www.freecycle.org by a consumer in Tucson, Arizona, keen to give away a queen-size bed and some packing peanuts. What started as an email circular to friends turned into a website for the exchange of unwanted items. 'Free, legal and appropriate for all ages': these are the only constraints on what is offered via the site.²⁰³

Despite its success, there's sometimes a bittersweet quality to eBay. Some of the sellers are listing computers, fancy cars, jewellery and other luxury items because they desperately need the money. As one vendor explained when he described the classic convertible he wanted to sell, 'I am out of money and need to pay my rent, so my toys have to be sold.' The site witnessed a particularly strong surge in these kinds of messages following 9/11 when many people got laid off in the wake of a sluggish economy. In the words of an accountant who lost his job, 'Things were bad before, and then they got really bad after the bombings. Everything completely dried up.' Noting that he used to sell merchandise on eBay as a hobby but now he's forced to sell some of his own possessions, including his BMW and his wife's jewellery, he commented, 'If it weren't for eBay, I'm not sure what I'd be doing. We definitely would not be able to pay the bills.'²⁰⁴

While traditional marketers have paid little attention to the second-hand market,²⁰⁵ factors such as concern about the environment, demands for quality and cost and fashion consciousness are conspiring to make these 'secondary' markets more important.²⁰⁶

- ▶ Economic estimates of this **underground economy** range from 3 per cent to 30 per cent of the GNP of the USA and up to 70 per cent of the GDP of other countries. Interest in antiques, period accessories and specialized magazines catering for this niche is increasing. Lassco (London Architectural Salvage and Supply Company) has many reclaimed items, ranging from padded green leather desks from the old British Library Reading Room (retailing for £6,500, about 9,500 euros), a red Gilbert Scott telephone box (for £750, or 1,100 euros),
- ▶ to stained-glass windows from churches (£10,000, or over 16,000 euros). **Reclaimers** are not, strictly speaking, antique dealers, and very definitely not junk merchants . . . they are not in the business of plundering the past, they are in the business of rescuing large lumps of history from the wrecking ball . . . reclaiming is . . . part of the current craze for "collectables" (architectural salvage is big on eBay).²⁰⁷ Other growth areas include markets for used computers and ski swaps, where used ski equipment is exchanged. A new generation of second-hand shopkeepers is developing markets for everything from used office equipment to cast-off kitchen sinks. Many are non-profit ventures started with government funding. These efforts remind us that recycling is actually the last step in the familiar mantra of the environmental movement: reduce, reuse, recycle.²⁰⁸ Only if no use is found for an item should it be shredded and made into something else.

■ CHAPTER SUMMARY

- *The act of purchase* can be affected by many factors. These include the consumer's antecedent state (his or her mood, time pressure, or disposition toward shopping). Time is an important resource that often determines how much effort and search will go into a decision. Mood can be affected by the degree of pleasure and arousal present in a store environment.
- *The usage context* of a product can be a basis for segmentation; consumers look for different product attributes depending on the use to which they intend to put their purchase. The presence or absence of other people (co-consumers) – and the types of people they are – can also affect a consumer's decisions.
- *The shopping experience* is a pivotal part of the purchase decision. In many cases, retailing is like theatre – the consumer's evaluation of stores and products may depend on the type of 'performance' he or she witnesses. This evaluation can be influenced by the actors (salespeople), the setting (the store environment), and props (store displays). A *store image*, like a brand personality, is determined by a number of factors such as perceived convenience, sophistication, expertise of salespeople, and so on. With increasing competition from non-store alternatives, the creation of a positive shopping experience has never been more important. Online shopping is growing in importance, and this new way to acquire products has both good (e.g. convenience) and bad (e.g. security) aspects.
- Since many purchase decisions are not made until the time the consumer is actually in the store, *point-of-purchase (POP)* stimuli are very important sales tools. These include product samples, elaborate package displays, place-based media, and in-store promotional materials such as 'shelf talkers'. POP stimuli are particularly useful in stimulating impulse buying, where a consumer yields to a sudden urge for a product.
- The consumer's encounter with a salesperson is a complex and important process. The outcome can be affected by such factors as the salesperson's similarity to the customer and his or her perceived credibility.
- *Consumer satisfaction* is determined by the person's overall feeling toward the product after purchase. Many factors influence perceptions of product quality, including price, brand name and product performance. Satisfaction is often determined by the degree to which a product's performance is consistent with the consumer's prior expectations of how well it will function.
- *Product disposal* is an increasingly important problem. Recycling is one option that will continue to be stressed as consumers' environmental awareness grows. Products may also be introduced by consumers into secondary markets during a process of *lateral cycling* which occurs when objects are bought and sold second-hand or bartered in an increasingly important underground economy.

► KEY TERMS

Atmospherics (p. 323)	Lateral cycling (p. 336)
Co-consumers (p. 306)	Point-of-purchase stimuli (POP) (p. 326)
Consumer satisfaction/dissatisfaction (CS/D) (p. 328)	Queuing theory (p. 308)
Cyberspace (p. 315)	Reclaimers (p. 337)
Exchange theory (p. 327)	Retail theming (p. 321)
Expectancy disconfirmation model (p. 329)	Shopping orientation (p. 313)
Gemba (p. 332)	Store gestalt (p. 323)
Impulse buying (p. 324)	Store image (p. 322)
ISO standards (p. 329)	Time poverty (p. 307)
	Time style (p. 306)
	Underground economy (p. 337)

CONSUMER BEHAVIOUR CHALLENGE

- 1 Discuss some of the motivations for shopping described in the chapter. How might a retailer adjust his or her strategy to accommodate these motivations?
- 2 Compare and contrast the two lists of hedonic shopping motives identified on pp. 312 and 313 in European and US research. How would you account for any differences? Why might shopping motives vary across cultures?
- 3 Do you think shopping motives might be different between online and offline shopping? If so, why?
- 4 What are some positive and negative aspects of requiring employees who interact with customers to wear some kind of uniform or to impose a dress code in the office?
- 5 Think about exceptionally good and bad salespeople you have encountered in the past. What qualities seem to differentiate them?
- 6 List the five stages of a long-term service relationship. How can a practitioner of relationship marketing incorporate each stage into his or her strategy?
- 7 The store environment is heating up as more and more companies put their promotional resources into point-of-purchase efforts. Shoppers are now confronted by videos at the checkout, computer monitors attached to their shopping trolleys, and so on. Place-based media expose us to ads in non-shopping environments. Do you feel that these innovations are unacceptably intrusive? At what point might shoppers rebel and demand some peace while shopping? Do you see any market potential in the future for stores that 'counter-market' by promising a 'hands-off' shopping environment?
- 8 Find a spectacular consumption environment and examine how consumers' play is encouraged and constrained by producers. How is technology used by producers and consumers in this environment to create and alter the sense of reality and

space in this spectacular environment? If you don't have a spectacular consumption environment near you, consider these questions (and the associated research findings) about the co-creation of meaning between producers and consumers within the context of the online world e.g. computer games.

- 9 Discuss the concept of 'time style'. Based on your own experiences, how might consumers be segmented in terms of their time styles?
- 10 Recent research (among American married and single women without children) has shown that there are major differences in individuals' attitudes and behaviours in relation to shopping across five metaphors of time as: pressure cooker; map; mirror; river; and feast. Consider how these temporal metaphors might vary across households (e.g. married with children); age (e.g. empty nest households); and culture.
- 11 Compare and contrast different cultures' conceptions of time. What are some implications for marketing strategy within each of these frameworks?
- 12 The movement away from a 'disposable consumer society' towards one that emphasizes creative recycling creates many opportunities for marketers. Can you identify some?
- 13 Conduct naturalistic observation at a local mall or shopping centre. Sit in a central location and observe the activities of mall staff and customers. Keep a log of the non-retailing activity you observe (special performances, exhibits, socializing, etc.). Does this activity enhance or detract from business conducted at the mall or shopping centre? As malls become more like high-tech game rooms, how valid is the criticism that shopping areas are only encouraging more loitering by teenage boys, who don't spend a lot in stores and simply scare away other customers?
- 14 Use the first five items from the eTailQ tool in Table 9.2 on p. 317 to compare and contrast six websites in two different product and service categories for their website design. Are there any other aspects of these websites' design which you might want to include in this comparison? Compare your extra items with the full range of eTailQ items (Table 2 in Wolfinbarger and Gilly 2003: 188-9, see n. 80 on p. 343).
- 15 Select three competing clothing stores in your area and conduct a store image study for each one. Ask a group of consumers to rate each store on a set of attributes and plot these ratings on the same graph. Based on your findings, are there any areas of competitive advantage or disadvantage you could bring to the attention of store management? (This technique was described in Chapter 5.)
- 16 Using Table 9.1 (p. 304) as a model, construct a person/situation segmentation matrix for a brand of perfume.
- 17 What applications of queuing theory can you find employed among local services? Interview consumers who are waiting in queues to determine how this experience affects their satisfaction with the service.
- 18 Discuss and critique the view that 'shoppers who blend store, mail order catalogues and websites spend more'.²⁰⁹
- 19 New interactive tools are being introduced that allow surfers on sites such as landsend.com to view apparel product selections on virtual models in full,

360-degree rotational view. In some cases, the viewer can modify the bodies, face, skin colouring and hairstyles of these models. In others, the consumer can project his or her own likeness into the space by scanning a photo into a 'makeover' program.²¹⁰ Visit landsend.com or another site that offers a personalized model. Surf around. Try on some clothes. How was your experience – how helpful was this model? When you shop for clothes online, would you rather see how they look on a body with dimensions the same as yours, or on a different body? What advice can you give website designers who are trying to personalize these shopping environments by creating life-like models to guide you through the site?

- 20** Choy and Loker (2004)²¹¹ explored and classified internet sites supporting the wedding industry and the purchase of a wedding gown in their study of mass customization. They identified four major categories: marketing, browsing, advice and customizing. Choose another industry (e.g. mother and baby; travel; leisure; pets; music) and classify the websites according to their characteristics and strategies. What categories can you identify?

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GROUP INFLUENCE AND OPINION LEADERSHIP

10

chapter



Rich plays sport every day. The obsession that started with football has branched out into, at various times, cricket, tennis and squash. In fact, the need to play some sort of competitive sport means that days off become tedious, frustrating affairs. Rich will happily skip a lecture to play in a university football league, especially the 11-a-side league on a Wednesday afternoon, which Rich insists on keeping free. The original team that Rich played for has become his closest circle of friends, and they always celebrate an important victory with a heavy night out, with the importance of the health benefits of sport relegated to a poor second against the joys of a great team spirit.

Recently Rich decided he needed new football boots, since the ends of his trusty Pumas had both split open, letting in rain, mud and whatever else had gotten onto the football pitch. He has also got a bit sick of his mates telling him he looks like he is wearing tramp's shoes; in the university matches there was a certain amount of prestige to be upheld. Since he has had the Pumas so long, however, he feels he deserves some expensive boots.

Rich's mates don't have many positive things to say about Nike football boots. His friend Pete had bought the same boots as Thierry Henry wore, Nike Vapours, which were incredibly light. However, Pete found they did not offer him as much support as he wanted, so Rich decided Nike was probably out for him as well. He wanted to get some Puma boots but there wasn't a great variety. So that left Reebok or Adidas, but he knew that Reebok seemed primarily to be focused on basketball and American football, so their boots probably wouldn't suit him either. Adidas represented his final choice (there was no point even considering other brands which his mates would start ribbing him about). The next decision was whether or not to get screw-in studs or moulded studs. Screw-ins invariably fell out in Rich's experience however much you tightened them, whereas moulded studs stayed in and looked pretty flashy as well. However, Rich had seen fellow team-mates with moulded studs falling over constantly on wet, muddy pitches, and since English pitches were frequently muddy Rich decided he had to go for screw-ins, despite the fact he would have to buy a set of replacement studs. The only thing Rich had to do now was to buy the flashiest pair that none of his mates had so that he could impress them. After all, you want to stand out in the crowd, to be individual and different, but maybe not *too* different . . .

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■ INTRODUCTION

Football is central to Rich's identity as a sports-loving student, and his team-mates influence many of his buying decisions for sports kit. Humans are social animals. We all belong to groups, try to please others and pick up cues about how to behave by observing the actions of those around us. In fact, our desire to 'fit in' or to identify with desirable individuals or groups is the primary motivation for many of our purchases and activities. We often go to great lengths to please the members of a group whose acceptance we covet.

This chapter focuses on how other people, whether fellow footballers and team-mates, co-workers, friends and family or just casual acquaintances, influence our purchase decisions. It considers how our preferences are shaped by our group memberships, by our desire to please or be accepted by others, even by the actions of famous people whom we've never met. Finally, it explores why some people are more influential than others in affecting consumers' product preferences, and how marketers go about finding those people and enlisting their support in the persuasion process.

■ REFERENCE GROUPS

Rich doesn't model himself on *any* footballer – only the people with whom he really identifies can exert that kind of influence. For example, Rich primarily identifies with other sport enthusiasts, especially football players. The English Football League represents one of Rich's most important *reference groups*.

- ▶ A **reference group** is 'an actual or imaginary individual or group conceived of having significant relevance upon an individual's evaluations, aspirations, or behaviour'.¹ Reference groups influence consumers in three ways. These influences, *informational*, *utilitarian*, and *value-expressive*, are described in Table 10.1.

Types of reference groups

Although two or more people are normally required to form a group, the term *reference group* is often used a bit more loosely to describe *any* external influence that provides social cues.² The referent may be a cultural figure and have an impact on many people (the late Mother Teresa, or members of royal families, or football teams) or a person or group whose influence is confined to the consumer's immediate environment (Rich's various football teams, 5-a-side and 11-a-side). Reference groups that affect consumption can include parents, fellow football enthusiasts and team members, class mates, motorcycle or other leisure activity enthusiasts, a political party or even sports clubs such as Manchester United and bands such as U2.

Some groups and individuals exert a greater influence than others and affect a broader range of consumption decisions. For example, our parents may play a pivotal role in forming our values toward many important issues, such as attitudes about marriage

- ▶ or where to go to university. This type of influence is **normative influence** – that is, the reference group helps to set and enforce fundamental standards of conduct. In contrast,
- ▶ a Harley-Davidson club or Manchester United fan club might exert **comparative influence**, whereby decisions about specific brands or activities are affected.³

Formal vs. informal groups

A reference group can take the form of a large, formal organization that has a recognized structure, regular meeting times and officers. Or it can be small and informal, such as a group of friends or students living in a university hall of residence. Marketers tend to have more control over their influencing of formal groups because they are more easily identifiable and accessible.

Table 10.1 Three forms of reference group influence

Informational influence	<p>The individual seeks information about various brands from an association of professionals or independent group of experts.</p> <p>The individual seeks information from those who work with the product as a profession.</p> <p>The individual seeks brand-related knowledge and experience (such as how Brand A's performance compares to Brand B's) from those friends, neighbours, relatives or work associates who have reliable information about the brands.</p> <p>The brand the individual selects is influenced by observing a seal of approval of an independent testing agency.</p> <p>The individual's observation of what experts do (such as observing the type of car that police drive or the brand of television that repairmen buy) influences his or her choice of a brand.</p>
Utilitarian influence	<p>So that he or she satisfies the expectation of fellow work associates, the individual's decision to purchase a particular brand is influenced by their preferences.</p> <p>The individual's decision to purchase a particular brand is influenced by the preferences of people with whom he or she has social interaction.</p> <p>The individual's decision to purchase a particular brand is influenced by the preferences of family members.</p> <p>The desire to satisfy the expectations that others have of him or her has an impact on the individual's brand choice.</p>
Value-expressive influence	<p>The individual feels that the purchase or use of a particular brand will enhance the image others have of him or her.</p> <p>The individual feels that those who purchase or use a particular brand possess the characteristics that he or she would like to have.</p> <p>The individual sometimes feels that it would be nice to be like the type of person that advertisements show using a particular brand.</p> <p>The individual feels that the people who purchase a particular brand are admired or respected by others.</p> <p>The individual feels that the purchase of a particular brand would help show others what he or she is or would like to be (such as an athlete, successful business person, good parent, etc.)</p>

Source: Adapted from C. Whan Park and V. Parker Lessig, 'Students and housewives: Differences in susceptibility to reference group influence', *Journal of Consumer Research* 4 (September 1977): 102. Reprinted with permission of The University of Chicago Press.

In general, small, informal groups exert a more powerful influence on individual consumers. These groups tend to be more involved in our day-to-day lives and to be more important to us, because they are high in normative influence. Larger, formal groups tend to be more product- or activity-specific and thus are high in comparative influence.



multicultural dimensions

'Common man' or 'slice-of-life' depictions, which highlight 'real' people, are more realistic and thus more credible than celebrities or superstars. While we admire perfect people, it can be frustrating to compare ourselves with them and their actually using the product may seem improbable. By including people who are successful but not perfect, consumers' identification with them is often enhanced. This strategy has been successfully employed in the classic 'Dewar's Profiles', a series of ads describing the lifestyles of non-celebrity high achievers who happen to drink Dewar's Scotch Whisky. Since the strategy uses real people from many different walks of life, the company has expanded its ad campaigns to focus on accomplished people in different countries. For example, a Thai ad highlights a successful architect who lives in Bangkok, while a Spanish campaign features a 29-year-old flight instructor.⁴



This Marks and Spencer's advertising campaign used non celebrities to endorse its message, 'Exclusively For Everyone'.
The Advertising Archives

Membership vs. aspirational reference groups

- Some reference groups consist of people the consumer actually knows; others are composed of people the consumer can either *identify with* or admire. Not surprisingly, many marketing efforts that specifically adopt a reference group appeal concentrate on highly visible, widely admired figures (such as well-known athletes). These **aspirational reference groups** comprise idealized figures such as successful business people, athletes or performers.⁵

Identificational reference groups

Since people tend to compare themselves with those who are similar, they are often swayed by knowing how people like themselves conduct their lives. For this reason,



Many products, especially those targeted at young people, are often touted as a way to take the inside track to popularity. This Brazilian shoe ad proclaims: 'Anyone who doesn't like them is a nerd'.

many promotional strategies include 'ordinary' people whose consumption activities provide informational social influence. For example, in the campaign for fish consumption discussed in Chapter 4, the endorsing actors performed as very ordinary people to underline the message that special fish dishes are not difficult to prepare and are not only for high-class gourmets.⁶

► The likelihood that people will become part of a consumer's **identificational membership reference group** is affected by several factors, including:

- *Propinquity*: As physical distance between people decreases and opportunities for interaction increase, relationships are more likely to form. Physical nearness is called *propinquity*. An early study on friendship patterns in a housing complex showed this factor's strong effects: residents were much more likely to be friends with the people next door than with those who lived only two doors away. Furthermore, people who lived next to a staircase had more friends than those at the ends of a corridor (presumably, they were more likely to 'bump into' people using the stairs).⁷ Physical structure has a lot to do with who we get to know and how popular we are.
- *Mere exposure*: We come to like persons or things simply as a result of seeing them more often, which is known as the *mere exposure phenomenon*.⁸ Greater frequency of contact, even if unintentional, may help to determine one's set of local referents. The same effect holds when evaluating works of art or even political candidates.⁹ One study predicted 83 per cent of the winners of political primaries solely by the amount of media exposure given to candidates.¹⁰
- *Group cohesiveness*: The degree to which members of a group are attracted to each other and value their group membership is called *cohesiveness*. As the value of the group to the individual increases, so too does the likelihood that the group will guide consumption decisions. Smaller groups tend to be more cohesive because in larger groups the contributions of each member are usually less important or noticeable. By the same token, groups often try to restrict membership to a select few, which increases the value of membership to those who are admitted. Exclusivity of membership is a benefit often promoted by credit card companies, book clubs and so on, even though the actual membership base might be fairly large.



marketing opportunity

Members of reference groups have a huge influence on our tastes and desires, but connecting with like-minded people in the first place can be a challenge in today's hectic world. Numerous online matchmaking services have sprung up to search for that perfect date including sites such as Lava Life in the USA and uDate in the UK. One site called **Match.com** alone boasts over 3 million members worldwide. And once you find that perfect someone you can even check out his or her background by using sites like **repcheck.com** that provide reports about a person's reputation.¹¹

Of course, if you're too shy even to meet prospective mates this way you can always try the Lovegety, a Japanese product. It works this way: Boy sees girl. Boy is too shy to talk to girl. Instead he flicks on his male Lovegety and sends out an infrared signal. If the girl's Lovegety is within 5 metres of his, it starts to chirp with delight. Depending on her interest, she can send back one of three responses: talk, karaoke and friend. Wow, nothing like a little romantic karaoke to set the mood.¹²

Positive vs. negative reference groups

Reference groups may exert either a positive or a negative influence on consumption behaviours. In most cases, consumers model their behaviour to be consistent with what they think the group expects of them. In some cases, though, consumers may try to

distance themselves from other people or groups who function as *avoidance groups*. He or she may carefully study the dress or mannerisms of a disliked group and scrupulously avoid buying anything that might identify him or her with that group. Many consumers find it difficult to express what they want whereas they can quite clearly express what they do not want. In fact, some researchers suggest that the phenomenon of distaste is much more decisive for our consumption choices but harder to study than tastes, since our choices are quite obvious compared to all the non-selected alternatives.¹³ For example, rebellious adolescents often resent parental influence and may deliberately do the opposite of what their parents would like as a way of making a statement about their independence. As Romeo and Juliet discovered, nothing makes a partner more attractive than a little parental opposition.

The motivation to distance oneself from a negative reference group can be as or more powerful than the desire to please a positive group.¹⁴ That's why advertisements occasionally show an undesirable person using a competitor's product to subtly make the point that the target of the message can avoid winding up like *that* kind of person by staying away from the products he or she buys. As a once-popular book reminded us, 'Real men *don't* eat quiche!'¹⁵ Today, others have adapted this avoidance group appeal to point out the ways we define ourselves by not consuming some products or services. For example, a T-shirt for sale on a computer-oriented website proudly proclaims, 'Real Men Don't Click Help'.

Virtual communities

In ancient times (that is, before the Web was widely accessible), most membership reference groups consisted of people who had face-to-face contact. Now, it's possible to share interests with people whom you've never met – and probably never will. Have you ever heard of the band Widespread Panic? No? Well, the band never had a music video on MTV or cracked the Billboard Top 200. But it was one of the top 40 touring bands in the USA. How did it get to be so successful? Simple – the group built a virtual community of fans and opened itself up to them. It enlisted listeners to help promote the group in exchange for free tickets and backstage passes. Then, it went virtual: the band allowed fans to send messages to its recording studio, and hard-core followers could find out vital information like what band members ate for lunch via regular updates on their website.¹⁶

- ▶ A **virtual community of consumption** is a collection of people whose online interactions are based upon shared enthusiasm for and knowledge of a specific consumption activity. These anonymous groups grow up around an incredibly diverse set of interests – everything from Barbie dolls to fine wine.

Virtual communities come in many different forms:¹⁷

- **Multi-user dungeons (MUD)**. Originally, these were environments where players of fantasy games met. Now they refer to any computer-generated environment where people interact socially through the structured format of role- and game-playing. In a game called EverQuest, on any given night up to 50,000 people can be found roaming around a fantasy land in cyberspace. This is known as a 'massively multiplayer game', which combines the stunning graphics of advanced gaming with the social scene of a chat room. Players create a character as a virtual alter ego, which may be a wise elf or a back-stabbing rogue. The game is also the centre of an active social scene. Players can travel around in groups of six; in many cases they settle into a regular group and spend two to three hours each night online with the same people. One couple even held a virtual wedding while playing. The bride reported, 'We only had one death, a guest who was killed by the guards. It was a lot of fun.'¹⁸ Realizing that the average online player logs 17 hours per week, firms like Sony, Microsoft and Sega are building their own virtual worlds to get a piece of the action. As one game company executive put it, 'This is not a genre of game but a break-through new medium. It provides a

completely new social, collaborative shared experience. We're basically in the Internet community business.¹⁹

- *Rooms, rings and lists.* These include internet relay chat (IRC), otherwise known as *chat rooms*. *Rings* are organizations of related home pages, and *lists* are groups of people on a single mailing list who share information.
- *Boards.* Online communities can be organized around interest-specific electronic bulletin boards. Active members read and post messages sorted by date and subject. There are boards devoted to musical groups, films, wine, cigars, cars, comic strips, even fast-food restaurants.
- ▶ ● *Blogs.* The newest and fastest growing form of online community is the **weblog**, or *blog*. These online personal journals are building an avid following among internet users who like to dash off a few random thoughts, post them on a website and read similar musings by others. Although these sites are similar to web pages offered by Geocities and other free services, they employ a different technology that lets people upload a few sentences without going through the process of updating a website built with conventional home page software. For example, one site (www.livejournal.com) signed up 690,000 registered users in four years and added another 1,100 every day. Bloggers can fire off thoughts on a whim, click a button and quickly have them appear on a site. Weblogs frequently look like online diaries, with brief musings about the day's events, and perhaps a link or two of interest. A new blogger puts in his or her offering every 40 seconds, so this burgeoning **Blogosphere** (the name given to the universe of active weblogs) is starting to look like a force to be reckoned with. Already, one media giant is smelling blood: recognizing that many thousands of Brazilians are getting into blogging, **Globo.com** is licensing blogger software and is posting blogs from Brazilian *telenovela* (soap opera) stars like Boris, an 800-year-old vampire who wears armour and a horned helmet.²⁰

Some communities are created by individuals whose web pages are hosted on sites like **geocities.com**. Others are sponsored by companies who want to give devotees of a product or a lifestyle a congenial place to 'meet'. This could, for example, be people who are fans of a specific product or a TV show. News Digital Media gives Bart Simpson fanatics free internet access at **simpson.com**. The site is intended to complement the TV show and to give fans a place to congregate.²¹ Other than the more global sites at, for example, **geocities.com**, there is a proliferation of national community sites for specific



Role-playing computer games involve thousands of players worldwide in interactive, online communities.

© Susan Goldman/The Image Works

consumer profiles. In Denmark, for example, there are sites for teenage girls (surfergirl.dk), for themes such as relationships (lovefinder.dk), or an extremely popular site for medical problems (netdokter.dk).

Virtual communities are still a new phenomenon, but their impact on individuals' product preferences promises to be huge. These loyal consumers are essentially working together to form their tastes, evaluate product quality and even negotiate for better deals with producers. They place great weight on the judgements of their fellow members.

While consumption communities are largely a grass-roots phenomenon founded by consumers for other consumers, these community members can be reached by marketers – if they are careful not to alienate members by being too aggressive or 'commercial'. Using newsgroup archives and search engines, companies can create a detailed profile of any individual consumer who has posted information. Firms like Warner Brothers form communities with fans around the world. The company noticed that many fans of Bugs Bunny, Batman and the Tasmanian Devil were downloading images and sound clips onto their personal web pages and then selling ad space on those pages. Instead of suing its fans, Warner created an online community called ACME City that builds home pages for registered members. Many corporate-sponsored sites build home pages for new members and ask for nothing in return except personal information on a registration form. They can use this information to fine-tune the online experience by making advertising, contests and rewards programs more relevant.



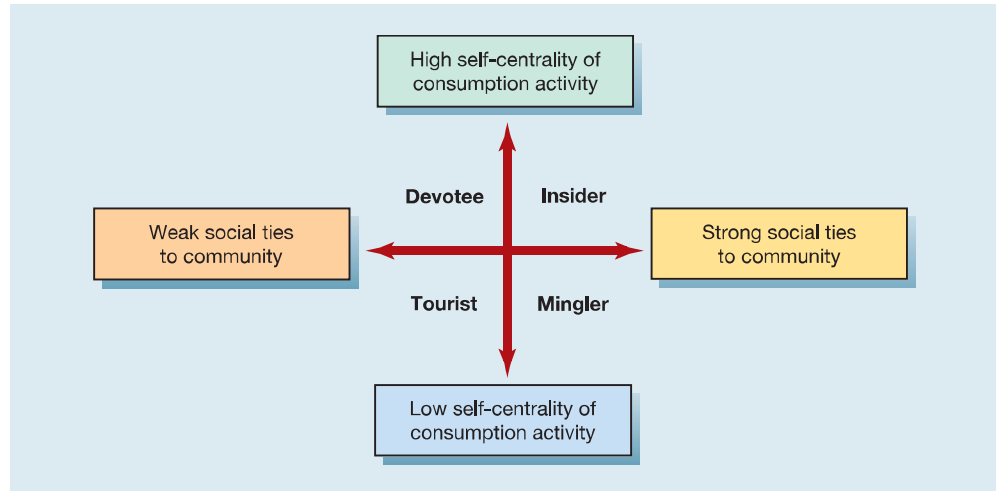
marketing opportunity

Some online startups are profiting by creating websites that give people a forum for their opinions about product likes and dislikes. **Epinions.com** was started by several well-known Silicon Valley venture capitalists. This service both rewards and rates product reviewers, in hope of giving them enough incentive to provide useful opinions. Anyone can sign up to give advice on products that fit into the site's 12 categories, and shoppers can rate the reviews on a scale from not useful to very useful. To build credibility, and to eliminate suspicions that they are merely company shells (people posing as satisfied customers), advisers can build a page on the site with photos and personal information. Reviewers earn royalties of from \$1 to \$3 for every ten times their review is read, and their picture can be featured on the FrontPage if their reviews are widely read. According to one of the founders, the site relies on a 'web of trust' in which viewers and advisers tend to be matched up over time with people whose opinions they have come to trust: 'It mimics the way word-of-mouth works in the real world.' When a recommendation results in a sale, the company earns a referral fee from merchants.²²

How do people get drawn into consumption communities? Internet users tend to progress from asocial information gathering ('lurkers' are surfers who like to watch but don't participate) to increasingly affiliative social activities. At first they will merely browse the site but later they may well be drawn into active participation.

The intensity of identification with a virtual community depends on two factors. The first is that the more central the activity is to a person's self-concept, the more likely he or she will be to pursue active membership in a community. The second is that the intensity of the social relationships the person forms with other members of the virtual community helps to determine the extent of their involvement. As Figure 10.1 shows, combining these two factors creates four distinct member types:

- 1 *Tourists* lack strong social ties to the group, and maintain only a passing interest in the activity.
- 2 *Minglers* maintain strong social ties, but are not very interested in the central consumption activity.

Figure 10.1 Virtual communities

Source: Adapted from Robert V. Kozinets, 'E-tribalized marketing: the strategic implications of virtual communities of consumption', *European Management Journal* 17(3) (June 1999): 252-64.

- 3 *Devotees* express strong interest in the activity, but have few social attachments to the group.
- 4 *Insiders* exhibit both strong social ties and strong interest in the activity.

Devotees and insiders are the most important targets for marketers who wish to exploit communities for promotional purposes. They are the heavy users of virtual communities. And, by reinforcing usage, the community may upgrade tourists and minglers to insiders and devotees.²³ But marketers have only scratched the surface of this intriguing new virtual world.

Virtual consumption communities hold great promise, but there is also great potential for abuse if members can't trust that other visitors are behaving ethically. Many hard-core community members are sensitive to interference from companies, and react negatively when they suspect that another member may in fact be a marketer who wants to influence evaluations of products on the site.

More generally, e-commerce sites know that consumers give more weight to the opinions of real people, so they are finding ways to let these opinions be included on their websites. This trend of posting customer reviews was started by **Amazon.com** in 1995. Now, sellers of computers and other high-priced products post customer reviews.²⁴ A great idea – but in a highly publicized lawsuit Amazon was accused of charging publishers to post positive reviews on the site. The company had to offer refunds for all books it recommended and now Amazon tells customers when a publisher has paid for a prominent display on its site.²⁵

A basic topic for discussion is: who owns the net? The outcome of a legal case against the music exchange service Napster, ruling that it was illegal to organize even non-profitable exchange of music files among its users, tends to point in the direction that cyberspace can be patented and owned. However, the reaction among hard-core virtual community people seems to be that there will always be ways of circumventing such attempts to stop the free flows of information within the virtual communities. A similar case is the so-called PotterWar, a website created as a protest against Warner Brothers, which holds the rights to Harry Potter related products. They threatened creators of sites such as **HarryPotterNetwork.net** with heavy lawsuits if control of the sites was not given to Warner. It turned out that most of the sites were owned by 12–15-year-olds without the slightest commercial interest. The problem for Warner Brothers and many

other producers of cultural products is that on the one hand they like (for good pecuniary reasons) the iconic cult status their products may obtain, but on the other they neglect that part of the love for cultural products is sharing them with other devotees.²⁶ The big question remains, within as well as outside cyberspace: who owns culture?

Brand communities and tribes

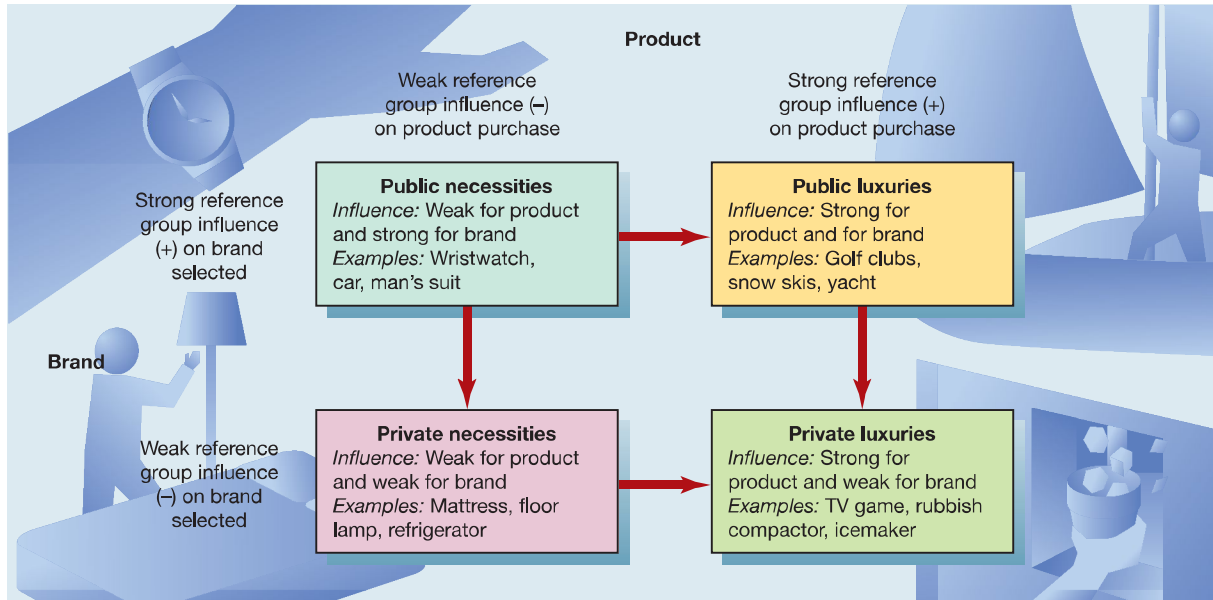
- Some marketing researchers are embracing a new perspective on reference groups as they identify groups built around a shared allegiance to a product or activity. A **brand community** is a set of consumers who share a set of social relationships based upon usage or interest in a product. Unlike other kinds of communities, these members typically don't live near each other – and they often meet only for brief periods at organized events called *brandfests*, such as those sponsored by Jeep, Saturn or Harley-Davidson. These brandfests help owners to 'bond' with fellow enthusiasts and strengthen their identification with the product as well as with others they meet who share their passion.

Researchers find that people who participate in these events feel more positive about the products as a result and this enhances brand loyalty. They are more forgiving than others of product failures or lapses in service quality, and less likely to switch brands even if they learn that competing products are as good or better. Furthermore, these community members become emotionally involved in the company's welfare, and they often serve as brand missionaries by carrying its marketing message to others.²⁷

- The notion of a **consumer tribe** is similar, because this refers to a group of people who share a lifestyle and who can identify with each other through a shared allegiance to an activity or a product. Although these tribes are often unstable and short-lived, at least for a time members identify with others through shared emotions, moral beliefs, styles of life, and of course the products they jointly consume as part of their tribal affiliation.
- The challenge of **tribal marketing** is to link one's product to the needs of a group as a whole. Many tribes devoted to activities like skateboarding or basketball are youth oriented, and we'll talk more about these in Chapter 13. However, there are also plenty of tribes with older members, such as car enthusiasts who gather to celebrate such cult products (see Chapter 4) as the Citroën and Mini Cooper in Europe and the Ford Mustang in the USA.²⁸
- Other research has identified **communities of practice** as a potentially valuable way of understanding and interpreting group behaviour. Communities of practice are 'an aggregate of people who come together around mutual engagement in an endeavour'.²⁹ Developed from work in socio-linguistics, communities of practice are usually defined by three characteristics: 'mutual engagement; a joint enterprise; and a shared repertoire'.³⁰ A recent study of Bolton school girls showed how consumption symbols (e.g. Rockport shoes) could be combined with other social symbols (e.g. language) in order to create meanings related to group identity.³¹ 'we are surrounded by stylistic material, and as long as we can position ourselves in relation to the sources of that material, and attribute meaning to it, we can use it'.³²

When reference groups are important

Reference group influences are not equally powerful for all types of products and consumption activities. For example, products that are not very complex, that are low in perceived risk and that can be tried prior to purchase are less susceptible to personal influence.³³ In addition, the specific impact of reference groups may vary. At times they may determine the use of certain products rather than others (owning or not owning a computer, eating junk food versus health food), whereas at other times they may have specific effects on brand decisions within a product category (wearing Levi's jeans versus Diesel jeans, or smoking Marlboro cigarettes instead of a national brand).

Figure 10.2 Relative effects of reference groups

Source: Adapted from William O. Bearden and Michael J. Etzel, 'Reference group influence on product and brand purchase decisions', *Journal of Consumer Research* 9 (September 1982): 185. Reprinted with permission of The University of Chicago Press.

Two dimensions that influence the degree to which reference groups are important are whether the purchase is to be consumed publicly or privately and whether it is a luxury or a necessity. As a rule, reference group effects are more robust for purchases that are (1) luxuries rather than necessities (e.g. yachts), because products that are purchased with discretionary income are subject to individual tastes and preferences, whereas necessities do not offer this range of choices; and (2) socially conspicuous or visible to others (e.g. living room furniture or clothing), because consumers do not tend to be swayed as much by the opinions of others if their purchases will never be observed by anyone but themselves.³⁴ The relative effects of reference group influences on some specific product classes are shown in Figure 10.2. This obviously does not mean that a reference group cannot exert influence on the consumption of private necessities.

The power of reference groups

- Why are reference groups so persuasive? The answer lies in the potential power they wield over us. **Social power** refers to 'the capacity to alter the actions of others'.³⁵ To the degree that you are able to make someone else do something, whether they do it willingly or not, you have power over that person. The following classification of *power bases* can help us to distinguish among the reasons why a person can exert power over another, the degree to which the influence is allowed voluntarily, and whether this influence will continue to have an effect in the absence of the power source.³⁶

Referent power

If a person admires the qualities of a person or a group, he or she will try to imitate those qualities by copying the referent's behaviours (choice of clothing, cars, leisure activities) as a guide to forming consumption preferences, just as Rich's sporting friends and football team-mates affected his preferences. Prominent people in all walks of life can affect

people's consumption behaviours by virtue of product endorsements (e.g. top model Cindy Crawford for Omega watches), distinctive fashion statements (e.g. Madonna's use of lingerie as outerwear), or championing causes (e.g. Brigitte Bardot's campaigning against fur). **Referent power** is important to many marketing strategies because consumers voluntarily change behaviours to please or identify with a referent.

Information power

- ▶ A person can have **information power** simply because he or she knows something others would like to know. Editors of trade publications such as *Women's Wear Daily* in the fashion industry often possess power due to their ability to compile and disseminate information that can make or break individual designers or companies. People with information power are able to influence consumer opinion by virtue of their (assumed) access to the 'truth'.

Legitimate power

- ▶ Sometimes power is granted to people by virtue of social agreements, such as the authority given to the police, Customs and Excise officers and the armed forces. The **legitimate power** conferred by a uniform is recognized in many consumer contexts, including teaching hospitals, in which medical students don white coats to enhance their aura of authority with patients, and organizations such as banks, where tellers' uniforms communicate trustworthiness.³⁷ Marketers may 'borrow' this form of power to influence consumers. For example, an ad featuring a model wearing a nurse's uniform can add an aura of legitimacy or authority to the presentation of the product as seen in TV advertising campaigns in the babies' nappy market.



This anti-tobacco advertisement draws on the legitimate and expert power represented by The British Heart Foundation, and combines it with stark images of the effects which smoking has on arteries - and thus on our health - to create a strong anti-smoking message.

The Advertising Archives

Expert power

To attract the casual internet user, US Robotics signed up British physicist Stephen Hawking to endorse its modems. A company executive commented, 'We wanted to generate trust. So we found visionaries who use US Robotics technology, and we let them tell the consumer how it makes their lives more productive.' Hawking, who has Lou Gehrig's (motor neurone) disease and speaks via a synthesizer, said in one TV spot, 'My body may be stuck in this chair, but with the internet my mind can go to the end of the universe.'³⁸

- **Expert power** such as that possessed by Hawking is derived from possessing specific knowledge about a content area; it helps to explain the weight many of us assign to reviews of restaurants, books, films, cars and so on by critics who specialize in evaluating products on our behalf.³⁹ This power base also underlies the appeal of television shows, where panels of authorities – often a mix of journalists and professional experts – discuss issues of interest to consumers.

Reward power

When a person or group has the means to provide positive reinforcement (see Chapter 3), that entity will have **reward power** over a consumer to the extent that this reinforcement is valued or desired. The reward may be tangible, as occurs when an employee is given a pay rise. Or, the reward may be intangible: social approval or acceptance is often what is exchanged in return for moulding one's behaviour to a group or buying the products expected of group members. However, this kind of power is perhaps wearing thin in advertising, since an over-exploitation of reward arguments has left such campaigns with little credibility. The Sprite soft drink campaign under the slogan 'Image is nothing, thirst is everything, obey your thirst' makes fun of other commercials' use of reward power by suggesting something seen as more basic, thirst. However, the slogan in itself paradoxically promises a reward in the form of an image – of somebody who does not fall for cheap tricks.⁴⁰

Coercive power

- While coercive power is often effective in the short term, it does not tend to produce permanent attitudinal or behavioural change. **Coercive power** refers to influencing a person by social or physical intimidation. Surveillance of some sort is usually required to make people do something they do not wish to do. Fortunately, coercive power is rarely employed in marketing situations, unless you count those annoying calls from telemarketers! However, elements of this power base are evident in fear appeals, intimidation in personal selling, and campaigns that emphasize the negative consequences that can occur if people do not use a product.

■ CONFORMITY

The early bohemians who lived in Paris around 1830 made a point of behaving differently from others. One flamboyant figure of the time became famous for walking a lobster on a leash through the Luxembourg Gardens (originally the grounds of the Luxembourg Palace). His friends drank wine from human skulls, cut their beards in strange shapes, and slept in tents on the floors of their garrets.⁴¹

In every age there are those who 'march to their own drummer'. However, most people tend to follow society's expectations regarding how they should act and look

- (with a little improvisation here and there, of course). **Conformity** refers to a change in beliefs or actions as a reaction to real or imagined group pressure. In order for a society
- to function, its members develop **norms**, or informal rules that govern behaviour. If such a system of agreements and rules did not evolve, chaos would result. Imagine the confusion if a simple norm such as sitting down to attend class did not exist.



marketing pitfall

Norms change slowly over time, but there is general agreement within a society about which ones should be obeyed, and we adjust our way of thinking to conform to these norms. A powerful example is the change in attitudes toward smoking since the 1960s, when this practice was first linked with health concerns such as cancer and emphysema. By the mid-1990s, some communities in the United States had outlawed smoking in public places. New York City did this in 2002. The Netherlands banned smoking from many public places in January 2004; Eire banned smoking in all public places in March 2004; Norway banned smoking in restaurants and bars in June 2004; and Scotland is proposing to introduce a ban from June 2006 (though this is being hotly contested). In October 2003 the French government raised the price of cigarettes by 20 per cent in an attempt to cut levels of smoking.⁴²

Much of the motivation to begin smoking at an early age is due to peer pressure; the alluring advertising images of smokers as cool, sexy or mature help to convince many young people that beginning the habit is a path to social acceptance. Because the power of advertising to influence attitudes is widely recognized, some groups have tried to fight fire with fire by creating anti-smoking ads that depict smoking as an ugly habit that turns people off.

Are these ads effective? One study of non-smoking seventh graders examined their perceptions of smokers after being exposed to both cigarette ads and anti-smoking ads. Results were promising: the researchers found that those who saw the anti-smoking ads were more likely to rate smokers lower in terms of both personal appeal and common sense. These findings imply that it is possible to use advertising to debunk myths about the glamour of smoking, especially if used in tandem with other health education efforts.⁴³

We conform in many small ways every day – even though we don’t always realize it. Unspoken rules govern many aspects of consumption. In addition to norms regarding appropriate use of clothing and other personal items, we conform to rules that include gift-giving (we expect birthday presents from loved ones and get upset if they do not materialize), sex roles (men are often expected to pick up the bill on a first date) and personal hygiene (we are expected to shower or bathe regularly to avoid offending others).

Types of social influence

Just as the bases for social power can vary, so the process of social influence operates in several ways.⁴⁴ Sometimes a person is motivated to model the behaviour of others because this mimicry is believed to yield rewards such as social approval or money. At other times, the social influence process occurs simply because the person honestly does not *know* the correct way to respond and is using the behaviour of the other person or group as a cue to ensure that he or she is responding correctly.⁴⁵

- ▶ **Normative social influence** occurs when a person conforms to meet the expectations of a person or group.
- ▶ In contrast, **informational social influence** refers to conformity that occurs because the group’s behaviour is taken as evidence of reality: if other people respond in a certain way in an ambiguous situation, we may mimic their behaviour because this appears to be the correct thing to do.⁴⁶

Reasons for conformity

Conformity is not an automatic process, and many factors contribute to the likelihood that consumers will pattern their behaviour after others.⁴⁷ Among the factors that affect the likelihood of conformity are the following:

- *Cultural pressures:* Different cultures encourage conformity to a greater or lesser degree. The American slogan ‘Do your own thing’ in the 1960s reflected a movement

away from conformity and towards individualism. In contrast, Japanese society is characterized by the dominance of collective well-being and group loyalty over individuals' needs. Most European societies are situated somewhere between these two, in this respect, 'extreme' cultures. In an analysis of the reading of a soft drinks TV commercial, Danish consumers stressed the group solidarity that they saw in the ad, an aspect not mentioned at all by the American sample.⁴⁸

- *Fear of deviance*: The individual may have reason to believe that the group will apply *sanctions* to punish behaviour that differs from the group's. It is not unusual to observe adolescents shunning a peer who is 'different' or a corporation or university passing over a person for promotion because he or she is not a 'team player'.
- *Commitment*: The more a person is dedicated to a group and values membership in it, the more motivated he or she will be to follow the dictates of the group. Rock groupies and followers of religious sects may do anything that is asked of them, and terrorists (or martyrs and freedom fighters, depending on the perspective) may be willing to die for the good of their cause. According to the *principle of least interest*, the person or group that is least committed to staying in a relationship has the most power, because that party won't be susceptible to threatened rejection.⁴⁹
- *Group unanimity, size, and expertise*: As groups gain in power, compliance increases. It is often harder to resist the demands of a large number of people than just a few, and this difficulty is compounded when the group members are perceived to know what they are talking about.
- *Susceptibility to interpersonal influence*: This trait refers to an individual's need to identify or enhance his or her image in the opinion of significant others. This enhancement process is often accompanied by the acquisition of products the person believes will impress his or her audience and by the tendency to learn about products by observing how others use them.⁵⁰ Consumers who are low on this trait have been called *role-relaxed*; they tend to be older, affluent and to have high self-confidence. Based on research identifying role-relaxed consumers, Subaru created a communications strategy to reach these people. In one commercial, a man is heard saying, 'I want a car . . . Don't tell me about wood panelling, about winning the respect of my neighbours. They're my neighbours. They're not my heroes.'

Social comparison: 'How am I doing?'

- Informational social influence implies that sometimes we look to the behaviour of others to provide a yardstick about reality. **Social comparison theory** asserts that this process occurs as a way of increasing the stability of one's self-evaluation, especially when physical evidence is unavailable.⁵¹ Social comparison even applies to choices for which there are no objectively correct answers. Such stylistic decisions as tastes in music and art are assumed to be a matter of individual choice, yet people often assume that some choices are 'better' or more 'correct' than others.⁵² If you have ever been responsible for choosing the music to play at a party, you can probably appreciate the social pressure involved in choosing the right 'mix'.

Although people often like to compare their judgements and actions with those of others, they tend to be selective about precisely who they will use as benchmarks. Similarity between the consumer and others used for social comparison boosts confidence that the information is accurate and relevant (though we may find it more threatening to be outperformed by someone similar to ourselves).⁵³ We tend to value the views of obviously dissimilar others only when we are reasonably certain of our own.⁵⁴

Social comparison theory has been used to explore the effects of advertising images on women's self-perceptions of their physical attractiveness and their levels of self-esteem.⁵⁵ Many early studies showed that social comparison, when studied in terms of

let's face it, firming the thighs of a size 8 supermodel is no challenge.

There's not much point in testing a new firming lotion on size-eight supermodel thighs, is there? That's why Dove's Firming range was tested on ordinary women with real lives to live – and real, curvy thighs to firm. After using Dove's nourishing and effective combination of moisturisers and seaweed extracts, we asked if they'd go in front of the camera. What better way to show the untouched, unretouched results?

new Dove Firming Range

This Dove campaign entitled 'Real Beauty' deliberately avoided ideal images of models, and chose pictures of ordinary women consumers to get its messages across.

The Advertising Archives

only self-evaluation, is likely to have a negative effect on self-esteem. However, the incorporation of the specific goal (self-evaluation; self-improvement; or self-enhancement⁵⁶) suggests that social comparison can have either positive or negative effects on self-feelings depending on the goal for social comparison.⁵⁷ A recent study suggests that the direction of spontaneous social comparison and social evaluation processes may be determined by fairly subtle cues. Whereas most advertising research suggests that comparisons with idealized models lead to contrast, this study found evidence that comparisons can also lead to assimilation of standards into the self-evaluation.⁵⁸

In general people tend to choose a *co-oriented peer*, or a person of equivalent standing, when performing social comparison. For example, a study of adult cosmetics users found that women were more likely to seek information about product choices from similar friends to reduce uncertainty and to trust the judgements of similar others.⁵⁹ The same effects have been found for evaluations of products as diverse as men's suits and coffee.⁶⁰

Tactical requests

How do we increase the likelihood that a person will conform to our wishes? The way a request for compliance is phrased or structured can make a difference. One well-known sales tactic is known as the *foot-in-the-door technique*, where the consumer is first asked a small request and then is 'hit' for something bigger.⁶¹ This term is adapted from door-

to-door selling. Experienced salespeople know that they are much more likely to make a sale if they first convince a customer to let them into the house to deliver their sales pitch. Once the person has agreed to this small request, it is more difficult to refuse a larger one, since the consumer has legitimized the salesperson's presence by entering into a dialogue. The salesperson is no longer a threatening stranger at the door.

Other variations on this strategy include the *low-ball technique*, where a person is asked a small favour and is informed after agreeing to it that it will be very costly, or the *door-in-the-face technique*, where a person is first asked to do something extreme (a request that is usually refused) and is then asked to do something smaller. In each of these cases, people tend to go along with the smaller request, possibly because they feel guilty about denying the larger one.⁶²

Group effects on individual behaviour

With more people in a group, it becomes less likely that any one member will be singled out for attention. People in larger groups, or those in situations where they are unlikely to be identified, tend to focus less attention on themselves, so normal restraints on behaviour are reduced. You may have observed that people sometimes behave more wildly at fancy dress parties, at hen or stag parties or partying on, for example, charter holidays, than they would normally do. This phenomenon is known as **de-individuation**. This is a process in which individual identities get submerged within a group and a special situation.



**marketing
pitfall**

University parties sometimes illustrate the dark side of de-individuation when students are encouraged by their peers to consume almost superhuman volumes of alcohol in group settings. About 4.5 million young people in the United States are estimated to be alcohol-dependent or problem drinkers. Binge drinking among university students is reaching epidemic proportions. In a two-week period, 42 per cent of all college students engage in binge drinking (more than five drinks at a time) versus 33 per cent of their non-university counterparts. One in three students drinks primarily to get drunk, including 35 per cent of university women. For most, social pressure to abandon all inhibitions is the culprit.⁶³ Binge drinking is also increasingly recognized as a problem in the UK,⁶⁴ and not only among university students.⁶⁵



Costumes hide our true identities and encourage deindividuation.

Alamy/Martin Dalton

Social loafing describes the phenomenon that people do not devote as much to a task when their contribution is part of a larger group effort.⁶⁶ Waitresses are painfully aware of social loafing: people who eat in groups tend to tip less per person than when they are eating alone.⁶⁷ For this reason, many restaurants automatically add on a fixed gratuity for groups of six or more.

- ▶ There is some evidence that decisions made by groups differ from those that would be made by each individual. In many cases, group members show a greater willingness to consider riskier alternatives following group discussion than they would if members made their own decisions with no discussion. This change is known as the **risky shift**.⁶⁸ Several explanations have been advanced to explain this increased riskiness. One possibility is that something similar to social loafing occurs. As more people are involved in a decision, each individual is less accountable for the outcome, resulting in *diffusion of responsibility*.⁶⁹ The practice of placing blanks in at least one of the rifles used by a firing squad is one way of diffusing each soldier's responsibility for the death of a prisoner. Another explanation is termed the *value hypothesis*. In this case, riskiness is a culturally valued characteristic, and social pressures operate on individuals to conform to attributes valued by society.⁷⁰

- ▶ Evidence for the risky shift is mixed. A more general effect appears to be that group discussion tends to increase **decision polarization**. Whichever direction the group members were leaning towards before discussion began – whether towards a risky choice or towards a more conservative choice – becomes even more extreme in that direction after discussion. Group discussions regarding product purchases tend to create a risky shift for low-risk items, but they yield more conservative group decisions for high-risk products.⁷¹

Shopping patterns

Shopping behaviour even changes when people do it in groups. For example, people who shop with at least one other person tend to make more unplanned purchases, buy more and cover more areas of a store than those who go alone.⁷² These effects are due to both normative and informational social influence. Group members may be convinced to buy something to gain the approval of the others, or they may simply be exposed to more products and stores by pooling information with the group. For these reasons, retailers are well advised to encourage group shopping activities.



marketing opportunity

The institution of home shopping parties, as epitomized by Tupperware, capitalizes on group pressure to boost sales.⁷³ A company representative makes a sales presentation to a group of people who have gathered in the home of a friend or acquaintance. This format is effective because of informational social influence: participants model the behaviour of others who can provide them with information about how to use certain products, especially since the home party is likely to be attended by a relatively homogeneous group (e.g. neighbourhood housewives) that serves as a valuable benchmark. Normative social influence also operates because actions are publicly observed. Pressures to conform may be particularly intense and may escalate as more and more group members begin to 'cave in' (this process is sometimes termed the *bandwagon effect*). In addition, de-individuation and/or the risky shift may be activated: as consumers get caught up in the group, they may find themselves willing to try new products they would not normally consider.

- ▶ These same dynamics underlie the latest variation on the Tupperware **home shopping parties'** technique: the Botox party. The craze for Botox injections that paralyze facial nerves to reduce wrinkles (for three to six months anyway) is being fuelled by gatherings where dermatologists or plastic surgeons redefine the definition of house calls. For patients, mixing cocktail hour with cosmetic injections takes some of the anxiety out of

the procedure. Egged on by the others at the party, as many as ten patients can be 'de-wrinkled' in an hour. An advertising executive who worked on the Botox marketing strategy explained that the membership reference group appeal is more effective than the traditional route of using a celebrity spokesperson to promote the injections in advertising: 'We think it's more persuasive to think of your next-door neighbour using it.'⁷⁴ The only hitch is that after you get the injections your face is so rigid that your friends can't tell if you're smiling.

Resistance to influence

Many people pride themselves on their independence, unique style, or ability to resist the best efforts of salespeople and advertisers to buy products.⁷⁵ Indeed, individuality should be encouraged by the marketing system: innovation creates change and demand for new products and styles.

Anti-conformity vs. independence

It is important to distinguish between *independence* and *anti-conformity*; in anti-conformity, defiance of the group is the actual object of behaviour.⁷⁶ Some people will go out of their way *not* to buy whatever happens to be in fashion. Indeed, they may spend a lot of time and effort to ensure that they will not be caught 'in style'. This behaviour is a bit of a paradox, because in order to be vigilant about not doing what is expected, one must always be aware of what is expected. In contrast, truly independent people are oblivious to what is expected; they 'march to their own drummers'.

Reactance and the need for uniqueness

People have a deep-seated need to preserve freedom of choice. When they are threatened with a loss of this freedom, they try to overcome this loss. This negative emotional state is termed **reactance**, and results when we are deprived of our freedom to choose.⁷⁷ This feeling can drive us to value forbidden things even if they wouldn't be that interesting to us otherwise. For example, efforts to censor books, television shows or rock music because some people find the content objectionable may result in an *increased* desire for these products by the public.⁷⁸ Similarly, extremely overbearing promotions that tell consumers they must or should use a product may lose customers in the long run, even those who were already loyal to the advertised brand! Reactance is more likely to occur when the perceived threat to one's freedom increases and as the threatened behaviour's importance to the consumer also increases.

If you have ever arrived at a party wearing the same outfit as someone else, you know how upsetting it can be, a reaction resulting from a search for uniqueness.⁷⁹ Consumers who have been led to believe they are not unique are more likely to try to compensate by increasing their creativity, or even to engage in unusual experiences. In fact, this is one explanation for the purchase of relatively obscure brands. People may try to establish a unique identity by deliberately *not* buying market leaders.

This desire to carve out a unique identity was the rationale behind Saab's shift from stressing engineering and safety in its marketing messages to appealing to people to 'find your own road'. According to a Saab executive, 'Research companies tell us we are moving into a period where people feel good about their choices because it fits their own self-concept rather than social conventions.'⁸⁰

■ WORD-OF-MOUTH COMMUNICATION

Despite the abundance of formal means of communication (such as newspapers, magazines and television), much information about the world is conveyed by individuals on

an informal basis.⁸¹ If you think carefully about the content of your own conversations in the course of a normal day, you will probably agree that much of what you discuss with friends, family members or co-workers is product-related: whether you compliment someone on her dress and ask her where she bought it, recommend a new restaurant to a friend, or complain to your neighbour about the shoddy treatment you got at the bank, you are engaging in **word-of-mouth communication (WOM)**. Recall, for example, that Rich's choice of football boots was directly initiated by comments and suggestions from his friends and team-mates. This kind of communication can be an efficient marketing tool. When the film *The Blair Witch Project* became a big success, it was almost assured beforehand because of the pre-premiere WOM sparked by a good website and heavy exploitation of the blurring of reality and fiction.

Information obtained from those we know or talk to directly tends to be more reliable and trustworthy than that received through more formal channels and, unlike advertising, it is often backed up by social pressure to conform to these recommendations.⁸² Another factor in the importance of WOM is the decline in people's faith in institutions. As traditional endorsers are becoming increasingly problematical to use, celebrities because they can be unreliable and classical authority figures because of the withering of their authority, and, indeed, as people are becoming more cynical about all sorts of commercial communications, they turn to sources which they feel are above commercial exploitation: friends and family.⁸³ The importance of personal, informal product communication to marketers is further underscored by one advertising executive, who stated, 'Today, 80 per cent of all buying decisions are influenced by someone's direct recommendations.'⁸⁴

The dominance of WOM

In the 1950s communications theorists began to challenge the assumption that advertising is the primary determinant of purchases. It is now generally accepted that advertising is more effective at reinforcing existing product preferences than at creating new ones.⁸⁵ Studies in both industrial and consumer purchase settings underline the idea that while information from impersonal sources is important for creating brand awareness, word-of-mouth is relied upon in the later stages of evaluation and adoption.⁸⁶ The more positive information consumers get about a product from peers, the more likely they will be to adopt the product.⁸⁷

The influence of others' opinions is at times even more powerful than one's own perceptions. In one study of furniture choices, consumers' estimates of how much their friends would like the furniture was a better predictor of purchase than their *own* evaluations.⁸⁸

Factors encouraging WOM

Product-related conversations can be motivated by a number of factors.⁸⁹

- A person might be highly involved with a type of product or activity and get pleasure in talking about it. Computer hackers, avid birdwatchers, football fans and 'fashion plates' seem to share the ability to steer a conversation toward their particular interests.
- A person might be knowledgeable about a product and use conversations as a way to let others know it. Thus, word-of-mouth communication sometimes enhances the ego of the individual who wants to impress others with their expertise.
- A person might initiate such a discussion out of genuine concern for someone else. We are often motivated to ensure that people we care about buy what is good for them, do not waste their money, and so on.

- One way to reduce uncertainty about the wisdom of a purchase is to talk about it. Talking gives the consumer an opportunity to generate more supporting arguments for the purchase and to garner support for this decision from others.

Most WOM campaigns happen spontaneously, as a product begins to develop a regional or a subcultural following, but occasionally a 'buzz' is created intentionally. For example, when launching a new brand of beer, called Black Sheep, bottles were distributed and maximum exposure to opinion leaders in the trade ensured in order to pave the way for a massive word-of-mouth effect, intended as the vehicle carrying the new brand towards success.⁹⁰ A similar *word-of-mouth advertising* technique was used when a group of opinion leaders, or 'influencers', was used to market services in the insurance market.⁹¹

Guerrilla marketing

To promote hip hop albums, Def Jam and other labels started building a buzz months before a release, leaking advance copies to DJs who put together 'mix tapes' to sell on the street. If the kids seemed to like a song, *street teams* then pushed it to club DJs. As the official release date neared, these groups of fans started slapping up posters around the inner city. They plastered telephone poles, sides of buildings and car windscreens with promotions announcing the release of new albums by artists such as Public Enemy, Jay-Z, DMX or L.L. Cool J.⁹²

These streetwise strategies started in the mid-1970s, when pioneering DJs promoted their parties through graffiti-style flyers. This type of grass-roots effort epitomizes ► **guerrilla marketing**, promotional strategies that use unconventional locations and intensive word-of-mouth campaigns to push products. As Ice Cube observed, 'Even though I'm an established artist, I still like to leak my music to a kid on the street and let him duplicate it for his homies before it hits radio.'⁹³

Today, big companies are buying into guerrilla marketing strategies big time. Coca-Cola did it for a Sprite promotion, Nike did it to build interest in a new shoe model.⁹⁴ Upmarket fashion companies are adopting this strategy, in order to offer shoppers a different retailing experience compared with conventional retail outlets. Comme des Garçons Guerrilla Store opened in New York in February 2004: 'in the first example of provisional retailing by an established fashion house, the store plans to close in a year even if it is making money. All 20 stores that the Tokyo-based company plans to open by next year, including one in Brooklyn in September [2004], will adopt the same guerrilla strategy, disappearing after a year.'⁹⁵

When RCA Records wanted to create a buzz around teen pop singer Christina Aguilera, they hired a team of young people to swarm the Web and chat about her on popular teen sites. They posted information casually, sometimes sounding like fans. Just before one of her albums debuted, RCA also hired a direct marketing company to email electronic postcards filled with song snippets and biographical information to 50,000 web addresses.⁹⁶ Guerrilla marketing delivers: the album quickly went to No. 1 in the charts.

In Singapore, the EMI Group PLC gave fans of Gorillaz, a popular rock group of four cartoon characters, the opportunity to exchange text messages over their mobile phones with the band member of their choice. Each member has a distinctive look and personality, and after a favourite character was selected its cartoon face was sent to the recipient's mobile phone. These phone numbers are, of course, a potential gold mine for EMI, as they'll allow the company to communicate with music fans at will. EMI chose Gorillaz because its fan base is young, hip and devoted. As the company's managing director observed, 'For a very cool band like Gorillaz, the last thing you want to do is go mainstream.' That explains why the text messages used in the promotion were distinctly anti-corporate: A typical one read, 'Greedy record company wants me 2 tell U 2 buy Gorillaz album. Record people suck. Buy or don't buy, up to you.'⁹⁷

Viral marketing

Many students are big fans of hotmail, a free email service. But there's no such thing as a free lunch: hotmail inserts a small ad on every message sent, making each user a salesperson. The company had 5 million subscribers in its first year and continues to grow exponentially.⁹⁸ **Viral marketing** refers to the strategy of getting customers to sell a product on behalf of the company that creates it. This approach is particularly well suited to the Web, since emails circulate so easily. According to a study by Jupiter Communications, only 24 per cent of consumers say they learn about new websites in magazine or newspaper ads. Instead, they rely on friends and family for new site recommendations, so viral marketing is their main source of information about new sites.⁹⁹ The chief executive of **Gazooba.com**, a company that creates viral marketing promotions, observed that 'the return mail address of a friend is a brand that you trust'.¹⁰⁰ Obviously, given what was discussed above, there may be some ethical problems and limitations as to how much marketers can infiltrate what otherwise is a network of friends/fans, before this particular 'brand that you trust' is no longer trusted.

The film *A.I.* (Artificial Intelligence) launched an elaborate viral marketing campaign by listing a credit at the end of the film for Jeanine Salla, who was described as a 'sentient machine therapist'. Curious viewers who typed in her name into the Google search engine got back a list of web addresses and they eventually got drawn into a futuristic murder mystery where characters (including robots) from the film emailed and voice mailed them with clues. The campaign generated more than 3 million sessions, and 28 per cent of the visitors remained online for more than half an hour.¹⁰¹

Efficiency of WOM

Interpersonal transmissions can be quite rapid. The producers of *Batman* showed a trailer to 300 Batman fans months before its release to counteract widespread anger about the casting of Michael Keaton as the hero. The film-makers attribute the film's eventual huge success to the positive word-of-mouth that quickly spread following the screening.¹⁰²

WOM is especially powerful in cases where the consumer is relatively unfamiliar with the product category. Such a situation would be expected in cases where the product is new (e.g. medication to prevent hair loss) or is technologically complex (e.g. DVD recorders). As one example, the strongest predictor of a person's intention to buy a residential solar water heating system was found to be the number of solar heating users the person knew.¹⁰³

Negative WOM

Word-of-mouth is a two-edged sword that can cut both ways for marketers. Informal discussions among consumers can make or break a product or store. Furthermore, **negative word-of-mouth** more heavily than they do positive comments. According to one study, 90 per cent of unhappy customers will not do business with a company again. Each of these people is likely to share their grievance with at least nine other people, and 13 per cent of these disgruntled customers will go on to tell more than 30 people of their negative experience.¹⁰⁴

Especially when making a decision about trying a new product or service, the consumer is more likely to pay more attention to negative information than positive information and to relate news of this experience to others.¹⁰⁵ Some consumers may even use negative WOM in order to restore their own positive self-image, for example in cases where a product offering is judged not to have corresponded to the person's self. Instead of blaming oneself for a misjudgement which would harm self-images of rationality and being in control, negative WOM may be the outcome.¹⁰⁶ Negative WOM has been shown to reduce the credibility of a firm's advertising and to influence consumers' attitudes toward a

product as well as their intention to buy it.¹⁰⁷ And negative WOM is even easier to spread online. Many dissatisfied customers and disgruntled former employees have been ‘inspired’ to create websites just to share their tales of woe with others. For example, a website for people to complain about the Dunkin’ Donuts chain became so popular the company bought it in order to control the bad press it was getting. It grew out of a complaint by the original owner because he could not get skimmed milk for his coffee.¹⁰⁸



tangled web

There is a long and ‘honoured’ tradition of people inventing fake stories to see who will swallow them – like the one in 1824 when a man convinced 300 New Yorkers to sign up for a construction project. He claimed that all the new building in the lower part of Manhattan (what is now the Wall Street area) was making the island bottom-heavy. As a result it needed to be sawn off and towed out to sea or all of New York City would tip over! During 2005 the Edinburgh branch of the prestigious fashion store Harvey Nichols found itself inundated with heavily pregnant women. The store did not stock any clothing for this group of consumers, so could not really account for this influx of customers. However, these women had heard that the store would give £500 (about 735 euros) to any woman whose labour started while they were in the store.¹⁰⁹

The Web is a perfect medium for spreading rumours and hoaxes, and we can only guess how much damage that construction ‘project’ would cause today if construction crews were recruited via email! Modern day hoaxes abound; many of these are in the form of email chain letters promising instant riches if you pass the message on to ten friends.

Other hoaxes involve major corporations. A popular one promised that if you tried Microsoft products you would win a free trip to Disneyland. Nike received several hundred pairs of old trainers a day after the rumor spread that you would get a free pair of new shoes in exchange for your old, smelly ones (pity the delivery people who had to cart these packages to the company!). Procter & Gamble received more than 10,000 irate calls after a rumour began spreading on newsgroups that its Febreze fabric softener killed dogs. In a pre-emptive strike, the company registered numerous website names such as **febrezekillspet.com**, **febrezesucks.com**, and **ihateprocterandgamble.com** to be sure angry consumers didn’t use them. The moral? Don’t believe everything you click on.

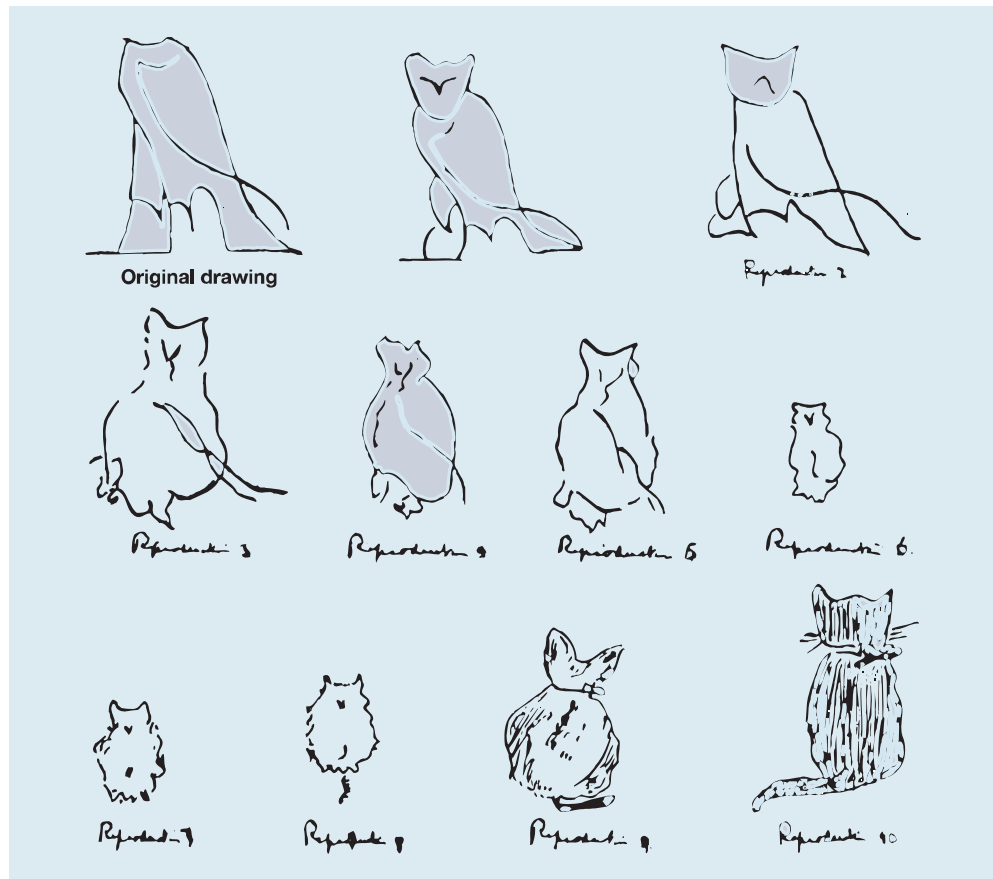
Rumours

- A **rumour**, even if it has no basis in fact, can be a very dangerous thing. In the 1930s, ‘professional rumourmongers’ were hired to organize word-of-mouth campaigns to promote clients’ products and criticize those of competitors.¹¹⁰ As information is transmitted among consumers, it tends to change. The resulting message usually does not resemble the original at all.

Social scientists who study rumours have examined the process by which information gets distorted. The British psychologist Frederic Bartlett used the method of *serial reproduction* to examine this phenomenon. A subject is asked to reproduce a stimulus, such as a drawing or a story. Another subject is given this reproduction and asked to copy that, and so on. This technique is shown in Figure 10.3. Bartlett found that distortions almost inevitably follow a pattern: they tend to change from ambiguous forms to more conventional ones as subjects try to make them consistent with pre-existing schemas. This process, known as *assimilation*, is characterized by *levelling*, where details are omitted to simplify the structure, or *sharpening*, where prominent details are accentuated.

In general, people have been shown to prefer transmitting good news rather than bad, perhaps because they like to avoid unpleasantness or dislike arousing hostility. However, this reluctance does not appear to occur when companies are the topic of conversation. Corporations such as Procter & Gamble and McDonald’s have been the subjects of rumours about their products, sometimes with marked effects on sales.

Figure 10.3 The transmission of misinformation. These drawings provide a classic example of the distortions that can occur as information is transmitted from person to person. As each person reproduces the figure, it gradually changes from an owl to a cat



Source: Kenneth J. Gergen and Mary Gergen, *Social Psychology* (New York: Harcourt Brace Jovanovich, 1981): p. 365. Adapted from F.C. Bartlett, *Remembering* (Cambridge: Cambridge University Press, 1932).



marketing pitfall

After a very successful launching of the combined shampoo and conditioner Wash&Go on the Danish market in January 1990, where the product reached a market share (value) of more than 20 per cent in September that same year, a negative rumour caused a severe blow to its parent company. First, hairdressers complained about problems with doing colourings and perms on clients using the new product. Procter & Gamble denied the complaint, but did not dispel the rumour and soon had to deal with a second rumour: that the use of the product caused significant loss of hair. Their market share fell from 20 to 5 per cent.¹¹¹

Most rumours have some 'kernel of truth', and it is very important for the company facing the rumour to detect it. The silicon in Wash&Go actually did cause problems for certain perm or colouring products, but this was not immediately acknowledged. Instead, the denial of the first rumour without producing substantial factual documentation led to the spreading of the second rumour, perhaps as an attempt to 'get even with' the 'aggressive' marketer. Large foreign companies are often targets of such negative word-of-mouth.¹¹² Procter & Gamble first tried to ignore the rumour by denial, then to refute it with reference to their own research, a source of information which had little credibility and probably strengthened the rumour rather than weakened it. Only when they asked the state environmental agency to conduct independent tests could Procter & Gamble disprove the rumours and slowly begin to regain the lost market shares.¹¹³



The Google search engine finds many matches for key word searches. For instance, the elaborate viral marketing campaign for the film *A.I.* (Artificial Intelligence) was based around key word searches on Google for 'Jeanine Salla' (described on page 370).

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Rumours are thought to reveal the underlying fears of a society. While rumours sometimes die out by themselves, in other instances a company may take direct action to counteract them. A French margarine was rumoured to contain contaminants, and the company addressed this in its advertising by referring to the story as 'The rumour that costs you dearly'.¹¹⁴



multicultural dimensions

Multinational firms are especially prone to damage from rumours, since they may have less control over product quality, content or word-of-mouth. Several marketers in Indonesia, including Nestlé, have been damaged by rumours that their foods contain pork, which is prohibited to the 160 million Muslim consumers in that country. Islamic preachers, or mullahs, responded to these rumours by warning consumers not to buy products that might be tainted with pork fat. Nestlé spent more than \$250,000 on an ad campaign to counteract the rumours.¹¹⁵ In another recent incident in the Middle East, the Egyptian subsidiary of Coca-Cola had to get an edict from Egypt's mufti (top religious authority) certifying that the familiar Coca-Cola script logo does not in fact say 'No Mohammed, No Mecca' in Arabic after a rumour spread about hidden messages. This problem echoed one experienced a few years earlier by Nike, which recalled 38,000 pairs of shoes because its flaming air logo resembled the Arabic script for Allah.¹¹⁶

■ OPINION LEADERSHIP

Although consumers get information from personal sources, they tend not to ask just *anyone* for advice about purchases. If you decide to buy a new stereo, you will most likely seek advice from a friend who knows a lot about sound systems. This friend may own a sophisticated system, or he or she may subscribe to specialized magazines such as *Stereo Review* and spend free time browsing through electronics stores. On the other hand, you