

Instructor's Manual



Consumer Behavior in Action

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Evaluation Edition

Exercise 1: Types of Needs and Wants

1. Analysis of Ads

Ad #1—*Extra Strength Bayer aspirin*: **Utilitarian** needs. The product serves the purpose of relieving “tough pain.” It solves the problem by “powering away your toughest pain,” and its advanced coating solves the problem of gel caps being difficult to swallow.

They could also appeal to the **hedonic** need of being able to get out and enjoy life again, rather than staying home suffering from headache pain. Headache sufferers could be depicted in a before-after scenario, with suffering faces appearing as the “before” and happy faces enjoying time with friends as the “after.”

Ad #2—*Wisk with Color-Hold*: **Utilitarian** needs. The ad describes the color-held bleaching, stain-fighting properties of Wisk: the practical problems the product is meant to fight.

They could also appeal to **hedonic** needs of sensory pleasure and self-expression—Wisk makes you feel more comfortable in clean bright colors and will make others think you’re clean and bright too. The headline refers to your “favorite” shirts, suggesting sentimental emotionalism.

Ad #3—*Drakkar Noir*: **Hedonic** needs. The ad appeals to pleasure, showing how the model feels pride because he has two beautiful women next to him, a fantasy-type situation. Hence, he derives emotional pleasure from that attention. Also, the ad appeals to *self-expression*—he can make a statement for himself as being a “bad boy” or a lady’s man.

It would be difficult to portray the product as satisfying any *functional needs*, unless it was promoted as low-priced (which would probably detract from the brand image).

Other hedonic needs, which the advertising could dramatize, include creating romantic experiences, being used in fun situations such as dining out. The enjoyable scent of the product (sensory experience) could be described, although this would be difficult to portray since scents are an *experience product*—they can best be learned about through personal experience.

Ad #4—*Whirlpool*: **Utilitarian** needs. The product makes doing laundry cleaner, quicker, and easier (i.e., more convenient) because it makes doing your laundry “quicker and easier.” The product helps reduce the problem of heavy housework loads.

It would be very difficult to appeal to any hedonic needs, although perhaps the leisure time gained as a consequence of using Whirlpool could be portrayed.

Ad #5—*Tropical Passions*: **Utilitarian** and **hedonic** needs. It satisfies *utilitarian needs* by providing nutrition and quenching thirst, i.e., it removes the displeasure of experiencing thirst. Also, the low calories will help with weight control.

However the exotic name (as well as the picture) also suggests that this beverage fulfills **hedonic needs** of sensory enjoyment, perhaps even emotional arousal (“Passions”). Also, *emotional needs* are satisfied—one will feel less guilt because there are fewer calories in the drink.

Ad #6—*Ban deodorant*: **Utilitarian** needs. The ad shows Ban’s reliability and durability in fighting stains. It is offered as a “solution” to the problem of perspiration, which causes yellow stains, and the problems of odor and wetness.

They could also appeal to the **hedonic** need of feeling confident and sure of oneself because you used this protective deodorant.

Ad #7—*De Beers diamonds*: **Hedonic** needs. Buying, giving as a gift, and wearing a diamond all create feelings and experiences. They are also done to achieve personal expression (e.g., “The last of the big spenders”). The woman wearing the ring will make a statement about her style and purse.

A practical *utilitarian need* could be to view this product as an investment that will appreciate in value over time.

Ad #8—*Pepperidge Farm Cookies*: **Hedonic** and **utilitarian** needs. The ad's main and stated appeal is to the *hedonic needs* of feeling sensual pleasure by indulging in the cookie. The oversized photo reinforces this, as does the descriptor, "luscious."

The fact that it is "reduced fat" and is made from various (somewhat) wholesome ingredients such as egg whites and "real vanilla" appeals to the *functional need* to meet nutritional needs and stay healthy while satisfying hunger.

EXERCISE 2: Marketing Management Philosophies

In-Class Applications

1. Consumer sovereignty suggests that consumers, not marketers, are in control of their lives. They are self-responsible, make reasoned choices, and can't be shaped by environmental forces such as peer pressure and marketing efforts (this is *determinism*). They exercise this sovereignty via their purchase behavior in the marketplace, freely casting votes with their dollars (freedom of choice). The implication is that since the consumer has free will and is self-governing, marketers cannot manipulate her. At best, the marketer can *influence* (versus control) the consumer.

Whether or not this is really the case has been the subject of vigorous debate over the years, with marketers arguing for consumer sovereignty and critics alleging marketing's power to shape and mold consumer behavior. For example, critics point out, sales volume does increase in response to price decreases and/or sales promotions. And why is that? Because people who otherwise wouldn't have purchased the product buy it, purchase it in greater volume, or buy it earlier than otherwise. Or, why do marketers create brands? Is it not for the purpose of eliciting a behavior which otherwise might not occur—brand loyalty? Do clothiers experience an increase in business soon after the new Paris fashions are exhibited? Why is that? Apparently a sizable group of women are made to feel somewhat less happy with the same wardrobe that suited them just fine not many days before. If the consumer is king, then why is there any duty to create a consumer advocate department within firms? It seems that a king should be strong enough to fight his own battles. A good example is the food industry, which has been blamed for our nation's overweight problem. For instance, via large portions, both packaged goods manufacturers and restaurants get consumers to eat more.

Grocers would seem to manipulate consumers by putting dairy products, bread, and other staples in the back of the store, so consumers must pass by hundreds of other products on the way in and out, several of which they might also end up buying. They also place impulse items (candy, potato chips, etc.) near checkout counters to trigger impulse purchases from unsuspecting patrons. Airlines used charges to change consumer behavior. They raised the prices of issuing paper tickets by about \$25 to move holdouts to electronic tickets, saving the airlines money. In 2002, several medical studies reported that when consumers are presented with larger portions of food in restaurants (e.g., "supersizing"), or when recipes in cookbooks or on-product packages suggest larger portions, people eat more. Indeed, restaurants are using larger dinner plates, bakers are selling larger muffin tins, pizzerias are using larger pans, and fast-food companies are using larger drink and French-fry containers. Soda in larger containers is consumed faster. We must agree that these strategies at least *influence*, if not *manipulate*, consumers.

Marketers would reply that consumers are still making reasoned, free choices—no one is holding a gun to their head, and in each instance they are deriving some utility from the product, be it saving money, identifying with a brand image, or feeling up-to-date with one's wardrobe. The marketer, in effect, says to the consumer, "Please look at my wares. I think you'll find them useful (or enjoyable). If so, please buy them." The power is the consumer's. She decides whether she'll pay attention and ultimately buy. Nobody forces her. For instance, food industry officials say that people can choose what they want to eat—if you look at the supermarket, there is a wide variety of choices (regular calorie, lower calorie, reduced fat, no fat, sugar free, etc.). Most marketing professionals don't believe that it's so easy to manipulate consumers. There is considerable evidence that American consumers are quite cynical and suspicious of the advertising and sales messages to which they are exposed. However, although marketers

can't manipulate consumers, they can (and clearly have in the situations just described) *influence* consumers. Nonetheless, the consumers ultimately call the shots. In a perfectly competitive market, consumers are sovereign. Competitive forces ensure that sellers work to best satisfy customers, who can always take their business to another seller.

Thus, marketers dismiss as nonsense lawsuits against tobacco marketers for allegedly being responsible for their lung cancer—after all, the cigarette packs display prominent health warnings. They also view as frivolous a lawsuit filed in the early 2000's against fast food feeders McDonald's, Burger King, Wendy's, and KFC for making a 56-year old maintenance worker fat and raising his risk of illnesses related to being overweight. Likewise, another suit against McDonald's purporting that its foods are physically or psychologically addictive in nature.

However, the fact that a consumer ombudsman is sometimes necessary suggests that there are some situations where the assumption of consumer sovereignty breaks down. These are so-called free *market failures*—the assumption of classical economic theory that informed consumers can make the best decisions for themselves among competing alternatives falls apart. Private market solutions to these problems won't work, and government intervention (e.g., breaking up monopolies, providing information, punishing deception, and protecting vulnerable groups) is said to be justified.

These market failures include the following:

- *Little competition.* This restricts consumers' freedom of choice, such as in computer software, local cable TV service, gasoline stations and restaurants at highway rest stops, and some airline routes (an *economic market failure*). However, except mostly in government-protected markets, such monopolies or oligopolies are rare today. In the fast food companies case cited above, the defendants pointed out that they offer menu variety and lower-fat options, plenty of freedom of choice.
- *Consumers lack "perfect" (or even "good") information.* This disallows the consumer from making the best choice for herself (social market failure). For instance, many travelers don't realize that buying rental car insurance is superfluous since regular auto insurance often covers accidents in rental vehicles. In fields such as hi-tech and healthcare products, technology, complexity, or the pace of change has outpaced the learning ability of all but the most sophisticated buyers, so that they lack the skill or ability to wisely judge the credibility of sales and advertising claims. (This is known as *information asymmetry* between buyers and sellers, with the latter having a clear advantage over the former.) Fortunately, the wealth of information available on the Internet is helping to obviate this problem to some extent, so that Adam Smith's assumption of a level playing field between buyer and seller is coming closer to reality. For example, in the fast food case above the companies pointed out that the average, reasonable consumer is well aware that eating fast food all the time isn't healthy (you could call it "fat food"). Likewise, tobacco marketers have pointed out the government-mandated health warnings on cigarette packages.
- *Deception and other unethical behaviors.* Consumers can't make intelligent decisions if they are misled into believing something that isn't true. When practiced by the marketer, such behaviors result in marketer manipulation of the consumer (*social market failure*). This is clearly wrong and should be prosecuted to the full extent of the law.
- *Vulnerable groups.* There are certain categories of consumers who don't fit the "reasonable man" mode—they are more easily misled or taken advantage of and therefore require extra government protection. These groups include children, the mentally handicapped or emotionally disturbed, the recently bereaved, some recent immigrants, those of low education levels, addicts, and some of the elderly.
- **Government regulation** (actually, misregulation) which restricts consumer choice, such as mandated seat belts (people have died from malfunctions), air bags, pollution control devices, and bike safety helmets. One example is the Federal Communications Commission's rule raising the cost of new televisions by several hundred dollars due to a mandate that they be equipped to receive digital broadcasts. Encouraged by some TV manufacturers who produce the tuners, the result is to force consumers to purchase a product they have refused to pay for voluntarily. Another example is attempts to force the fast food industry to produce healthier fare, regardless of whether consumers want it.

Justification for such regulation is that if we don't, for example, wear a helmet while biking or a seatbelt while driving, we might become injured and become a burden on the nation's healthcare system, and hence, other taxpayers. Likewise, if we become obese from fast foods, we will suffer a heart attack or other ailment, again costing our fellow taxpaying consumers.

In the author's view, the problem is, such suggestions restrict consumer freedom. There is no moral justification for government's taking one person's earnings, through taxes, to pay for another person's healthcare needs—this goes way beyond the limited constitutional role of government as stated in the Preamble to the Constitution to “establish justice, [promote domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty and ourselves and our posterity,” i.e., to promote justice and protect us from harm, both domestic and foreign. If government weren't socialistic, we wouldn't believe we need to restrict one another's freedoms to protect our pocketbooks. Others, however, would say that such policies “promote the general welfare.”

2. Will companies voluntarily practice corporate social responsibility (CSR) and the societal marketing concept? The marketing concept makes good business sense—businesses exist to serve customers and should bend over backward to serve them; the market will reward those who do so. The societal marketing concept, while noble, might not gain a firm more profitable customers, especially for customers who are unaware of what is in their best interests or have wants and needs that aren't in their best interests or those of others. Companies might practice the societal marketing concept either if their owners felt that doing the socially right thing outweighs maximizing profit (where there is a tradeoff between the two) or where they recognize the public relations value and corporate image building that can accrue from practicing the societal marketing concept.

Is it in society's best interest for corporations to practice CSR? Whether practicing corporate CSR and its offshoot, the societal marketing concept, are desirable for society is an issue that has been vigorously debated over the years. The case against CSR was proposed by neoclassical economist Milton Friedman in a classic 1970 article, “The Social Responsibility of Business Is to Increase Profits” and espoused in Friedman's book *Capitalism and Freedom*, and previously subscribed to by businesspeople. His “custodian-of-wealth model” says that “[In] a free economy...there is one and only one social responsibility of business - to use its resources and to engage in activities designed to increase its profit so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception and fraud,” i.e., act subject to the constraints of the law and morality. Friedman advocated mainly just *economic values*: productivity and efficiency, not goodness and kindness, which were felt to lie beyond the firm's mandate to maximize shareholder value/wealth while acting legally, ethically, morally, and honestly. He felt that social problems are the realm of government and social agencies. Friedman continued: “It is the responsibility of the rest of us to establish as framework of law that an individual in pursuing his own interest is, to quote Adam Smith, ‘led by an invisible hand to promote an end which was no part of his intention.’”

But, say the advocates of CSR, it must be recalled that any corporation affects many *stakeholders/constituencies/publics*: shareholders, customers, employees, suppliers, the surrounding community, etc. The question is: whose interests should be of primary concern to upper management? How strongly should the interests of others be considered? Should we judge corporations not just on the basis of their *economic* success but also on the basis of *noneconomic* (societal) criteria? Friedman would reply that businesses are established for *economic* purposes, not beneficent purposes. The author has argued elsewhere that the firm is most responsible for those whose welfare it has been entrusted to care for: stockholders, employees, and customers.

Here are the arguments against business trying to be “socially responsible” and practicing the societal marketing concept:

- The “Invisible Hand” argument, based on Adam Smith, says that when each of us acts in a free-market environment to promote our own economic interests, we are led by an “invisible hand” to promote the general good. Companies serve society best by 1.making goods and services customers want (marketing concept) and 2.providing employment. By giving the public a product it wants at a reasonable price, businesses unconsciously transfer the profit motive into consumer welfare. If the company makes a profit, employees will benefit through higher wages (and if they have stock ownership, through profit sharing), and the company will grow, enabling it to employ more people in the community and contribute to the community in the form of taxes. From an economic viewpoint, it's better for companies to continue expanding their business and adding jobs rather than giving money away to charity and good works. (The problem is that the invisible hand doesn't work perfectly because consumers don't necessarily have the “perfect information” necessary to “vote with their

dollars" to punish unethical businesses. Too, they don't have the financial resources to mount an effective publicity campaign designed to warn other consumers.)

- To go beyond profit maximization and be a do-gooder company wouldn't be in shareholders' best interests and would constitute *social engineering*. Once you add social goals to the demands of serving customers and making a profit for stockholders, your business suffers and stockholders starve. In effect, you are taxing the owners ("taxation without representation") and spending these taxes on social causes, which is *socialistic* since it relies on political mechanisms (versus market mechanisms) to allocate society's scarce resources. Alternatively, you must raise the price to your consumers, thereby taxing them, or lower the wages (price of labor) of your workers, thereby taxing them. So, one or more of the firm's primary stakeholders—stockholders, employees, and customers—end up paying the piper.
- Executives become civil servants and corporations become government agencies, thereby diverting business from its proper role in the business system. Also, this could create demands for public participation in corporate management or governance (e.g., seats by members of each stakeholder group on the board of directors), threatening the public (versus private) nature of the corporation.
- Corporate executives are "inept custodians," i.e., they lack the moral and social expertise to make noneconomic decisions. Instead, we should allow the "hand of government," through a system of laws and incentives, bring corporations to heel. (The problem here is that this invites big, intrusive government, and government officials aren't always paragons of virtue.) If businesspeople feel strongly about social issues, they can always volunteer their time off from business. The philosophical objection is that we end up with unelected businesspeople substituting their judgment and perceptions of what is in the social good for consumers' perceptions or the views of elected policymaking officials. The pragmatic objection is that businesspeople have no special expertise in defining and acting in the public interest. They might not foresee the unintended consequences of their socially responsible actions. For instance, it has been argued that McDonald's response to pressures from environmentalists might have actually had adverse consequences for the company and society. The argument is that they responded to a small but very vocal group of noncustomers who protested the waste of disposable containers, labeled the McFare "junk food," and accused the company of clogging American arteries and hyping high blood pressure. Consequently, McDonald's became too dictatorial in concluding that everyone must avoid salt and cholesterol, and now treats the customer who has no health problems as the exception rather than the rule. No one consulted the customer about tasteless fries with less salt, the McLean Deluxe burger (made from seaweed, which turned out to be the McEdsel burger!), and abandoning foam containers, which keep food hot. McDonald's also ripped away their Super Size meal options. What about a hungry person with no weight problem? They may no longer decide what is enough. McDonald's can't afford to all-white-meat McNuggets. What about someone who likes dark meat? Woe to the business which ignores the very specific preferences of its customers.
- What exactly is "socially responsible" often generates considerable controversy. A big problem is defining what is meant by "social responsibility," i.e., whose agenda and values should be followed—those of liberals vs. conservatives? For example, while most socially responsible mutual funds filter out companies involved in tobacco, alcohol, and gambling, there is little consensus on what other screens are appropriate. That's because the different funds are geared to groups with different goals. Funds with a liberal worldview (e.g. the Calvert and Domini groups) tend to shun companies that harm the environment, make arms, generate nuclear power, or employ child labor. At the conservative end of the spectrum is the Timothy Plan fund, managed by evangelical Christians, which boycotts companies that provide health benefits to the partners of gay employees, as well as firms that profit from pornography and abortion. What constitutes a worthy cause: Animal rights? Providing an education to disadvantaged minorities? How much money should be given? A percent of income? Before or after taxes? An absolute amount?
- The notion of returning something to the community and "giving back" to society for one's good fortune is fallacious. What is there to return? If you took something you weren't entitled to, you shouldn't have taken it in the first place. And if you're entitled to it (profit as a reward for taking the risk in producing a product people probably will like) why should you have to return it? Are customers supposed to return the merchandise they bought? Fact is, companies already do good for society by providing employment for their workers and providing customers with want-satisfying products.

"Social responsibility" advocates suggest that businesses have a special obligation to do more than the rest of us, to do special things for society or to solve society's problems. The obligations of business extend no further than the obligations all human beings have to each other. If businesses have obligations to do something for society, it is because you and I have exactly the same obligations. (However, as a powerful social institution, perhaps business does have special obligations, as do professionals as privileged members of society.)

- Skeptics say that often good works are just a publicity stunt. And, companies practicing social responsibility often have ulterior motives. For example, volunteerism can lead to higher employee morale, which then leads to higher productivity. Or, "giving back" to the local community might make it easier to attract desirable employees. Companies become good corporate citizens because it makes good business sense. Once philanthropy is done for these reasons, it ceases to be philanthropy and becomes marketing! And, if social responsibility is enacted for ulterior motives, it's difficult to quantify the value of the resulting goodwill and publicity. For instance, every year Lantos patronizes the Norton Medical Center's free family barbecue. He takes his four kids, has a good time enjoying the free food, games, and entertainment, but doesn't plan to patronize the Medical Center. It's doubtful that the event "pays for itself" in new customers.

The pro-social-responsibility/societal marketing concept side of the argument says that the Friedman mentality has led to speculative excesses and environmental abuses. A corporation must consider not just the short-term interests of its stockholders and employees, but also the long-term interests of these groups and other stakeholders, such as employees and the local community:

- Business is part of the social system and hence has social obligations to parties other than shareholders, viz. other stakeholders. Just as you and I have an obligation to take into consideration all of the parties that we directly and significantly affect, businesses have exactly the same obligation to take into consideration all parties that they will affect. In other words, we need to go beyond profit maximization to trusteeship, where management has a fiduciary relationship not just with stockholders but also with their stakeholders, the *multifiduciary stakeholder concept*: management sees itself as responsible for achieving balance among all stakeholders' interests. In fact, corporate mission statements often pay homage to contribution to society in addition to the traditional product, market, and technology dimensions. For instance, businesses obviously influence consumers through advertising. Businesspeople have the same obligation to tell the truth in their advertisements that you and I do when we are talking with strangers who stop by at a garage or a yard sale. Just as you have to take special care when you are dealing with children that come by your garage sale, advertisers must take special care when designing advertisements aimed at youth audiences. Or just as you and I have a moral duty to avoid harming each other and to alert each other when we create some kind of danger or risk, manufacturers have responsibility to provide consumers with products that minimize user injuries and to disclose all reasonably foreseeable risks to consumers. However, these would seem to be *ethical* (i.e., moral) mandatory obligations, not the discretionary good deeds of CSR.
- Short-term interests are often achieved at the expense of long-term interests. For example, nobody but a diehard libertarian would advocate giving customers whatever their hearts desire (e.g., drugs, pornography on TV and radio, liquor to children and alcoholics). For instance, Wal-Mart refuses to carry CDs with lyrics or cover art it finds offensive. But, again, these are issues of ethics.
- Profit is an incomplete measure of social performance and therefore a nonaccurate measure for resource allocation. This is because of the existence of "*externalities*," ecospeak for deleterious side effects of business activities. These are the unintended negative (and in some cases, positive) consequences that an economic transaction between two parties can have on a third party. Examples include pollution of air and water used during the manufacturing process and for the disposal and treatment of wastes. These costs have skyrocketed since Friedman's 1970 article, and yet these externalities are still not fully included under generally accepted accounting principles, in calculating the profit for the year for the polluting company. Often, pollution costs are borne by and charged against the profits of other companies, towns, and entities. Defenders of the social contract between business and society say that these costs must be "*internalized*," i.e., businesses should be made to absorb the costs (e.g., for water pollution by disposing of waste in an environmentally safe [albeit more expensive] way or by paying for the damage the waste does downstream). Then the price of widgets will reflect their true *social cost*. But again, these are mandatory moral obligations, not the god works of CSR.

- Because businesses have such great social and economic power in our society, they must also have responsibility. (“Power begets responsibility.”) As the two most powerful institutions in the country, the sheer size of business and government obliges them to address problems/issues of public concern. Corporate managers have no trouble asking stockholders for permission to establish stock option and severance pay protection plans that will benefit them, so why are they so unwilling to ask owners permission to be merciful to the disadvantaged and helpless through the means of the business world?
- *Enlightened capitalism*: Being socially responsible doesn’t mean profit will fall - in fact, profit might rise because of the favorable publicity and goodwill as well as enhanced employee morale leading to higher productivity. Although in any given case it is difficult to quantify the returns to social responsibility, research studies exist to show that short-term profits increase in some instances and decrease in others when executives include social objectives. A classic example showing that being socially responsible pays is J&J's Tylenol poisonings in 1982. Immediately after seven people died from taking tampered-with medicine, the company withdrew the product from the shelves at great expense, sending a message that people matter more than profits. Of course, some sort of reward follows any type of charity, whether it is financial or spiritual (soft, warm fuzzies).
- Social responsibility is preferable to more government regulation. The "*iron law of responsibility*" says "in the long run, those who do not use power in a manner which society considers responsible will tend to lose it."

There are primarily three schools of thought in response to the question, “What is the primary responsibility of business?”:

- Traditionally, it was believed that providing value for its customers is an enterprise’s *raison d’etre*. This is achieved via serving satisfying customer needs at a reasonable price.
- The dominant view today is that a business organization’s highest ideal is to “maximize shareholder value” via maximizing the current share price. Unfortunately, this tends to lead to a fixation on quarterly profits.
- The emerging view is to serve society at large, as embodied in the focus on “corporate social responsibility.”

3. Analysis of Scenarios

a. *Product concept*. He has developed a unique product, but it’s not clear that it satisfies any unmet needs or solves any unsolved problem—it’s probably not really a “better mousetrap.” A refrigerator is not a product where quality is lacking or where consumers want innovation for the sake of innovation. Innovations that have succeeded over the years (e.g., ice cube makers, frost free) have met real needs. If, as has been predicted by futurists, this appliance could sense when food stocks need replenishing and connect to the Web to order replenishment foods automatically delivered to the home, then it would be fulfilling the marketing concept by satisfying unmet needs for convenience.

b. *Production concept*. Concern is with (1) availability (close proximity to other venues of public transportation) and (2) affordability (based on efficient operations, leading to a fare reduction for travelers). In this case, the production concept is justifiable and should be successful, since most travelers are mainly concerned with convenience and cost. In fact, if these are the two most important criteria for travelers, it could be argued that the airport is really practicing the *marketing concept*—giving the traveling public what they want.

c. Trick question: *No marketing management philosophy* is probably the best answer! Let’s try a process of elimination. They certainly aren’t practicing the *societal marketing concept* since they seem to enjoy producing a product that is actually bad for people (it offends many parents and their children). They’re out to “change the world” but certainly not with its long-run interests in mind! It’s the *marketing concept* only to the extent that some of their fans love their performances. However, overall, especially with lost CD sales, it doesn’t look like they’re giving most members of their audience what they want, and there’s no evidence of marketing research or intelligence. It’s not the *selling concept* since there’s no evidence of promotional activity and since what they do might actually be hurting CD sales. It doesn’t appear to be the *product concept* since they aren’t trying to develop a better product for customers but rather something evil that’s fun for them. There is no attempt to make their shows cheaper or more conveniently available, hence no *production concept*. They seem to be merely self-absorbed: “...we don’t care. We’re in it for fun and to change the world!” This isn’t justifiable either from a business standpoint or a moral viewpoint.

d. *Selling concept*. This appears to be a “hard sell” approach, selling people something they might not really desire through aggressive, pushy persuasion. Perhaps there is overcapacity of vacation sites, but this approach isn’t really justifiable. A vacation property probably isn’t an unsought good for most people as it yields hedonic, not functional, benefits. And, upper-income people tend to be well educated, and so probably can’t be conned into buying something they otherwise wouldn’t.

e. *Production concept*. The focus is solely on getting the costs down to underprice the competition and increase sales volume. However, contrary to the marketing concept, customer service has slipped. This doesn’t appear justifiable as most customers don’t feel overnight delivery services are too expensive, the market is competitive, and it doesn’t appear to be a seller’s market. Moreover, the production concept isn’t working—sales and profits are down due to customers dissatisfied with the service.

f. *Selling concept*. Anne isn’t offering a terribly good product—herself—since her views are muddled and not well articulated. Instead, she is relying on persuasive sales techniques and heavy advertising to carry her. Although aggressive selling is necessary in the face of stiff competition such as Anne faces, and for some people a political candidate is an unsought good, she would do to practice the marketing concept—find out what a segment of voters want in a candidate and then clearly articulate how she satisfies their needs and wants—what a true “public servant” should do. (Although some would say that a real political leader is not driven by polls but rather has solid beliefs and stands on the issues and tries to persuade the voters that she is right—the *selling concept*.)

g. *Production concept*. Like a typical government bureaucracy, this outfit is inward focused, not outward focused on their constituency (at least we can give them credit for trying to cut costs, thereby presumably saving the taxpayers some money). This approach is justifiable in a sense since the DMV is a monopoly, i.e., it lacks competition, and so needs not serve customers well to survive. However, as anyone who has been processed in person by a DMV can attest, this is no way to treat people from an ethical viewpoint.

h. *Societal marketing concept*. He believes that what he is doing—trying to eradicate pornography—is in society’s best interests. In effect, he’s trying to rid society of what he views are “unsafe products.” He would view pornography and violence in the media as products that aren’t in people’s best self-interest, although some might rationalize their use of pornography and exposure to violent programming.

i. *Product concept*. If they had done marketing research to see if people have a want or need, it would be the *marketing concept*. But since “they hoped” it would increase customer convenience, it seems that they simply designed a more technologically advanced product. Since their operations are more efficient with the new debit card, it could be argued that this is the *production concept*, although there is no evidence that consumers will benefit through lower prices.

j. *Selling concept*. There is aggressive selling at work here. This might be acceptable and even successful since prepaid funeral services are a classic example of an unsought good with delayed functional benefits. So, people need to be awakened to thinking about the reality of death and how they’ll provide for themselves and their loved ones. This could be a great service to people.

k. *Marketing concept*. They are conducting informal *marketing intelligence* (not formal *marketing research*) to better serve their customers and compete against many existing and emerging rivals. They might want to supplement this customer intelligence with competitive intelligence too, in fully practicing the marketing concept with its focus on the “2 C’s.” Especially in such a competitive environment, the marketing concept is not just recommended—it is mandatory!

l. *Product concept*. They are trying to be unique and innovative, but the lukewarm customer reaction suggests that people really have no need for the frills they are offering. They should instead practice the marketing concept and find out what points of difference they can offer their customers to avoid being just another parity airline.

m. *Production concept*. Although you might be tempted to think this is the *marketing concept*, note that the focus was inward on cost savings and efficiency. Customers benefited as an “unanticipated byproduct.” Nonetheless, in the face of changing technology that allows production efficiencies, the production concept is always justified (even though an unfortunate byproduct, in the short run, has usually been worker displacement). Here, customer availability has been enhanced, although it is not clear that the cost savings to the university have enhanced consumer affordability.

n. *Selling concept*. They appear to be trying to sell ice cubes to Eskimos—few prospects (really, they are “suspects”) are biting (consumer direct mailings typically yield response rates of about two per cent). If consumers are content with painted houses, they feel no need for aluminum siding. Although one might argue that there is a latent need here, with such a low response rate that doesn’t appear to be the case. They

should, perhaps, better target their efforts to people with a need, or perhaps use more persuasive promotional techniques

o. *Product concept.* Focus in on developing a product with unique features/extra bells and whistles without first checking to see if there is demand in the marketplace in accordance with the marketing concept (consumers need to be educated on what the features are).

p. *Selling concept.* Emphasis is on backing the product with a lot of sales firepower in TV commercials and via in-store salespeople. They aren't checking to see whether there is demand in the marketplace.

q. *Societal marketing concept.* The California government is trying to do what they think is in society's best long-term interests—cut down on air pollution by coercing manufacturers to sell electric vehicles. However, this illustrates a potential pitfall of the societal marketing concept—different groups will define variously what is actually in society's long-run best interest. The consuming public has balked at electric cars—if they really wanted them, Detroit would be manufacturing them by the millions. The problems with these cars suggest that the benefits to society (less disease from pollution) might be outweighed by the costs (inconvenience to consumers and, moreover, traffic deaths from driving in flimsy cars). This example illustrates that public policy makers should consider consumer behavior when making decisions, but often they don't.

Exercise 3: The Multiple Influences on Consumer Behavior

1. Analysis of Ads

Note: Students don't know enough about consumer behavior yet to get many of these. You can help them along and demonstrate how many factors are involved in understanding the consumer behavior underlying any single product purchase. An asterisk (*) after a factor indicates that it is probably one of the key influences on a product's purchase, as suggested by its predominance in the ad.

1. Ad #1—Dole Pineapple Fun Shapes

Level of involvement* – Ordinarily, canned fruit is a pretty ho-hum, low involvement product.

However, by cutting the pineapple into fun shapes, Dole has made it highly involving for children.

Level of decision making – Parents have bought such a product many times, so it is a routine purchase. However, the shapes add a new dimension to make those who might be brand loyal to, say, Dole canned fruit, to consider brand switching, making it a limited decision making situation.

Situational influences - The product is bought primarily to please one's children, so their likes and desires are paramount.

Cultural influences – The reference to peas speaks to parents of American kids, who generally hate peas (and most green vegetables, for that matter). The ad speaks to American cultural values of eating healthily, having fun, and enjoying oneself. The convenience of canned fruit is also important to Americans. And, U.S. children, growing up in a land of plenty, can “afford” to be picky eaters.

Family* – This is clearly pitched as a family product. Typically, Mom or Dad are the buyers and the kiddies are the users (perhaps the parents sneak a few too).

Motivation* –The rational motive for parents is to get their young ones to eat foods that are healthy. The parents, in turn, can appeal to the kids' desire to have fun and enjoy themselves.

Lifestyle – The ad appeals to a home- and family-centered lifestyle.

Perception* – They take what is perceived by children to be a boring and “yucky” product and make it fun, interesting, even exciting.

Learning –This product can be used to help teach children that fruit isn't so bad after all.

Attitudes* – Likewise, the product can be used to change kids' attitudes towards fruit. Now, if we could just do something about those darned peas!

Ad #2—Avery Dennison cards and envelopes

Level of involvement – Giving greeting cards to loved ones always entails a high level of involvement. Making your own cards raises the degree of importance even higher.

Level of decision making – Card buying usually takes some thought, so it is ordinarily at least a limited decision making process, if not extended decision making. However, buying blank cards and envelopes to be used in conjunction with a computer is still new to many people, so the level of decision making probably ranges from extensive to limited for most people.

Situational influences* - The product is always bought to be used in conjunction with gift giving. Impressing others is important.

Culture* – In our culture, personalization is becoming increasingly important in this high-tech age. This product allows consumers to tailor their cards for the recipients. Also, passing one’s driving test is an important rite of passage for a teenager. And, American teens are stereotypically always hounding their parents about borrowing the keys to the family car.

Family – The named recipient in the ad is a family member.

Motivation – Getting “professional results” from her “personal creation” is important to the consumer.

Lifestyle – This ad appeals especially to the “do-it-yourselfer”, who doesn’t like mass-produced things.

Learning – The right-hand side of the ad walks the consumer through the process of creating homemade greeting cards.

Ad #3—Curel lotion

Level of involvement – This is apparently a fairly high involvement product, as they use a pharmacist to give advice.

Level of decision making – This is at least limited decision making. They are trying to get buyers, who might routinely be inclined to use “any moisturizer on the shelf”, to switch to Curel because it is a better moisturizer.

Culture – The product helps Americans, who tend to be concerned with health and looking good.

Interpersonal influences* – The pharmacist is used as an opinion leader with expertise to recommend the brand. This is important since it is a product with health risks and because the results of using it (smooth skin) are socially visible.

Motivation – The need for moist, healthy skin drives the purchase of Curel.

Learning – The ad makes it easy to remember the brand name with the catchy slogan, “You can see the cure in Curel.”

Ad #4—Grey Poupon mustard

Level of involvement – Although ordinary mustard is low involvement (very boring), this upscale mustard is trying to become high involvement by association with a special recipe for Baked Chicken Poupon.

Level of decision making – Mustard is ordinarily a routine purchase, although this product might involve at least limited decision making for other (ordinary) brand users.

Situational influences* - It is suggested that this product should be bought as an important ingredient in various special recipes (note the offer for a free recipe booklet). They are to be served to family members (dinner guests would be appropriate too), who will give them a “standing ovation.” (Traditionally, ads suggested the mustard be used in more upscale venues, such as limos and yachts.)

Social class* – Grey Poupon has always been pitched as an upscale gourmet mustard. In a classic TV commercial, one chauffeured Rolls Royce pulled up alongside another. The dignified Brit in the first car asked the one in the other car in a rather snooty manner, “Pardon me, would you have any Grey Poupon?” The commercial ended as a hand passed a jar of the delicacy over to the first car. The upscale appeal is more muted in this particular ad.

Family – Grey Poupon is promoted as useful in recipes to be served to your family.

Motivation – Approval of one’s family members (the “standing ovation” and “encore”) seems to be a major motivator.

Perception – The perception is created (which corresponds with reality) that this is no ordinary mustard.

Learning* – The ad, along with the recipe book it offers, teaches consumers to use the mustard as a recipe ingredient, thereby increasing the frequency of use. This is important, since condiments have long purchase cycles (they are infrequently purchased).

Ad #5—Purina One dog food

Level of involvement – Although dog food is probably moderately involving, at best, for most people, by emphasizing the health and good taste attributes of their brand, Purina is trying to raise the level of involvement to a fairly high one.

Level of decision making – Purchasing dog food might be routine for many dog owners, but this ad causes them to put some extra thought into it. It could also appeal to brand switchers (limited decision making), who have gone from one diet brand to another, frustrated that their dog likes none of them.

Culture – For better or worse, our diet- and health-conscious culture has been transferred to our pets.

Family – As more couples opt to remain childless or have fewer children, pets have become more important members of the family. As the old joke goes, “Our dog is just like a member of the family.” “Yeah? Which one?” And so, people are buying pet products with the same care that they purchase goods for other family members

Motivation – The motive is to succor the family dog with something both good for him and that he’ll enjoy.

Learning –The ad educates buyers on the nutritional value of the brand and its better ingredients and flavor. It offers to provide further information to interested consumers.

Exercise 4: Traditional Theories of Consumer Behavior

In-Class Applications

1. Scenarios

a. *Freud’s psychoanalytical model.* There are *symbolic* meanings for the Jaguar (freedom, wildness). It helps her fulfill her *fantasies*. It seems like an *irrational* desire since she can’t afford such a fancy car. She is more interested in satisfying *hedonic* needs rather than pragmatic needs

Veblen’s social psychological model. It seems that she wanted the Jaguar not just for its functionality but also for the *statement* it makes about her and the attention it gives her. She might believe that owning such a car will help her to achieve *upward social mobility*.

Marshall’s economic model. She recognizes that even though she wants to have an expensive car, she has to settle for a less-extravagant auto that can still get around and impress others.

Pavlov’s learning model. There are strong learned *associations* for the Jaguar, a rich-looking, a symbol of freedom and wildness). She has a need for a new car (*drive*), purchases a Chevy (*response*), and seems satisfied (*reinforcement*).

b. *Marshall’s economic model.* This is a functional product being bought to maximize the “bang per buck.” He goes on a long, rational search for product information. Paul wants to make sure that he knows virtually everything about the product before buying it. Also, he has set a reasonable price range that will let him obtain a computer that can meet his needs.

c. *Veblen’s social psychological model.* Gus is very concerned about what other people think about his clothing and accessories. He seems to crave attention, and therefore purchases products that are very expensive and which will impress others.

d. *Veblen’s social psychological model.* Pam wishes to display her gorgeous, silky, shiny hair. It appears that she has become very concerned with her appearance and now buys products considering what people will think of her.

Marshall’s economic model. The ostensible reason she bought the shampoo were the rational reasons that it is all natural and healthy for her hair, plus it is a good value.

Freud’s psychoanalytical model. She claims to buy the product for all the right (rational) reasons, but there might be an underlying subconscious need to exude sex appeal. Perhaps she is donning a mask.

e. *Pavlov's learning model*. She is thirsty (*drive*), sees the ad with the associations of thirst quenching and sex appeal (*cue*), she buys the soda (*response*), and her thirst is quenched and she feels alive again (*reinforcement*).

Freud's psychoanalytical model. Anne bought the product to obtain pleasure and achieve sex appeal.

Veblen's social psychological model. She also purchased the drink because it is the “in drink” on campus—she will likely gain social approval by consuming it.

f. *Veblen's social-psychological model*. Her motive is *conspicuous consumption*, i.e., trying to impress others by purchasing upscale products.

g. *Freud's psychoanalytical model*. He lives for pleasure and fun (*instinctual drives* and *hedonism*). Also, he doesn't know why he drives himself so hard to party hearty, suggesting *hidden, subconscious motives*.

h. *Marshall's economic model*. She is trying to get the most for her money, i.e., to *maximize her utility per dollar spent*, i.e., the best *value*.

i. *Pavlov's conditioned learning model*. His love for Banana Wackies was shaped by a process of *repetition* (seeing the commercial every weekday), *association* (the cereal was associated with the pleasant happy the Clown), and *reinforcement* (his mom bought him the cereal, and he enjoyed it).

j. *Marshall's economic model*. She is trying to get the most for her money, i.e., to *maximize her utility per dollar spent*.

k. *Freud's psychoanalytical model*. There are *hidden, subconscious motives* at work here (he couldn't explain to the marketing researcher why he likes lollipops so much). Also, there is the *sexual pleasure* aspect of liking lollipops. And, there is some *symbolism* in lollipops representing his mother's breasts.

l. *Freud's psychoanalytical model*. This describes both the (perhaps irrational) fantasy and *sexual* aspects of her psyche. She is dreaming of secret *pleasures*.

Veblen's Social-psychological man. She is out to impress the guys with her jewelry and such.

m. *Veblen's Social-psychological man*. His motive is *conspicuous consumption*, i.e., to impress others by purchasing upscale products. Classically Veblenian, inside, he is insecure and has poor self-esteem.

2. In discussing these philosophies of life you might wish to discuss those that have worked—or failed—for you. For instance, when younger and in college, many of us pursued the “party hearty” pleasure route, and most of us have tried to get satisfaction from our career accomplishments and being knowledgeable in our fields. But does all of this satisfy long-term?

You might want to pursue **Marshall's** individual further. This person is driven by materialism---the desire to acquire and consume more blingage. This person's motto is “he who dies with the most toys wins,” or, “The difference between men and boys is the price of their toys.” Students often come to college to get that piece of paper, which will get them keys to fancy cars and houses and a big, fat bank account. (The February 2004 issue of *The Teaching* professor reports that a whopping 75 percent say that they want to go to college so that they can make more money.)

However, the law of *diminishing marginal utility* or diminishing returns sets in—the more we have, the more we want and the more acquisitive we become. Things never satisfy. Call it the *Yeartle the Turtle* syndrome—the more the Dr. Seuss character Yertle got, the more the turtle wildly fantasized about what else he could get, until his kingdom fell into the muck. When tycoon Rockefeller lay on his deathbed, he was asked how much is enough. “Just a bit more,” he replied. A gross misconception is that having more will make a person happier, more important, and more secure. However, self-worth and net worth are not the same. Your valuables do not determine your value. In fact, every major item you own wants your attention—your possessions end up possessing you. (Jesus warned, “Watch out! Be on your guard against all kinds of greed; a man's life does not consist of the abundance of his possessions [Luke 12:15].)

Pavlov's person is a bit tough to slot into a philosophy of life. He seems to be the *passive man*—a manipulable machine, a pushover for anyone trying to manipulate or control him. He is a product of his social environment, making knee-jerk, automatic, unthinking responses to external stimuli—almost an “airhead.” Consumerist critics take a deterministic view, alleging that buyers are passive puppets in the hands of Machiavellian master marketers. Deterministic psychologists like B.F. Skinner and J.B. Watson, as well as sociologists like Margaret Mead, say that we are born a blank slate on which the environment writes. If true, this certainly grants a lot of power to parents and others having influence on children. If your kids are bad, it means you are a rotten parent. Comedian Flip Wilson used to do a schtick in which he dressed up like a woman, explaining that “The devil made me do it.”

In the authors' opinions (backed by good psychological research), while nurture plays a role in who we are, nature is more influential. If we are strictly creatures of our environment, we lack free will and can

make all kinds of excuses for our shortcomings (lousy parents, poor neighborhood, peer pressure, racism, etc.). However, we are responsible, thinking beings that can override our external influences and experiences (although, admittedly, this isn't always easy; some believe it forces us to depend on God for strength and resolve to overcome). As Shakespeare wrote, "The fault, dear Brutus, lies not in our stars but in ourselves." The "ghost in the machine" must take personal responsibility.

The Pavlovian person would also be boring—routinized, set in his ways. He always does the "same old, same old."

Freud's person is a hedonistic, pleasure seeking, experiencing Epicurean who lives only for the moment ("Eat, drink, and be merry, for tomorrow we die."). This good-time Charlie lives for the weekend and subscribes to the Playboy philosophy of life—"Let it all hang out," "If it feels good, do it," "Girls just wanna have fun," etc. People are viewed as animalistic—a bunch of sexual and other sensual instincts that shouldn't be repressed. Such liberationists view tradition or any kind of societal constraints on behavior as unnatural restrictions on happiness and a violation of rights. (As Rousseau famously said, "Man is born free but is everywhere in chains"). However, this usually amounts to freedom without responsibility. Pleasure tends to be fleeting and doesn't satisfy in the long run, plus it can burn you out! (After graduation, students might work harder, but they won't party as hearty.)

The **Veblen** person is a showboat, a people pleaser, living to impress, influence, and appease others. She is snobbier than thou—into egoism and pride (one of the seven "deadly sins"). She also is trendy, wanting to own the "latest and greatest" of everything. She shallowly judges others on externals—what they have, what they own, what they do. This modern materialist believes that happiness is having and you are what you own (as message often reinforced by brand image advertising, as discussed later in the course). Trying to impress others with one's possessions is the moral equivalent of fake farting in class to impress the girl in the front row. Exorbitant opulence is like waving a steak dinner in front of a homeless person. Such exhibitionists are typically insecure, immature, and have poor self-esteem. They often envy their neighbors.

All of these seem to be empty, vain, superficial philosophies of life. None satisfies in the long run.

Some other philosophies of life:

- *Power* seekers. Power is man's desire to control his own destiny, as well as the destiny of others. "Money and power" are actually two strong motivators in the corporate world, driving people up the corporate ladder. However, power is like saltwater—the more you drink, the thirstier you get. Plus, as Lord Acton observed, "Absolute power corrupts absolutely."
- Seekers of *fame* and *celebrity*—the "fame" part of "fame and fortune." Some people want to bask in the public limelight. Creative people such as Sigmund Freud, Albert Einstein, Pablo Picasso, and Igor Stravinsky tend to be great self-promoters, not being at all shy about getting publicity for their work. However, fame is fleeting ("Fifteen minutes of fame") and doesn't ultimately satisfy.

All of the above are based on *externals*. (Their emptiness is summed up in 1 John 2:16, "For all that is in the world—the lust of the flesh [pleasure], the lust of the eyes [money, materialism, and envy], and the pride of life [fame, power]—is not of the Father but of the world.") They are very popular advertising appeals. In fact, according to a Roper poll, the top values consumers tend to associate with brands are wealth (Marshall and Veblen), power (Nietze), status (Veblen—the "success" values), and hedonic values: enjoying life, having fun, and beauty and excitement (Freud)—the "good life" values. However, such externals like wealth, power, and fame have an intoxicating effect on people, making them feel self-reliant, self-secure, and independent of God. And, empirical research shows that they don't lead to increased happiness long term (although short term they might). This is probably because as people gain more of any of these externals, their expectations also rise or readjust to fit their new circumstances. That tends to make them only as satisfied as they previously were. One of the characteristics of human nature is an insatiable desire for more—materially, intellectually, and spiritually.

The following are things people seek, based more on *intrinsic satisfaction*:

- *Work* and achievement. A job well done can give a sense of accomplishment, although work for the sake of work is workaholism and vanity. Too many people also get their external identity from their work.
- *Knowledge*. Some people want to be know-it-alls, either for the intellectual satisfaction it brings, to impress others, or because "knowledge is power." Faust sold his soul to the devil in exchange for absolute knowledge. Nothing less would satisfy him. Some college professors want to be gurus in their fields. But, the more a person understands, the more inquisitive she becomes—she is never satisfied.

- *Wisdom*. This is more than knowledge—it is the skillful application of knowledge to live a useful life. However, King Solomon, the wisest man who ever lived, concluded that wisdom, too, is vanity.
- *Good health*. So many people spend hours each day working out, eating right, and otherwise caring for their bodies. This, too, is good in and of itself, but, as the old Brenda Lee tune asks, “Is that all there is?” Also, it can become selfish if overdone.
- *Love* of family, friends, and others. There is a lot of joy that can be gained from helping others: “It’s better to give than to receive.” Relationships between people are very important. The “Second Greatest Commandment” is to “love your neighbor as yourself.”
- *Pursuit of God*. Orthodox Christians and Jews would say that pursuit of a personal relationship with God comes first. The Greatest Commandment in the Old Testament is to “Love the Lord your God with all your heart, soul, and strength,” and the second greatest commandment is to “Love your neighbor as yourself.” Judeo-Christian teaching suggests that anything we put ahead of God is an idol (e.g., Jesus taught in Luke 14:13: “No servant can serve two masters—You cannot serve God and money”). Some people invest all of their energy in pursuit of money, success, possessions, a career, fame, etc. If these idols are taken away, only an empty shell is left. The only way to protect yourself against such loss is to invest your life in the living God, whom you can never lose. All of these idols can and often do deteriorate—money can be lost in a bad investment, possessions can be lost or destroyed, beauty fades with age, etc. In contrast to such sources of *happiness* stands *joy*—the quiet, confident assurance of God’s love and working out His plan for our lives, no matter what our circumstances. Real security can only be found in that which can never be taken away from you—your personal relationship with God. This is the “purpose-driven life”—a life guided, controlled, and directed by god’s purposes.

The last two points were what happiness and fulfillment traditionally meant. Today people think more in terms of the other philosophies of life, which mean more feeling good and getting what we want, rather than having any moral meaning. The old school said that happiness is a condition of the soul that comes from self-denial, from constantly giving oneself to others, and from continually doing what is right and good. Happiness is a result of a sense of fulfillment, of personal satisfaction, knowing that we have done something worthwhile, purposeful, and meaningful.

As Rick Warren points out in best-selling *The Purpose-driven Life*, the purpose of life is far more than one’s own personal fulfillment, peace of mind, or even happiness. It’s far greater than your family, your career, or even your wildest dreams and ambitions. God is the one who gives purpose and meaning to our accomplishments, so if we want to truly succeed and be fulfilled, we must discover His will (purpose) for us and live to please Him. This is because without God, we are all random “accidents,” the result of time and astronomical chance, without meaning, purpose, or morals.

People who achieve God’s plan for their lives are usually well poised for success because they serve the people around them and are appreciated for doing so—and isn’t this what the marketing concept is all about? Business, and especially marketing, is a noble calling—it’s all about serving others. (Riddle: How is marketing like a game of tennis? Those who don’t serve well lose).

Students can be told that their primary goal in college should be to develop a philosophy of life. This is important because absent a purpose, life is motion without meaning and aimless activity. They can use their college years to explore and react to their desires, interests, and values. They should be encouraged to think about what is really important while they are young, before the pressures of career and family distract them. (Unfortunately, today’s pragmatic students are less interested in developing a meaningful philosophy of life than they once were, having dropped from being important to 86 percent of students in 1966 to 39 percent in 2003 according to the American Freshman Survey at UCLA, with 74% now finding “being well off financially” to be important now vs. only 42% in 1966.)

Written Application

1. Analysis of Ads

Ad #1—Kahlua B-52: Freud’s psychoanalytical model. The ad blatantly appeals to hedonic, instinctual needs for sex and pleasure: “Anything goes,” says the id. “Bombs away.” However, the ad isn’t speaking about weapons being dropped from a plane. Metaphorically speaking, “bombs” is a slang term for women’s breasts. So, inevitably, this ad is telling men that when they find beautiful women, they should feed them some shots of Kahlua, and it’ll be bombs away. Morality be damned!

Ad #2—*Ritz crackers: Pavlov's learning model.* Bing—stimulus-response! Hey, hungry (driven) person—see the familiar Ritz cracker, Ritz logo, and bright orange from the box (stimuli—orange has appetite appeal)--- Run out and buy Ritz (response). No thought (or additional information) required. By the way, that bright orange is not only associated with the package, it is associated with food. Orange is the most edible color! Think of the colors featured by many fast food restaurants and candy bars.

Ad #3—*American Express: Marshall's economic model.* You couldn't be much more rational than this ad. Get more for your money: low rates, yet exceptional service. They'll provide you with all the information you need to make the best decision on insurance products.

Ad #4—*Nivea moisturizing lotion: Freud's psychoanalytical model.* Is it healthy for you? Will it save you money? Will it look good on you? Who cares! Bring on the pleasure, oh yeah! If it feels good, do it! There is only one thing that matters here, and that's Freud's pleasure principle.

Ad #5—*Movado watches: Veblen's social psychological model.* Actually, this is no watch—it's a "timepiece." Meant to impress. Does it tell time better? No, but it sure looks better. Maybe they should enlarge the brand name, just to make sure everyone sees!

Exercise 5: Segmentation Strategies

Analysis of Ads

Ad #1—*Wal-Mart*

1. Demographics: *Family situation*—parents of teenagers (or, perhaps, the teenagers themselves—it is unclear whether the woman featured in the ad is a teen or young mother). *Age*—middle aged (e.g., 25-54). *Income*—middle (household income of \$35,000-\$65,000). *Marital status*—married with kids (Note "Mom" pops up on the phone).

Psychographics: Active, complicated lifestyle. These parents are juggling many balls. They might be technophobes who want to keep the technology simple.

Buyer behavior: Interested in making shopping simple and using products easy, and wish to save money.

Target market profile: Married adults 25-54 from middle-income households interested in hassle-free shopping and low prices.

They have targeted the heavy Wal-Mart shopper. This product (and shopping experience) could also appeal to men in the same demographic and lifestyle categories. The major change would be to replace the woman with a man. They could also target young singles, who keep a mobile black book.

2. If Wal-Mart only targets these parents, we have *concentrated marketing*, although it still casts a fairly wide net. If they have another campaign pursuing other adults, and/or teens, then it is *differentiated marketing*. If these other groups also do a significant amount of shopping at discount stores, then a differentiated strategy is preferred.

Ad #2—*Prudential*

1. Demographics: *Age*—40+ (people who've had time to accumulate "a substantial nest egg"). *Income and/or wealth* (accumulated assets)—these would each be at a relatively high level (say, top one-third of the population). *Occupation*—professionals. *Social class*—the middle class is specifically mentioned, and obviously the upper class would be included too since they have even more income and wealth.

Psychographics: Lifestyle is heavily career oriented, as suggested by the photo.

Buyer behavior: Benefit segmentation—people seeking financial security for their family.

Target market profile: High income and high net worth career-oriented middle and upper class professionals age 40+ seeking financial security for their family.

2. *Concentrated marketing*: For this product Prudential is focusing on the segment described. However, since Prudential offers a wide array of financial products to many different types of people, the corporation

practices *differentiated marketing*, allowing them to serve more people and thereby increase sales and profits.

Ad #3—Ocean Spray juice

1. There do not appear to be any segmentation variables used here. This product could be purchased and consumed by almost anybody, although, since women are still the primary grocery shoppers in the majority of households, it could be targeted broadly to all adult women. They could, more specifically, target health-conscious women. Having worked at Ocean Spray, the author knows that they generally target parents (“all-family” targeting).

2. *Undifferentiated marketing*. As noted, there probably aren’t many groups whose consumption of this product skews high, so they’ve chosen the right road.

Ad #4—Tylenol

1. Demographics: *Age*—senior citizens. *Family life cycle stage*—empty nesters, who are grandparents. Physical condition – suffer arthritis pain.

Psychographics: Physically active people involved in enjoying the “golden years.” Health conscious (note the discussion of weight control and exercising).

Buyer behavior: Careful shoppers who make educated decisions (note the amount of body copy and suggestion to talk to your doctor).

Target market profile: Senior citizens in empty nests, who are health conscious and wish to remain physically active and in control of their health. (This is a rapidly-growing segment)

Although they have chosen the heavy-user group, because osteoarthritis is also caused by sports injuries, they could also have targeted young athletes, featuring them working out. If both groups were targeted in different advertising campaigns, Tylenol would be using a *differentiated marketing* strategy. Or, they could have targeted more broadly to all people, who need general pain relief from headaches and body aches.

2. *Concentrated marketing*. Since this group is the heavy-users, Tylenol is probably focusing its efforts on them. Other secondary target markets, like athletes and people with physically demanding jobs, could also have been targeted in a *differentiated marketing* campaign in order to grow sales and profits.

Ad #5—Bulova watches

1. Demographics: *Sex*—male. *Income*—upper to middle (e.g., \$50,000+).

Psychographics: Varies by age group. More mature professional men (35+) who serve on corporate boards, read the *Wall Street Journal*, and dance the doo-wop. Younger men (21-43) who are active: they go snowboarding, surf the Web, and dance hip-hop.

Buyer behavior: Shop at “fine stores,” want the very best for themselves. Brand loyalty might be ingrained in the sons from the fathers.

Target market profile: Upper to middle income men who lead busy, active lives and shop at the best stores for the best brand names.

They could also define their target market by social class, pursuing upper middle and upper class customers.

2. This appears to be a *concentrated marketing* strategy, although it is by no means a narrowly defined niche. Given the nature of the product and market, this is probably the best way to go.

Ad #6—Star Alliance

1. Demographics: *Occupation*—professionals. *Income*—relatively high say, \$75,000+. *Social class*—upper middle to upper class.

Psychographics: Frequent flyers/jet setters/road warriors. Belongers (want to become a member of the airline club).

Buyer behavior: They are creating brand loyalty via soliciting members for their club. Up to a point, money is not a major consideration—comfort is.

Target market profile: Upper middle and upper class professionals with an income of \$75,000+ who are frequent flyers

2. *Concentrated marketing*: Star Alliance focuses solely on the segment described. Although this is probably their best bet, they might broaden their efforts by setting up less exclusive clubs under different brand names (so as not to detract from the exclusive image of Star Alliance).

3. Price discrimination—charging different customers varying prices for the same product—is a logical extension of market segmentation, which leads to formulating different marketing mixes—including different prices—for various customer groups in response to their varying needs. Also known as *filtered pricing* or *differential pricing*, this practice dates back to the very beginning of commerce. It takes many different forms. The end result is that the marketer charges, “what the market will bear”: those who are less price sensitive (i.e., have less *elastic* demand) pay higher prices than those who are more price sensitive (i.e., have more elastic demand). Some examples:

- College tuition—Although there is a standard “sticker price” for tuition, financial aid packages result in students who can afford to pay full freight subsidizing, in part, the tuition for financially needy students.
- Movie theaters—Prices generally vary for different customer segments like children, adults, and senior citizens. There might be reduced prices for second-run movies, and many theaters give a discount for afternoon matinees or on a certain day of the week. Benefit segmentation (discussed in Exercise 7) underlies at least some of these different price groups. For example, children get discounts, because benefits for parents taking their kids to the movies are not always very great. If each member of the family must pay the full price, some parents will seek less expensive entertainment products. In the case of second-run movies, the product is not really the same, as prints might be scratched and some people might have already seen the movie. Likewise, a matinee is not the same movie-going experience as an evening feature.
- Cars—By posting a high sticker price and negotiating downward, dealers have a better chance of charging each consumer her perceived value price.
- Coupons—These are used to discriminate between price sensitive buyers, for which they are willing to search, clip, and redeem coupons and less price-sensitive consumers, who are not willing to take the time and trouble.
- Cataloguers, such as Victoria’s Secret, Staples, and Simon & Schuster, mail catalogs featuring lower price levels to lower-income zip codes.
- Newspaper advertising rate differentials—National (versus local) advertisers pay 75% more than local advertisers, in part because they are less price sensitive

Price discrimination is legal under the *Robinson-Patman Act* of 1936 as long as (1) it doesn’t *injure competition*; (2) it is based on either (a) *cost differences* in serving different customer groups or (b) the need to *meet competition*. And, different prices can be charged for similar products if they are not of “like grade and quality.”

Of course, just because a practice is *legal* doesn’t ensure that it is *ethical*. The major ethical issue with price discrimination is *fairness* or *justice*. The question is: What constitutes a fair price? The answer is: whatever the buyer is willing to pay—no coercion exists (except for absolute necessities, such as life-enhancing drugs, where buyers might be viewed, in effect, as buying against their will).

Exercise 6: Brand Positioning

In-Class Applications

1. Here are some other possible psychological positionings for *Instant Breakfast*:

- Use - Snack food. Target market – Children and teens as primary target market, with their parents or guardians as the secondary target market (as a product for themselves, as well as their young ones). Competition – Other snacks consumed after school and with friends, such as liquid snacks (e.g., Nestles’ Quick or Ovaltine) and solid snacks (candy, chips, etc.). Selling premise – This is a fun and tasty snack you can make yourself (targeted to kids). This is a healthier snack for your kids (targeted to parents).
- Use – Body builder. Target market – Teens and young adults who are concerned with their physical appearance. Competition – Ensure, Nutriment, and other liquid nutritional meals. Selling premise – A delicious and easy way to get extra calories and build up your body (“Get buff!”).
- Use – Weight loss product. Target market – Overweight women (primary target) and men (secondary target, since men are generally much less weight conscious than women). Competition – Other weight loss liquids, plus other weight loss products such as diet pills, diet regimens such as Weight Watchers,

and diet books. Selling premise – A luscious and satisfying way to lose weight without depriving your body of nutrition.

- Use – Meal replacement (not just for breakfast and more). Target market – Senior citizens who have lost some or all of their teeth and have trouble chewing. Competition – Other soft foods that can be gummed, not chewed, like oatmeal and bananas. Selling premise – A tasty way to get the nutrition you need without having to struggle to chew your food.
- Use – Energy booster. Target market – Athletes and physically active people. Competition – Other nutritious high-energy foods like energy bars, gorp, peanuts, and raisins. Selling premise – A quick and delicious way to give yourself a pick-me-up.
- Use – Beverage to be drunk with the meal. Target market – People bored with milk and other mealtime beverages. Competition – Other mealtime beverages. Competition – Meals in the university “mess hall.” Selling premise – Great-tasting, quick, and convenient lunch you can take with you to class.
- Use – An instant lunch
Target market – Busy college students
Competition – Cafeteria food

The first of these positionings would probably be the most effective since it is fairly broad-based and mainstream. Liquid snacks put in milk, such as Nestles’ Quick, Ovaltine, and Hershey’s chocolate syrup are already accepted. Instant Breakfast could suggest, as a competitive advantage, that it offers a wider variety of flavors and better nutrition.

2. Analysis of Ads

Ad set #1—Kleenex

- Original position: Use – The only safe and sanitary way to remove face creams and make-up in order to preserve creamy skin. Target market – Middle-aged women, who use cold cream on their face. Competition – Germ-filled cold cream cloths and towels. Selling premise – More sanitary, does not scratch or stretch the skin, is powerfully absorbent, and is less expensive than cloths or towels.
- Revised position: Use—Multi-use: For assistance in giving yourself a manicure and in hanging pictures. Target market—Almost anyone. Competition—Depends on the use. Selling premise—“Kleenex ends waste—saves money.”
- Newest position: Use – A facial tissue to blow one’s nose (not stated in the ad but common knowledge—“Kleenex” has become synonymous with “facial tissue.”). It has largely replaced the handkerchief, which was felt to be unsanitary (one Kleenex slogan was, “Why carry a cold in your pocket?”). Moreover, the package is designed to match the bathroom’s style and décor. Target market – Women (they are concerned with bathroom décor). Competition – Other brands of facial tissues, such as Scotties. Selling premise – Wide assortment of beautiful hues and patterns to brighten up your bathroom.

The problem with the original position was probably that it was too limited, and as women used less cold cream the use became somewhat passé. The second position as a multi-use helper and newest position as a snot rag in a decorator box has much wider appeal.

Another position could be as a quick remover of dirt and smudges for people who are prone (for whatever reason) to get dirty.

Still another position is to clean eyeglasses (although the wood pulp tends to scratch glass lenses).

Ad set #2—Listerine

- Original position: Use – Fight dandruff. The advertising which appeared in the 1920s said that, “we all have reason to be concerned about dandruff,” especially women with bobbed hair, “for it is a germ disease which, unless properly treated, often brings with it loss of hair or possible baldness.” Note that the ad mentioned that at that time Listerine had already been used for over 60 years in the field of oral hygiene. Actually, when launched in 1879, Listerine was available by prescription only and was promoted as a treatment for dandruff, cuts, and athlete’s foot (today’s label notes that it is useful to treat cuts and injuries). Another ad of that era suggested consumers should “try Listerine some evening when your scalp feels tired and itchy...you will find it a stimulating tone for the scalp, and in addition to combating dandruff, you will find that it adds luster and softness to the hair that is so important a part of being well-groomed.” So, Listerine worked equally well in your mouth and on

your head and other body parts. Target market – Young, socially insecure adults who are afraid of embarrassment or offending others (flaky people?). Competition – This is rather broad. Most immediately it includes shampoos and conditioners, but secondary competition also includes dermatology treatments, prescription drugs, and even soap. (A broader definition of competition is better since it keeps the marketer alert to changes in the marketing programs of competitors, which could affect her sales. It helps prevent being blindsided by rivals.) Selling appeal – A convenient, inexpensive, over-the-counter remedy for dandruff to help you feel more socially confident.

- Modified position: Use—Kill germs that cause colds, therefore prevents or lessens the severity of colds. Target market—Adults of all ages concerned with their health and the health of their loved ones. Competition—Cough drops, sore throat remedies. Selling appeal—Quickly prevents sore throats or lessens their severity. (Unfortunately, the Federal Trade Commission eventually ruled that such advertising was false, and Listerine had to run corrective advertising explaining that “While Listerine won’t help prevent colds or sore throats or lessen their severity, breath tests prove Listerine fights bad breath better than Scope.”)
- New position: Use – Kills germs and fights trench mouth. Target market – Adults of all ages concerned with offending others with bad breath. Competition – Other brands of mouthwash (e.g., Scope) are the primary competition. Secondary competitors include mints, toothpaste, dental rinse, gum, and anything else that fights jungle breath. Selling appeal – The most effective way to fight bad breath—not just a candy like mints or gum, but a germ-killer that gets to the root of halitosis (bad breath).
- Newest position: Use – Fights plaque, thereby giving a cleaner and fresher mouth with less stain and odor. Target market – Adults concerned about a total oral hygiene program. Competition – Toothpaste and mouth rinses (e.g., Plax) that fight plaque. Selling appeal – A more effective plaque fighter, because it kills the germs that can cause plaque buildup, plus it helps with oral hygiene.

The original use was for an era when people were more easily scared by discussions of socially despised handicaps like dandruff, bad breath, ashtray breath, and sneaker smell. The second position was narrower, but more focused on one of the original functions of Listerine, and is something of concern to most people. It tastes so bad, they reason, that it must knock off germs with a vengeance. The third position popped up in the 1980s, as a result of growing public concern for plaque and research, which demonstrated that Listerine fights plaque.

 - Postscript: In 2004 the American Dental Association gave its blessing to market Listerine as a replacement for flossing. Some people view Listerine as an all-purpose product that can not only eradicate dandruff but also do things like prevent lice, clean dogs’ ears, disinfect blisters, ease pain from shingles, and do away with those nasty fungus infections between your toes.

Ad set #3—Fleischmann’s yeast

- Original position: Use – Multiple medicinal purposes—good for what ails you, e.g., quickly fights constipation, indigestion, pimples, sluggishness, and other physical maladies. Target market – Health-conscious adults and adults with health problems (perhaps hypochondriacs). Competition – All kinds of medicinal products, notably medicinal laxatives as well as prunes and bran, stomachache remedies, acne medicines, and pep pills. Selling proposition – Acts quicker to fight your health problems, whatever they may be. (Interesting note; The FTC issued an injunction against Listerine’s advertising in 1938 when they claimed to straighten crooked teeth.)
- New position: Use – Baking English muffins and other baked goods. Target market – Homemakers and others interested in baking from scratch. Competition – Other brands of yeast, easy-bake products (e.g., Pillsbury), and store-bought muffins and breads.

The original use was for an era when people were more gullible and believed in the patent medicines, and it clearly wouldn’t work with today’s more educated, sophisticated consumer, who has much information on health issues. Although fewer people bake from scratch today, the second position still has a strong niche appeal.

Another position could emphasize the healing properties for scrapes and bruises—something, which could be put on under an adhesive bandage.

Ad set #4—Miller High Life beer

- Original position: Prior to the beer’s 1969 acquisition by Phillip Morris Cos., the positioning was: Use – a superpremium beer to be enjoyed with the finer social things in life, like upscale parties. Target

market – The “champagne of bottled beers” was for upscale people (both men and women—the bottle had feminine characteristics, being slender and clear). It was considered a rich man’s (and woman’s) brew. Competition – Other fine beers, plus champagne, liqueur, and other celebratory adult beverages. Just as champagne is perceived superior to other wines, so Miller was to be perceived as superior to other beers. Selling premise – When you want to celebrate in style, do so with Miller High Life.

- New position: Use – An everyday beer for all occasions, including personal ones, like fishing. Target market – The working man (Joe Six-Pack). Competition – Other premium-priced beers like Budweiser. Selling premise – The all-American beer for ordinary average guys. The original thinking was perhaps that since women plan for entertaining at special occasions, they should be targeted. However, Miller later realized that the new position squarely hits the broader target. The heavy beer drinker has always been the blue-collar male, so the original position was rather limited—it came across as a sissy beer. Women are more likely to reward themselves with a dessert than with a beer. Another position could be a beer for young people who like to party, or else as a beer to be drunk in the bar with “the boys.”
- Newest position: Use – A reward for hard work. Target market – The blue-collar working man. Competition – Other popular beers. Selling premise – The beer to kick back with and enjoy after a hard day’s manual labor. (Note the prominence of the “champagne of bottled beers” slogan on the can, still celebrating the “high life.”)

Ad set # 5—Marlboro cigarettes

- Original position: Use – In the 1930s and 1940s this was an elegant, luxurious cigarette which was “Mild as May,” an extremely mild filter cigarette. The red beauty tip, so that lipstick wouldn’t mar the (ordinarily white) tip. It was made for smoking in the “tea room” and other plush locales. Target market – Upscale, sophisticated women (and unmasculine men, as evidenced by unmasculine historical characters as well as men in tuxedos gracing the ads). Competition – Other fine smokes. Selling premise – A delicate cigarette for the discerning, eloquent woman to smoke in the finest places.
- New position: Use – a more flavorful cigarette to smoke wherever you darn well please. Target market – Masculine, independent, tough men with a sense of adventure and excitement for life. (The model Marlboro cowboy riding the horse looked so tough it looked like the horse should be riding him!) This was no longer a sissy smoke. (The package design was changed from delicate script and pastel colors to red and white with an angular design, more masculine than a curved or circular design. A crushproof box also connoted masculinity.) Competition – Other male-skewed cigarettes like Winston, and other masculine smoking vessels like cigars and pipes. Selling proposition – A cigarette for the tough, adventure-seeking guy who wants to smoke when and where he darn well pleases. The original position was targeted at a group that, at the time, was light users of cigarettes. By the early 1950s the image of all filter cigarettes was somewhat effeminate, and men steered clear of sissy filtered smokes. Also, as smoking began to be less socially acceptable and less “sophisticated” it became more of a blue-collar worker behavior. The repositioning begun in 1954 using the rugged Marlboro Man cowboy (by Marlboro’s ad agency Leo Burnett, well-known for other advertising icons like Tony the Tiger and The Jolly Green Giant) sporting a Stetson hat was extremely successful. The cowboy became the most generally accepted symbol of masculinity in America and was named the *Advertising Age* top ad icon of the 20th century, and it helped Marlboro become the largest selling brand of cigarettes in the world. However, the cowboy was fired in the late 1990s when cigarette advertisers came under fire for promoting a dangerous product as being glamorous.

Another position could be a cigarette for people who are health conscious—the filter tip helps cut down on tar intake.

Exercise 7: Benefit Segmentation

In-Class Applications

1. Here are the toothpaste brands listed in the exercise, along with their benefits:

Colgate – A direct competitor of Crest, Colgate’s main claim has always been that it fights cavities. But, as noted in the Background to the exercise, it has also claimed to taste good. The target market is parents of large families.

Aim – For many years Aim’s slogan was “Take aim against cavities.” The primary benefit promoted is that Aim fights cavities. This has also been the principle advertised benefit of the leading toothpaste, Crest, so, in order to further differentiate itself, Aim has also promoted the fact that it has the taste that kids like so they’ll brush longer. Thus, it goes head to head against Colgate, also appealing to parents. (Fluoride is the feature that provides cavity prevention, and gel is the attribute that makes it taste good.)

Aqua-Fresh – This brand promotes multiple benefits. It has three colored stripes (product features), each supplying a consumer benefit. The white stripe fights cavities, the blue stripe tastes great, and the red stripe freshens breath. This broad positioning had broad appeal to parents, teens, and children alike.

Listerine Essential Care – This brand of toothpaste’s promoted benefits are consistent with the antiseptic’s positioning (discussed in Exercise 5) — “Kills germs that cause bad breath.” This would appeal to the social worrier segment. It contains the same four essential oils--eucalyptol, menthol, methyl salicylate, and thymol--found in Listerine mouthrinses (features) to effectively reduce plaque and gingivitis (benefits). This secondary benefit should perhaps be pitched as the primary benefit because it is more important to consumers that toothpaste prevents cavities and gingivitis than preventing bad breath. (Information available at http://www.oral-care.com/conaffairs/oral_care15.shtml.)

Mentadent – Mentadent is the only toothpaste that combines the ingredients that dentists have recommended for years for the care of teeth and gums -- fluoride, baking soda, and hydrogen peroxide in a single pump (features). The benefits are that when you brush, the ingredients combine, creating thousands of tiny oxygen bubbles that actively target plaque between teeth and along the gumline. The bubbles also help power fluoride to your teeth and places your toothbrush can't reach, making your teeth stronger and healthier while you brush. This also gives a clean, healthy sensation to your mouth. These benefits would be of most concern to health-conscious adults. (Information available <http://www.mentadent.com/products/index.asp>.)

Arm & Hammer Peroxicare toothpaste with Baking Soda & Peroxide - the primary feature is that it is the only toothpaste with 50% baking soda (other brands can contain as little as 5%). The benefit is that it helps whiten teeth. This highlighted benefit would appeal to the social worrier segment. It is also billed as fighting plaque and having a fresh mint taste. Other ads claim to fight gum disease and bad breath, and promote the all-natural attribute. (Information at <http://store.yahoo.com/buyinprivate/armhampertoo.html> and <http://webpages.acs.ttu.edu/bhyatt/advertising.htm>).

Sensodyne – This is promoted as the anticavity toothpaste for sensitive teeth with baking soda. This would appeal to the segment of adults with sensitive teeth. It contains potassium nitrate (feature), clinically proven to reduce painful sensitivity (benefit); it has fluoride (feature) for cavity protection (benefit); and its great taste (benefit) keeps mouth feeling fresh and clean (follow-on benefit). (Information at <http://www.drugstore.com/products/prod>.)

Rembrandt - Rembrandt removes stain and plaque but, unlike other brands, it is less abrasive on teeth. Rembrandt uses citroxain, an enzyme-based formulation that cleans and polishes the teeth so well that it both removes and prevents the formation of plaque and stains. In addition, Rembrandt has demonstrated the ability to significantly whiten teeth better than other brands not just by removing surface stain and plaque, but also by changing the tooth color. This would appeal to adults plagued by plaque and stains who worry about tooth abrasion—in short, a health-conscious segment. (Information at <http://www.rembrandt.com>.)

Here are some other brands not listed in the assignment which students might mention:

Topol - The category identifier is “tooth polish” rather than “toothpaste.” Its ingredients whiten and brighten stains on teeth from coffee, tea, wine, and tobacco. The target market would be heavy users of these products.

Crest Gum Care – Fights gingivitis and reduces bleeding of the gums. Appeals to health-conscious consumers.

2. Whether it is ethical for ads to position themselves as delivering a particular benefit when many or all other brands do too is a subset of the larger issue of whether advertising should be allowed to imply brands are different (i.e., create *psychological differences*) when, in fact, no functional differences exist at all. Such parity products include aspirin and other analgesics, gasoline, nasal sprays, deodorants, and

margarines. In all cases, product formulations are similar and multiple benefits are delivered. Each advertiser makes a parity claim—one that other brands in the category could have made but don't (or, at least, many of them don't) (e.g., that the brand delivers a specific benefit).

The arguments in favor of such parity claims are:

- The benefit focused on satisfies a genuine need for some segment of consumers. Any competitor is free to hitch their wagon to that benefit too.
- Consumers have free choice whether or not to buy the brand, depending on whether they do or don't wish to obtain the advertised benefit (consumer sovereignty).
- Such advertising claims can heighten consumers' feelings of confidence and well being, i.e., they can add *psychological value* to owning and using the brand. This is a *symbolic hedonic benefit*. However, one could argue that the consumer is being given a false sense of security.
- Such advertising might enable the manufacturer to sell a greater volume of the product and pass the resulting cost savings on to the consumer in the form of lower prices.
- The strategy of psychological differentiation is an essential competitive practice in the competitive free enterprise system. The resulting competition can lead to higher quality, lower prices, and more product variety.
- The claims are literally true, and the "reasonable man" will understand their nature. Sovereign consumers are smart enough to see through such claims.
- Competitors are using them so you must too to remain competitive. However, "everyone's doing it" is a poor ethical justification. It is the logic of the bratty 7-year old who whines that all of his friends are doing something naughty, so he should be able to too.

The arguments against such parity claims are:

- ◆ Because brands are not functionally different, the claims might lead consumers to nonetheless believe they are functionally different. Thus, consumers are deceived (misled).
- ◆ Claiming product differences where there are none violates the consumer's right to know the truth.
- ◆ Such advertising confuses the consumer decision-making process by making consumers search for differences that don't objectively exist.
- ◆ Claims that a product is psychologically or emotionally beneficial can be harmful to consumers who believe them (e.g., a false sense of security).
- ◆ The ability to make such claims will lead to higher levels of advertising than otherwise, thereby costing the marketer more. The extra costs might be passed along to consumers in the form of higher prices. Or, buyers might develop a strong brand preference based on the psychological differentiation, making them less price sensitive and willing to pay a higher price (which the seller gladly charges!)

3. Analysis of Web Ads

Ad #1—*Tom's of Maine Natural toothpaste for children*. Tom's of Maine has always been billed as the "all-natural" toothpaste, containing no saccharin, no preservatives, and no dyes, an important product feature. The consumer benefit is that it provides safe as well as effective oral health. This version for children highlights the fact that the pure fruit extract feature delivers a taste kids will love. The feature "contains no artificial ingredients" gives parents the benefit that they will feel good about their children using it. Although the ad almost apologizes for containing fluoride, it does point out the cavity-fighting benefit of this feature. This would appeal to health-conscious parents.

Ad #2—*Dr. Bill Wolfe's Aloe-Dent toothpaste*. The major feature is that it is a homeopathic formulated tooth gel with Aloe Vera. The primary benefit is that it leaves your mouth feeling fresh and clean with the peace of mind that you haven't used fluoride or sodium lauryl sulfate. It also soothes tender gums and promotes healing of oral tissues. These two benefits would be of interest to the sensory segment and health conscious (naturalist) segments, respectively. The bullet points show additional features, most of which reinforce the toothpaste's naturalness.

Ad #3—*MicroBrite*. The unique feature is an antioxidant powder containing a unique blend of ingredients. The major benefit is that you can whiten your teeth without harsh abrasion, allowing you to enjoy a brilliant smile. Another benefit is that it gives you a fresh (in the sensual sense of the term) mouth. This would attract the sociables (white teeth), sensory segment (fresh mouth), and health conscious consumers (no

harsh abrasion). The lack of certain ingredients like saccharin and artificial ingredients would also appeal to the health conscious consumer.

Ad #4—First Teeth Baby Toothpaste. Because it contains all-natural ingredients (feature) and is not harmful if swallowed (benefit), this is toothpaste that is safe for use by babies. The toothpaste does not foam and is not abrasive (both features), which means the baby is more likely to tolerate it (implied benefit which is not stated but probably should be to make this benefit clear). It portrays an all around safe toothpaste for babies, putting parents at ease. It could also be noted that children who range from the ages of 3 to 8 may also use this toothpaste. These children may not like the foam of other toothpastes. First Teeth would be a more tolerable toothpaste than others.

These ads differ from traditional print ads in that they are more information intensive and early less on graphics, which are usually confined to just a picture of the package and perhaps a logo. They also tend to discuss product features in more detail and, while there is usually a dominant benefit, multiple benefits are generally discussed. This is because consumers actively seek such sites out, usually via search engines, in order to gather comparative information. Good Web sites offer consumers substantive information. However, because readers scan the ads, they make liberal use of bullet points to K.I.S.S. Each of these ads also has a direct response device—a link where consumers can order.

Ad #5—Close-Up. The unique feature is the classic red gel. The three benefits flowing from this feature are bulleted in the ad: fights cavities, freshens breath, and whitens teeth. The latter two benefits (pearly white teeth and no jungle breath) have always been the main benefits promoted by Close-Up and have traditionally targeted young adults concerned with their appeal to the opposite sex. This ad gets away from that narrow targeting and is trying to appeal to all sociables concerned with these two benefits. Perhaps the ad should downplay the anticavity aspect since that is not for what Close-Up is primarily known.

4. Analysis of Magazine Ads

Ad #1—Healthy Choice

- Physical attributes (*physical positioning*): flavorful and low in fat.
- Psychological positioning: Use – A square meal. Target market – Dieters, health conscious people. Competition – Other healthy frozen foods like Stouffer's and Lean Cuisine, and fresh meat and vegetables. Benefits – Delicious, healthy (rather than emphasizing the convenience, which might remind consumers that convenience often comes at the cost of good taste in microwaveable foods).

Ad #2—Rolex

- Physical attributes: Handsome watch and watchband pictured, day-date, genuine Rolex parts, etc.
- Psychological positioning: Use - Keep precise time, impress others. Target market – Upscale people. Competition – other "fine watches" purchased at Alpha Omega. Benefits - Looks good, impresses people (versus keeping accurate time).

Ad #3—Lincoln American Luxury

- Physical attributes: 3.9 liter 32-valve V8 engine
- Psychological positioning: Use – Driving in luxury to luxurious places. Target market – An upscale crowd—the “beautiful people.” Competition – BMW, Mercedes Benz, Cadillac, and other high-end autos. Benefits – A feeling of luxury (versus providing basic transportation).

Exercise 8: The Economics Perspective on Consumer Decision Making

In-Class Exercises

1. a. What this suggests is that most U.S. consumers don't care nearly as much about "life cycle costs" as they do about the initial purchase price. Consumers unwilling to pay a higher price for better quality, better performing, or longer-lasting durables are behaving rationally if they have a high very high *discount rate*—a measure of how buyers compare the value of a dollar received today with one received in the future. Consumers with a high discount rate greatly prefer a dollar today, and so saving a bit of money today is worth the expense of having to pay even more money in the future to replace the durable good.

Consumers also might have short time horizons if they fear that what they are buying might become obsolete fairly soon (due to style changes or technological obsolescence), and so they do not wish to hang onto the goods for very long, or they might become easily bored and just wish to change furniture every few years. Also they might be old or in poor health and hence not expect to live very long.

This behavior is also rational for consumers lacking the money to make a big upfront payment and who do not wish to go into debt to do so, such as recent college graduates who have heavy debt service on college loans.

There are also other rational reasons to buy the apparently ultimately more expensive option. For instance, for many people, a more fuel-efficient car simply imposes too many nonmonetary upfront costs—not just cash outlay, but also nonmonetary sacrifices, such as less acceleration and interior space, fewer amenities, and less perceived safety that outweigh any long-term fuel savings.

b. From a purely economic perspective tipping is irrational, especially in a far away venue to which they don't expect to ever return. Folks are giving away money to total strangers without a clear obligation to do so (although there is an implied obligation), to people they'll never see again, in places they'll never visit again, for a level of service that might not have even pleased them. However, when one realizes that one is being given a service on top of the food, and one for which employers usually pay very low wages, expecting customers to make up the difference, then tipping should be viewed as more rational. In this case, higher levels of service should be rewarded with higher tips. Also, consumers derive psychological satisfaction from leaving a tip. Since the menu price only is for the food, they would be stealing the intangible service of the waitperson were they to not leave a tip. This might also cause them to feel guilty. And, if they are with other people, they won't want to look like a cheapskate by not leaving a tip.

Also, noneconomic considerations, notably altruism and empathy, should also enter the decision on whether and how much to tip. Current tipping norms seem to run between fifteen and 20 percent, depending on the level of service rendered.

If one expects to return to the same restaurant, and especially if that individual expects to receive service again from the same waitperson, tipping is rational. Not only will it help a person avoid the embarrassment of being a cheapskate, it will also help ensure good future service.

c. Financially speaking, it's a mistake to give the government an interest-free loan by allowing too much money to be withheld from our paychecks for income taxes. After all, if we owe the government money, they ask for it back with interest! The economically rational consumer will instead figure out the level of withholding that will result in no refund.

However, a behavioristic analysis must factor in the psychic comfort that results from receiving that big refund check. That can be worth the loss of interest. Also, for people who otherwise would impulsively spend the money, there is some rationale in their justification that withholding extra money is a forced saving plan.

d. Although it is a long shot with an occasional huge payout, gambling in general is a "sucker's bet." The expected value of winning (the amount gained by a winner multiplied by the probability of that player winning) is greatly exceeded by the cost of gambling. If this wasn't so, the lottery commission, racetrack, and casino couldn't make a profit, especially after paying all of their fixed and variable expenses. Gamblers must absorb these costs plus the seller's profits. An exception is games of skill such as poker, for which an experienced gambler might know how to beat the system.

People could put their money to better use, such as by wisely investing it. If analyzed purely from a return on investment criterion, buying a lottery ticket is a waste of one's money—there is an expected loss rather than an expected gain. So, from a purely economic perspective, gambling is irrational.

Also, as Paul Samuelson points out in his hugely successful textbook, gambling is nonutility maximizing under the principle of *diminishing marginal utility*. The principle suggests that the \$1,000 won on a 999-to-1 bet can buy something less than 1,000 times as much happiness as the dollar put up for the bet.

However, behaviorists take into account the *psychic* benefits of gambling: the thrill, fun, entertainment, and opportunity to fantasize about winning big time. These benefits might justify the poor cost-benefit ratio of gambling. Buyers find the price reasonable for the pleasures they get.

Also, some people are addicted to gambling. They are a vulnerable group who are not acting rationally and are out of control in this area.

e. Like gambling, buying flight insurance is not a wise investment. However, from a behavioral viewpoint, measured against four hours of psychic comfort for a nervous flier, the cost might be worth it.

This is because many people are rather frightened by risks that are objectively rather harmless, such as flying or social interactions. However, they aren't scared of risks that are truly dangerous, such as driving or eating fatty red meat. The way we respond to risks has more to do with our *feelings* than with facts. For instance, we are more afraid of:

- Risks we can't control, such as dying in a plane crash
- Risks that can kill us in a horror-movie-like way, such as being eaten by a shark or bitten by a snake
- Dangers paraded before us in the news, like bioterrorism and child abductions.
- New experiences we haven't personally encountered but have heard about, such as terrorism, water contamination, radiation, the West Nile Virus, Mad Cow Disease, or SARS

f. If one sees no need *ever* for the second item, buying two for the price of one won't save any money; in effect, the person is paying full price for the first item and will most likely end up throwing out the second item. However, even if the product's use lies one or more years down the road (assuming no spoilage or other kind of decay) then such a purchase is justifiable in terms of cost savings (unless one has an extremely high discount rate). Receiving the second unneeded item is also rational if one could either resell or give it away.

g. Economically speaking, Girl Scout cookies are a poor value. However, there is the nonmonetary benefit of helping a friend's daughter (and also the friend). Also, the friend might return the favor someday. And, there is the psychological satisfaction of participating in a special, once-a-year event.

h. The willingness to spend should rationally be the same, whether it's done using a bonus, salary, or savings since it is all one's money. However, a bonus is perceived as being someone else's money, and people are generally more willing to take risks when they feel they are spending someone else's cash. However, this rational behavior.

The common thread in most of these exercises is that the traditional rational economic model only considers functional/utilitarian and economic benefits. However, many "irrational" behaviors can be viewed as rational when hedonic/experiential/symbolic benefits are considered.

2. a. From a purely rational, economic perspective, the cost and timing of each man's purchase of a ticket should be irrelevant to his decision to attend the basketball game. This is because of the *sunk cost fallacy* students should have learned about in Finance 101. *Sunk costs* are nonrecoverable costs that represent expenses already incurred. However, "sunk costs are sunk," i.e., past expenses should have no bearing on future decisions. They are "water under the bridge." Rational economic decisions are based solely on the future: *marginal costs* as compared against *marginal benefits* (or *marginal gains*) of those decisions. As long as marginal benefits exceed marginal costs, a decision is rational.

Hence, they should all be equally likely to decide to brave the storm, assuming equal marginal costs and marginal benefits for each man.

The marginal costs for each man include the expected monetary damage that could be incurred by braving the storm (e.g., wrecking the car in an accident) as well as nonmonetary costs like the anxiety caused by driving in a snowstorm. The marginal costs of traveling to the game could also be assumed to be equal. For all three men the marginal benefits are assumed to be equal (equal enjoyment of the game), although this might not be the case. If their marginal benefits and costs are all equal, all three men should be equally likely (or unlikely) to attend the game. (Although, on a net present value basis, one could argue that Mr. Chen paid a higher price than Mr. Finke did).

However, in practice, consumers *do* consider their sunk costs and perceive not attending the game as a \$45 loss. For Mr. Chen and Mr. Finke, this irrational attention to sunk costs will generate extra pressure to attend the game, increasing each man's probability of attending relative to the economics perspective. The pressure will be greater for Mr. Finke, who can more vividly recall paying \$45 than Mr. Chen, who will only perceive part of the sunk cost. So, Mr. Finke will be more likely to attend than Mr. Chen. Mr. Tard, having been given free tickets, will perceive no sunk cost and so will be least likely to go to the game.

Perhaps the best decision for each man would be to try to sell the ticket to someone else who is willing, for whatever reasons, to brave the snowstorm. This would be rational if, for instance, the ticket buyer were a die-hard fan who would get extreme pleasure from attending the game.

Carefully analyzing this scenario first should help students to be able to analyze the others.

b. Again, the issue is the *sunk cost fallacy*. Most people would go on the \$300 ski trip rather than the \$150 snowboarding vacation since they paid more. However, the cost of each trip is a nonrecoverable sunk cost. Ms. Litter should base her decision solely by weighing the future costs of each trip against its future benefits, and then she should choose the package whose difference between extra benefits less extra costs is greatest.

c. The cost of the bowling shoes and a pair of in-line skates are both *sunk costs* and so shouldn't be considered in a decision—only their *salvage value* (the money she could receive from reselling them) should be taken into account. This benefit should be added to the additional psychic enjoyment she would anticipate receiving from the years of service her ice skates would give her, and these benefits should be weighed against the fixed cost of buying the ice skates plus the variable maintenance costs (sharpening, buying new shoelaces, etc.).

d. Rosie needs to consider the *replacement costs* of both items as her marginal costs. If she can procure another, lower-cost handbag she'll enjoy just as much as the Gucci, this will lessen the economic (and psychic) pain. But, since replacing the Gucci handbag will be more expensive than replacing the Coach handbag, she should view this as a greater loss if she feels a need for two handbags and wants to replace both of them. Only if she doesn't plan to or sees no need to buy two new handbags does the cost of losing each remain equal, given that the lost benefits of owning each were psychologically the same for her.

e. Economically, one could make the case that Ray wasn't being a good steward of his money, especially since the cost of his own meal was less than the average cost per meal ($\$125/4 = \31.25). This is an example of an *impulse purchase*, not at all reasoned.

However, more than strictly monetary factors need to be considered. His purchase could be economically justifiable if one factors in the great sense of satisfaction he got from treating his friends. He could also justify it economically if he expected some kind of economic (or other) payback from his friends for his generosity.

f. Shanda should shop the discount store. The \$50 is a *sunk cost* and so should have no bearing on future decision making. She will save more at the discount store. Only if there are enough items she can buy at the wholesale club that will save her over \$50 compared to the discount store should she also continue to patronize the wholesale club.

In summary, many of the scenarios in this question illustrate the sunk cost theory.

Written Exercises

1. Economic conditions under which marketing activities would be unnecessary:

- *Self-sufficiency*—An economy in which it's "every man for himself." Production and consumption are by the same person or household—there are no economic exchanges between buyers and sellers.
- *Command systems*—Command economies in which government policy makers make economic decisions. Goods and services move only by command, not by voluntary exchange. Government bureaucrats make decisions on what goods are available to what consumers at what prices and at what places.
- *Monopolies*—Industries in which there is no competition. From the seller's perspective, it's "Take it or leave it." Nonetheless, sometimes monopolists need to promote their products if consumers lack a felt need or are uninformed. They still need to make some marketing decisions about prices to charge and places to distribute their wares.
- *Commodities*—Homogenous goods like produce and lumber require minimal marketing. In *perfect competition* the market-clearing price is charged for homogenous goods.
- *Periods of shortages, i.e., a "seller's market"*—If there is excess demand for a product, sellers need not worry much about making the product attractive, pricing it competitively, etc.
- *Practitioners of the production and product concepts* (see Exercise 2)—They also worry little about most marketing decisions.

3. Relevant macroeconomic consumer statistics can be found on Web sites by using search engines. Examples: the Bureau of Labor Statistics (www.bls.gov/home.htm), ASEAN Statistics (www.aseansec.org/macroeconomic/main.htm), and statistics.com (<http://www.statistics.com/cgi-bin/search/hyperseek.cgi>). Students should be able to find data on consumer confidence at Web sites such as that of the Conference Board's Consumer Research Center (www.consumerresearchcenter.org/consumer_confidence/) as well as searches of reports on the two monthly consumer confidence indexes discussed in the exercise.

Exercise 9: Your College Choice Decision

In-Class Exercises

1. a. *Problem recognition*: There are many different reasons why people feel a need to attend college. For high school students, reasons include a general sense that going to college is the “right thing to do” after graduating high school, a desire to enter a certain career which requires a higher education, a desire to move out of the house and/or live independently of parents, parental pressure, peer pressure (almost everyone else is going to college) an aspiration to get an education (what professors want to hear!), a hope to make lots of money, a search for a spouse (not nearly as big an issue as it used to be), to take advantage of a scholarship offered, a wish to party with a whole bunch of new friends, a fear of having to go out and immediately have to earn a living, and even a hope to “find oneself.” For somewhat older people reasons include a desire to advance in one's current career or to change careers, doing something constructive after finishing military service, and meeting new people. For any given consumer more than one reason could be operative.

b. *Information search*: Internal search might include remembering information and advice received in the past from parents, relatives, and friends. It is doubtful that for such an important and potentially life-altering purchase one would rely solely on internal search, plus most students don't yet have sufficient information. Thus, a substantial external search will probably be embarked on. Here, the sources of information consulted could be classified as:

- Personal, non-marketer – Parents, older siblings, other relatives, friends, and high school guidance counselors.
- Nonpersonal, non-marketer – Independent, neutral sources like directories or guidebooks (e.g., *Barron's*, *Peterson's*) and media reports (e.g., *U.S. News and World Reports* rankings), and dedicated Web sites on conducting a college search (e.g., www.collegeboard.org, www.salliemae.com:80 financial aid calculator).
- Personal, marketer – College recruiters, campus tour guides, admissions officials, college fairs (these are now also conducted online, allowing high school students to chat live with college recruiters nationwide—see www.OnlineCollegeFair.com)), and current students and faculty (whether the latter two are really “marketers” is debatable, although they lack the independent credibility of the personal, non-marketer sources above). Some colleges now hold virtual open houses/campus tours on the school's Web site, where interested students can view the campus and chat live with faculty and admissions officers.
- Nonpersonal, marketer – Official information put out by schools, including college catalogs, college viewbooks, brochures and other direct mail pieces, and the school's Web site. Although much of a university's Web site is promotional in nature, savvy students look at the nonpromotional areas, such as faculty evaluations and the student newspaper, searching back issues using key words such as “crime on campus” or “student government.”

For credibility, to get the “real scoop,” students usually prefer personal and non-marketer sources, although all of the above can provide useful information. A major trend is for students to use the Internet as an important tool to help them select colleges. In fact, according to one source, college Web sites now rank as the number two influence on the decision, right behind Mom and Dad (who also often do research on colleges, including wading through Web sites). According to a poll taken in 2000, the ranking of information sources was as follows: guidance counselors, Web sites, friends, guidebooks, college catalogs, direct mail, and parents.

c. *Alternative evaluation*: Evoked set sizes can initially be quite large, although this number is usually rapidly pared down. There are many criteria which potential students use in evaluating the different schools. Different surveys find different criteria and weight the criteria differently, but generally, in approximate order of importance they are: academic quality/reputation (a vague term—you can probe students as to what they think this means), good jobs for graduates, location, distance from home, social reputation, affordability, scholarships/financial aid, and size. (For sectarian schools religious affiliation might also be important.)

d. *Choice*: Whereas during the 1970s and '80s most students applied to only three or four schools, the trend during the '90s became to apply to six or more schools, which is the size of the decision set. Applications are filled out either by paper and pencil or electronically online. Colleges then accept or reject applicants, and accepted applicants choose from among those colleges that have accepted them, making the decision by the May 1 deadline. Unanticipated circumstances that could affect the choice include being denied admission to one's first choice, an unanticipated scholarship, or a close friend being admitted to a school one applied to.

e. *Post-purchase behavior*: Students are usually reluctant to outright admit overall dissatisfaction with their college (and most are probably reasonably satisfied), but you could ask them what students generally complain about to learn specific sources of dissatisfaction. Many will be relatively trivial things unrelated to their evaluative criteria (e.g., the cafeteria food, hassles during the registration process, etc.). Also, few will voice doubts, although you can try probing. Most doubts occur during the first few months of their freshman year, after which the doubts subside.

2. Since students often declare a major or change majors during college, some might say they'd shop for a school with a good reputation in their major. Some might also now value criteria differently (e.g., seniors engaged in their job search might consider the school's placement status to be more important.) Maybe a few would even opt to skip college altogether for whatever reasons!

3. **Debatable Issues:**

a. Should states tax Internet Sales?

Pro:

- Retail store sales are taxed, so it is only fair that Internet sales be likewise taxed. To not tax Internet sales gives e-tailers an unfair advantage over traditional retailers.
- Revenue from Web transactions could help ease budget shortfalls.
- The problem of 7,500 separate state and local tax codes can be overcome via states and localities working together to enact uniform tax codes.

Con:

- Such a tax scheme would be unfair taxation without representation. For example, an online bookseller in Maine doesn't get to vote for the tax laws in California and it doesn't use government services in that state.
- It would be too heavy a burden to force small businesses to collect sales taxes for America's 7,500 different tax jurisdictions, as the Supreme Court ruled in 1992.
- If a uniform taxation system were set up it would help end the competition that helps keep sales taxes in check.
- A uniform taxation system would require tracking of online purchases, thereby eroding buyers' privacy rights. Who will control and secure all of the personal information in the massive new database?

b. Should states ban or regulate Internet sales of certain products whose purchase on the Internet might be hazardous to consumers?

Pro:

- Internet sales for products like cars, contact lenses, mortgages, and wine can expose consumers to dishonest, fly-by-night operators.
- Consumers should inspect and test cars prior to purchase, and local dealers provide reliable places for warranty repairs. This is why every state prohibits carmakers from selling vehicles directly to consumers and only lets Web sites that work with local franchises sell online.
- Online wine distributors can't prevent sales to minors. The 21st Amendment to the Constitution unequivocally grants power to states to regulate the sale and distribution of alcohol.

- Optometrists claim that unrestricted online lens sales could result in badly fit lenses and eye damage.

Con:

- Internet-based companies can save consumers money by cutting out the middleman.
- Such laws would merely protect the interests of traditional, less efficient businesses who wish to use the law to shut out their new, more efficient rivals on the Internet. Consequently, consumers have less choice and end up paying higher prices.
- Through licensing, states can regulate who is able to sell on the Internet.
- Governments can protect consumers from fraud and abuse without hampering competition.

4. College marketing strategy implications for each stage of the consumer decision process:

- *Problem recognition.* College admissions personnel need to know whom the prospects are—high school students who might be interested in their school, and whom the school would be interested in recruiting. The College Board, which sponsors the SAT, sells such information, including e-mail addresses (with student permission). Surveys can be conducted among prospects to find out what their specific needs and expectations are, as well as among current students, to discover whether these needs and expectations are being fulfilled. Marketing communications (mass media ads, direct mail, and the Web) can discuss how the college satisfies these needs better than competitors.
- *Search.* The admissions office must make sure that they are efficiently and effectively using the right nonpersonal, marketer sources. Some schools pay to have their institutions prominently displayed on commercial Web sites that are devoted to the college search. Virtually all colleges have an admissions section on the school's Web site. This allows students to do such things as take a virtual tour, download the college catalog, get information on how request information, to apply, or how to visit the college. A recent trend is for colleges to have an interactive site known as a microsite. Here, the site welcomes each prospective student with a Web page just for him or her. After a student fills out a questionnaire that indicates specific interest in majors, extracurricular activities, and financial aid, the site pulls together the information and organizes it on the microsite. It might also be wise for the admissions officers to check other areas of the school's Web site to see if there is any negative material prospects might encounter and, if possible, deftly ask the offending party to remove it. Admissions will also want to train or coach and use their personal information sources, such as current students, alumni, and faculty.
- *Alternative evaluation.* Although some evaluative criteria like location and size are a given, admissions personnel can work with other departments and divisions on campus to improve where possible. For instance, if social reputation is wanting, they could meet with the student activities personnel to brainstorm ways to improve this aspect of campus life. The college should also promote its excellent performance on the important criteria. They can also get information from campus tour guides on how prospects are evaluating the school.
- *Choice.* The admissions office must be aware of what other schools they directly compete (the choice set to which prospects apply) and how their college performs vis a vis the competition on these criteria. They should also discover which schools they lose most of their applicants to and do follow-up surveys ("will-not-attend" surveys) to discover what applicants found more attractive in these schools.
- *Post-purchase behavior.* The admissions office should be aware of student satisfaction with their schools. Surveys can be administered and discussions held with tour guides. Of course, student evaluations of courses and professors are one form of customer satisfaction research.

5. a. *Post-purchase outcome.* Penny is very *dissatisfied* with the *Ablaze* vacuum cleaner. Because of the numerous problems she has had with the *Ablaze*, she will NEVER buy an *Ablaze* or go to that retailer again. Also, Penny will probably give *negative word of mouth communication* to her friends.

Strategy implications: Blossom Brothers is advised to make her a satisfied. At a minimum this would involve allowing her to get her *money back*. For her aggravation, additional *restitution* should be made (e.g., a gift certificate). Additionally, the store can turn this consumer problem into a marketing opportunity by trying to *sell her another vacuum cleaner* that better fits her needs. Cheerful *postsale service* should accompany all of these actions. Also, the store should train salespeople to know their products and to not create unrealistic expectations.

b. *Problem recognition.* Eve is constantly forgetting to attend meetings and dinner dates she has planned. Her daily planner apparently does not do the correct job. Hence, she needs something to overcome her

“forgetfulness.” She became aware that perhaps she needs to purchase a PDA to resolve her problem. She has not yet begun searching for this electronic gadget since she has just realized that an unmet need exists. Strategy implications: Manufacturers of personal digital assistants (PDAs) could *target busy people* like Eve who aren’t even aware of PDAs, using media such as direct mail, e-mail, and business magazines, and educate them about the product and why a portable electronic organizer is superior to, say, a desktop computer program activity scheduler or even an old-fashioned daytimer (primary demand advertising). For folks like Eve who are aware of PDAs, the major emphasis should be on brand name recognition and image and why the marketer’s model is superior to others (innovative features, lower price, etc.).

c. *Alternative evaluation.* Chris is trying to judge which CD car stereo he should purchase (*brand choice decision*) as well as from which store he should buy (*store choice decision*). Because he has already gathered information on CD car stereos, he has narrowed his *evoked set* size to three. He just needs to compare these to decide which one he should purchase and compare the stores on the price criterion.

Strategy implications: The manufacturers need to work with retail salespeople to convince them of the merits of their brand so that the salespeople recommend them. Retailers, in turn, need to focus on low prices (if possible) and on having friendly, knowledgeable, honest salespeople whom customers wish to conduct business with. Good salespeople might even be able to overcome any price advantages of competitive stores if they show a willingness to work with the consumer both before as well as after the sale (*post-purchase assistance*).

d. *Information search.* Billy started by recognizing his problem—he needs to replace his old car. He then embarked on his information search by actively asking his friends their opinions on cars and taking test-drives at dealerships. However, he still has several other information sources to consult (Internet and buying guides), so he is still doing his information search.

Strategy implications: A wise marketing manager will realize that for such high-ticket items as cars consumers will do a thorough search, using many information sources. They need to get favorable information in as many of these sources as is possible. Advertising (not mentioned in the scenario) is only the starting point for building awareness and favorable attitudes. More important is excellent product quality, which will generate positive word-of-mouth recommendations and favorable reviews in three independent buying guides, such as the annual *Consumer Reports* automotive issue. Also, good salespeople (described in the answer to the previous scenario) are crucial, as are reasonable list prices and clustered distribution in proximity to other dealerships the consumer is visiting.

e. *Choice/purchase decision.* Rose, after carefully looking over all the information she gathered on her hometown beauty salons, finally decided the salon that should be given merit. Hence, she has made her choice and now must actually go to the salon. Once she has done that, Rose can evaluate her choice.

Strategy implications: If many other consumers also rely heavily on the reviews, the implication for salon marketers is that they provide a *quality product*—fine workmanship with friendly service. They can also send the reviewers information on their service so as to entice them to visit. Such activities will have the added benefit of generating positive word of mouth, just like good restaurant and movie reviews do.

f. *Post-purchase dissonance (regret).* Will is doubting that he made the very best possible purchase for this high-involvement product, given that an alternative had more features and a lower price (i.e., it is a better value).

Strategy implications: A marketer (either the store or the manufacturer) should try to reduce the dissonance by:

- Running reassuring ads aimed at recent purchasers stressing the product's quality/value
- Using congratulatory letters and follow-up phone calls
- Offering generous warranties
- Providing postpurchase service
- Offering easy return or exchange policies
- Monitoring the extent and nature of dissonance and then taking one or of the above actions

g. *Alternative evaluation* - She has been and continues to compare certain alternatives on key criteria, and has formed most favorable attitudes toward several of these.

Strategy implications: A store trying to sell her should show how they perform best/can beat any other store on the criteria of price and warranty. The manufacturer should show, via advertising and other marketing communications, how this brand is superior on one (or preferably more) of the key buying criteria.

h. *Problem recognition.* He realizes that there is a discrepancy between his desired state of affairs (having an Internet-connected PC to receive pictures of his grandkids) and his actual state of affairs (no PC).

Strategy implications: A manufacturer should make him aware of how his PC will easily and effectively satisfy his need to get on-line and download images. This producer should also give him information on how to shop for a PC (and especially on how to locate his brand), suggesting the importance of criteria on which he'll be favorably rated.

i. *Alternative evaluation.* He is comparing the various alternative (pun intended) albums and shopping sites along his important criteria, viz. price, availability, and sound of the music.

Strategy implications: Web site retailers should provide good comparative info (e.g., lower prices, and wider selections). Record companies should provide good information on the artist, the nature of his music, low prices, and generously provide downloadable audio samples

j. *Information search.* She is looking for information on availability of this hard-to-find product. She has checked several different sources without any luck. None of the web sites' customer "service" departments have bothered to get back to her yet.

Strategy implications: The marketer should discover what sources of information the consumer uses for this product and then put the desired amount and nature of information into those sources, including hooking up with major shopping web sites. They should also have their customer service reps get back to customers promptly.

k. *Post-purchase dissatisfaction.* She is unhappy with her purchase—it did not meet her expectations and desires. This leads once again to problem recognition—she must either learn to live with what she bought or begin search for a replacement.

Strategy implications: Make a better quality product, provide a money-back guarantee, make it easy for consumers to complain to learn how to improve the product and rectify the situation. This also creates an opportunity which marketers of competitive brands can exploit.

Exercise 10: Consumer Decision-Making in an On-Line Environment

In-Class Applications

1. This should generate interesting discussion. Chances are that most of your students will have at least some experience with shopping on the Internet, and some will have quite extensive experience. Most probably started around 1998, when e-commerce started to mushroom, or shortly thereafter. For some it will be an occasional venture and for others almost a way of life.

The major motive for buying on-line is convenience—for some shoppers, the convenience of staying out of traffic- and people-choked malls is worth more than the cost of shipping and handling. And, by allowing quick comparison shopping, using a shopping bot can save both time and money. Major reasons why shoppers go online are: to avoid crowds, save time, get better prices, get a wider variety of products to choose from, ease of locating e-tailers, get gift delivery, do price comparisons, shop any time of day or night, and take advantage of loyalty programs.

On-line shopping compares favorably with bricks-and-mortar stores in that it:

- Saves time - the Internet offers the fastest way to access information on a company and its products.
- Saves money—good deals can be found, and travel costs are spared.
- Can be used to get in-depth information about a company's products and services. A given site can offer a wealth of information on a company, product specifications, costs, purchase information, etc., and links will direct users to even more information if they wish.
- Can improve customer service and build customer relationships by providing information that answers inquiries, as well as offering an opportunity to register complaints. More than any other medium, the Internet allows consumers to directly interact with an advertiser, increasing customer involvement and satisfaction, and building a relationship between the advertiser and the customer.
- Can be entertaining and experiential (especially when interacting with rich media).
- Can be used to easily procure free samples.

On-line shopping also has some consumer disadvantages:

- There is no direct human contact.
- There is no opportunity to directly inspect and experience the merchandise (important for experience goods).
- It lacks the social interactions, getting out of the house, etc. that “real-world” shopping provides.
- Some consumers are leery of using the Internet because of security or privacy concerns—the fear that data collection occurs without consumers’ knowledge or permission or that marketers engage in unauthorized use of their personal information. Consumers are therefore reluctant to give out personal data that might be important to the marketer. Cyber crime such as credit card theft and hacking into corporate Web sites to get things, such as customer lists or customer credit card numbers, is a related concern.

Consumers are increasingly finding Web shopping to be tedious. As the novelty of Web advertising wears off and as the medium becomes increasingly cluttered, there seems to be less tolerance for it. In 2001, there were over 20 million Web sites with the “.com” domain name. More people now claim to actively avoid Web ads, and the number who says they notice Web ads is down (a reason for the reported decline in banner ad effectiveness). Some consumers are tired of computers by the time they get home from work and don’t wish to spend their leisure time shopping online. And, browsing online can be time-consuming, since high-quality images take time to download, especially if a lot of users are trying to download them at once, a phenomenon known as *Websnarf*.

Some of the top shopping sites include ebay.com (auctions), amazon.com, cdnow.com, cnet.com, landsend.com, llbean.com, eddiebauer.com, freelotto.com, speedyclick.com, mypoints.com, and webstakes.com. Criteria shoppers use in selecting an e-commerce site include: merchant familiarity, previous offline purchase, previous online purchase, bargains, word of mouth, merchant incentives, product selection, on-time shipping, physical store returns allowed, customer service, ability to return by mail, loyalty points, and one-stop shopping.

Originally buying on the Net was confined to items like books, CDs, and other fairly low-priced *search goods* for which good pre-purchase information could be obtained online. Search goods include things like cars, appliances, and consumer electronics, on which consumers can gather objective information about attributes like price, brand name, size, weight, shape, color, etc. This contrasts with *experience goods*, which need to be experienced or tried to know whether one likes them. Experience goods are evaluated mainly on subjective attributes where personal taste and experience differs from one person to another, and so on-line information isn’t very meaningful. Examples include the taste of food, scent of perfume, enjoyment provided by a book or video, or softness of a fabric. Nonetheless, now, almost anything and everything can be bought on-line (although low-margin goods have often proven to be unprofitable for e-merchants).

Students are heavy users of the Web for buying music. More and more are buying textbooks on the Web—you can ask them how it compares to your campus bookstore. See if the list of products they say they shop for online tends more toward search goods, as expected, or toward experience goods.

There will probably be few students who have never shopped on-line. Reasons cited will likely be the consumer disadvantages just noted.

2. The article Andrew G. Parsons, “Non-functional Motives for Online Shoppers: Why WE click, *Journal of Consumer Marketing*, 19 (5), 2002, pp. 380-392 suggests that many non-buying motives also apply in an online environment:

- ◆ Recreation: Shopping and surfing on the Internet provides an “escape” from the daily grind. Some marketers now offer games on their sites that integrate the brand message.
- ◆ Physical activity: The time savings can allow more time for physical exercise.
- ◆ Sensory stimulation: This is a severe limitation of online shopping (it doesn’t appeal to the senses of touch, smell, and taste, although the new “rich media” with sound and video are enhancing the sensory experiences of online shopping).
- ◆ Social experiences: Meeting others with similar interests can be done where advertisers offer their own chat rooms. E-mail communication with customer service reps is also possible.
- ◆ The thrill of the chase: Hunting for bargains can be done on auction sites.
- ◆ Status and authority: Gaining instant status by “bossing” clerks, thereby commanding attention and respect.
- ◆ Role playing: The time and convenience advantages of the Internet allow time-constrained, full-time employed people (especially working women) to fulfill their traditional roles as household shoppers.

- Information: Learning about new trends can be very efficiently accomplished on the Internet.

Written Applications

1, 3-6. The answers to these questions will parallel much of the discussion above, in the assignment, and in the Section of this book Consumer Behavior on the World Wide Web.

2. The actual search procedure will vary, depending on which sites are visited. For example, in Amazon.com, you can implement a search by author, title, subject, keyword, ISBN number, or advanced query. The advanced query option allows you to use a combination of author, title, subject, keyword, or ISBN number. Or, you can “browse” Amazon.com’s aisles by topic such as arts and crafts, comic art, religion, and philosophy, among many others. Using this search method, you will obtain a narrower selection of books.

For instance, searching by subject, you could use Consumer Behavior as the subject of interest. You receive a number of books/titles that match your search. You can click on a title to obtain a brief synopsis of the book. When viewing the titles, you can then use some keywords to determine which book would be of interest to you. (i.e. advertising, psychology, culture, etc.). Also, you can look for those same keywords in the synopsis of the books that you click on to learn more about. While reviewing each book, you could choose from a number of subtopics under the title and check off more than one subtopic and do a search with that. For instance, you can narrow your selection down to three books: *Advertising and the Mind of the Consumer: What Works, What Doesn't and Why*, *Advertising and Culture*, and *Culture and the Ad: Exploring Otherness in the World of Advertising*. For evaluating these books, you could look at price, illustrations, and key subjects that are being covered in the books, plus any other criteria important to you.

Amazon.com is very easy to use. It takes you through the different steps necessary to obtain a wide selection of books that meet the criteria you specified.

7. A comparison between stages in the consumer decision process on-line and off-line:

- *Problem recognition*: This would probably be the same in either case, unless marketing activities on-line are able to trigger problem recognition (e.g., information which triggers a new need).
- *Information search*: This stage is different, as the external search now occurs on-line.

Marketer-controlled sources on-line include primarily visiting manufacturers’ and retailers’ **Web sites**. The **home page** (welcome page, start page) clearly identifies the company and its brands, and it can be several to hundreds of pages long. It can be thought of as an alternative “storefront”—a location where people can come to find out more about the company and its products.

Other marketer-controlled sources of on-line information include:

- **Banner ads**—Paid placements on other complementary corporate, entertainment, or media Web sites that resemble billboards, spread across the top or bottom of a Web page, and contain editorial material. They usually include a link (or *hot link*) to the advertiser’s own home page.
- **Interstitials** (or *intermercials*)—Basically online commercials—animated ads that appear on your screen while you are waiting for the content of a Web site that you have clicked on to download. They create a TV-commercial-like experience.
- **Links**—While not everyone considers them a type of advertising, links involve an opportunity to link to an advertiser’s Web site from another Web site. For instance, by clicking on the Nike.com link on ESPN.com, someone can visit the Nike site to get information on sports-related products.
- **Classified ad Web sites**—Search engines or local newspapers around the country sponsor many classified advertising Web sites. Like newspaper classified sections, they are organized by category, so you can search for homes, cars, jobs, computer equipment, etc. The search can be narrowed to your hometown or expanded nationwide. Many offer free ads because ad banners or other advertisers support them.

Non-marketer-controlled sources online include:

- **Shopping bots**—These are described in the Exercise as well as in more detail in Exercise 18.
- **Neutral sites** such as those operated by *Consumer Reports* and government agencies.
- *Alternative evaluation*—Criteria might be the same whether shopping on- or off-line, although the information presented on Web sites or by shopping bots might be influential in determining criteria used. Evoked set sizes might increase as new information on brands is learned online.

- *Purchase*— Some consumers prefer to shop around off-line and then make the purchase on-line. Perhaps just as many do the opposite—they do their search on-line and then buy in a retail store. The usual in-store merchandising (point-of-purchase displays, in-store coupons, etc.) wouldn't be operative here. However, since a major objective of marketer's on-line efforts is to trigger a sale, there are on-line activities that could cause the customer to buy. Recall that the goal of e-commerce is to get consumers to put one or more items in their "shopping cart," specify their payment method, and to hit the "submit" button. Methods to stimulate a sale include:
 - **Sales promotions.** Sampling, coupons, and sweepstakes and contests are big on the Internet in order to encourage people to visit or return to a Website and purchase merchandise. Sites offer many things, like free e-mail, instant messaging, telephone services and sample computer programs (e.g., AOL disks, downloads of trial versions of software). Similar to when products are sold through catalogs, dissatisfied customers often have a choice of returning purchases to local stores rather than having to mail them back.
 - **Sales support.** Home pages typically have an e-mail option for those wishing to request further information. Thus, the Net can provide a great source of leads for the sales force to follow up on, and these leads can lead to sales. Also, through trial demonstrations and/or samples offered online, customers can determine if an offering is worth buying.

Before buying, smart shoppers make certain the item is in stock, find out the shipping date, and protect their privacy by examining the marketer's privacy policy. They also investigate the company's other policies, such as warranties, return policies, cancellation policies, and shipping charges. Payment is usually made with a credit card since other payment methods don't offer consumer protections, such as the ability to dispute the charge. They also make sure the site on which they enter their credit card number is secure with an Internet address that starts with https://, or they look for an unbroken key or padlock at the bottom of the browser window.
 - *Post-purchase behavior*—Many sites allow consumers to track the shipping. Satisfaction/dissatisfaction and dissonance can occur after an off-line purchase. Therefore, smart marketers use their Web site to improve customer service and build customer relationships by providing information, answering inquiries offering an opportunity to register complaints, and by encouraging frequent interaction with the site, such as through loyalty programs. One trend is for marketers to foster a sense of community on their Web sites—a natural for the Web considering its ability to pull millions of people together at once. Relationships between customers can be built through means such as moderated chat rooms (an expensive 24/7 proposition), bulletin boards, and incentives for people to bring in new visitors. Sometimes, online communities form around particular brands. Members create detailed Web pages devoted to the brand. They share their experiences in using the brand: likes, dislikes, suggestions for buying replacement parts or getting the brand serviced, etc. Marketers can thereby monitor word-of-mouth communications.

Exercise 11: Involvement, Perceived Risk, and Risk Reduction Strategies

In-Class Applications

1. Here are some expected findings:

Stereo equipment: High involvement, because most students enjoy music and want a good sound system to play it on, plus this costs them a lot of money. For consumers who aren't very interested in music, it could be moderate or low involvement, whereas for audiophiles it would be extremely high involvement. For most people it is a shopping good, has both search and experience qualities (you'd want to experience the sound before buying), and it is associated with many perceived risks (e.g., monetary, social, performance, and obsolescence) -all making it a high involvement product. If the situation were such that the stereo will be shared with roommates, this would raise the level of involvement (social risk). Cognitive involvement would be high since this is a complex product, affective involvement would be high since it is a hedonic

product purchased for enjoyment, and ego involvement would be moderate since to some extent whether students buy a good-sounding, powerful stereo says something about who they are.

Cross country skis: The level of involvement will be most influenced by the consumer—those who love cross country skiing will find them of high involvement, while cross country skiers and non-skiers will not. The product is either a shopping good or a specialty good, depending on whether or not a given buyer is brand insistent, and it has search qualities, suggesting a high degree of involvement. Also there are quite a few perceived risks: monetary, performance, physical, and psychological would seem to be the most important risks. Buying the skis with or for a friend will likely raise the degree of involvement. Cognitive involvement would be at least moderate, since most people would want to be informed buyers. Affective involvement would be moderate to high, given that skis are bought for fun, and ego involvement might be moderate if others are cognizant of the brand name and style of ski.

Dog food: The level of involvement will vary; depending on whether students have a dog and how attached they are to their pet. However, since it is usually a convenience good with low perceived risks (the most likely one being psychological risk—will the dog enjoy it?), this would tend to be a low involvement product. It would be low in experience qualities (although the dog's experience would be important). If it is being purchased as a special treat for a dog's birthday or for a friend's pedigree dog, such situations could raise the involvement level somewhat. Cognitive involvement would be low since a lot of thought usually need not be put into the purchase (unless the dog has special nutritional needs), but affective involvement might be moderate depending on how much affection the buyer feels for the animal. Ego involvement would likely be low since this isn't an expressive product.

Aspirin: Low to moderate involvement for most people in most situations. Most students won't find it involving, but a parent (consumer) purchasing aspirin for a sick child (situation) might find it to be quite involving. Nonetheless, aspirin is a convenience good, whose only perceived risk would seem to be physical risk ("Why trade a headache for an upset stomach," as the old TV commercial said). There is minimal cognitive (aspirin is aspirin) and affective involvement (it's a purely utilitarian product), while ego involvement is lacking.

Perfume: This will be of higher involvement for women than for men, and perhaps is more involving for younger, unattached women than for older, married ladies. It is either a shopping or specialty good, and perceived risks include financial (usually moderate), social (high), ego (high), and psychological (moderate). All this suggests a moderate to high degree of involvement. It is an experience good. In a situation where a guy is buying perfume for a lady friend, the involvement level would tend to be at least moderate (and high if he were trying to woo her affections). Although cognitive involvement would tend to be low, affective involvement would be at least moderate, since perfume is bought mainly for emotional reasons. Ego involvement would also be moderate to high, because perfume is an extension of a person's personality.

Mother's Day greeting cards: For Mom's sake we'd better hope this is a high-involvement purchase! Most people love their mothers and put a lot of thought in choosing the right card, making it high in both affective and cognitive involvement. Also, it is a shopping good high in search qualities (you read the cards before selecting one), and it is moderate to high in social, ego, and psychological risks. Women generally are more "into" card giving, so they'd generally find greeting cards to be more involving than would men. If the card is bought late, there is time pressure, causing involvement to decline somewhat.

Frozen vegetables: Generally, a low involvement product since it is a convenience product lacking any perceived risks to speak of (with the possible exception of physical risk) and is primarily an experience good. Generally, women are more concerned with grocery shopping, so they might find this product a bit more involving than would men. Buying them to serve guests would raise the involvement level somewhat. Cognitive, affective, and ego involvement are all little to none.

Mountain bicycles: For the serious biker this can be a very high involvement product, and for others it would be at least moderately involving. It could be either a shopping or specialty good, depending on the degree of brand insistence. Although it is in part a search good it also has experience qualities—the buyer would likely want to take it out for a spin before purchasing. Due to the product's complexity, cognitive involvement would be high; due to the enjoyment it provides, affective involvement would be moderate; and the bike's visibility causes it to have some inherent ego involvement.

Sunscreen: This would be low to moderate (at best) in involvement. It is a convenience product with low risks (except perhaps for performance and physical risk), containing a combination of search and experience qualities. It would be more involving to consumers with sensitive skin and if purchased in

conjunction with a major vacation. Cognitive involvement, affective involvement, and ego involvement would all be low.

2. You could have *high degree of purchase involvement* but a *low amount of product involvement* where:

- You are buying a gift which isn't personally of interest to you, but is very important to its recipient
- You're shopping with someone else and trying to impress them with your purchasing prowess or serving as their *purchase pal*—showing them how to buy something (e.g., a car or computer).
- You're buying an expensive, but inherently boring product (e.g., household appliances) and are just out to save money (e.g., automobile repair), or if you're trying to teach a child how to be a wise shopper.
- There is either *variety seeking* (e.g., trying a different flavor of ice cream) or *impulse purchasing* (e.g., seeing a display for a newfangled razor in the store and deciding to buy it). (We'll examine these two general cases more in Exercise 13.)
- You are a shopoholic the process of shopping is more rewarding than the product bought.
- You are more concerned with getting a good deal than a good product, especially for parity products.

There could be a *high degree of product involvement* but a *low degree of purchase involvement* because of:

- Brand loyalty
- Extensive buying knowledge and experience (i.e., a low level of decision making—routine decision making)
- Time pressures
- Other things on the consumer's mind
- Other situational factors which result in little purchase effort
- When someone buys an important product for you, i.e., you are the recipient of a gift.

3. Answers will vary for this introspective question. One that some students might select is the purchase of their first automobile. Perceived risks, consumers' risk reduction strategies, and marketers' risk relievers would be as follows:

- Financial risk. For "poor" college students, financial risk is extremely high. Consumer RRSs include buying less expensive high-mileage cars, seeking low-cost financing, and buying cars offering rebates. Risk relievers offered by marketers include offering price deals, low-cost financing, and rebates.
- Social risk. Peer approval of one's car is important. Consumer RRSs include buying models with a young and sporty brand image and asking friends' their opinions before buying. Risk relievers include featuring target market members in the advertising, and emphasizing social approval from driving this car.
- Ego risk. Many students have the mindset that "You are what you drive." The consumer RRS is to buy a model with a young and sporty brand image. The risk reliever would be to promote a hip brand image with which college students can identify or to which they can aspire.
- Performance risk. There is always concern about performance in the maintenance sense of the term—breakdowns and such. Students would also consider whether the product's performance (power, speed, comfort, etc.) would be good enough for them and their passengers. RRSs include careful information search (especially using neutral sources such as *Consumer Reports* or *Car and Driver*), test-drives, warranties, getting a car buff's opinion, buying the same brand as parents or friends, and buying a heavily advertised brand. Risk relievers would be building a quality, trouble-free car, developing realistic consumer expectations regarding performance via advertising, offering test drives and honest pre-purchase information, offering a good warranty, and soliciting consumer testimonials.
- Physical risk. Buyers would be concerned with any safety problems, especially in a "previously owned" car. RRSs and risk relievers for performance risk would apply here. Marketers can also concentrate on building safety into their cars, include clear owner's manuals which outline maintenance needs, and advertise the car's safety record.
- Psychological risk. The major consumer concern would be whether the consumer would enjoy the joy of driving. RRSs would include discussing personal experiences of others with driving or riding in the car, taking a test drive, buying a well-known brand, and looking for an option to return the car if dissatisfied. Risk relievers would be encouraging test drives and trial periods, as well as advertising, which stresses the psychological advantages of ownership.
- Time risk. Learning about and shopping for a car is a time-consuming process, as is learning the nuances of operating a particular model. Consumer RRSs include relying on friends and others for

advice, buying the same brand as parents or friends rather than taking the time to learn about new alternatives, and getting help from shopping bots on the Internet. Marketers can provide such risk relievers as providing accessible, easy-to-digest, and credible information, and having salespeople help customers learn to operate the car.

- Effort risk. Shopping and learning to operate a new model both take effort, as does the maintenance of a car. Consumer RRSs used for time risk are applicable here, and marketers can use the same risk relievers as for time risk. In addition, they can build simplicity into product design so that the consumer interface is easy to navigate, and they can provide simple operating instructions. Post-sale service should be accessible to cheerfully help consumers with any problems they encounter, and routine maintenance should be provided and encouraged (e.g., through post card reminders).
- Obsolescence risk. Buyers might fear that the styling will be rapidly out of fashion, or that the technology used to make the car will become outmoded so that parts or service will no longer be available. Marketers can relieve risk by not changing the styling every year and by continuing to offer parts and service for a reasonable length of time even for obsolete technologies.

4. Analysis of Ads

Ad #1—Colgate Sensitive Plus Whitening

- a. Cognitive involvement – The functional need is to make toothaches and stained teeth go away.
Ego involvement – Having white teeth is important to some peoples' self-concept, although the ad doesn't directly appeal to this.
The ad has effectively raised the level of cognitive involvement beyond simply finding a way to whiten teeth to also proving relief for sensitive teeth.
- b. Social and ego risks – The consumer wants whiter teeth to please others and to be viewed as a clean, attractive person.
Performance risk – The consumer will be concerned with and perhaps skeptical about how good a job the toothpaste can do in relieving pain and whitening stains.
- c. The risk reliever is the information that that Colgate is “clinically proven” to get rid of pain better than the major competitor, Sensodyne. They also have a well-known and trusted brand name on a quality product, advertise heavily to build trust in that name, and offer more information at their Web site which should at least help handle performance risk.

Ad #2—MasterCard

- a. Cognitive involvement – The practical need is to save time.
Affective involvement – The emotional need is to spend more time with your children (or, by implication, with other desirable activities).
The ad has done a good job taking a product of relatively low involvement and elevating the involvement level by joining it to an issue of importance to most consumers—saving time. This, along with the affective appeal in the photo, raises the degree of message response involvement.
- a. Time risk – Although the product itself doesn't involve a lot of time, it is designed as a timesaving product since it pays bills automatically.
Effort risk – The product also saves the hassles of paying bills.
- b. The risk reliever is the product advertising itself as a timesaving, laborsaving product. It also offers more information on a Web site.

Ad #3—Tropicana Pure premium orange juice

- a. Cognitive involvement – This is the ad's primary appeal (Tricky: The picture of the heart might cause students to suggest primarily affective involvement). The utilitarian need is to fight high blood pressure. The ad informs consumers of how the product helps satisfy this need because it is a good source of potassium and low in sodium.

Affective involvement – The ad's secondary appeal is to affective involvement, tying in to Valentine's Day. The ad refers to the possibility that “someone you love” has high blood pressure, and the picture of the heart reinforces this (as well as symbolizing a healthy heart).

The ad has done a very effective job of taking what is ordinarily a fairly low involvement product—orange juice—and raising its level of involvement by linking to an important issue—high blood pressure

and strokes. This raises the level of message involvement for what would ordinarily be the type of product whose advertising is glossed over by most consumers.

b. Performance risk – People might be skeptical that orange juice can really be effective in fighting high blood pressure and stroke. In this regard, orange juice is a *credence good*—a product whose attributes the consumer might find impossible to knowledgeably evaluate even after purchase and consumption, like the motor oil in your car, legal services that claim to keep you liability free, or the medical diagnosis that detected no problems, you just really can't tell for sure whether or not it is doing an effective job.

There is also the concern that it might not taste good.

Physical risk – Since orange juice is acidic, people might worry about upsetting their stomach.

c. The most important risk reliever the ad offers is the availability of additional information at a brand Web site which should help alleviate the performance and physical risks. They also offer reassurance by citing “health authorities.” Finally, Tropicana is a leading, trusted name in orange juice.

Ad #4—Jergens Moisturizer

a. Cognitive involvement – The secondary appeal is that Jergens does something healthy for your skin.

Affective involvement – The primary appeal is to the feeling of having firm, moist skin. The tag line says that the product “Love(s) your body.”

The ad effectively plays on the affective involvement via the picture of the satisfied user with “firm” written on her leg.

b. Social and ego risks – The consumer wishes to have firm skin to be appealing to others and to help her stay young-looking.

Performance risk – Consumers will be concerned with whether the lotion will do a satisfactory job firming and moisturizing their skin.

c. The risk relievers are use of a well-known, heavily advertised brand name on a (presumably) high quality product.

Ad #5—Take Control Spread

a. Cognitive involvement – The utilitarian need is to reduce the risk of heart disease. There is a lot of information in this ad to effectively build cognitive involvement.

b. Performance risk – Consumers are concerned with the product's ability to help lower “LDL” cholesterol and thereby reduce the risk of heart disease. There is also the possibility that because this spread is healthy it therefore doesn't taste very good.

Physical risk – It is possible that some consumers might be concerned about the safety of a product containing a “strange” ingredient like soy extract.

c. Risk relievers are the reassurance provided by mentioning an independent study that found a 17% reduction in LDL cholesterol from using the product. They also mention that it is “delicious” and try to reinforce this experience attribute with a sumptuous picture of the spread. And, there is a Web site offering additional information to reduce performance and physical risks.

Ad #6—Roche Pharmaceuticals

a. Cognitive involvement – The functional need is to help your teenager get rid of acne.

Affective involvement – The ad appeals at an emotional level to help your loved one. The picture of the dejected-looking boy reinforces this.

The ad effectively works at both the affective and cognitive levels to create message involvement.

b. Social and ego risks – These persist for the teenager who uses the recommended drug product that doesn't work. Otherwise, the products are designed to reduce these.

Performance risk - Parents are concerned with the product's ability to help their youngsters by fighting acne.

Physical risk – This always exists with pharmaceutical products. For example, will there be side effects?

Psychological risk – Teenagers are emotionally-charged creatures. The teen might feel psychologically uncomfortable having to use an acne treatment, or might somehow feel inadequate having to do so.

Time and effort risks – The parents might need to put some time and effort into calling the toll-free number, visiting the Web site, and consulting a dermatologist

c. The most important risk reliever is the offer of additional information via the toll-free number and Web site. This will presumably deal with possible performance and physical risks. They also encourage

parents to seek reassurance through a dermatologist, who will presumably recommend Roche acne treatments and might help reduce psychological risk for the teen.

Exercise 12: Levels of Decision Making

In-Class Applications

1. In our experience, one of the most common mistakes students make in this course (as do some other textbook authors!) is to confuse the concepts of involvement, especially *product involvement* (discussed in Exercise 11) with the concept variously known as levels of decision making, the consumer's learning stage, or the decision process continuum—*purchase involvement*. On the surface they are similar—we should think of them as a continuum with the variable ranging from high (high involvement, extended decision making) to low (low involvement, routine decision making). At the high end of both, consumers engage in the entire decision process, all else equal, and at the low end of both they go through a truncated process, all else equal. But the key phrase is “all else equal.” One of these two variables could be at a high level but the other at a low level—then what? For instance, we can have a high involvement product but a low level of decision making—the consumer has extensive information and experience, putting her in a routine decision making situation. This means that at the same time that *product involvement* is high, *purchase involvement* is low. Thus, our highly involved consumer might be brand loyal or have a few favored brands that she regularly switches among, meaning she might move right from problem recognition to a quick internal search, which immediately results in a purchase decision. On the other hand, a product could be of low involvement for a consumer, but she could be in a high level of decision making, say, if she is buying it as a present for her boyfriend. So, to know whether a consumer is likely to go through the complete decision process, we need to know her stage in both of these individual difference variables. The consumer goes through a thorough decision process either if both of these variables are high or she is in EDM (purchase involvement is high) and product involvement is low. If she is in RDM, regardless of the level of product involvement, the purchase process will be less thorough. Exercise 13 will examine the different possible combinations of involvement and levels of decision making.

2.

- A house would be an ***extended decision making*** decision for almost all students since their experience in shopping for a house is probably confined to tagging along with their parents during house hunting. In essence, this would be a *first-time purchase* for them. They might only be vaguely familiar with alternatives (styles of house, such as ranch, cape, colonial, and split). They would need to learn about what *criteria* to look for in a house as well as *information sources* to use, such as real estate agents, multiple listing services, and real estate Web sites. They would also need to learn how to properly evaluate houses on the criteria (including getting the preferred alternative inspected). They will carefully proceed through each stage of the decision process. During problem recognition they'll evaluate what their needs are (e.g., size, style, location, etc.). Search will include talking to significant others who are knowledgeable about buying a house, which agents in the area are most reputable, etc. Alternative evaluation will include driving around with an agent viewing the various houses, and possibly viewing some on the Web too. Choice includes the complex task of financing and coordinating the timing with when the sellers are able to purchase their next house. Post-purchase evaluation will probably include some feelings of dissonance (e.g., Lantos' wife started reading more real estate ads after their first home purchase in order to assure herself she had made a good decision). Of course, if a student wants to build a house from scratch, that's an entirely different process.

Marketers (i.e., real estate agents) targeting students need to be *educational*, offering them unbiased, in-depth information on how to purchase a house. They also need to *build brand preference*—i.e., partiality toward them and their agency—by providing lots of handholding and encouraging advice, stressing their years of experience, getting customer testimonials, and looking out for the customer's best interest.

- For some students (and probably you!) a portable MP3 player would be a *first-time purchase*, in which case it would be **extended decision making**. However, many students are already knowledgeable about the product category, and a few have probably purchased one. Thus, many students are in **limited problem solving**—they are knowledgeable about what MP3 players are, how they work, and what the buying criteria are. However, they probably have limited knowledge about all of the different brands on the market. They are likely to consult buying guides, the Internet, and perhaps visit electronics outlets to compare the different brands in their evoked sets. After a brand is purchased, they will carefully evaluate their satisfaction on criteria such as ease of transferring files and audio quality.
Marketers of portable MP3 players targeting students need to learn of their most important criteria, expected and desired performance on those criteria, and the develop (or improve, if need be) their brand and promote it as performing well on the criteria.
- A candy bar will be either a **routine decision** for students who are brand loyal or a very **limited decision** for those who brand switch for *variety's* sake or buy whatever is *on sale*. In either case, the decision is either automatic or very quick and easy—perhaps a cursory glance at the brands on the shelf to decide which one looks appealing today. For the brand switchers, brand differentiation must be achieved in advertising (chewier, longer lasting, etc.), or a special deal can be offered. For the loyalists, reminder advertising and maintaining convenient availability are all that are needed.

3. Analysis of Ads

Ad #1—*Prevar: Extended decision making*. The ad is targeted toward young parents who apparently know little to nothing about this vaccine. The ad informs them what the product is and what disease it vaccinates infants and toddlers against (bacterial meningitis). It is creating primary demand for a new product by raising awareness of the importance of vaccines and then creates secondary demand for this brand. The ad supplies plenty of information for the knowledge-hungry consumer, and it refers parents to their family doctor for further information. Furthermore, this is a high-involvement issue—a disease that could harm a child would be taken seriously. Thus, the ad is “on target” in satisfying the information needs of EDM customers, and the toll-free number and Web site address offer further information.

Ad #2—*Maxwell House: Routine decision making*. Most adults have plenty of prior experience buying, serving, and consuming various brands of coffee. Brand loyalty tends to be high. This ad is targeting satisfied users of Maxwell House with reminder advertising—in effect, it reminds the consumer to add Maxwell House to her shopping list. This ad also tries to increase consumption by suggesting that it be served to friends. Thus, the ad is “on target” in reminding and reinforcing the RDM consumer. They could also work on improving the product and coming out with more varieties (flavors), which would make good advertising copy points and which could appeal to brand switchers in the limited decision making mode.

Ad #3—*Dove Nutrium: Limited decision making*. Soap is a product most people have plenty of experience buying and using (in fact, we’d hate to have to spend much time with someone who didn’t!). However, this ad is trying to create an LDM situation for consumers for whom purchasing soap is usually a RDM situation, based on brand loyalty or inertia. Dove has done this by developing a line extension that claims to be the first “dual formula nourishing bar” (moistens and replenishes skin’s nutrients). They provide brand-attribute information on the differentiating feature (contains moisturizing cleansers and vitamin E lotion) and benefits (replenishes skin’s nutrients and gives you a healthy glow). Unlike an EDM ad, this one is not loaded with information and makes no referral to another information source, such as a Web site or professional advisor. Thus, the ad is very much “on target.” As competitors enter the marketplace, Dove needs to be prepared to counter with product improvements and advertise those using comparative advertising.

Ad #4—*McFlurry: Limited decision making*. The first sentence in the body copy, “Lots of things have changed around here,” suggests that they are not just appealing to the loyal McDonald’s patron. Thus, this is characteristic of LDM—change is in the air. McDonald’s is going after patrons of outlets like Dairy Queen and trying to entice them to try Mickey Dees for desert. It can also be encouraging McDonald’s regulars to stick around for desert after their meal. In either case, the consumer must try something new,

albeit not a major change requiring lots of information (EDS) (although a Web site is available). It would seem that their hope is to eventually convert this into an RDM decision (“The McFlurry is fast becoming a great place to sink a spoon”). McFlurry could be made even more appealing by including an in-ad coupon to stimulate trial and perhaps explaining why McFlurry is better than similar treats like Dairy Queen’s Blizzard.

Ad # 5—Starband: Extended problem solving. This ad seems to be targeted toward first-time buyers of satellite TV service (“Tired of waiting for broadband?”). While they might have already accumulated some information on the product category while waiting, they still aren’t informed about all of their options, such as broadband via satellite. The ad tries to build primary demand for satellite-delivered broadband and secondary demand for Starband. As an effective EDM ad should, they offer lots of information, available via a Web site or toll-free number.

Ad #6—Winston: Routine decision making. This ad is devoid of information—in fact, even the brand name only appears in very tiny print. It simply reminds current brand loyal customers of Winston’s well known “No bull” slogan. The tough-guy image presumably reinforces the Winston smoker. The brand name should probably be more prominent in the copy and/or photo to better remind consumers.

Ad # 7—Rogaine for Women: Extended decision making. Until recently, the fact that women can lose their hair or that their hair can get thinner wasn’t a subject for public discussion, much like women coloring their hair was taboo until 1950s advertising by Clairol (“Does she or doesn’t she? Only her hairdresser knows for sure”) legitimized it. Thus, this ad is trying to create primary demand for women to do something about thinning hair, directing consumers to their Web site or toll-free number for further information. It raises awareness of the subject, makes women understand that it’s okay to have thinning hair, and that it’s okay to treat it. Perhaps the ad should suggest women consult a physician first, even though a prescription isn’t required (until recently, in fact, they had to get a prescription).

Exercise 13: Types of Consumer Purchasing Decision Situations

In-Class Applications

1. Answers will vary widely, but make sure students are able to explain their reasoning. What are the influences of marketing in each case?

Examples that college students might give:

Complex decision making: Cars, stereos, and clothing.

Repeated problem solving: CDs, sporting goods, rock concerts, restaurants, clubs, and various types of gifts for boyfriends/girlfriends.

Impulse purchasing: Snack foods, magazines, and credit cards

Variety seeking: Food at the cafeteria, perfume and cologne, snack items

Brand loyalty: Radio stations, beer, soda, clothing.

Inertia: toiletries, cleaning supplies (assuming at least some of them do some kind of cleaning!)

In most cases the level of decision making and degree of product involvement should match the paradigm, but there can be exceptions, and these should be discussed. For example, credit cards could be purchased on impulse due to a sign-up booth on campus even though there is a moderate level of involvement. Or, restaurants, rock concerts, and movies might fall under *variety seeking* even though they aren’t low involvement. Too, look for differences among students. For instance, toothpaste can be purchased out of inertia as well as brand loyalty.

Probe students for *why* they buy that way. Some examples:

Impulse purchase: A CD. Due to a display, music playing in the record store, a friend’s suggestion, money burning a hole in the student’s pocket. A record company could move you to *brand loyalty* by getting you to join a “club” which offers frequent buyer discounts. A marketer of a different style of music could pitch

their music as cool, encouraging *variety seeking* (This has happened for Robert Goulet, whose music is purchased by devotees of alternative rock.)

Brand loyalty: A favorite candy bar, due to strong preference. There is also likely to be occasional *variety seeking* so the student doesn't become sick of one particular brand. A marketer of a competing brand of candy bar could induce a brand switch (which could turn to loyalty) by developing a candy bar which has a hook (e.g., same flavor but low fat or low calorie), offering a special introductory deal, and crafting a powerful brand image. This could move the student from brand loyalty to loyalty to the new brand, to dual brand loyalty, or even company loyalty (loyalty to all the brands in the company's candy product portfolio).
Inertia: A box of tissues. A student would habitually buy the same brand when she runs out of tissues for reasons such as convenience (the only brand available at the university bookstore), a low price, or adequate satisfaction (hardly ecstasy!).

2. If consumers seek a variety of tastes, styles, scents, and such, a marketer is wise to offer that variety, usually using product line extensions. If offered under one brand name, consumer confusion (due to brand name proliferation) shouldn't be a problem, although some consumers who have difficulty making decisions might be overwhelmed by the choices. However, if most consumers truly want variety, such marketers are simply satisfying their desires and are thereby practicing the marketing concept. That's hard to argue with!

3. Whether impulse triggers such as in-store displays, in store samples (e.g., perfume spritzers), and the like are manipulative or just influential depends, as former President Clinton would say, on how you define your terms. Manipulation suggests violating consumer sovereignty. But, the consumer is in control of her in-store decisions when faced with these impulse triggers—the store manager isn't holding a Colt 45 to her head. Influential? Yes. In fact, impulse triggers are usually informative—they help the consumer to learn about the search or experience qualities of goods.

5. These scenarios don't have clear-cut answers. Each one requires the researcher to use only one of several possible measures of brand loyalty. Whether the consumer is loyal according to the particular measure being used depends on your cutoff point for determining loyalty—for instance, what proportion of purchases constitutes loyalty?

a. *Proportion of purchases or share of category requirements method*. We can at least say the consumer is *multiple brand loyal* (triple brand loyal). Whether one brand receiving 70% of the purchases is good enough for brand loyalty is a judgment call.

b. *Brand choice sequences method*. Again, we could call this triple brand loyalty. Since no brand is purchased more than twice in a row, there doesn't appear to be loyalty to any one brand, although Candee bar is purchased half the time (proportion of purchases).

c. Looking only at behavioral data (either *proportion of purchases* or *brand choice sequences*), it appears that Jack is very loyal, buying one brand continuously (while seeking flavor variety within that brand). However, the *brand tradeoff analysis method* shows that, while ordinarily Jack pays up to a twenty-five per cent premium for his brand (which isn't quite as large as the average of 30% that national brands command over private label brands), a one-dollar off coupon is probably equal to about one-third the purchase price on a typical box of cereal. So, his loyalty does have its limits (as does most brand loyalty), but it seems quite strong nonetheless.

d. *Customer satisfaction (attitudinal) data*. He seems to be quite satisfied. However, we are lacking behavioral data—we only know that the brand was his most recent purchase. He might be even more satisfied with another brand that he regularly buys, and if so, he is not brand loyal to Teenee Tinee brand.

6. Analysis of Ads

Ad #1—*HiltonHHonor*. This is a fairly high involvement purchase, given the financial and psychological risks involved. Most people have stayed at such a hotel on a number of prior occasions, so it would typically be *repeated problem solving*, with consumers comparing and reevaluating options each time they travel. The ad recognizes this and offers an incentive to switch brands—their frequent guest program. They are thereby trying to induce *brand loyalty*. They could also try capturing variety seekers by offering innovative amenities, choicer locations, and other elements of improved product and distribution.

Ad #2—3com Audrey. The home digital assistant is a new product, so it would be a situation of *complex decision making*. The ad is appropriately educational, trying to build primary demand for such a product. It refers consumers to a Web site for further details. This is probably the only appropriate advertising strategy, although it needs to be supplemented with informed personal selling at retail.

Ad #3—Pepto-Bismo. This is a fairly low involvement product (although at the point of usage it could become highly involving!) that is routinely purchased with stockout in the medicine cabinet. Thus, they are targeting *inert* customers with this reminder ad, which is devoid of information and simply keeps the Pepto-Bismol name before the public. Maintaining a competitive price, and perhaps flavor variety, would also be helpful.

Ad #4—Adobe Acrobat. For someone new to the world of PC word processing software this could be *complex decision making*. For those who have previously purchased and used such software, it would be *repeated problem solving*, for Adobe has stirred up the word processing market with innovative software that has added security features (of increased importance since 9/11). Adobe is properly advertising the software by providing information and directing customers to a Web site for further details. Perhaps the ad should also offer price information and a toll-free number for those consumers who aren't yet on the Web.

Ad #5—Quaker oatmeal. For this moderate to low involvement product there is typically *variety seeking*—oatmeal can be pretty boring without it. The ad effectively appeals to the consumer looking for a change of pace by offering a new, innovative flavor. Simultaneously, they are appealing to *brand loyal* Quaker consumers by adding variety. For the brand switching variety seekers, a coupon could be a nice added inducement

Ad #6—Purina Special Care. The ad appeals to *repeated problem solving* customers by making them aware of problems they might not have realized can be solved through the pet food they feed their cat. This could even be targeting consumers *brand loyal* to competitive brands. In either case, they are providing desirable information to induce a purchase, or at least a visit to their Web site for further details. If they offered a free sample, this could appeal to skeptical customers.

Exercise 14: Problem Recognition

In-Class Applications

1. Students will have fun telling you about their unsolved problems and unsatisfied needs, although for some it might take a bit of probing. You might want to get the ball rolling by sharing your own wish lists with them. For instance, Lantos hates the idea of a huge, thick Sunday newspaper that costs \$2.00—he doesn't have the time or money. How about a nice, thin, 35-cent paper that won't consume half of your day reading? The product concept could be: "A 35 cent Sunday newspaper (product form) that will save you time and money (function), allowing you to spend your Sunday doing other important things like attending worship services and fun things like taking your family out to the park (benefit)."

The sources of student problem recognition could stem from *opportunity recognition*:

- Life circumstances can change. For instance, they become seniors and realize they'd better get moving on their job search.
 - Individual development. They start to really enjoy their major and find themselves doing outside, voluntary reading related to their chosen discipline (and possibly future career). (Encourage them to sign up for student subscriptions to business and marketing publications like *Business Week*, *The Wall Street Journal*, and *Advertising Age*).
 - They buy new products. A new laptop creates a need for a printer
 - Everyone else on campus is participating in the latest craze, so they must too.
- Need recognition can also occur:
- Assortment depletion. They run out of mouthwash
 - Dissatisfaction with a current purchase. The local pub just isn't what it used to be.

- An upgrade in finances. Parents send an unexpected check, raising the prospects of whooping it up in a bit more style on the weekend.
- Boredom leads to students doing dumb things they regret in the morning.

Here are a few other examples of product concepts suggested by problem recognition:

- A telephone (form) that is portable (function) to allow consumers to communicate from any location (another function), providing freedom and security (benefits).
- A miniature plastic film (form) that is placed directly onto each eye (function) to eliminate the need for consumers to wear eyeglasses.
- Snorp Natural Aromatic Mouthwash Concentrate (brand name encapsulates the product form) which helps eliminate snoring noises (function) by temporarily “freezing vocal cords through its multihydroxyl formula (technology), enabling everyone in the house to get a good night’s sleep (benefit)

Examples for students might include

- A snack chip (product form) that gives you energy to pull an all-nighter (benefit) without needing to take sleeping pills (function)
- A pill (form) that can be easily digested with meals (function) that will increase your studying capacity and retention level by 10 per cent (benefit)
- A skin cream (form) that enhances your appearance (function) making you more attractive to the opposite sex (benefit).
- Slager beer: A lime-flavored, green lager beer (form) made with a totally new brewing technique (technology) that recaptures the taste enjoyment of the 1800s (benefit) and is perfect for your Saint Patrick’s Day parties.

2. Whether marketers can really create problems and manufacture wants has been debated through the years. The book presents the marketer’s viewpoint, which the authors subscribe to. Critics reply that without all of the advertising and other marketing efforts, consumers wouldn’t demand all of the products that they do. The purpose of marketing is supposedly to create a cultural environment where people “need” things to fill the vacuums in their lives. And, things never satisfy—the grass is always greener elsewhere, which creates an automatic need for bigger, better, newer things. We saw this when we looked at the Marshallian model of consumers—needs and wants are insatiable.

However, wants aren’t for products—products are for wants. Marketers don’t create wants—they create want satisfiers! What marketers do is convert generic wants into product- and brand- specific wants. There is a difference between “making” you buy and presenting a product in an attractive way to increase desire for it. While advertisers do tempt us, it is our free will that decides whether or not to yield to the temptation. New “wants” have always been “created” by the invention of new products, be they the first bow and arrow, perfume, or painting. But, in each case there was already a desire (for food or protection in the case of the bow and arrow, and appealing more to men in the case of perfume)—the issue was how to best satisfy the desire.

And, don’t forget that sometimes a business can go so far as to persuade you that you have a want you haven’t thought of yet—a *latent* or *covert* desire can be turned into a *felt need*. Marketers can tap into *inactive problems*—those that lie dormant in the consumer’s mind (vs. *active problems*). “Manipulate” suggests “control,” which is very difficult for distant marketers to do to their consumers. To some extent a parent can control his or her children, and a wife might be able to control some areas of her husband’s life, but in each case the “control” (if, indeed, that is the correct word) is permitted or at least tolerated by the child or husband.

Furthermore, where do we draw the line on “legitimate” vs. “false” and “wicked” wants and needs? Who are the elitists to say what our “legitimate” needs and wants are in a free society? Ultimately, it is the consumer, who is influenced (not “manipulated”) by a whole host of environmental forces we’ll study in the Sociocultural Influences section of this course, including reference groups, friends, family, teachers, and opinion leaders. To blame marketers first for our “unwise” purchases is to pass the buck of personal responsibility.

The case of oxygenated bottled water is one of those cases where consumer sovereignty might not hold water (pun intended), due to uninformed or misinformed consumers, as well as possibly deceptive marketing practices. The need for something to improve athletic performance isn’t “false”—it is genuine. However, if the product isn’t meeting the need and consumers are still buying it to meet that need, it is

either because they are ignorant and/or because marketers of oxygenated bottled water are pulling the wool over their eyes.

Bottom line:). Marketers stimulate, they don't create, demand. This issue is important for marketers, because if they think they can manufacture demand, they won't bother checking with the consumer before developing and marketing products, thereby practicing the *selling concept*. Knowledge of consumer behavior would, to a large extent, become irrelevant (and you've wasted a semester taking a useless course!) It is also important to correct the critics, privately and even publicly (e.g., via letters to the editor) so as to keep the marketing profession from getting a bad rap. Marketers have an interest in the credibility of marketing among the public.

3. Analysis of Ads

Ad #1—*American Plastics Council*: This *creates awareness of a need*, speaking to the problem of keeping food safe from spoilage, contamination, and tampering. This is *problem-solution advertising* that raises the problem and offers the solution (plastic food containers).

Ad #2—*Compaq Computer*: They developed and launched a new product to trigger *opportunity recognition*, causing the desired state (color PCs, not just boring beige). It is likely that some consumers were grumbling about how plain and boring PCs are, not at all matching the décor of our homes. The ad simply announces the new product, thereby *stimulating secondary demand*.

Ad #3—*Fidelity Investments*: This ad is clearly playing to *opportunity recognition*—the headline even speaks of “new opportunities.” The consumer need is for greater growth in her investments, and fidelity offers this through their mutual fund. They speak of the investor capitalizing on the trend of investing in growth companies with the freshest thinking, appealing to the consumer's desire to stay on top of and be involved with the latest trends.

Ad #4—*Toyota*: This ad also suggests *opportunity recognition*, because consumers are apparently raising their expectations for environmentally correct cars. Although it doesn't name the competitors, the ad builds secondary demand by claiming to be greener (more environmentally friendly) than competitive green cars. It also appeals to consumers who want to be at the leading edge of environmentally-friendly technology.

Ad #5—*Milk Processors*: *Opportunity recognition* is also suggested by this ad as it *makes consumers aware* of what might for some people be *latent problems*: making sure their kids' bones grow strong, and warding off osteoporosis. The solution is in regularly guzzling milk.

Ad #6—*Castrol GX motor oil*: The appeal here is more toward *need recognition*, targeting those who might be dissatisfied with their car's performance, possibly due to the type of oil they've been using. Thus, the ad *creates dissatisfaction with current brands* and suggests that using Castrol will solve the problems of loss of viscosity and thermal breakdown (whatever they are).

Ad #7—*Remington shaver*: All razor and shaver ads seem to offer the same benefit—a “closer shave” than the competition, thereby trying to build secondary demand. This appeals to *need recognition*—consumers aren't satisfied with their current brand.

4. Analysis of Websites

<http://www.ebay.com>—*Need recognition*—The website asks right away, “What are **you** looking for?” There must have been some need in order to search this site (unless you are just one of those web-fanatics who browse ebay for fun!).

<http://www.jaguar.com>—*Opportunity recognition*—Unless you are absolutely loaded with money, this would be considered a very infrequent purchase item. A consumer looking to buy a Jaguar either won the lottery, inherited a large sum, or (more likely) wants an upgrade.

<http://www.netgrocer.com>—*Need recognition*—This is your everyday “ran out of something” situation, except the online grocery shopping has not yet become very popular. If you are out of toilet paper, then just go online and it will be there shortly (let’s hope!).

Exercise 15: Information Search

In-Class Applications

1. Internal search would be more thorough and time consuming in the case of high involvement products (products that students perceive as being high involvement) compared to low involvement items. For high involvement products evoked sets tend to be larger (holding constant the *level of decision making*) and more criteria are used. Assuming the situation is not one of routine decision making (in which case the limited internal search would be followed by a purchase decision), under high involvement conditions the internal search would be followed by an in-depth external search (many sources consulted, lots of information sought, much time spent, many stores and/or Web sites visited, and many alternatives evaluated using numerous criteria). However, a more limited external search would be undertaken in low involvement situations.

In a situation of extended decision making (EDM), internal search would be minimal since the consumer has little or no information in her memory to search. In a routine buying situation internal search would perhaps be a bit more extensive, although here the consumer might just recall her usual brand, make a mental note to buy it the next time she shops, and be done with it. It would seem that internal search would be most extensive in a limited decision making situation (LDM) since she already has some information in mind to mull over but can’t arrive at a quick solution. Internal search during EDM and LDM would be followed by an external search or else putting the process on hold if there seem to be buying constraints or (in LDM) no acceptable alternatives. Routine decision making (RDM) internal search would be followed by a purchase intention to buy the preferred alternative.

2. The degree of external search will be much greater in high- than in low-involvement purchase situations since the benefits are larger. More informative sources will be used under high involvement, such as salespeople, professional advice, and neutral sources. In low involvement decision making less information is sought, and so less in-depth sources like media advertising, POP advertising, and sales promotions will suffice. Marketer-controlled sources would usually be more influential under low involvement conditions, since for really significant purchases like cars and appliances consumers gather most information from more credible sources like friends, professional advice, and neutral sources.

The degree of external search will be high in EDM, moderate in LDM, and minimal in RDM. Marketer-controlled sources would be more influential in EDM and LDM than in RDM simply because in RDM the buyer’s mind is already made up—marketing information is more of a reminder and reinforcement nature.

A third factor should also be kept in mind—the perceived variance among alternatives. Even if the purchase is highly involving and the consumer is ignorant, there will be little search if all brands are roughly equal since there is little to be gained by searching for a best brand.

3. It is difficult to generalize about the types of information sources that will be used during *ongoing/exploratory search*. Since the purpose is often to acquire information useful for future decision making consumers would tend to use the more informative and credible sources, such as word of mouth and neutral sources. For pleasure or fun, in-store sources like salespeople and point-of-purchase advertising, and on-line browsing sources might be preferred. If ongoing search is done more for pleasure than for possible future use, the information might never be employed to make a buying decision, whereas if it is done to gain information for a long-range decision it likely will have bearing on a purchase choice.

For *accidental/incidental search*, passive (vs. actively sought) sources would be used, such as broadcast commercials and outdoor billboards, word-of-mouth communication, and banner or pop-up ads on the Internet. Since accidental search information is usually low in information content, it probably won’t be very influential on an ultimate purchase.

Exercise 16: Alternative Evaluation: The Process, and Types of Evaluative Criteria

In-Class Applications

1. This question is designed to get students thinking about the four consumer research inputs described in the Exercise to better understand the evaluation process.
2. For athletic shoes, attributes that might be salient but not determinant could be strong shoelaces (if a consumer just broke a lace), number of lace holes (if the consumer had to recently lace up with a broken lace and couldn't get through all of the holes), washable (if this is what an ad recently seen discussed), and odor control (if a package recently viewed discussed this). Criteria which are important but not determinant could include color of the shoe, color of the sole, sizes available, material, how they tie (Velcro vs. laces), and perhaps style, if all brands are seen as delivering approximately equal performance on these criteria. Determinant criteria might be price, durability, comfort, fit, weight, traction, and support for arch and ankle if these criteria are both important and brands are perceived as delivering different performance levels on these criteria.

3. Analysis of Ads

In the discussion of these ads, whether criteria are important or determinant, and whether adding a discussion of additional criteria to the ad would be effective will be judgment calls. Be sure to have students distinguish between important and determinant attributes. Students sometimes have trouble distinguishing features from benefits. Remind them that features are intrinsic to or directly associated with the product, functional benefits are what the product does or how it functions, and experiential and symbolic benefits are how the product helps the consumer express her self image.

Ad #1—Neutrogena

The ad discusses the following evaluative criteria:

Features – oil-free formula, acne-fighting ingredient, contains Retinol, dermatologist recommended (an intangible feature).

Functional benefits – absorbs quickly, treats and helps prevent breakouts, boosts skin clarity.

Experiential/hedonic benefits – promotes softer, smoother, consistently clear skin and skin clarity.

Symbolic benefits – the picture perhaps implies that it will keep you young-looking and beautiful.

Other criteria the ad could have discussed:

Experiential/hedonic benefits – friends will marvel over your clean, smooth skin.

Symbolic benefits – a sexy (or other type of) brand image could have been promoted.

Means-end chain - oil-free formula (feature) – absorbs quickly (function) – yielding softer, smoother skin (hedonic benefit) – promoting youthfulness and cleanliness, as well as positive self esteem and popularity (implied values).

Ad #2—Braun Syncro System

Features – 4-way moving head that pivots to follow the contours of your face and gently oscillates from side to side; a Clean & Charge unit that automatically cleans it, dries it, and recharges the battery.

Functional benefits – captures more hair in fewer strokes.

Experiential/hedonic benefits – a long lasting, close shave with less irritation; no messing with little brushes or running it under the tap; leaves everything clean.

Symbolic benefits – none.

Other criteria the ad could have discussed:

Experiential/hedonic benefits - easy to use

Symbolic benefits - a brand image could have been built (e.g., very masculine, young vs. older users, etc.)

Means-end chain - 4-way moving head that pivots to follow the contours of your face and gently oscillates from side to side (feature) - captures more hair in fewer strokes (function) - long-lasting, close shave with less irritation (experiential benefit) – making you happier and more self-assured (implied personal value).

Ad #3—Dodge Caravan

Features – smart airbags, improved head impact protection, front-seat supplemental side airbags, redesigned armrests, big mirrors, safety-cage body structure, 3.3 and 3.8 liter V-6 engines, integrated child seat with child seat anchor system, power-activated sliding side doors, power-activated rear hatch, auto reverse system.

Functional benefits – protection to the head as well as chest area, improved side impact protection, help avoid accidents from sneaking up behind you, surrounds you with protection, large window openings, makes merging and passing safer and easier, reverses automatically if an obstacle is detected.

Experiential/hedonic benefits – more peace of mind, greater visibility in all directions, engine feels smoother, quieter, and more powerful, merging and passing safer and easier.

Symbolic benefits – none.

Other criteria the ad could have discussed:

Features - styling.

Symbolic benefits - e.g., the all-American family minivan.

Means-end chain - various features listed (features) – promote safety (function) – giving you peace of mind (experiential benefit) – so you can be calm and self-assured (implied personal value)

Ad #4—Rembrandt toothpaste

Features – clinically proven (intangible attribute), low abrasion formula

Functional benefits - reduces plaque and tartar, fight cavities, freshens breath, whitens teeth

Experiential/hedonic benefits – powerful yet safe

Symbolic benefits – none stated

Other criteria the ad could have discussed:

Features - specific ingredients could have been discussed (as in the Web ad for Rembrandt in Exercise 7).

Experiential/hedonic benefits - no worry about how your teeth look, fresh clean mouth

Symbolic benefits - clean, youthful mouth.

Means-end chain - low abrasion formula (feature) - reduces plaque and tartar (function) – leaving you feeling safe (experiential benefit) – promoting inner harmony (implied personal value).

Ad #5—Fresh Step Crystals

Features – crystals.

Functional benefits – locks in odors, eliminates odors.

Experiential/hedonic benefits – prevents worry about odors, allows you to express joy from a fresh litter box.

Symbolic benefits – none.

Other criteria the ad could have discussed:

Features – ingredients, color and shape of crystals.

Symbolic benefits – for cat/animal lovers.

Means-end chain - crystals (feature) - eliminate odors (function) - prevents worry about odors (experiential benefit) – allowing you to better express love to your cat and be joyful (implied personal values).

Exercise 17: Alternative Evaluation: Decision Models

In-Class Applications

1. Of course, it would be rare to find a consumer who sits down and calculates scores for each brand considered. However, for high involvement purchases such as major appliances or sports equipment,

consumers behave as if they use a compensatory decision procedure. Thus, for important buys, they do carefully evaluate brands on the determinant criteria, giving extra weight to the most important attributes. The product development and promotion strategies suggested in the Exercise should therefore be heeded by the marketer of products evaluated this way.

3. Analysis of Scenarios

a. *Conjunctive rule.* Cutoffs were established on several criteria, viz. very economical, sporty, and must have a rear defroster as well as a CD player. He would not settle for a car that did not meet ALL of these cutoffs. This strategy is appropriate for a high-ticket, high ego involvement product like a car, especially if used as the first stage of a phased decision strategy, since there are so many alternatives to choose from. It appears that the first stage of Ted's alternative evaluation process weeded out everything, and it was only by dumb luck that he happened upon the car of his dreams.

b. *Disjunctive rule.* There is one key criterion for which a minimal standard of performance is set—zoom capability. She has found several cameras that both have the zoom feature she wants. To decide among those options that meet her MAL on this one key criterion, she selects the one camera that is better on this feature than the others. Since there are so many important attributes on a camera that she ignored (such as those shown in Figure 17-4), this strategy is not generally recommended for such a high involvement purchase. Better would be a conjunctive rule using cutoffs for many criteria, an elimination by aspects rule that ranks zoom technology as the most important criterion, or a compensatory strategy which weights zoom capabilities very heavily.

c. *Weighted linear compensatory rule.* He has made a list of different features in colleges that he wants and has even given different weights to them. Rick then carefully rates each institution on each criterion. Some of the attributes seem to be of the type found in an *infinite ideal point rule* (e.g., price, strength of theatre program), while several others are binary (presence or absence of an attribute, e.g., coed or not). For a crucial decision such as where to go to college, such a decision strategy that seeks an optimal choice is definitely recommended.

d. *Disjunctive rule.* All that she cares about is strong memory capability, with a minimum standard on this one key criterion. For such an important purchase, a strategy that ignores the other attributes isn't recommended. Instead, a more involved process, such as a compensatory rule which very heavily weights memory capability or either a conjunctive rule with cutoffs on all criteria, or the elimination by aspects rule which puts memory capability as the most important criterion, would be advised.

e. *Elimination by aspects rule.* He rank ordered the attributes and weeded out alternatives that didn't meet his minimum standards, beginning with the most important criterion first. He then switched to a *weighted linear compensatory rule* to decide among the remaining three. This *phased decision procedure* is recommended for a high involvement product with many brands and many attributes, such as bikes

f. *Elimination by aspects rule.* He used a weeding out process, beginning with the most important attribute and eliminating brands that didn't meet his criteria. For a high involvement purchase such as a watch, this can lead to a near-optimal purchase.

g. *Elimination by aspects rule.* (Doesn't the same answer three times in a row scare students?). She used a process of elimination, beginning with the most significant criterion (price per ounce) and then going to the second most important characteristic (mysterious and passionate scent). This reasonably careful rule makes sense for such a high involvement product. On the second criterion, it could also be argued that she used *affect referral*, since whether a perfume has a mysterious and passionate scent is highly subjective and emotion-laden.

h. *Lexicographic rule.* She found an "instant winner" on her most important criterion, per cent fat/lean. Note that how it performed on the other criterion (price) didn't really much matter. This is a suboptimal strategy since it might result in only considering one criterion (unless there is a tie between two or more brands), but for something not too important, such as hamburger meat, it is probably okay.

i. *Conjunctive rule.* He has minimum standards of performance on many criteria. For an important purchase such as a car, this could be followed by use of a compensatory decision rule in a phased decision strategy.

j. *Elimination by aspects rule.* She rank ordered attributes by importance and sequentially eliminated those brands not up to snuff, beginning with the most important attribute. Since she is concerned about getting a good purchase, this is a good rule to use.

4. a. *Weighted linear compensatory infinite ideal point model.*

$$A_{\text{jax}} = (5 \times 2) + (3 \times 3) + (2 \times 4) + (3 \times 4) = 39$$

$$A_{\text{pex}} = (5 \times 4) + (3 \times 5) + (2 \times 3) + (3 \times 3) = 50$$

$$A_{\text{cme}} = (5 \times 5) + (3 \times 3) + (2 \times 4) + (3 \times 2) = 48$$

Apex will be chosen since it has the highest weighted score.

b. *Weighted linear compensatory finite ideal point model.*

$$A_{\text{jax}} = |5-2| + |5-3| + |5-4| + |5-4| = 7$$

$$A_{\text{pex}} = |5-4| + |5-5| + |5-3| + |5-3| = 5$$

$$A_{\text{cme}} = |5-5| + |5-3| + |5-4| + |5-2| = 6$$

Apex has the lowest score, meaning that it is closest to the ideal brand, and hence will be chosen.

Note that this is really an infinite ideal point model, since the ideal is on the high end of the scale (5) on all attributes. Thus, another way to compute the preferred brand would be to sum the belief scores for each brand, as in c.

c. *Simple additive model.*

$$A_{\text{jax}} = 2 + 3 + 4 + 4 = 13$$

$$A_{\text{pex}} = 4 + 5 + 3 + 3 = 15$$

$$A_{\text{cme}} = 5 + 3 + 4 + 2 = 14$$

Apex has the highest unweighted score and so it is selected.

d. *Conjunctive decision model.*

First, Ajax is eliminated because it falls short of the cutoff on maximum recording capacity. Both remaining brands meet the minimum on the monthly service fees and number of advanced capabilities attributes. But, Acme falls short on the on-screen program guide quality characteristic, so Acme is eliminated, leaving Apex to be selected.

e. *Disjunctive decision model.*

Trick question—a final decision can't be reached. Ajax is eliminated because it falls short of the cutoff on maximum recording capacity. Both remaining brands meet the minimum on the monthly service fees attribute. No other criteria have cutoffs, so another decision rule needs to be used to choose between Apex and Acme.

f. *Lexicographic decision model.*

Start with the most important attribute, maximum recording quality. Acme is the high scorer, so it is selected.

g. *Elimination by aspects model.*

Start with the most important attribute, maximum recording quality. Ajax is eliminated since it falls below the cutoff. Both monthly service fees and on-screen program guide quality are ranked second in importance. Both remaining brands meet the cutoff on monthly service fees, but Acme falls short on on-screen program guide quality. So, Apex is selected.

h. *Decision heuristic.*

“Buy the brand with the maximum recording capacity.”

Acme scores highest here, so it is chosen.

i. *Conjunctive model.*

Minimum cutoff levels are selected for each relevant evaluative criterion. Brands that don't meet each of these cutoffs are rejected.

j. *Elimination by aspects model.*

This is a weeding out model. Criteria are ranked in order of importance. Brands are compared on the first criterion, and those not up to snuff are eliminated. Then they are likewise compared on the second most important criterion and the third most important criterion.

5. **Analysis of Ads**

Ad #1—*Renova: Disjunctive model.* The ad focuses on two key criteria: ability to get rid of wrinkles and ability to fade age spots. The photos suggest minimum standards (“minimal improvement”) or cutoff levels of performance that the product can be expected to achieve. Since this is all that this product is supposed to accomplish, this seems like an effective strategy. They could have used a *lexicographic* approach, showing how Renova beats the competition on the key criteria.

Ad #2—*Flonase: Elimination by aspects model*. The ad begins with what are the most important minimal criteria in a nasal spray: the ability to get rid of nasal congestion, an itchy nose, a runny nose, and sneezing. Then, it looks at other, less important criteria which other nasal sprays can't all match, such as usable by children, not making users drowsy or keeping them awake, and being non-habit forming. Unlike competitive brands, Flonase passes all the hurdles. This fairly complex decision strategy seems appropriate for a high involvement medical product. By avoiding mention of other decongestants and their lack of performance on the criteria, they could have appealed to a *compensatory decision model*, showing their good performance on the various criteria.

Ad #3—*America Online: weighted linear compensatory rule*. The ad suggests that ease of use is the most important criterion (bold headline and repeated in the tagline in the lower right-hand corner), followed by new look and design, 24-hour customer service, security, parental controls. It is claimed that AOL scores well on all of these attributes, without making competitive comparisons. This is effective for this fairly involving product. They could also have effectively demonstrated how they blow away competitive online services via *the elimination by aspects model*.

Ad #4—*Crown Royal: Affect referral*. The ad is devoid of information and instead appeals to the feelings of love and enjoyment associated with the holiday season. No brand-attribute information is given. For such a hedonic product, this would seem appropriate. They could also have appealed to a *decision heuristic*, such as “Buy the high-priced whiskey,” or “Buy the whiskey from Seagram.”

Ad #5—*Mazda: Simple additive (equal weight) linear compensatory model*. The ad suggests good performance on all of the bulleted criteria. The headline and first paragraph also suggest the *decision heuristic*: “Buy a vehicle by Mazda, the company with a great heritage.” They might have been more effective by using a *weighted linear compensatory strategy*, highlighting a most important attribute, such as the power (although it could be argued that here the car's sportiness is the emphasized characteristic).

Ad #6—*Dentyne Ice: Affect referral*. The ad associates itself with a cool feeling and the experience of exploring ice caves—purely experiential. No brand-attribute information is conveyed. For a hedonic product such as this, appealing to such a decision rule is appropriate. They could have used a *disjunctive model* that focuses on the superiority of the product's taste.

Ad #7—*Static Guard: Disjunctive model*. There is one critical criterion here: the ability to eliminate static cling. The product meets this standard and so will presumably be chosen. They could also have used a decision rule that makes competitive comparisons, such as *lexicographic* (superiority on preventing static cling as the #1 criterion).

Ad #8—*Ferrero Rocher: Conjunctive model*. The minimal standards are “round, shiny, and gold,” which, technically, the product satisfies. Or, more seriously, the real minimal standards are “luscious chocolate, crunchy hazelnut, and crispy wafer,” which the product also delivers. There is also an element of *affect referral*, in that the illustration obviously works at an emotional level. Competitive superiority could have been discussed in an ad that uses the *lexicographic* approach.

Ad #9—*Refresh Plus: Conjunctive model*. The product meets the set standards on several criteria: ability to soothe and relieve dry eyes, plus protect from dryness, plus it is safe. They also appeal to a *decision heuristic*: “Buy the brand recommended most by eye doctors.” They could have used the *elimination by aspects* model, touting competitive superiority on each attribute.

Exercise 18: Alternative Evaluation Using Shopping Bots

In-Class Applications

1. Advantages of shopping bots for consumers, many of which are noted in the Background section:
- Convenience – readily accessible and easy to use.
 - Saves time – no need to visit multiple sites.
 - Saves money – Comparison shop by price.
 - Provides a breadth of information (bots comprehensive in coverage) as well as depth of information (bots that focus on a specific product range)
 - Free and easy comparison shopping
 - Neutral, unbiased information (although many are paid by companies and stores to get high listings).
 - Gives uneducated shopper (first-time buyer of a particular product) a perspective on prices. “What should I expect to pay?”
- Disadvantages of shopping bots for consumers:
- Information isn’t as in-depth on any one brand as compared with that found on a manufacturer’s or retailer’s Web site (although some allow you to link to these).
 - Criteria chosen by the bot might not be the same as your criteria.
 - Criteria aren’t usually weighted.
 - Brands in the evoked set might not coincide with the user’s brands.
 - Information on objectively verifiable data is useful but information on subjective criteria (experience attributes, such as how clothing looks on a person) is less helpful.
 - Not all companies are participating.

Written Application

Note: It will be easiest for you to assign one product category and three shopping bots to everyone. That way, you can easily perform the search yourself to answer the questions (answers will vary somewhat over shopping bots and product categories). However, students might find this unnecessarily restrictive and might resent having to “shop” in categories not of interest to them. If you permit them to freely venture out on their own, make sure they bolster their discussion with plenty of exhibits containing printouts from their search, so you can evaluate their discussion without doing each search yourself.

In general, across many shopping robots, here are our summary findings:

1. a. Most sites specify the criteria for you. Price is invariably included. Many refer you to store or manufacturer sites where you can obtain further details on other criteria and make a purchase, if desired.
- b. Bots tend to treat criteria as all of equal importance, although some (e.g., price), might be highlighted in bold or color, suggesting more importance.
- c. Sites generally list the brands for the consumer. Some allow consumers to search for specific brands too.
- d. Many different systems for presenting brand-attribute information are used. Some is quantitative and objective (e.g. 1-to-10 rating scales, number of fluid ounces), while others use more subjective qualitative information (e.g., evaluations of books and movies).
- e. Most shopping bots seem to assume buyers use a linear compensatory simple additive rule, using processing by brand.
- g. The bot concept is presented as a "convenience" to the shopper, but it also presents the marketer with an obvious opportunity to profile the shopper's interests and match these against demographic information. The shopper has a right to know and should be made aware that their information can (and will) be used this way. One problem is that privacy policy links are usually very tiny and appear at the very bottom of the welcome page. Thus, it is typically buried where Sally and Sam Sixpack won't know (understand, care?) that their personal habits are being examined.

Remind students of the sections on privacy on the Web from the section “The World Wide Web as an Advertising Medium.” There, it says that, “Information is sometimes collected with the consumer’s agreement, as when they fill out surveys or registration forms in return for receiving sales promotions like samples and electronic coupons. However, data is often also collected involuntarily without their awareness due to the use of *cookies*—tiny files placed on (downloaded to) users’ hard drives by Web sites they visit (usually without their knowing it) so that a Web site can identify a particular person—or at least a particular browser—the next time it visits a particular site. Cookies collect *clickstream information* on online consumer behavior (literally what buyers click on and where when online), including where consumers visit, how long they stay there, how frequently they return to certain pages, where on a site they click, and even their electronic address. They allow Web sites to give users different information depending on whether they are first time vs. repeat visitors. Cookies came about because Web sites needed

to recognize return visitors to offer them customized information and service. However, visitors are typically unaware of the cookies (unless they've programmed their computer to warn them when a cookie is about to be placed)."

While all shopbots have *privacy statements/policies*—disclosures posted on their sites about how the bot collects, uses, and shares consumer data with partners or advertisers and why it does so (with some tacking on certification seals from non-government organizations such as Trust-e), there are problems: they are often hard to find (buried deep inside the Web site), and are usually cumbersome to read (lengthy and written in legalese). Usually there aren't *opt-in provisions*, meaning that consumers have to grant permission before their personal data may be collected. Rather, the consumer is forced to *opt out*—request that their personally identifiable information not be used.

Students can evaluate the shopbot's privacy policies on the following ethical practices of the most ethical companies:

- Give notice - state privacy policies prominently and clearly on their site. Most shopbots bury them.
- Either don't share information, limiting its use to fulfilling the customer's transaction (e.g., eBay will not "sell, rent, or loan any identifiable information regarding our customers to any third party"), or let them know if the information is shared and with whom and for what purpose, and if so, get consent - making sure customers actively consent to sharing information, giving them the opportunity to *opt out* of the information sharing (using "I accept" or "I decline" buttons). Best is to let them "*opt in*" (data is automatically not shared unless they give consent) rather than have to "*opt out*." Parents should make these choice decisions for their children. Most shopbots distinguish between *personally identifiable information* (personal information)—information associated with the visitor as an individual, kept in a record with a customer number to supposedly provide the customer with better service, and *aggregate information (non-personal information, anonymous information)*—data that cannot be tied back to an individual but rather is combined to show big-picture statistics. However, if the customer doesn't want personal data shared, they must usually opt out by sending an e-mail to the shopbot.
- Provide disclosure - customers are given constant and complete access to the information the firm has on them and change them if they wish. Some shopbots give you the opportunity to click on a link to check your personal information and correct any inaccuracies.
- Provide security - keeps information out of unauthorized individuals' hands via passwords and other security systems for collecting, transmitting, and storing data. Most sites discuss the security measures they have in place, such as encryption and secure data storage. Most are members of TRUST-e.
- Ensure enforcement - meaningful action is taken if someone within the firm violates the security policy. This might mean termination or even reporting them to government authorities such as the FTC (consult your corporate counsel in these matters). This cannot be determined by visiting the sites.

You can play devil's advocate here. According to one article (Elizabeth Weise, "Privacy Options Are A Blur," *USA Today*, April 10, 2001, p. D3) most people no longer seem to care much about their privacy online. Only seven out of every thousand users have set their browsers to reject cookies. Although dozens of companies make programs that block cookies (as well as filter spam and porn plus protect our e-mail privacy), very few people bother to use them (although many might not be aware of how to disable cookies or of such programs). Even the easiest of all possible protections—providing a fake name or e-mail address to get access to a Web site requiring registration—was used by just 24% of those surveyed. (You can ask the class whether they think this is an ethical consumer behavior. We'd say that since it entails lying and deception, it is not).

Exercise 19: Decision: Store and Brand Choices

In-Class Applications

1. Because these are all very different types of "retailers," the criteria should vary fairly widely between them. In most cases students will cite price. Store image should turn up pretty high on most lists too. For clothing and records, a store's nature and quality of assortment should prove important. Customer service would be most critical for restaurants. Store personnel and clientele would loom larger for socially visible

purchases like a clothing outlet and a restaurant meal. Store personnel would be important for most professional service providers, as might be physical store attributes that shape the service provider's image.

The rest of the questions in this exercise are experience-based, and it's difficult to draw generalizations on the wide variety of answers you'll get. Creative application of concepts from the Exercise is, of course, the thing to look for.

Exercise 20: Postpurchase Outcomes

In-Class Applications

1. a. Postpurchase evaluation: She is experiencing *satisfaction* with the product—the way it has left her skin feeling soft and clean has apparently met her expectations and desires. Fantasia shouldn't take this satisfaction for granted but should work to have R&D continually improve the product's quality. For other brand users Fantasia should promote the product's fine performance, creating high yet realistic expectations. They can entice new customers with money-back guarantees and by getting testimonials in advertising from the likes of Meg. Competitive facial cleansing products need to try to do even better than Fantasia in all of these areas.

Postpurchase behavior: They have made *product disposal* a non-issue by making the product both reusable and recyclable, which enhances their value in the eyes of buyers like Meg. They encourage *repeat purchase behavior* in the form of an *upgrade* by offering a dollar-off coupon on the “deluxe” version. Presumably, buyers like Meg will buy it, like it, and repurchase it over and over again. The higher profit margins earned over time will then justify the up-front investment of, in effect, paying people to try the product (lifetime value of a customer). They have also been successful in stimulating *word-of-mouth* recommendations through product excellence.

b. Postpurchase evaluation: He is quite *satisfied* with the TV's performance, believing that it lived up to its promises. Also, Al's *dissonance* was relieved when he received the article in the mail (presumably it was the company which mailed this to him as an unbiased marketing communication to relieve doubt), as well as when Al's friends confirmed the wisdom of his choice. In order to alleviate further dissonance as well as to entice new buyers, Emerrex could tout their top-ten “rave review” standing in their advertising. Post-purchase behavior: *Consumer financing* was offered at a low 1.9% rate (sure beats credit card financing at 18 to 20%). Although they probably lose a little money on this (assuming the inflation rate is running at a normal 2 to 4% rate) the increased consumer satisfaction and sales should make it worthwhile. They also sold a *complimentary product*—the built-in PVR (offered in a bundled pricing strategy), which presumably earned them a little extra profit. Positive *word-of-mouth* ensued when Al had his friends over for the Superbowl TV party, and his friends thereby gained firsthand personal experience with the TV. Emerrex might wish to contact Al in a few years, inviting him to *upgrade* to the new 700Z model (or whatever), thereby keeping him as a loyal customer.

c. Postpurchase evaluation: Mark is experiencing *dissatisfaction*. The product is failing on the basic *instrumental performance dimension* of heating the food, falling short on both his desires and expectations. Equally bad, HotTop is refusing to respond to this *complaining* customer by either returning his money or making some other form of *restitution*.

Post-purchase behavior: HotTop's lack of responsiveness is working against them as Mark generates negative *word-of-mouth communication* about the stove. They should be concerned, as his next step could be one of any number of undesirable (from HotTop's perspective) actions, such as posting nasty messages on the Internet, suing, and reporting this incident to the Better Business Bureau and/or a consumer protection agency. HotPoint should check into why he's having a problem (it could be that he's not using the stove properly since it is apparently a new technology, and clearer product instructions or other forms of *consumer education* might be warranted), and, if necessary, offer him a replacement product or cheerfully refund his money. Competitors can have a field day if HotTop is up to their butt in Al Ligators (pun intended). They can take various strategies to *pursue competitors' dissatisfied customers*, like using advertising and personal selling to promote their product's superiority.

d. Postpurchase evaluation: The company has tried to enhance this by offering an extended *full product warranty*, so that if the product doesn't perform as promised, she will be compensated. They have also

done *customer satisfaction research* to discover her satisfaction with each of twenty attributes (although, given her unfamiliarity with several product attributes, the research's validity is suspect).

Postpurchase behavior: Mercantile is trying to stimulate sales of *complimentary products* (*crossselling*), *product upgrades*, and an extended warranty through their various offers in the mail. They used the warranty card to collect *customer relationship management data*.

If Candy is typical of other consumers, Mercantile is overdoing their relationship marketing and should cut back. Otherwise, they'll lose the lifetime value of their customers and generate negative word-of-mouth-referrals. Competitors could emphasize that they won't keep bugging customers with mail (and e-mail) offers, plus they won't invade customers' privacy with intrusive questions on warranty cards.

e. **Post-purchase evaluation:** They are *satisfied* (even *delighted!*) with the time the job took to do. However, they are *dissatisfied* with the job he did because he raised their expectations by assuring them of his fine workmanship and materials and then failed to deliver on these (bad *quality*) and ended up costing 10% more than they had expected. Also, he didn't help them with *financing* (for obvious reasons with twenty-twenty hindsight). They experienced further dissatisfaction when they learned that an acquaintance had a better job done for \$1,000 less. There is no *dissonance* because they were certain they had been shafted when they realized that the builder skipped town. Clearly, there are no efforts at *relationship marketing* here, nor will there be efforts to get *referrals*.

Post-purchase behavior: This is an opportunity for another builder who hears of the Dovers' misfortune through the grapevine to offer to repair the damage that has been done. Due to the Dover's sensitivity to poor work, this builder should probably offer some sort of guarantee or warrantee. *Customer referrals* will probably also be necessary to convince them. And, they would probably need help with the *financing*.

f. **Post-purchase evaluation:** Chip is *satisfied* with his purchase because of the low price and free *after-sales service* (500-mile checkup and visit by a service rep, probably resulting in *customer delight!*). They helped alleviate his *dissonance* (if any) with a *follow-up phone call*. They also offered a *chat room* where customers could confirm the wisdom of each others' purchase decision and consumer loyalty could be built. However, the fact that his car didn't receive the best ratings and that independent sources reported repeated ignition problems stirred up some *dissonance*.

Sportzkatz needs to respond to this by communicating to buyers that ratings in an absolute (vs. relative) sense are still high and that they will replace or fix any ignition problems for free.

2. Life insurance postpurchase outcomes:

- *Satisfaction* should exist with the policy since by law policies must be standardized to meet government requirements. However, service is the area that will affect satisfaction. The company can offer *money-back guarantees* or hassle-free *cancellation* any time and be available via a toll-free number, e-mail, or Web site to answer customer questions or concerns. They can also run *advertising* featuring consumer testimonials to bolster satisfaction and help alleviate any *dissonance*. They can also enlist support from their salespeople by linking bonus compensation to customer satisfaction with their rep's service. Avenues for *complaints* should be open.
- *Dissonance* might be an issue since this is a high involvement purchase with very similar (by law) alternatives made by the consumer's free choice. The insurance company can reduce dissonance by encouraging *salespeople to follow-up* after the sale to answer any questions or provide any needed support. *Ads* stressing the company's heritage, track record, etc. can be run. As noted, *money-back guarantees* (cancellation of the policy anytime) can be offered so that the purchase isn't irrevocable.
- *Complementary products* can be cross-sold, like homeowner's, car, and disability insurance policies.
- Future offers to *upgrade* the value of the policy or additional policies can be sold as a couple has children and/or an improved financial situation.
- Satisfied policyholders can be given incentives for *word-of-mouth referrals*.

3. Analysis of Ads

Ad #1—Neutrogena HeatSafe

- *Satisfaction* – The ad might be creating *unrealistic expectations* by calling it a “miracle product” and having satisfied customers give it such glowing reviews. They are showing *satisfied customers* to enhance credibility and reinforce satisfaction. Presumably, they are turning out a *quality product*. This ad also seems to be *pursuing dissatisfied customers of competitive brands* as well as non-users of the product.

- *Dissonance* – The simulated word-of-mouth testimonials are aimed at reducing doubt—this is a *reassurance ad*.
- They could also easily enhance *satisfaction and reduce dissonance* by offering a *money-back guarantee* and offering an *informational hotline or Web site*.

Ad #2—Andersen Windows

- *Satisfaction* – They seem to build high-quality windows. They also offer a *product warranty*. This ad also *targets dissatisfied users of competitive brands*.
- *Dissonance* – This ad would create *dissonance among competitive brand users* and *offers reassurance to this brand's users*. The toll-free number is available for *consumer information* to further reduce dissonance.
- The company could also offer *after-sale support* and *follow-up efforts* with recent buyers to learn of satisfaction and any problems and to reduce any dissonance. Ads could feature *satisfied customers* to do the same. They could also solicit *referrals* from satisfied customers.

Ad #3—Viagra

- *Satisfaction* – The ad assures buyers of product *quality* by discussing various aspects of the product's performance. It also creates *realistic expectations* by discussing side effects (*two-sided advertising*). Consumer *education* on proper product usage in this ad and on a web site can further enhance satisfaction.
- *Dissonance* – This ad reduces doubts in current users by offering additional information and reassurance that it is extensively tested and works well.
- To enhance satisfaction and reduce dissonance, *satisfied user testimonials* could have been given and a *money-back guarantee* could have been offered. *Customer satisfaction surveys* could be conducted to make claims more credible and make any needed product improvements. Setting up a product *chat room* could alleviate dissonance.

Ad #4—Monte Carlo

- *Satisfaction* – The performance is said to meet what you “require” (*desires*) and what “you’ve become accustomed” to (*expectations*). It might *overpromise* with claims of “the highest levels of refinement and comfort.” “We’ll be there” implies good *customer service*, found in the one-year service contract.
- To assure the buyer of satisfaction, they could discuss their *warranty*. *Dissonance* could also be handled in all of the typical ways, such as reassurance advertising, buyer's manual, follow-up personal contacts, and such, and *financing* could be extended, along with sale of automotive *aftermarket products*.

Ad #5 - Dell Computer Corporation

- *Satisfaction* – The product is said to meet consumer “wish”es (desires). Award-winning *after-sale service and support* are offered, as is a *warranty*. Claiming that the computer “has it all,” although perhaps it does offer great quality, might create *unrealistic expectations*. This ad might *enhance dissatisfaction or dissonance* among competitors' customers. The free Internet access should also enhance satisfaction.
- *Dissonance* – To reduce dissonance they offer *reassurance advertising* discussing their awards.
- After the one year of free Internet access expires, Dell probably offers to *sell an extension* of this service.
- They offer 90 days' free *financing*.
- To enhance satisfaction and reduce dissonance they should also offer easy ways for consumers to *complain*. They could help consumers with *disposal* by offering *trade-ins*.

Ad #6—Depo-Provera

- *Satisfaction* – *Quality* is assured as the product is 99% effective, i.e., very “reliable” and it costs no more than other birth control pills. Warning of side effects creates *realistic expectations*. Further *education* from one's doctor is recommended and further information is provided via the toll-free number to ensure satisfaction and proper product use. They are pursuing *dissatisfied competitive brand users*.

- *Dissonance* – This ad is targeted toward users of competitive brands experiencing doubts and “stress” (anxiety). With this product, there isn’t the daily worry about taking the pill. Further *education*, as just discussed, can also reduce dissonance.
- They could also enhance *satisfaction* via a *money-back guarantee*

Ad #7—Athena II

- *Satisfaction* –The ad might be *overpromising* by making bold promises (e.g., near 100% success rate). However, they do offer a *guarantee*.
- *Dissonance* – A 6-tape educational program and personal journal can help the user reassure herself.
- *After-sale support* and a channel to *complain* might be warranted to increase customer satisfaction. *Testimonials* of satisfied users could reduce dissonance. Perhaps a *chat room* or other support network for users could also alleviate dissonance.

Exercise 21: Components of Culture

In-Class Applications

1. Scenarios

- a. *Cognitive components: belief: cultural truism:* “The early bird gets the worm” is a bit of folk wisdom.
Cognitive components cultural value: punctuality
Cultural behavior: cultural norm: convention: To always be prompt for business meetings is an example of how to properly act in everyday life.
- b. *Symbol: product semiotics:* These “cool” products will symbolize his hipness and Big Man on Campus status.
Material component: Calvin Klein slacks and CK cologne.
Cognitive component: cultural belief: If you want to be important on campus only date the beautiful people.
Cultural behavior: cultural norm: convention: A prescription for everyday life is to dress nicely and smell nice for an important date.
Cultural behavior: cultural norm: custom: dating in college.
- c. *Material component:* Home entertainment center.
Cognitive component: cultural values: materialism, performance, change/progress, leisure
Cognitive component: beliefs: common knowledge: being technologically savvy is important.
Cultural behavior: cultural norm: entertain people in style when they visit your home; only buy the most technologically sophisticated equipment.
- d. *Cognitive components: cultural values:* punctuality, saving time, convenience, technological progress.
Cognitive component: beliefs: common knowledge: how to shop online.
Cultural behavior: cultural norm: convention: To always bring a dish or gift when you are invited to a friend’s for dinner is a prescription for everyday life.
Cultural behavior: cultural activities: working women.
- e. *Symbols: product semiotics:* eyeglasses and a pipe as symbolic of contemplative intellectualism.
Symbols: music: classical music as symbolic of scholasticism.
Material components: Eyeglasses, pipe, classical music collection, books, cap and gown (the latter are ritual artifacts).
Cultural behavior: ritual: academic convocations and graduation ceremonies.
- f. *Symbols: product semiotics:* Coca-Cola and Chevrolet, hotdogs, and Budweiser beer are all-American products, and McDonald’s and Sears are all-American stores.
Material components: Coca-Cola, Chevrolet, McDonald’s restaurants, Sears’ department stores.
Cognitive components: language: English-German dictionary and English language tapes.
Cultural behavior: rituals attending the ball games, standing for the national anthem, taking the seventh inning stretch, and root, root, rooting for the home team.

3. a. Grazing, unlike snacking, isn’t a nibble between meals; it’s a replacement for meals. Reasons include time-pressed lives, smaller households that cook less, less family togetherness, and cars becoming the mobile dining room.

All this suggests that people will have a less need for foods they buy in the supermarket and prepare for sit-down meals and more portable foods they can eat on the fly.

This creates opportunities for nutritious meal bars and other healthy portable foodstuffs purchased from grocery and convenience stores, takeout prepared foods from supermarkets and other venues, and other foods that are portable (e.g., bagels, not cereal, for breakfast). Fast-food restaurants should thrive, particularly their drive-throughs.

b. Downaging could result in toys for adults (e.g., video games, board games, stress relievers for the workplace), more juvenile-minded books, magazines, TV shows and other media targeting adults (e.g., cartoon shows like the *Simpsons*), and versions of teen products for adults.

c. More formal, individualistic, and expensive weddings raise all kinds of possibilities: wedding consultants, wedding planning books, themed weddings (fairy tales, movie sets, homages to favorite sports

teams, etc.), and weddings built around personal hobbies, careers, or ethnicities. New types of formal dress could be developed.

d. Simplicity should sell: simple magazines promising a simpler life, books about simple living, simple, easy-to-navigate Web sites, and simple products like Southwest Airlines, Volkswagen, and Papa John's pizza.

4. Analysis of Ads

Ad #1—*Lorillard Tobacco Company's Youth Smoking Prevention Program*

Symbols: The stork represents the birth of a baby. This symbol might not be recognized in all cultures.

The baby represents a new life, pure and innocent. The implication is that it's never too early to talk to kids about destroying their purity by taking up the smoking habit.

Cognitive components: cultural values: Family and children, good health. These are fairly universal values, although the unhealthiness of smoking is not highly regarded in many other cultures.

Cognitive components: cultural beliefs: cultural truisms: "Some things are hard to discuss with your child." Although this is probably widely recognized, there are some cultures in which children aren't reasoned with—rather, they are just lectured to or not told important things at all.

Cognitive components: cultural beliefs: The ad appeals to and enhances the belief that cigarette smoking is a negative, dirty, irresponsible, unacceptable habit. On the other hand, in France and some other European countries, smoking is considered chic and highly fashionable.

Cognitive components: myth: the stork brings newborn babies. Like babies being picked in cabbage patches, this myth probably doesn't exist in many other cultures.

Cultural attitudes: Attitudes toward smoking have become very negative in the U.S. in recent years. They aren't nearly so in many other societies.

Cultural behavior cultural norms: Smoking has become largely taboo in American society but is still socially acceptable in many other countries.

Cultural behavior: mores: In some households discussing smoking might be a taboo which the ad is trying to break.

Cultural behavior: legal codes: Selling cigarettes to minors is illegal in the U.S. Laws vary by country.

Ad #2—*Purina O.N.E.*

Symbols: Numbers: The number one represents "the best," probably so in most cultures.

Symbols: Animals: The dog represents "man's best friend." Most people think of their pet as a member of the family, honoring it on its birthday, thinking of themselves as its parent, and including the pet in holiday celebrations. Some other cultures don't consider dogs as pets—several even view them as a source of human food, and would look for a good-tasting dog rather than good-tasting food for the dog! Also, in some cultures, such as Africa, food labels denote what is in the container. The picture of the dog on the package might suggest that the bag contains dog meat! Too, in some cultures the lamb & rice formula would offend, as a lamb is viewed as a sacrificial animal worthy to be sacrificed to a god, not fed to a dog.

Material component: product semiotics The various meats represent quality, tasty, energy-giving foods for most Americans, who want their pets to have many of the same good things they have.

Material component: The doggie bag is probably a uniquely American institution (and should actually be called a "people bag" since people eat about 85% of what goes home in the bag from the restaurant).

Cognitive components: cultural values: The importance Americans attach to their pets is seen in this ad. Pets such as dogs are not valued as much if at all in some other cultures. Also, the importance of experiential learning for many Americans is captured in the tagline, "Discover for yourself." Perhaps in some other cultures this would suggest sampling the product yourself! Other values include quality and health, which are also important in many other cultures.

Cultural attitudes: American's love for pets (with dogs being #1) is reflected in the ad.

Ad #3—*Hefty trash bags*

Symbols: numbers: The number 7 stands for good luck, although this doesn't seem to be relevant here. (Maybe there is a subconscious appeal that you'll have good luck if you use Hefty and avoid the "tragedy" of broken trash bags?) Other cultures interpret this number in different ways, including as being unlucky.

Symbols: images: the Cub Scout stands for honesty, integrity, helpfulness, etc., all traits that the advertiser wants consumers to associate with Hefty. Cub Scouting is a uniquely American institution, and so this visual symbol would lack meaning in other cultures.

Cognitive components: cultural values: Helpfulness, dependability, convenience, cleanliness, and strength are all depicted. These are all pretty much universal values, and so they would travel well.

Cognitive components: cultural belief: A Cub Scout is helpful—this is uniquely American. Also, boys are messy—this is universal! And, “Kids will be kids!”

Cultural behavior: cultural norm: It is good for children to try to help their parents. This is even truer in many cultures where children are assigned more household responsibilities at an early age (economists would say that children in such societies are viewed as “production goods” or “economic goods” rather than as “consumption goods” as in our society).

Cultural activities: Cooking a meal for one’s family is still the ideal, although not to the degree it once was. This is even more important in many cultures.

Ad #4—Bounty towels

Symbols: images: There are several images that represent the Christmas holiday season, including Santa Claus’ glove, the Christmas tree in the background, and images on the paper towel, such as a stocking, presents, the snowman on the package, and the “Peanuts” icons Charlie Brown and Snoopy (associated with the TV classic “A Charlie Brown Christmas,” and *legends* in our own minds). Most of these images would be familiar in other Western cultures, although not in most Eastern societies. Bounty towels are a well-known product icon in the U.S., associated with being the “quicker picker upper.”

Material components: paper towels, napkins, plates, glasses, and home-baked cookies are all everyday cultural artifacts in most societies.

Cognitive components: cultural values: The ad illustrates cleanliness, beauty, speed, and convenience, most of which are important in most other world cultures too. The crass commercialization of our once sacred holidays is also represented. And the religious diversity of America is reflected in the term “the holidays,” which could refer to Hanukkah and Kwanza as well as Christmas.

Cognitive components: cultural beliefs: Being “home for the holidays” is a catchphrase in America but would likely be unfamiliar in most other cultures.

Religion: Although they have been secularized, Santa Claus and Christmas trees have their roots in the holiday that celebrates Christ’s birth.

Rituals: Christmas rituals like decorating the tree and baking the cookies have been illustrated.

Cultural activities: Leaving a glass of milk and plate of cookies for Santa is an American activity—perhaps some would even classify it as a ritual (like depositing carrots for the Easter bunny).

Ad #5—Lysol disinfectant

Symbols: The “No ...” sign (circle with diagonal bar) is universally recognized in most cultures. The lit front porch lights and solid-looking house both symbolize security and would be recognized in most societies. Lysol has become a product icon in the U.S. associated with disinfectant cleanliness.

Material components: The large home is a familiar sight in suburbia. It might come across as a mansion in many other cultures.

Cognitive components: values: Cleanliness (seems like everything is “antibacterial” these days!), security, family values, speed (Kills germs in “just 30 seconds”), and honesty (“you have our word on it”) are represented in the ad.

Cognitive components: common knowledge: it is widely believed (and, one would hope, true!) that hospitals are impeccably clean, and so Lysol points out how it is used universally in hospitals.

Ad #6—Egg Beaters

Symbols: There are many items found in a doctor’s office which symbolize good health: the scale, jars of cotton swabs and tongue depressors, eye chart, and picture of the food pyramid. These can also be classified as *cultural artifacts*. These would also be familiar in most other cultures. The color green is mentioned in its association with envy.

Cognitive components: values: Good health is appealed to.

Cognitive components: beliefs: The idea that eggs are unhealthy (high in fat, cholesterol, and calories) is mentioned. Whether this is true is somewhat debatable. Eggs aren’t a very high calorie food, and their healthiness along the other two attributes varies depending on which doctor you talk to or what the flavor-

of-the-week medical study has revealed. The ad also appeals to the notion that “thin is in.” These ideas wouldn’t be acceptable in some cultures in the Eastern Hemisphere where eating large quantities of food and being overweight are acceptable, and in cultures where people only eat fresh-farm eggs. At one time in the U.S. culture being obese was even a sign of good health!

Cognitive components: common knowledge: Americans are very aware of the dangers of high calorie, fat, and cholesterol levels in foods.

Cultural attitudes: Americans, much so than most other cultures, are very concerned with eating healthy foods. However, some other cultures consider it morally wrong to eat such animal products as eggs, and so Egg Beaters might have great appeal for that reason.

Cultural norms: customs: It is customary for Americans to eat eggs in their various permutations and combinations for breakfast (more so than in most cultures).

Ad # 7—LG cellular phone

Symbols: The cartoon graphic of the woman represents high technology.

Material components: Cellular phones became ubiquitous in our culture during the late 1990s and early 2000s. Once a status symbol (one company even sold fake portable phones called Cellular Phony during the early 1990s), today having even a multi-functional cellular phone is commonplace.

Cognitive components: values: The value we place on high technology is evident here. The acceptability of sexual polygamy is also evident.

Cognitive components: attitudes: the idea of having “different boyfriends” and being “naughty” demonstrates a more lax, permissive attitude toward intimate relationships. Other cultures with a stronger traditional religious base would find such an attitude unacceptable and possibly even evil.

Cultural norms: etiquette: Even though it is becoming more acceptable to have multiple significant others, there is a suggestion that such behavior is still considered socially unacceptable, i.e., “naughty.”

Cultural norms: mores: The morality of monogamy is on the decline, as evidenced by this ad.

Ad # 8—Swiffer Wetjet

Symbols: The picture of the old mop and bucket symbolizes the old-fashioned way of doing household work—getting down on your hands and knees and scrubbing.

Material components: the high-tech machine will perhaps soon become a staple in every household as Swiffer is “changing the way America cleans floors.”

Cognitive components: values: Appeals are made to cleanliness, convenience, and technological progress as well as social progress (less drudgery in cleaning).

Cognitive components: beliefs: The ad plays on a cultural *myth*—that

Cognitive components: beliefs:

Cultural behaviors: customs: Traditionally the norm handed down over generations was that scrubbing floors is “woman’s work,” although with “the next generation of floor cleaning” this might change.

Cultural behaviors: conventions: The traditional way of cleaning floors was with mop (or rag) and bucket.

Cultural behaviors: rituals: The nature of the ritual of cleaning the floor every week (month, or whenever) will never be the same.

Exercise 22: Cultural Artifacts: Creating a Time Capsule

In-Class Applications

1. and 2. Students will have a fun time taking a trip down memory lane for this exercise. A very useful Web site to learn more about cultural artifacts from any year is found at <http://www.dmarie.com/timecap/>. Here, you can input any date you wish and learn about popular songs, TV shows, toys, books, movies, etc. Doing this for each year, I was able to characterize the decades as follows:

2000s:

Songs—*Say My Name* by Destiny’s Child, *Smooth* by Santana, *Everything You Want* by Vertical Horizon, *Who Let the Dogs Out* by Baha Men, anything by Eminem, *American Idiot* by Green Day

TV shows—*Frasier, The X-Files, ER, Survivor, Big Brother, Friends, Who Wants to be a Millionaire?; The Osbournes, American Idol, Queer Eye for the Straight Guy, Trading Spaces.*

Movies—*Gladiator, Erin Brockovich Lara Croft: Tomb Raider* (also a video game), *Mean Girls, Spiderman, Lord of the Rings, Million Dollar Baby,*

Toys and games—

News reports on the 9/11 disaster, Asian Tsunami, the Boston Red Sox 2004 World Series victory as the first team in baseball history to come back from an 0-3 deficit in a playoff series, rallying to beat the vaunted New York Yankees 4-3 and then sweeping the World series for the first Sox title in 86 years.

Miscellaneous—a wireless laptop computer, fiber optic cable, a piece of rubble from the Twin towers patriotic memorabilia spawned by 9/11 (American flags, bumper stickers proclaiming “God bless America,” etc.), sport utility vehicle, Playstation 2 and Xbox video game systems and software, Tiger Woods Nike golf ball, DVD recorders, Palm Pilots, TIVO, Sobe beverage, clothing from Old Navy, Abercrombie & Fitch, and Gap, an Apple iPod digital music player, digital camera, camera phone, a satellite radio receiver, Blackberry wireless e-mail device, a household robot (such as the vacuum cleaner Roomba by iRobot), low-carb cookbook, poker chips, HDTV, Hummer H2. (As of 2005, much remains to be added to this decade

1990s:

Songs—*Tears In Heaven* by Eric Clapton, *Jump* by Kris Kross, *Macarena (Bayside Boys Mix)* by Los Del Rio, *I Believe I Can Fly* by R. Kelly, *You're Still the One* by Shania Twain, *Genie In a Bottle* by Christina Aguilera.

TV shows—*Seinfeld, The Wonder Years, Law & Order, Beverly Hills 90210, The Simpsons, Twin Peaks, Dr. Quinn, Medicine Woman, ER, Beverly Hills 90210, Roseanne*

Toys and games—*Sega Game Gear, Super Soaker, Beanie Babies, Mighty Morphin Power Rangers, Pogs, Nintendo 64, Tamagotchi, Tickle Me Elmo, Teletubbies, Baby Furby, Pokemon Trading Cards, Beanie Babies.*

Movies—*Schindler's List, Forrest Gump, Braveheart, Titanic, American Beauty, Armageddon, Independence Day,*

News reports on the Clinton scandals, the reunification of Germany, the fall of the Soviet Union, the Persian Gulf War, the Columbine High School shooting, the O.J. Simpson case, the Oklahoma City bombing, the Olympic Park bombing, and the cloning of the sheep Dolly.

Miscellaneous—a desktop computer, a cell phone, rap-inspired clothing styles (baggy pants, earrings, expensive jewelry, and expensive high-top basketball sneakers), grunge clothing (flannel shirt, worn-out jeans) and a “No Smoking” sign.

1980s:

Songs—*Another Brick In the Wall* by Pink Floyd, *Magic* by Olivia Newton-John, *Kiss On My List* by Daryl Hall & John Oates, *9 to 5* by Dolly Parton, *Jack & Diane* by John Cougar, *Billie Jean* and *Thriller* by Michael Jackson, *Like a Virgin* by Madonna, *We Are The World* by USA for Africa, *La Bamba* by Los Lobos, *Sweet Child O' Mine* by Guns N' Roses, *We Didn't Start the Fire* by Billy Joel.

TV shows—Final episode of *Mash, Cosby Show, Three's Company, Soap, Dallas, Magnum Family Ties, Hill Street Blues, Cheers; St. Elsewhere, Alf, Miami Vice, Married... With Children, Murphy Brown, MTV clips*

Toys and games—*Trivial Pursuit, He-Man and The Masters of the Universe, Cabbage Patch Kids doll, Atari video games (including Pac man and Mario Brothers), Nintendo Entertainment System, WWF Action Figures, Rollerblades, GoBots, Pound Puppies, Teddy Ruxpin, Care Bears, Pictionary, Teenage Mutant Ninja Turtles figures, Polly Pockets.*

Movies—*Raging Bull, Chariots Of Fire, E.T., Gandhi, Terms Of Endearment, Amadeus, Out Of Africa, Platoon, Rain Man, Driving Miss Daisy*

News articles on the Chernobyl meltdown, the Challenger space shuttle explosion, the assassination of Gandhi, and the discovery of the AIDS virus; Apple computer.

Miscellaneous: a piece of the torn-down Berlin Wall, a can of hair spray (big hair trend), a hockrey puck (symbolizing the America upset over the dominant Soviets)

Another useful Web site to check is <http://www.cnn.com/SPECIALS/1999/century/>, as it will take you through the decades of the twentieth century.

Public goods could include things like mass transportation systems (commuter rails, subways, buses, etc.), town halls, schools, libraries, sports fields, and city playgrounds.

Of course, comments on what these items tell us about society will vary depending on students' own attitudes and values. Personally, we find the popularity of songs like *Like A Virgin*, TV shows like *Married...With Children*, and toys like *WWF Action Figures*, says something about the degeneracy of much of modern society.

3. What you are really asking students to do here is play *futurists*—professionals who study trends, their extrapolation, and suggest implications for tomorrow. Trying to forecast future products can be done using a technique of new product development known as *scenario analysis*. This method forecasts future wants and needs or problems consumers will need solved. The procedure is to first, paint a future *scenario*—a description of plausible alternative projections of a specific part of the future. To do this, the product developers need to know about current relevant *trends*—various changes in the macroenvironment (technological, sociological, natural, industrial, economic, legal, and political). This knowledge comes from being aware of what's going on in the culture, from reading newspapers and magazines, watching TV and listening to the radio, and generally otherwise staying plugged in to what's happening in the nation and world. Second, the new product personnel study the scenario for future needs, wants, and problems. Third, they set about trying to develop a product to solve the identified issues.

For instance, some trends are: cars are becoming more computerized and automated; cell phones are becoming smaller, lighter, and multifunctional (e.g., used for getting e-mail and surfing the Web); and people are becoming more concerned about the lack of safety in trying to drive and speak on a cell phone at the same time. This might result in (and as of 2001 actually was producing) legislation to ban cell phone use in cars. The solution might be to develop a miniature cell phone that can become a component part of the car. Using electronic wizardry, we can have the car's computer dial up programmed numbers and allow the user to talk into a speaker phone so that she can talk hands free. How would this affect other cultural components? It might accelerate our cultural polychronic use of time (multitasking), encourage car producers to incorporate other electronic devices (like Internet access) into cars, and discourage us from spending our downtime in the car on other activities, such as listening to the radio and talking to other passengers. It might even become customary to do virtually one's entire phone calling in the car—in fact, phones in homes and offices might virtually disappear!

As another example, apartments twenty years from now might have lots of windows and sunlight streaming in. Furniture analysts might then recognize a need for upholstery that is more resistant to the sun. They would then set their R&D scientists to work on the problem. The success of such products could impact our culture by causing us to spend more time “cocooning” at home and less time outdoors, even in nice, sunny weather. Home entertaining might increase, signaling a boom market for home entertainment products.

Exercise 23: American Cultural Values

In-Class Applications

1. This question illustrates that there is not unanimous agreement within the culture at large on cultural values. Take a show-of-hands vote to see how many students hold to each set of values. Values on the left-hand side are so-called *traditional values*, generally subscribed to by people of strong religious faith and political/social conservatives. Values on the right, the *new morality* or *new values* are those generally championed by less religious or nonreligious people and by political/social liberals. A given person might also believe in a mix of values from each side, and would most likely be a religious, political, and social “moderate.” The clash in values between conservatives and liberals has been dubbed the “culture wars,” and it takes place on issues such as sexual morality, education, family, and the sanctity of life.

2. Analysis of Ads—Section A

Note: values will only be briefly described where first introduced.

1. Ad #A1—*La-Z-Boy*

- Limited family—Americans place high importance on children and their immediate family, providing for them, and enjoying time together. Most Americans' values are formed in a family situation, and

they realize that who they are as persons is at least partially shaped by the family environment. The ad emphasizes the importance of buying the right furniture to suit parents' children. It portrays family pictures to illustrate this, working primarily at an emotional level. Unfortunately, there is no verbal description of product features at all in this ad, let alone linking them to values. Just why the furniture goes well with your kids isn't made clear.

- The home—We highly value the home and making it an attractive and comfortable place to be. The ad demonstrates visually how the product contributes here.
- A world of beauty—Westerners value aesthetics (eye appeal), cleanliness, and order. The picture visually illustrates the tasteful appearance of the furniture and how it blends into a family room containing, toys, sippy cups, and other kid paraphernalia.
- Loving—This is a universal value (found in virtually all societies). The family photos are designed to illustrate the loving family setting for which the furniture is purchased.
- Comfort-and materialism—Americans value material comfort, and they often think (incorrectly) that a bigger or better-furnished house (along with a nicer car, more expensive clothes, etc.) will bring happiness. In this ad, the purpose of the products is not so much to be ostentatious but rather to provide material comfort for loved ones.
- Happiness—This is a universal value. The family pictures show one happy family, and the product is associated with this value.
- Activity—Americans like to keep busy and involved, viewing activity as healthy and necessary (“Don't just stand there—do something!”). The ad's photos portray the furniture as accommodating active families and the abuse that kids are likely to subject furniture to.

Ad #A2—America Online

- Individualism and self-reliance—Americans are highly individualistic—we like things tailored for us. The theme of the AOL ad is that it allows users to achieve an individual service just for them, allowing them to make a “personal connection.”
- Technology and progress—The product is pitched as helping users do better staying in touch with friends and family, getting shopping done, and learning about new things. The fact that it is the #1 online service implies that it is ahead of the technological curve. The ad implies that you are behind the times if you haven't “clicked” with AOL.
- Immediate gratification and enjoyment—Americans like to get their pleasures now and live for today. The ad emphasizes the easy access to everything you love, including the “instant” messaging feature. It promises things that will “fascinate and amuse you,” and consequently you will “enjoy yourself more.”
- Family and friendship—AOL's e-mail feature allows users closer contacts with these groups.
- Time orientation—Westerners don't look back; they look to the present and ahead to the future. Saving time and being prompt are critical, and because AOL is easy to use it will help you do that.
- External conformity—Americans are other directed, wanting to “fit in” and be accepted by others. We also want to “keep up with the Jounces.” The ad suggests you'd better get with it and purchase a subscription to AOL because “your friends are already there.”

Ad #A3—Jell-O pudding

- Family and children—The ad is loaded with grinning children, and actor and comedian Bill Cosby is closely affiliated with family values through the father figures he's portrayed on various family sitcoms. The product is “homemade,” evoking happy childhood memories.
- Time orientation/efficiency and practicality—The pudding is “instant,” taking just 5 minutes to make, saving the time and trouble of cooking.
- Health—Americans like to eat well while not compromising on flavor. This product is a “nutritious snack,” which sounds like an oxymoron.
- Friendship—This is a universal value. Bill Cosby and the kids' all appear to enjoy one another's friendship. The product is clearly one to share with friends and family members.
- “The Cos” in this ad. The ad suggests that Jell-O pudding will make you feel like a kid again.
- Hedonism—We like to play and enjoy ourselves. Jell-O pudding gives us permission to be playful with the product (“play with your food”).
- *Cultural diversity*—The ad features people of different races and ethnicities.

Ad #A4—AARP Health Care Options

- Health—The ad offers a service that provides affordable access to health care insurance, so customers with health problems can get the help they need to get back to good health.
- Practicality—Americans like goods and services that help solve their problems. AARP offers affordable, flexible options for making sure that potential health care needs will be satisfied.
- Freedom of choice—Americans like multiple options to choose from among (it's no longer just a vanilla and chocolate world). AARP offers "a variety of competitively priced products."
- Individuality—AARP offers "the coverage that's best for you and your budget."
- Helpfulness—We value helping one another and people who help us. AARP has thoughtful, helpful customer service professionals to serve you.
- Achievement and success—Americans like to work hard and achieve, and this often acts as justification for acquisition of goods and services ("You deserve it"). The ad urges you to check into the AARP program because "after all, you've earned it".
- Extended family and love—The ad features what appear to be a grandfather and his granddaughter. The implication is that he should guard his health, in part, for her sake, so they can continue to enjoy one another's company.

Ad #A5—Armstrong

- Material comfort—The flooring is meant to contribute to the "good life," not in a showy way but in an "understated," "subtle" way.
- Home—This product's colors, designs, and tones helps to making the home attractive and comfortable
- Mastery of the environment while maintaining a positive relationship with nature—Although the product's design is inspired by natural elements like rocks, trees, water, earth, and sky, it is manufactured using a manmade material, vinyl, so it doesn't harm the environment.
- Beauty—The flooring is "beautiful." The illustration helps convey this.
- Progress—The product has the new CleanSweep surface.
- Cleanliness—No vinyl floor is easier to clean. The kitchen in the photo is spotless, thereby visually conveying this message.

3. Analysis of Ads—Section b

Values found in most or all ads

- The most obvious core value which all of these ads share in common is *technological progress and innovation*. Technological advances fascinate western consumers, believing (usually rightfully so) that these improve the quality of our lives, allowing us to accomplish and enjoy more in less time. Technology must usually be marketed as "user friendly" and with a soft side or human touch.
- Closely related, most ads signal *societal progress*. The products represent an advancement in society, making tomorrow better than today. Claims such as "new," "new and improved," "better," "advanced," "revolutionary," "longer lasting," etc. are common. What is important to emphasize is not change for the sake of change (that can be scary for consumers), but change that satisfies needs and wants and makes our lives easier, not more complicated. The descriptions of the growth and development of the featured companies and how they continually improved their products also indicate progress.
- *Entrepreneurship* (an aspect of individualism) is also illustrated in each of these product success stories.
- *Efficiency and practicality* are emphasized in most ads, which offer products that help us get the job done in better and sometimes less expensive ways.
- *Trust in tradition*—These firms have all been around for many years, and consumers have grown to trust these household names.

Ad #B1—Maytag appliances

- Freedom of choice—Maytag offers a "full line of appliances" to choose from. This has become more important over the years.
- Family and home—The oven allows you to offer your family a choice, bringing them all together at mealtime.
- Cleanliness—The Atlantis "gets clothes clean and keeps whites white."

- Convenience—The machine makes life a lot easier.
- Quality and reliability—These are both American values as well as product attributes.

Ad #B2—Domino sugar

- Family—The business was “a family affair for five generations.”
- Freedom of choice—The ad demonstrates how this has become increasingly important to consumers, as “over the years the Domino sugar brand has continued to expand to offer more and varied sugar products to the American consumer.”

Ad # B3—Colgate toothpaste

- Health—This has apparently become more important. The early ads simply stated the product’s novel feature: “Comes out like a ribbon; lies flat on your brush.” Now, it is promoted to fight cavities, tartar, and bad breath, as well as plaque, gingivitis, and cavities.
- Wisdom—You will be wise to purchase Colgate since “today more American dentists and hygienists recommend it to their patients than any other leading toothpaste.”

Ad #B4—Jolly Time popcorn

- Family—It was a great-grandpa who invented this product for the young ones.
- Freedom of choice—This ad also illustrates how the importance of variety has increased over the years, from one basic type of popcorn originally many “exciting new products today,” offering “a product for every taste.”
- Pleasure—this is a product eaten for almost purely hedonic reasons: it is for “enjoying,” “fun,” and having a “blast.”

Ad #B5—Sun Maid raisins

- Family—Sun Maid is committed to the “family farm.”
- Pleasure—The product provides “succulent morsels of fruit we love.” The original focus was also on “appetizing, delicious.”
- Health and fitness—It is a “healthy snack” for the “fitness-conscious.” The original focus, however, was simply on cutting living costs.
- Freedom of choice—They have “over the years expanded their product offerings,” again suggesting the increased focus over the years on this value.

Ad #B6—Pond’s

- Beauty—this has always been Pond’s primary benefit.
- Youthfulness--Age Defying Complex “dramatically reduces the signs of aging.”
- Cleanliness—The Towelettes “clean gently down to the pores.”
- Natural—The products harness “nature’s gifts.”
- Change and progress—The products “meet the changing needs of women,” although examples are not given.

4. The cause-and-effect relationship between advertising and society’s cultural values has been debated over the years. It poses a chicken-and-egg riddle which will probably never be resolved, since there is no practical way to isolate the impact of advertising on social values from the influences of other cultural institutions, such as the family, schools, houses of worship, peers, the media (which advertising is a part of), the workplace, and government institutions.

Two articles which provide a comprehensive evaluation of the relationship between advertising and society are Geoffrey Lantos, “Advertising: Looking Glass or Molder of the Masses?,” *Journal of Public Policy and Marketing*, Vol. 6, 1987, pp. 104-128, and Richard Pollay, “The Distorted Mirror: Reflections On The Unintended Consequences of Advertising,” *Journal of Marketing*, Vol. 50, 1986, pp. 18-36. Lantos tends to ascribe less power to advertising than does Pollay.

Lantos sees the media as a less powerful influence on societal values than the family, schools, and peers. Generally, the most powerful forces are personal (e.g., family, teachers, friends, and work colleagues) rather than impersonal (e.g., advertising and the media, and government). Advertising, because of its well-known persuasive intent, is probably even less powerful in influencing behavior than the media environment in which it appears.

Furthermore, the *marketing concept* suggests that advertising should follow rather than lead consumers, as it tells the firm to discover consumer needs and wants (which originate in values) and then develop a product and market it in a way that appeals to those needs and wants and values. The most effective advertising reflects peoples' values, thereby appealing to them. However, the advertising mirror presents a distorted mirror of who we are, reflecting *ideals* rather than reality—it is a window on Main Street, showing not necessarily what our life is really like, but what we'd like it to be, which is consistent with our values. However, it only reflects values that serve the advertiser's interest, thus possibly excluding some values.

A case in point would be Martha Stewart, whom it is alleged changed American culture (prior to her 2004 conviction on lying to prosecutors about her insider trading of ImClone stock). She made homemaking worthwhile, setting standards of perfection for house, food, and garden. Before Stewart, discount stores were depressing places to buy cheap merchandise, not sources of style. She heightened Americans' awareness of design as critical to quality of life. But in so doing, did she not live up to our ideals and push us further in the direction of establishing the types of homes we'd like to have?

Another case in point: American marketers allegedly turned American from home cooking to convenience foods during the 1950s. After World War II, the food industry was totally geared up to produce frozen, dehydrated, and prepared food for the armed forces. The industry's goal was allegedly to change American cooking and eating habits so women would go into their kitchens and open boxes rather than cooking or baking from scratch. Products such as instant cake mixes, instant coffee, and frozen TV dinners were launched. But might not an increasingly affluent America already have been craving convenience?

In fact, Marshall MacLuhan once observed that 'historians and archaeologists will one day discover that the ads of our time are the richest and most faithful daily reflections on society ever made on a whole range of activities. This suggests, "Art imitates life." On the other hand, anthropologist Margaret Mead observed that advertising had lowered America's cultural standards. Adman Bill Bernbach said, "All of us who professionally use the mass media are shapers of society. We can brutalize it. Or, we can lift it onto a higher level." The debate rages on.

Exercise 24: Violating Cultural Norms

In-Class Applications

These are all examples of things where, as a beloved high school teacher used to say, "You just don't do it man!" Except where noted, these violate universal norms.

1. a. It is customary or proper elevator *etiquette* to stand silently and stare at one's shoes, the floor, the backs of fellow elevator riders' heads, or numbers of floors on the display in most Western cultures. In fact, much has been joked about this, such as a "Top 40 things to do in an elevator" list that was going around in e-mail (Blow your nose and offer to show the contents of your Kleenex to other passengers, bring a chair along, give religious tracts to each passenger, meow occasionally, Say "ding" at each floor, ask each passenger getting on if you can push the button for them, wear a puppet on your hand and talk to other people "through" it, "listen to the elevator walls with a stethoscope, shave, "start a sing-along, make explosion noises whenever anybody presses a button," etc.

In the scenario in the book, passengers would probably fidget, squirm and feel uncomfortable, wondering what you are up to. Some might even get off at the next available floor!

In fact, to capitalize on the awkwardness of standing with strangers in an elevator, Captivate Network has a deal with twelve of the nation's largest real estate companies to install 10-inch Internet screens in the elevators of 500 office buildings around the country. The screen runs 10-second blurbs on stocks, weather, traffic, sports, and news, and also provides—you guessed it—advertising space, the chief source of revenue for the venture. This has resulted in people actually talking to one another about what they see on the screen, taking a very awkward experience and turning it to something better. A marketer for this venture even claimed that some people would ride an extra couple of floors to finish reading a story. Advertisers literally have a captive audience. CNN Headline News is also available in a handful of hotel elevators.

b. This is anti-*conventional* behavior, at least in the U.S. If there are lots of empty seats, we tend to keep our distance from strangers. The reaction you get will be at least uneasiness. The other person might even get up and take another table. The awkwardness could be exacerbated if it is a person of the opposite sex.

c. This is a *convention* of how much invisible personal space we have around us (“territoriality”). This varies among countries, with the U.S. having much more (at about three to four feet of personal space all around us) than many European cultures, where it is only inches. Lantos once worked with a Swiss professor, who often made him uncomfortable by literally speaking almost nose to nose. What Lantos tended to do was back off whenever the Swiss prof would get too close, and this is probably what others will do too (especially if you have bad breath!).

Going back to elevator etiquette for a moment, try drawing a little space on the floor around you on the elevator and announce to the other passengers that this is your “personal space.”

d. Asking someone for his or her seat on a mass transit vehicle violates rules of proper *etiquette*. The other person might refuse, look at you funny, try to ignore you but feel uncomfortable, or even give in to your request lest you do them bodily harm. This behavior would be particularly egregious if a guy asked a gal for her seat. It wouldn’t be as bad if the beggar were on crutches or had some other visible handicap. It might be more accepted in cultures where there is strict social stratification, with those lower on the totem pole being required to relinquish seats to their superiors (a la Rosa Parks in the “dark ages” of U.S. pre-civil rights history).

e. This violates the normal dinnertime *ritual*. If your guests are polite, they might feel uncomfortable but go along. If they know you well enough, they’ll probably ask you what in the world you are doing.

f. This too violates mealtime *ritual*, not to mention the *convention* of accepting free meals from friends. It would also be bad *etiquette*, and this would be true in almost any culture. Your host would probably feel insulted and politely refuse. You could even spoil your friendship.

g. This violates the *convention* of reserving pajamas for bedtime, or at least only using them to schlep around the house. It is also poor *etiquette*. Your professor might not admit you or only do so reluctantly. Or, she could demand that you go back and get changed into proper dress. However, some students are wearing sweats to bed and coming to early morning classes in those, often with professors being unaware.

h. This violates proper *etiquette*. The other person might think you’re joking, you’re obnoxious, or you’re angry. They might, in turn, ignore you, frown at you, or even insult you back.

i. This idea came to the Lantos while sitting through a boring sermon. This violates *convention*, is poor *etiquette*, and breaks with *ritual*. You would probably offend other people, disturb their worship, and even be asked by an usher to leave or at least smoke outside. This might not be a problem in cultures where smoking is more prevalent.

j. Yuecchhh!! This violates *convention and etiquette*. The reaction you get might differ depending on whether or not the guests know what is going on and who they are. Close friends or relatives might not mind too much, especially if it is an informal meal and they are given advance notice. Less close friends and others might be offended, politely refuse, or just hold their nose and eat.

k. This is poor *etiquette* and violates the birthday party *ritual*. Your friend might acquiesce, protest, or ask you just what you think you are doing.

l. This violates *convention* and is bad *etiquette* (like allowing cell phones to go off in class). Your instructor will probably ask you to turn it off and might even dismiss you from class.

m. This is poor *etiquette*. Although the other party will probably try to politely ignore you, you probably won’t get the job and would possibly lose the respect of your faculty advisor.

n. This is poor *etiquette*. The other person might politely ignore you or ask if they can help you or what you are looking for. In any case, their esteem for you will probably drop a few notches. Perhaps this is acceptable in very informal cultures.

o. Bad *etiquette*. Your friends might not take you seriously, might be offended, could leave upset and angry, etc. This might be okay to practice by an aristocrat in some cultures in the presence of his or her social inferiors.

p. This violates the *custom* of only faculty frequenting the faculty lounge. You might be asked to leave, frowned at, or nothing at all might happen. In more egalitarian cultures this might be permissible.

q. To ask a virtual stranger an intimate question would violate *etiquette*—it would appear to be awfully nosy rather than just friendly.

2. Students can be encouraged to share tales from any experiences they have had in foreign cultures.

Exercise 25: Subcultural Segmentation

In-Class Applications

1. Analysis of Ads

Ad #1—*Betty Crocker SuperMoist*

Target: African-Americans—The models and language (“Mama”) demonstrate this.

The major ethnic appeals are the use of African-American models and the language (“Mama”). Otherwise, this could be an ad targeting the mainstream market. It seems designed to appeal to middle class blacks who are highly assimilated. The ad might have more appeal if it more directly connected with the African-American subculture.

This ad ran in *Upscale*, a magazine targeted to middle and upper-middle class blacks.

Generation X: The couple looks like they are in their early 30s, and he is old enough to still clearly remember Mama’s cakes.

Other than the use of age-appropriate models, there is little else in this ad that appeals specifically to Gen X’ers—no pessimism, cynicism, or cynicism. In fact, it is perhaps too much like a typical cake ad to appeal to this group, with the usual accolades to how “moist” and “delicious” the cake is.

Ad #2—*Yankee Action Card*

Target: New Englanders—An affinity card for New England would appeal most to New Englanders, many of whom have strong regional identification. The ad promotes travel throughout the region, although this could certainly appeal to non-New Englanders too.

The ad shows scenes appealing to some of New Englanders’ favorite pastimes: boating, eating seafood, and enjoying city living, although, of course, these have broad appeal too. Thus, this ad could have some crossover appeal too. Perhaps the ad would have more appeal if it appealed to regional food preferences (beans, chowder, fish, cranberries, etc.)

The ad ran in *Yankee* magazine, whose heaviest readership in New England (but which is also read by people in other areas of the country, notably ex-New Englanders who wish to stay in touch).

Ad #3—*Specialty Rosaries*

Target: Roman Catholics—Rosaries are a uniquely Catholic product.

The major appeal of this ad is through the product itself and the many varieties of it offered. The ad also points out the Catholic symbolism, such as the crucifix, the Virgin Mary’s image, and the bead reminiscent of St. Theresa’s sacrifices. These products would appeal to the subcultures of traditionalists and charismatics. Some of the items might have crossover appeal to conservative Protestants. The unique consumer behavior is the saying of the rosary, a uniquely Catholic custom.

This ad ran in a catalog by the Leaflet Missal Company, targeting Roman Catholics.

Ad #4—*In God we Trust (AFA)*

Target: Although this ad has broad appeal to many conservative religious people, reference to the “Judeo-Christian heritage” suggests that it is primarily of interest to the following sub-subcultures: traditionalist, charismatic, and evangelical Catholics, Orthodox Jews, and evangelical Protestants.

The appeal is to religious freedom and an appreciation for our nation’s Judeo-Christian heritage. There is also concern for the moral upbringing of the nation’s youngsters. The unique behavior appealed to is religious activism.

The ad ran in *The American Family Association Journal*, a magazine primarily targeting evangelicals of both Protestant and Catholic stripes but also appealing to some Orthodox Jews. The American family Association (AFA) is known for promoting social activism, such as boycotting sponsors of TV shows filled with excessive sex, violence, profanity, and negative stereotyping of Christians.

Ad #5—*Aricept*

Target: African-American Market—The models are black, although this ad also has mass market appeal because it is devoid of any ethnic appeals. In fact, the ad ran in *U.S. News and World Report*, a mainstream magazine. More identification with unique aspects of the African-American subculture might make the ad more appealing, although it might then lose its appeal in the mainstream market.

Pre-Depression and Depression generations—One of the models is a senior citizen, and Alzheimer's disease primarily afflicts senior citizens.

Ad #6—AARP

Target: Older Boomers—Although the models look like they might represent the Depression Generation and the AARP (formerly American Association of Retired Persons) is primarily associated with members of the two older generations, Older Boomers are now hitting their 50s and are also eligible for membership. Note that the ad says the two models are both 51.

The ad appeals to the now-more conservative values of the Early Boomers and their career focus, emphasis on the families they've established, as well as their individualism ("keep being yourself") and economic optimism. This ad would also appeal to the two oldest generations, who are even more concerned with community and traditional family values (although most are retired from business pursuits).

U.S. News and World Report carried the ad, perhaps in a demographic edition targeted toward older generations.

Ad #7—Regent University

Target: Evangelical Christians—the ad explicitly refers to building "Christian Leadership" as well as "Judeo-Christian faith."

Appeals are made to concerns of evangelicals: liberty, honor, and reclaiming the culture (from secular influences which exclude God), The ad might also appeal to other conservative religious subcultures.

The ad ran in *U.S. News and World Report*, suggesting that it was perhaps targeted more broadly than just the evangelical market.

Ad #8—New Comfort Bath

Target: The disabled market (Okay, trick question. This wasn't one of the subcultures discussed in depth in the exercise)—the pictures and body copy make it clear that this ad is targeting the physically disabled. They need products to make their lives more comfortable and to reduce dependence on able-bodied people.

The ad ran in *Reader's Digest*, a very mass market magazine. Thus, it is also probably intended to reach loved ones of the disabled, who can buy the product for them as a gift or recommend that they purchase it.

Ad #9—Levi's

Target: Generation Y—The ad features models in their late teens or early adulthood. The ad has an edge to it that should appeal to members of this generation, and it is devoid of any kind of sales pitch. The use of ethnic consumers will appeal to this generation, which is very tolerant of racial diversity.

Surprisingly, this ad also ran in *Readers Digest*.

Hispanics—Most of the models in the ad appear to be Hispanic, and Hispanics do skew young, so the models have appeal. The ad is very macho and tough, which appeals to this subculture. Hispanics tend to be very brand loyal to well-known names (such as Levi's). The ad might have more appeal if it ran in Spanish.

Ad #10—Clear & Clean

Target: Generation Y—The models are obviously members of this generation, probably being high school seniors getting ready for their prom.

The ad appeals to Gen Y's values of valuing friends and caring for others as well as individualism and personal style (note the difference in appearance of the two models).

This ad ran in a magazine targeted to teenage girls.

2. Marketers justify marketing "sin products," which can lead to addiction and health problems, with the argument that adults in a free society should be free to make decisions, even foolish ones, and therefore should be able choose to consume these products since they are legal, they can only harm the user, and

when used in moderation (except cigarettes) they do no harm. Also, the marketer should have the right to satisfy consumers' foolish desires and the First Amendment free speech right to make available marketplace information on these products via the marketing program; disallowing this would be censorship.

For most products, marketers are applauded when they target minorities (in fact, they're sometimes chastised when they don't!). Marketers claim that they're not initiating product consumption but rather are following existing usage patterns (targeting "heavy user" groups), giving users choices and encouraging brand switching. Ignoring these minorities would be insulting and would restrict their choices. From a consumer standpoint, targeting results in better satisfaction of needs and wants.

Thus, selling single cigarettes to those who can't afford to buy a pack is a service. Although marketing malt liquor as an aphrodisiac is immoral (it preys on women), this is true whether the target market is black, white, or green for that matter. Nonetheless, it is upsetting that the marketer attributed low moral sensibilities to members of this minority.

The argument used against such practices is that, like children, some of the elderly, and other segments, these groups are more "vulnerable," especially if lower in education and income, and therefore are unable to the same degree as mainstream consumers to make informed, rational choices. Many ethnic consumers are felt to be more gullible, inexperienced, or less educated and hence vulnerable to exploitation by unscrupulous marketers. They do often suffer more health problems related to consumption of these products than mainstream consumers do. However, this seems to be a rather condescending and paternalistic attitude that could perpetuate stereotypes of these groups being less capable. Unless they fall into one of the other more legitimate categories of vulnerable groups listed in the question (e.g., black youngsters or mentally handicapped children), they should not, in the authors' view, be singled out for attention. In fact, the same could be said for older people, i.e., those on the Pre-depression or Depression generations. Many are still mentally and physically healthy, and quite active to boot.

Exercise 26: Subcultures and You

If you elect to try these applications in class, you might wish to break the ice by first answering questions 1 and 2 for yourself. This should help break the ice and get the ball rolling for a class discussion where others open up and share. Don't forget to discuss the consumer behavior implications and applications!

Exercise 27: Social Class Segmentation

In-Class Applications

1. Analysis of Ads

Ad #1—*Tide with Bleach*

Upper-middle class and *middle class*. Appeals to the *upper-middle class* value of getting a good education for your children. These people have college degrees or some college themselves (they "don't need a Ph.D." to understand Tide's value). They also value the appearance (cleanliness) of products. The woman appears to be an active, take-charge type, possibly a middle class nontraditionalist or else traditionalist who values family and housework. It could also appeal to the respectability and family values of the *middle class*.

Ad #2—*National Enquirer/Star Magazine*

Working class. These magazines, typically purchased at supermarket checkout counters, drugstores, and newsstands, have a sensationalist and cheap entertainment appeal to this class, whose members often buy on impulse (such as from the supermarket checkout rack) and who crave something interesting (as these magazines promise) because their jobs are monotonous. The low price and "special offer" are also

especially appealing to members of this social class who don't have a lot of surplus cash to spend on entertainment. The magazines might also appeal to members of the *upper lower class*, since their behavior is often judged "crude" and "trashy," which is probably a fair description of these magazines "dishing the dirt." These stories appeal to the gullible: those of lower educational levels.

Ad #3—*Hartford Conservatories, Inc.*

Upper-middle class. The product is designed for those wishing to embellish their homes, which serve as a symbol of achievement. Housing quality and good taste are important ("elegant"). This appeals to America's "quality market," for whom (unlike the top two classes) price can still be an issue ("affordability"). "Dealers wanted" appeals to independent, successful businesspeople.

Ad #4—*Cascade*

Upper-middle class aspiring to lower-upper class. Although tongue in cheek, this ad does have a semblance of "snob appeal," featuring a visual of a lower-upper class household. However, those who do their own dishes, more likely members of the upper-middle class who aspire to join the ranks of the well-heeled someday, purchase Cascade. Thus, it has a bit of *upward pull* appeal to it. A timesaving product like Cascade would be of interest to the career-oriented women in this class. It does imply that the product is good enough for their fine homes, having the "quality" appeal they go for.

Ad #5—*Alpha Omega watches*

Middle class nontraditionalists and upper-middle class. This product is high-end jewelry, pitched with a status appeal as a symbol of wealth, and the watch seems to be carried by finer stores. However, it is not out of range for the *middle class nontraditionalist* who buys brands for their status. It also appeals to *upper-middle class* consumers who value the good taste and appearance of products, as well as upwardly mobile members of this class who aspire to the ranks of celebrities like Pierce Brosnan, who as a sophisticated, wealthy Englishman who plays the modern day James Bond, has an upper-crust cache. These people would also likely be overprivileged and thus have enough income to spend on luxury items.

Ad #6—*The Decorators Supply Corporation*

Lower-upper class, upper middle class and middle class nontraditionalists. This fine product might have some appeal to *lower-uppers* who want to display their wealth, although the "affordable" appeal might be off-putting. *Upper-middle* consumers are probably the prime market, for whom housing quality, good taste, and fine homes are all concerns, as might be affordability. The *middle class nontraditionalists* who focus on status and upward social mobility might also be interested, especially in the appeal to "do-it-yourselfers."

Ad #7—*CBS World Premiere Movie*

Working class. This sensationalistic show would most appeal to those looking to escape from the dull routine.

Ad #8—*Iberia Airlines*

Upper-middle class. The top two classes generally fly on private jets, so this ad would most appeal to *upper-middle* consumers, including those aspiring to the next rung on the public ladder. It would appeal to the frequent business traveler as well as those traveling on fine vacations. *Nontraditionalists* would fly for the status, while *traditionalists* would be more interested in the comfort. Both groups like the idea of saving money through frequent flyer miles, and they might be able to afford the upgrade to first class by using their frequent flyer miles. Sitting in first class is a way for the upwardly mobile to temporarily (for a few hours) achieve upper class status.

Ad #9—*Southern Accents magazine*

Middle class and upper-middle class. This is clearly an *upward pull* pitch to those whose tastes are moving upward (note the headline). It appeals to the *upper-middle class* values of good taste and fine appearance and to *middle class nontraditionalists* concerned with upward social mobility and status.

Ad #10—*State Farm Insurance*

Working class. Most people in higher classes own their own homes or live in luxury apartments (not next to “Bongo Bob”), so this ad doesn’t apply to them. Many working class folks rent apartments yet, unlike Lower Americans, they can afford insurance. It appeals to the working class desire for security for and protection of their possessions. Many people in this class have to use laundromats because they don’t own their own appliances.

2. A much-debated issue is whether or not social class distinctions are diminishing in the U.S. Those who say that we are heading toward the utopian ideal of a classless society believe we are seeing the massification of society, with the U.S. is becoming a middle-class society. They point to mass media communications, the democratization of information permitted by the Internet, equalizing of incomes by progressive income taxes, welfare programs, and philanthropy as well as increased access to higher education by the lower classes, upward social mobility by those on the bottom rungs of the social class ladder in this “opportunity society,” egalitarianism as a cultural value, and the militancy of and political power acquired by and consequent gains made by underprivileged groups such as ethnic minorities. This viewpoint appeals to America’s self-image as a classless society and land of opportunity for all, where the “American Dream” of upward social mobility can be realized through hard work.

Others argue that we are actually seeing a further distancing of the upper and lower rungs of the social ladder from each other, due primarily to growing economic polarization caused by: 1. highly skilled techies leaving other workers behind; 2. free trade, which depresses the pay of unskilled American workers, 3. increased immigration, which also depresses the pay of unskilled workers, and 4. the broad decline of American unions, which once represented powerful pressure for wage equality.

There is, in fact, some empirical evidence, based on household incomes, that the size of the middle class has shrunk as many join the growing ranks of the upper and lower classes, and that the 90s saw greater polarization of income in the U.S. than at any other point since the end of World War II, with the income gap between rich and poor continuing to widen during the 90’s (although not as fast as it did in the 1980s). However, due to productivity gains from education and technology, real median family incomes have risen over the past few decades (by 1.3% per year during the 90s for private sector workers), so it is false to say, “The poor are getting poorer.” On an absolute scale, almost all families are better off than they were 15 or 20 years ago in terms of real income—“The rich are getting richer, and the poor are getting . . . richer!” Also, on the whole, income and wealth are more evenly distributed in affluent capitalistic countries than in poorer third-world nations. Furthermore, although it is not widely reported because it would mean less tax money goes to “fighting poverty,” “the rich” and “the poor” are mostly the same people at different stages of their lives (ask your students where they stand right now—many will cry “Poor”). Many people embarking on the job market begin at the bottom 20% of the income scale but 15 or 20 years later have worked their way up to the top 20%. Nonetheless, as stated in the Exercise, more marketers are practicing *two-tier marketing*.

Exercise 28: Social Class and You

If you decide to try this exercise in class, you might wish to break the ice by first answering questions 1 and 2 for yourself. This should help get the ball rolling for a class discussion where others open up and share.

Exercise 29: Social Stratification Using a Multiple-Item Index

In-Class Applications

1. Student answers will obviously vary. Although this might make for interesting class discussion, the information might be too sensitive for many to share.

2.

A. Nan See

(a) Warner's ISC: $(4 \times 1) + (3 \times 4) + (3 \times 1) + (2 \times 1) = \underline{21} = \text{Lower-upper class}$.

Hollingshead's Index: $(7 \times 1) + (4 \times 1) = \underline{11} = \text{Upper class}$.

(b) These differences are relatively minor and are due to the fact that Warner's ISC includes source of income, on which she only scores moderate, as opposed to all other variables used in the indexes, on which she scores high.

(c) Answers for all three scenarios will vary slightly, depending on students' judgments, especially on the "house type" and "dwelling area" variables in the Warner's Index. Differences in student assignments of each individual to a social class should further highlight the subjectivity of using so-called "objective" multi-item rating indexes of social stratification. Where there is agreement among methods and between individuals (as is most likely to occur in scenario 2C below), we can confidently use these indexes to assign individuals or groups of people to social class target markets and direct appropriate marketing efforts toward them

(d) Here is Nan's description on additional socioeconomic variables not used in either of these indexes:

- Affiliations/interactions (her associates)—Manhattan Conservative Baptist church and of the Upper East Optical Society. Baptists tend to skew downscale but a professional society is upscale.
- Amount (vs. source) of family/household income--\$120,000 annually puts her in a top tier.
- Leisure activities—Shooting pool and gambling at the dog track are both downscale activities.
- Wealth—She owns a swank penthouse in Manhattan plus \$4 million in cash, putting her in the upmarket region.

(e) Altogether, these variables put her in the upper class, although her church membership and leisure activities prevent her from reaching the very top. She does have several decidedly lower-class tastes.

B. Manuel Labor

(a) Warner's ISC: $(4 \times 6) + (3 \times 5) + (3 \times 6) + (2 \times 6) = \underline{69} = \text{Lower-lower class}$.

Hollingshead's Index: $(7 \times 6) + (4 \times 1) = \underline{46} = \text{Middle class}$.

(b) There are wide disparities between the Warner's and Hollingshead indexes here because the latter includes education as a significant component, the only variable on which he doesn't score low.

(d) Here is Manual's description on additional socioeconomic variables not used in either of these indexes:

- Affiliations/interactions— The Kiwanis and golf are upscale associations.
- Amount (vs. source) of income--\$7.50 per hour gives him at a working class (upper-lower class) salary.
- Wealth and buying power—the BMW suggests he has at least some wealth, although he apparently has no home equity and the low wage gives him little buying power.
- Leisure activities—The Kiwanis and golf are upscale activities.
- Other material possessions—He owns a BMW.

(e) Manual's social class is somewhat difficult to judge. Warner's ISC says lower-lower class, Hollingshead's Index says middle class, and the other variables are all over the map, with a plurality being upper class.

C. Sonny Daze

(a) Warner's ISC: $(4 \times 1) + (3 \times 4) + (3 \times 6) + (2 \times 7) = \underline{48} = \text{Lower-middle class}$.

Hollingshead's Index: $(7 \times 1) + (4 \times 1) = \underline{11} = \text{Upper class}$.

(b) There is a rather large discrepancy between indexes here because the Hollingshead index uses the only two variables on which he scores high, occupation and education, while he scores low on most other variables.

(d) Here is Sonny's description on additional socioeconomic variables not used in either of these indexes:

- Amount (vs. source) of income—He makes a "handsome salary," suggesting he is upper class.
- Leisure activities—He spends a lot of time writing for professional journals and is President of a professional society, both upscale activities.
- Affiliations/interactions—Sonny hangs with his buddies at the local greasy spoon joint, a downscale activity.

- Wealth and buying power—He doesn't have two pennies to rub together because he gives away most of his salary, putting him in the lower class.
- Authority and power—given that he is a professor at a prestigious university and President of an academic society, these are high.
 - (e) Overall, the professor is an anomaly: he rates lower-middle class on Warner's ISC but upper class on Hollingshead's ISP. He rates very high or low on the other variables.
 - (f) There are several important limitations of the multi-item index method:
 - *Selection of variables* differs from method to method. This leads to a lack of concurrent validity (agreement in classifying an individual into a social class category). The variables chosen should be a function of the usual suspects: product, target market, and situation.
 - *Lack of status crystallization*. *Status crystallization* occurs when there is consistency in how one rates on the various socioeconomic factors. However, sometimes one rates high on some variables and low on others, such as a poorly paid medical intern, clergyman (hey—their reward is in heaven!), or college professor (sob, sob, poor babies!) or an uneducated, self-made man. Such individuals with status inconsistency don't fit any one particular social class profile. Thus, people behave in discrepant, nonconforming ways and/or a person's ratings on multiple variables are inconsistent. For instance, the *nouveau riche* often lack good cultural taste. This is best illustrated by the professor, and to a lesser extent by Manual Laborer.
 - Thus, the overall rating masks the influence of individual variables on consumption. For instance, overall the professor consumes at a lower class level, even though he rates very high on some variables.
 - *Subjectiveness* of individual raters (especially on house type and dwelling area). It is difficult, time consuming, and potentially inaccurate to rate things like a "fair" vs. "poor" house or a "low" vs. "very low" neighborhood. The ratings assigned are often a function of the rater's own social class. The best way to minimize or at least check for this problem is to use cross-validation by multiple judges.
 - Often only the adult *male wage earner* is rated, ignoring the wife or other family/household income earners. For instance, in the scenario in the Exercise, only Mike Raphone's data was used, while wife's information was neglected. The best solution is to use total household income and combine information on other variables where they differ between husband and wife.
 - Sometimes fails to *capture lifestyle* for the upwardly mobile, which is more a function of one's personal background from his or her growing-up years, education, and occupation than of the socioeconomic factors these methods mainly use (e.g., the Clampetts on "*The Beverly Hillbillies*" were hillbillies who struck it rich, moved to a mansion in Beverly Hills, but still ate possum pie and roadkill stew and referred to the backyard swimming pool as a "cement pond." This helps explain the professor's lower-middle class rating using Warner's ISC, despite his high occupational status, education, income, organizational affiliations, and authority.
 - One *single variable* might predict CB just as well, saving time, money, and effort.
 - They ignore *subjective social class/upward social mobility*—the upward pull of a consumer into a social class he or she would like to belong to.
 - They are *quantitative summaries*, lacking deep and rich insight of qualitative sociological methods

Exercise 30: Types of Reference Groups

In-Class Applications

1. If students are willing to open up and share, this can make for interesting discussion.
 - a. Probably friends and family will turn out to be the most common student responses. You could point out how some of the groups to which students belong relate to their subcultural groups (e.g., ethnic clubs, religious institutions, and student organizations) and social classes (e.g., community service organizations). You can also try using your consumer behavior class as an example of a social group. Are students loyal? (Hopefully they attend regularly).

Answers regarding why students are loyal to their groups will often be framed in terms of the three key characteristics of groups: frequent close interaction, shared ideology, and shared goals and needs.

- b. Answers regarding the three dimensions of groups can be related to the answers in c regarding the type of group. Members of your consumer behavior class probably all value learning about marketing and how to be more effective marketers and all will have the goal of earning a good grade.
- c. Most will be *membership groups, primary groups, informal groups, and contactual groups*
- d. The influence of the groups on marketplace behavior and strategies used by marketers in part d. can be related to the type of group in part c. and the dimensions of groups in part b. If nothing else, perhaps your consumer behavior class is getting students to be more aware of marketplace influences on them.

2. Scenarios

- a. (1) This is a borderline case. It appears that they *barely meet* the criteria for a social group; at least they are a small group, meet every week, and converse:
- *Interaction* as a friendship group only occurs on Saturdays during the fall, not on a regular, ongoing basis (although apparently they don't meet at all during the off-season)
 - *Shared ideology* is limited to the importance of soccer in their children's lives.
 - The *common goal* would be to have a good time and instruct the youngsters
It might also be interpreted to be a *social category*; soccer dads.
- (2) They would be a **primary group** since they are a small, close-knit group with fairly frequent one-on-one interaction. The shared ideology revolves around soccer. They would be an **informal group** as there is no explicit organization nor are there membership requirements.
- (3). Their reference person could be a famous soccer player or coach, or perhaps the head of the town youth soccer league.
- b. (1) Probably they *would be* a social group since they meet every week and converse:
- Regular ongoing *interaction* as a friendship group
 - *Shared ideology* probably revolves around the gossip and personal issues in their lives.
 - The *common goal* would probably be to learn to avoid the boredom of the Laundromat, develop friendships, relax, enjoy each other's company, maybe moan and groan about their husbands and kids, etc.
- (2) Although they apparently started off as a *social aggregate*, they would now be a **primary group** since they are a small, close-knit group with fairly frequent one-on-one interaction. Their shared ideology revolves around being mothers and wives as well as the latest dirt to dish. They would be an **informal group** as there is no explicit organization nor are there membership requirements.
- (3) Their reference person could be a celebrity, a prominent neighbor or townsperson, the principal at their kids' school—virtually anyone who influences their thinking and/or behavior.
- c. (1) This Bible study meeting *is* a social group because there is:
- Regular (weekly) *ongoing interaction* and interdependence
 - A *shared ideology*: belief in the Bible as the Word of God, desire to get close to Him, and conviction in the power of group prayer
 - A *common goal*: to learn about God's Word, get closer to God, and get answers to prayer.
- (2) They would be a **primary group** since they are a small, close-knit group with frequent interaction and a very closely held biblical ideology. Although they might have a leader, they would still be relatively **informal**.
- (3) Their reference person could be a pastor or priest, a TV or radio preacher, or even the Lord Himself!—virtually anyone who influences their thinking and/or behavior.
- d. (1) Probably these people are *not* a social group (unless, perhaps, they meet every day and converse at more than a superficial level) because they don't meet the three criteria:
- There is not regular *ongoing interaction* and interdependence
 - There is no *shared ideology* (except possibly the importance of their jobs)
 - There is no *common goal*; the only common goal would probably be to get home (preferably on time)
- Rather, they constitute a *social aggregate*—a bunch of people who just happen to meet five days a week.
- e. (1) They are *not* a social group because they don't meet the three criteria for a social group:
- There is not regular *ongoing interaction* and interdependence
 - There is no *shared ideology* (norms, values, beliefs, etc.)
 - There is no *common goal*
- Rather, they constitute a *social aggregate*—a bunch of people who just happen to be in the same time and place. They are also a *social category*—mothers.
- f. (1) They *are* a social group since they meet every day and converse on a particular topic.

- There is regular *ongoing interaction*
 - Their *shared ideology* revolves around managing employees and the company (company values, corporate culture, etc.)
 - Their *common goals* would probably be to build their friendships, relax from working, enjoy learning from one another, and perhaps moan and groan about workplace hassles and their superiors.
- (2) They would be a *primary group* since they are small and close-knit. They are an *informal group* since there is no formal structure, nor are there membership requirements.
- (3) Their reference person could be a senior manager, a well-known CEO, a sports hero they admire, etc.

3. Analysis of Ads

Ad #1—*Claritin Reditabs*

- a. Overall, reference group influence should be pretty *low*:
- Social visibility – Low, so social group influence is low
 - Nonnecessary item/luxury – It is not, so social group influence is low
 - Uniqueness of ownership – Low, so social group influence is low
 - Purchase confidence – might or might not be low, depending on prior information and experience (extended vs. routine decision making), so social group influence could be high or low
 - Relevance of product to group – Low. This is a personal product, so social group influence is low
- b. The people are “common people.” This works well for consumers with low purchase confidence, because if it works for folks like us, the product should work well for us too. We are supposed to be able to identify with their comments on what they can and cannot control. There is also reference “your doctor,” an expert.
- c. The couple featured would be a *primary group* (small I size, intimate), and an *informal group* (no formal structure),

Ad #2—*Weber grill*

- a. Overall, reference group influence should be fairly *high*:
- Social visibility - high, so reference group influence is high (notice all of the people in the ad)
 - Nonnecessary item/luxury - It is to some extent, so reference group influence is fairly high
 - Uniqueness of ownership – Moderate, so social group influence is moderate
 - Purchase confidence - Moderate, so reference group influence is moderate.
 - Relevance of product to group - High. The product is usually used with friends and family.
- b. The “*common man*” approach works well since we can relate to these people and aspire to have the good time they are enjoying.
- c. A family is a *membership group*, a *primary group*, an *informal group*, and a *contactual group* (assuming it is a happy family). This works well for a product used in informal, casual settings.

Ad #3—*Compaq* (Note; This is a business-to-business ad, not a consumer ad, but the same principles apply)

- a. Reference group influence would be fairly *high*
- Social visibility - High. The product or results of using the product would be visible to business peers and employees.
 - Nonnecessary item/luxury –Moderate. This depends on the nature of the business.
 - Uniqueness of ownership – Moderate. All large businesses have such technology, but it would be less common among medium and small businesses.
 - Purchase confidence –Low, so group influence is high.
 - Relevance of product to group - High. This is obviously needed to keep the business running smoothly.
- b. The folks in the ad could either be viewed as business *experts* who readers look to for advice, or as “*common men*” like them. In either case, the ad appeals to a sense of credibility.
- c. This is a *membership group* (members of a business team), probably a *primary group* (small and intimate), a *formal group* (since they are business people in a formal organization with formally defined goals, positions, etc.), and a *contactual group* (if people feel good about their business associations).

Ad #4—*Eckerd*

- a. Reference group influence would be *low*:

- Social visibility – Low, so social group influence is low. However, there is reference to friends and family being impacted.
 - Nonnecessary item/luxury – It is not, so social group influence is low
 - Uniqueness of ownership – Low, so social group influence is low
 - Purchase confidence – for some people this will be low, so reference group influence is high
 - Relevance of product to group – Low, so group influence is low.
- b. The doctors or pharmacists in the ad are *experts*. For medical products for which we lack purchase confidence using them can be quite effective.
- c. From a consumer perspective, pharmacists would be a *nonmembership group*, a *secondary group* (large and lacking face-to-face contact with most members), and a *formal group* (if they are organized in a professional association).

Ad #5—Breast Cancer Research Foundation

- a. Reference group influence would be *moderate*:
- Social visibility – Low, so social group influence is low
 - Nonnecessary item/luxury – It is not, so social group influence is low
 - Uniqueness of ownership (i.e., incidence of breast cancer) – Moderate, so social group influence is moderate
 - Purchase confidence – Low, so reference group influence is high
 - Relevance of product (worry about breast cancer) to group – High for family and friends, so group influence is high.
- b. The woman’s husband and child are “*common people*” which is very effective since these are her loved ones whom her breast cancer would affect.
- c. The family members would be a *membership group*, *primary group*, *informal group*, and *contactual group*. Mothers with breast cancer would be a *dissociative group*, i.e., the mother would wish to avoid joining this group.

Ad #6—Stouffers

- a. Reference group influence would be fairly *low*:
- Social visibility – Moderate, so social group influence is moderate
 - Nonnecessary item/luxury – It is not, so social group influence is low
 - Uniqueness of ownership – Low, so social group influence is low
 - Purchase confidence – High, so social group influence is low
 - Relevance of product to group – Moderate. This is served primarily to family members rather than to guests.
- b. The mother and children are the “*common people*” who will be consuming the product. Users can relate to them.
- c. If the group is the family, it is a *membership group*, *primary group*, *informal group*, and *contactual group*. The karate club members would be part of a *membership group*, *secondary group* (contains many small instructional groups), *formal group* (with ranks from white belt through black belt), and a *contactual group* (members feel good about belonging).

Exercise 31: Types of Reference Group Influence

In-Class Applications

1. a. Social groups, which most students will have in common, include families, college campus groups (dormmates, campus organizations, sports teams, classmates, etc.), and groups at their part-time jobs. Here are a few *examples for campus social groups’ characteristics*:

Values: Enjoyment of campus life, earning good grades, doing well in team sports, soaking up knowledge.

Norms: Tolerating roommates who stay up late hours, dating etiquette, proper classroom behavior, partying rather than studying on Saturday night.

Roles: Son or daughter, friend, student (even scholar?), member of the Marketing Management Association, officer within student government

Status: Freshman vs. seniors, professors vs. students, premed majors vs. undeclared liberal arts, Dean's List vs. academic probation, sports team captains vs. pickup game players, etc.

Socialization: Learning the ropes as a freshman regarding campus life (usually through a formal orientation program), succeeding academically, adjusting to a late-to-bed, late-to-rise schedule.

For instance, a marketer of a laptop computer could tie into all of these characteristics, showing how the product can achieve more professional-looking work (values), help a student pulling an all-nighter (norms), perform well as a student (roles), make Dean's List (status), and learn to succeed academically (socialization).

b. Examples of reference group influence processes for college groups:

Informational influence: The Marketing Club features speakers offering tips on landing a dream job and succeeding in business.

Normative/utilitarian/instrumental influence: Students join campus activities to make friends, become more popular, and beef up their resumes.

Identification/value-expressive/comparative influence: Students join an exercise class to gain an image as someone who is in shape.

For example, the laptop marketer could have students ("common man") or even professors ("experts") in an ad provide *informational influence* on how the product enhances their productivity, show students in a study or work team using their laptops, or the student without a laptop feeling left out (*normative influence*), and show how students using the laptop are perceived to be technically in-the-know (*value-expressive influence*).

2. Scenarios

a. *Normative/utilitarian influence:* There is *compliance*—he wants to gain the reward of making friends and having his classmates accept him because he fits in, as well as to avoid the punishment of having them shun him because he doesn't fit in.

Identification/value-expressive/comparative influence: He compares himself to his classmates and wants to fit in and be one of the crowd (similarity and maintenance of self-image). He has internalized his classmates' norms for dressing and accepted them as his own.

b. *Informational influence:* She leans heavily on her friend to give her useful bits of information on how to act in church.

c. *Normative/utilitarian influence:* He wants to gain the reward of making friends and having people accept him because he fits in, as well as succeed on the job.

Identification/value-expressive/comparative influence: He wants to internalize the corporation's norms (rules of conduct) as his own.

Informational influence: He wishes to gain knowledge of how to behave acceptably in the organization so as to get ahead.

d. *Informational influence* – She uses the training course and others' expert advice as potentially useful bits of information on how to do her job well.

Normative/utilitarian: It is possible that she wants to use this information to do a better job so she earns a good performance review and hence receives additional monetary compensation.

e. *Normative/utilitarian influence:* She wants to gain the reward of having people in the group like her, so she does what she thinks they would like her to do.

Identification/value-expressive/comparative influence: She wants to have the image of being a "fun" person.

f. *Informational influence:* He is using the behaviors of the managers as potentially useful bits of information on how to do his job well.

Normative/utilitarian: He wants to use this information to gain the reward of grabbing their job.

g. *Informational influence:* He is using the opinions of reference group members as potentially useful bits of information to succeed in college and at work (without really trying!).

Normative/utilitarian: He wants to use this information to gain the reward of succeeding at school and at work.

h. *Identification/value-expressive/comparative influence:* She is using the group members' attitudes and behavior regarding casual Friday dress as a guide for her own attitudes, behavior, and self-image.

Normative/utilitarian influence: Dressing down is shown by the group to be an acceptable social behavior that will be rewarded by fitting in.

3. Analysis of Ads

Ad #1—Budweiser

Social Group: Father-daughter dyad, or family

Values: Parental concern for daughter, responsible drinking and living

Norms: Responsible drinking and driving, parents do their homework

Roles: A good father teaches his daughter about responsible drinking and becoming a responsible citizen

Status positions: The father has more wisdom, knowledge, and authority than the daughter does (note how she is looking up to him)

Socialization: He is teaching her how to drink responsibly

Informational influence: Budweiser will equip the father with the necessary information, so that he, in turn, can equip his daughter

Normative influence: The father will be rewarded by not having to worry about his daughter drinking and driving. She will be rewarded for complying with her father's wishes by not getting into trouble.

Value-expressive influence: The father will maintain his image as a concerned parent, and the girl will maintain her image as a good daughter and wise, mature person.

Ad #2—Jockey

Social Group: Girlfriends

Values: Living life as an adventure, being comfortable

Norms: Being relaxed and fun-loving

Roles: Friends who are pleasant to one another because their underwear isn't bothering them

Status positions: No status positions portrayed. Jockey isn't a status symbol since the name isn't visible.

Socialization: None

Informational influence: These women are knowledgeable about what brand of underwear is comfortable ("Know what makes you feel good")

Normative influence: Listen to their advice and you will feel comfy

Value-expressive influence: You will be fun-loving and easy-going in your Jockey underwear

Improvements: They could also display the perils of uncomfy underwear

Ad #3—Chivas Regal

Social Group: Girlfriends

Values: Enjoying life, drinking responsibly (so you know when sharks are in the water?)

Norms: Being sportive

Roles: Friends

Status positions: None shown, although the brand has status

Socialization: None shown

Informational influence: Drink responsibly and you'll be in the know ("When you know")

Normative influence: Drink responsibly to have a good time

Value-expressive influence: Drink responsibly to be able to be a good sports person and a wise person

Improvements: Frankly, the whole ad seems rather silly. Throw it to the sharks.

Ad #4—Destination Imagination

Social Group: A team of grade-school students

Values: Creativity, achievement, optimism, competition, cooperation ("collaborative competition")

Norms: Being innovative, working hard but having fun doing so ("work hard, play hard")

Roles: Students, volunteer workers who are role models (even mentors?)

Status positions: The volunteer workers have higher status than the students. Perhaps there is a team captain

Socialization: Learning to "think outside the box" and teamwork skills

Informational influence: The advertiser offers information on how to get involved with these projects

Normative influence: Rewards are implied for volunteers who will get a "warm buzz" from helping out and for students who learn to be creative problem solvers.

Value-expressive influence: Students view themselves as creative problem solvers and team players, and sponsors can be viewed as “experts” who are helpful and generous with their time

Improvements: Perhaps the teacher role and status position could be added to lend more authority

Ad #5—Atria Assisted Living

Social Group: A friendship group in an assisted living home

Values: Enjoying the good life, privacy, safety

Norms: Being sociable

Roles: Waiter and customers

Status positions: Server and residents

Socialization: Learning to live happily in the assisted living quarters

Informational influence: They offer to provide information to interested prospects who call a toll-free number

Normative influence: Many rewards are offered in the bullet points

Value-expressive influence: You will maintain your upper-class image if you move into this community

Improvements: More pictures showing the various facets of life in this community would be more informative, although this might clutter the ad too much. These could be offered by other ads in an ad campaign.

Ad #6—Quality Inns

Social Group: Families

Values: Togetherness, comfort

Norms: Acceptability of kids crawling into the parents’ bed (a controversial issue)

Roles: Parents and children

Status positions: Parents and children

Socialization: None

Informational influence: Where to go to get a comfortable motel bed for your family

Normative influence: Come to this motel and you’ll be rewarded with a good night’s sleep

Value-expressive influence: Be good parents by taking your kids here

Improvements: Happily snoozing kids would tie in better to the theme of getting a good night’s sleep

Ad #7—NPI

Social Group: Elderly husband and wife

Values: Financial security, enjoying life

Norms: Providing for yourself to enjoy your retirement years

Roles: Husband and wife

Status positions: None

Socialization: None

Informational influence: Information is offered on how to tap the equity value of your home

Normative influence: You will be rewarded with financial security by following this plan

Value-expressive influence: Doing this will enable you live the lifestyle of an active senior citizen

4. Should marketers be permitted to supply schools with free sponsored learning materials?

Pro:

- Cash-strapped school districts get free curricular materials.
- Teachers have the responsibility to judge what is and is not suitable for their classrooms.
- Curriculum review committees can evaluate these materials responsibly, holding them to the same high educational standards as other classroom materials, ensuring that they support the school’s educational mission, enhance its curriculum, and present balanced information devoid of commercial pitches.

Con:

- The glitz of these groups’ educational giveaways might mask factual errors, incomplete information, or bias (e.g., Exxon omitted several pertinent facts about its 1989 Alaskan oil spill in an educational video touting its successful cleanup).
- Given constraints on teachers’ time and supply budgets, it is unrealistic and unfair to expect them to be able to evaluate an enticing array of freebies.

- Kids are more vulnerable than adults to commercial persuasion.
- Children are already being overwhelmed with commercial messages as it is. Instead of contributing to the problem, schools should protect children from commercial exploitation.

In a survey of the public's feelings about a dozen practices for reaching children in a school environment, only two such practices ranked lower than providing instructional support material integrating brands into lessons: advertising on school book covers and (the least favored) advertising on school buses. Vending contracts for sodas or snacks ranked fifth from the bottom. Most people approved of practices like sponsoring sports competitions, providing loyalty programs that reward schools for gathering product labels, purchasing sports equipment for schools with brand names, advertising in school newspapers, and outfitting school sports teams with gear bearing corporate logos.

Exercise 32: Social Power

In-Class Applications

1. Using your consumer behavior class works well with this question. Examples:
 - Reward power: Good grades, the joy of learning, being perceived as smart and knowledgeable by classmates and by the professor
 - Coercive power – The threat of bad grades, being embarrassed in front of classmates for not being prepared for class
 - Legitimate power – The professor has *formal legitimate power* to lead class discussions and assign grades, and there are *informal* classroom norms such as not reading the school newspaper in class, letting a cell phone go off, or (heaven forbid!) falling asleep.
 - Referent power – Students want to be like their peers in dress, mannerisms, etc.; to not be perceived as brownnosers or working too hard
 - Expert power – Hopefully the instructor has some of this!

2. Analysis of ads

Ad #1— Bayer aspirin

Reward power - The ad promises the rewards of safe aspirin, with no fear of stomach upset. This is a *physical* reward but is also *psychological* in that the buyer doesn't experience apprehension. Both are based on *product quality*.

Coercive power - The ad suggests that if you don't take Bayer you might end up with stomach upset, a *physical fear*. You might also worry—a *psychological* fear. This is a fear appeal (note the word “fear” in the body copy).

Formal legitimate power - Doctors and the American Heart Association both lend an aura of formal authority as they both endorse Bayer. These are neutral third-party endorsements.

Expert power - Doctors and the American Heart Association both lend their expertise, resulting in knowledgeable third-party endorsements.

The ad could be improved if people enjoying themselves pain free were added, allowing for more *referent power*. Also, perhaps the *fear appeal* is too subtle.

Ad #2—Finesse Conditioner

Reward power - The ad promises the rewards of “touchable” hair (*physical* benefit) and good looks (*psychological* benefit). Both are founded on *product quality*.

Informal legitimate power - Based on the implied norm of having “touchable hair where it *ought* to be.”

Referent power—The model is someone many women will aspire to *emulate* and good-looking women might *identify* with.

Expert power - The ad is trading on the well-known and well-trusted Finesse name—*company expert power*.

Ad #3—Capapeli olive oil

Reward power – The body copy oozes product quality, plus it comes in many varieties.

Referent power – People are supposed to relate to the young lovers pictured.

Expert power- Both the company and the people in the ad are Italians, suggesting expertise in this kind of product.

The ad is missing an opportunity to include *informal legitimate power* by suggesting “How dare you put anything but genuine Italian oil on your Italian dishes?” *Formal legitimate power* could be used by featuring a chef cooking with it or perhaps serving the couple pictured in the ad.

Ad #4—Current

Reward power – *Psychological rewards* (good feelings) are suggested if you use the product. A *material reward* is offered in the form of a *sales promotion* (a free gift).

Coercive power – There is a subtle *guilt appeal* (“When’s the last time you told her how thankful you are to have a friend like her?”).

Informal legitimate power – It is implied that staying in touch by sending cards is the right thing to do.

Referent power – Most ladies can relate to having a special childhood chum. They can *identify* with the girls in the photo.

Ad #5—Sears Home Central

Reward power - They offer *service quality* by guaranteeing their repair work, plus a “great price,” both *material rewards*.

Informal legitimate power – Sears mentions the “norm” for a good repair guarantee and says that they exceed it.

Referent power - Identification is implied when you “call someone you know” at Sears.

Expert power – Sears is known for standing behind their work, and so they have built *company expertise*. The ad also refers to their “repair specialists.”

The ad could perhaps be more specific on what could go wrong if an appliance were only fixed at or below the norm, thereby adding *fear appeal*. Also, the ad could be more explicit on the “someone you know” *referent power*, perhaps by showing a full picture of Norm, a friendly repair guy.

Ad #6—Blue Cross Blue Shield

Reward power – Peace of mind, a *psychological reward*, is being sold.

Coercive power – It is suggested that without this health plan you will worry, a subtle *psychological fear appeal*.

Informal legitimate power – It is the right thing to do to make sure your family has good health insurance coverage.

Referent power – People are supposed to *identify* with the mother and daughter. Although there are many single mothers, more might identify if a father was thrown into the mix too.

Expert power - -The Blue Cross Blue Shield name is a trusted one, offering *corporate expertise*.

Ad # 7—Procrit

Reward power – The *physical reward* is relief from anemia, and the *psychological reward* is knowing you can be there for your children.

Coercive power – A subtle *psychological fear appeal* and *guilt appeal* is used: you don’t want to not be available for your kids when they need you.

Informal legitimate power – Checking into this treatment would be the right thing to do for your family.

Referent power – Readers (perhaps especially single moms) can *identify* with the family in this ad.

Expert power - To take this medication you ultimately need your doctor’s approval.

Exercise 33: Family Decision-Making Roles

In-Class Applications

1. The answers to this question can easily be correlated to those given for Exercise 8, question 1. The roles are:

- *Initiator*. In the *problem recognition* stage any number of family members could have initiated the process: The student might have had goals such as eventually landing a good job or just getting out of

the house, older siblings or friends might have suggested that it is the thing to do, or parents and other relatives might have pushed for the student to pursue higher education. **Marketing implication:** Marketers (i.e., admissions officials) need to discover the reasons one or more initiators feel a need and show how their institution satisfies that need. For instance, if friends tell the prospect that the point of college is to party and make a whole bunch of new friends (Note: please remind students that this is actually not true!), then a school might want to work to get rated as the number one party school by *Playboy*.

- **Gatekeeper.** **Nonmarketing sources** like parents, older siblings, other relatives, friends, and high school guidance counselors could all send information the student's way during *information search*. **Marketing sources** such as college recruiters, campus tour guides, admissions officials, and current students and faculty could also serve the gatekeeping function during the college visit or college communications efforts. **Marketing implication:** Marketers need to channel persuasive communications to these parties to pass along to prospects.
- **Influencer.** The same people who serve as gatekeepers during the *information search* and *alternative evaluation* stages could also be influencers, going beyond just providing information to attempting to actively persuade. The marketing implications are the same.
- **Decider.** The decider is probably the student or his or her parents during the *choice* stage. Since this is such an important decision it is likely made jointly. **Marketing implication:** College officials must make the decision easier by clearly differentiating their school from the pack and providing generous financial aid.
- **Buyer.** Either the student and/or the parents would be the buyers in the *purchase* stage, perhaps with an assist from scholarship funds and government grants and loans. **Marketing implication:** Tuition payment plans can be helpful here.
- **Preparer.** In a sense, this is the faculty and staff of the university, who prepare courses, student activities, etc.
- **User.** Clearly the student is the user during the *postpurchase consumption stage*. The college must make sure that the student has a good experience academically as well as socially.
- **Monitor.** Parents watch the grades as *postpurchase behavior*, and wise parents also monitor for classroom bias and indoctrination by ideologically zealous professors. **Marketing implication:** Good schools flush out the bad Profs.
- **Evaluator.** Students evaluate their experience, academically and socially, during *postpurchase evaluation*, and they drop out or transfer if dissatisfied. Parents also evaluate the quality of the education their son or daughter is receiving and whether they are making the most of their college years. **Marketing implication:** It is the job of many college personnel, from professors to deans of student affairs, to ascertain that student and parental satisfaction are both achieved.
- **Disposer.** Unfortunately, too many students resell their textbooks when the course is over. Especially their major professors (that's you, folks!) should encourage them to hang onto the books for future reference. Students who do so report that they are glad that they did so.

2. Analysis of ads

Ad #1—Goodyear tires

Initiator - One of the parents reads the ad, which triggers problem recognition (“Are my kids really that safe on my current tires?”) and suggests the need for this product. The ad is effective in triggering problem recognition for the parents, getting them to think about an issue they might ordinarily not give thought to (tapping a latent need).

Gatekeeper - The most knowledgeable family member, the one with access to information, or a friend or relative who is knowledgeable or who has access to automotive information would fulfill this role. The ad provides information and informs the gatekeeping parent where to obtain additional information (via the Web site or toll-free number).

Influencer - One of the parents, or a friend or relative who reads this ad, could influence the selection of this product. The ad lists several criteria for the influencer to consider, such as being able to drive for up to 50 miles and the tire not losing its shape.

Decider - One or both of the parents must make the ultimate purchase decision. The ad offers enough information to make a decision on whether to visit a dealer.

Buyer – Either the father, or the mother, or both, will visit the dealership. The ad could make this more convenient by listing local dealers (although these can probably be found on the Web page).

Preparer – The dealer will probably take this role, although one of the parents could install the tire too. Because the dealer will probably do this, the ad doesn't discuss this role, although it could mention the availability of free or low-cost installation.

User – All family members are the consumers. The headline cleverly suggests that the kids are included, as they make these tires “for people who don't drive.”

Evaluator – One or both of the parents, and perhaps even the kids, will monitor how well the car performs should they ever (God forbid!) have a situation calling for the use of the flat-run tire. However, this role need not be portrayed in the ad.

Maintainer – Whichever parent ordinarily drives the car would need to periodically check the tire pressure, or there could be a designated family member (one of the parents) in charge of the vehicle's service. Although this role is not discussed in the ad, the family member with maintainer responsibilities would likely sit up and take notice of the ad.

Disposer – If one of the parents some day takes the tire to the junkyard, they'd be the disposer. Again, this role is irrelevant to advertising the tire.

Ad #2—BBC Video Language Course

Initiator – One of the parents reads the ad and suggests the need for this product. Or, perhaps one of the kids suggests that they'd like to learn another language. The ad effectively triggers problem recognition by headlining the fact that young children can learn a foreign language (tapping a latent need).

Gatekeeper – The parent who has read this ad would relay its information to his or her spouse and other family members. The ad arms this person with plenty of information.

Influencer – The ad offers several criteria that could be conveyed to influence other family members, such as the awards it won, the fact that it is fun, and its proven effectiveness.

Decider – One or both of the parents must make the ultimate purchase decision. The free bonus and installment payments help push one or both parents into buying.

Buyer – Either the father or the mother will call the toll-free number or fill out and mail in the order form.

Preparer – One of the family members will load the software. This is so easy, even the kids can do it, so this role is not shown.

User – The children are the consumers. The ad could suggest the product's usefulness for parents to learn too, perhaps along with the kids.

Monitor – The parents might make sure the kids spend neither too little nor too much time with the product. This need not be depicted in the ad.

Evaluator – The children decide whether they enjoy learning a second language with this software. The parents evaluate whether the children seem to like it and if they are learning well. The smiling expressions on the parents' and children's faces suggest satisfied customers.

Maintainer – This role is irrelevant, as long as the little bundles aren't getting their paw prints all over the CD.

Disposer – One of the parents puts the box containing the software in the recycling bin. Hopefully they will hang on to the product for many years, with one of the children perhaps even bequeathing it to their children (unless product obsolescence sets in).

Ad #3—Carnation Instant Breakfast

Initiator – The ad is targeted to the mother (most likely health conscious and a working woman), who takes most of the roles. It triggers problem recognition for her by suggesting it will give her energy to start her day.

Gatekeeper – The ad provides the mother with the information she needs to make a decision. She might choose to share this information with her husband or even children if she thinks the product is appropriate for them too.

Influencer – The mother might influence the husband and kids to try this too. However, she need not talk any one else into buying it.

Decider – The mother is clearly the decider and the ad gives her all the information she needs, except price, to make that decision.

Buyer – Unless the mother puts the product on a shopping list for someone else to purchase, she will be the buyer.

Preparer – The mother will most likely prepare it for herself. However, the ad notes that it comes in powder and ready-to-drink forms, so even the kids could prepare it themselves. Gosh, they might even make it and serve it to her as breakfast in bed on Mother’s Day!

User – The mother and perhaps other family members will be a user. The ad only suggests the mother will be the user, and it should perhaps suggest that it will give *the whole family* the energy they need to get going in the morning.

Monitor – The mother might monitor her own and other family members’ energy levels. The ad doesn’t speak to this role.

Evaluator – Whichever family members consume it will evaluate whether they like it. The mother would also evaluate her kids’ reaction to it.

Maintainer – This role is irrelevant since it is a consumable good.

Disposer – The ad doesn’t speak to this role, which would simply entail recycling the can.

Ad #4 Pull-Ups

Initiator – The ad raises the problem of getting kids to want to potty train, which is clearly the parents’ problem. The initiator could be either parent (the child certainly won’t bring it up!).

Gatekeeper – The parent reading this ad would share the product information with the other parent, if need be, or perhaps even with the child to get her interested. The ad arms the gatekeeper with all of the information needed to do this. A Web site offers additional information.

Influencer – The child might, after having worn the product and enjoyed the fading flowers/stars game, encourage a parent to purchase it again.

Decider – Most likely the mother, or perhaps both parents together, will decide to buy this product.

Buyer – Usually mothers are the designated buyers.

Preparer – The mother usually puts the Pull-Ups on the child, although more fathers are doing such chores too. (If Lantos had a dime for every timer he changed one of his four kids’ dirty diapers he’d be a rich man!)

User – The child is the user and is prominently illustrated.

Monitor – One or both parents would see if the product helps the child make progress in potty training.

Evaluator – The child would evaluate whether she likes wearing these, as illustrated by the beaming face of the child in the ad. Parents would evaluate their child’s satisfaction too.

Maintainer – This role is irrelevant for this nondurable good.

Disposer – One of the parents would pull dirty-diaper duty. The ad alludes to the need for this when the design fades and the product becomes wet (or, presumably, loaded).

Ad #5—JCPenney

Initiator – This comes across as a Father’s Day ad, portraying Dad and kids with various items that could be bought for ad. The initiator could be anyone, including Dad, who hints at what he’d like.

Gatekeeper – Anyone reading the ad could be a gatekeeper.

Influencer – Dad could influence the others regarding what he would like.

Decider – This would either be the mother or one of the kids. Or, Dad might insist on deciding himself (although wives seem more prone to decide for Mother’s day gifts).

Buyer – If this were a gift, any family member except Dad would be the buyer.

Preparer – Other than gift-wrapping, this role is irrelevant. JCPenney could mention their gift-wrapping service.

User – Dad is only shown in one of the many photos as user. He should probably be featured in more of the shots.

Monitor – For most of these products, this role seems irrelevant.

Evaluator – Dad would evaluate his satisfaction, and other family members could comment on how he looks or smells good in the items.

Maintainer – These all seem to be low-maintenance products.

Disposer – The father would dispose of any item when worn out, perhaps donating the clothes to Goodwill.

Ad #6—Honeywell

Initiator – The ad seems to be speaking to the “man of the house.” It triggers problem recognition on an issue most people probably don’t think too much about.

Gatekeeper – The ad offers information plus a toll-free number for the gatekeeper to get a brochure, likely the father, to get more information.

Influencer – The father or spouse reading the ad might need to influence the other spouse to seriously consider this product. The ad provides several talking points for that person such as the Good Housekeeping Seal of Approval.

Decider – This is probably a *husband dominant* decision, although the wife's approval and input should probably be sought.

Buyer – Most likely the husband will take this role.

Preparer – Installation is not discussed but ease of installation should be mentioned (at least in the proffered brochure). The father likely takes this role.

User – The whole family enjoyed the benefits, as the headline and picture imply.

Monitor – The father might need to periodically check to see that the filter is working properly.

Evaluator – This seems to be a credence product—difficult to evaluate. The ad should mention if there is any way to test air quality improvement.

Maintainer – The father might need to periodically check to see that the filter is working properly.

Disposer – One of the parents would discard or recycle the product when it wears out. The ad could mention whether the product is guaranteed for a lifetime or whatever.

Ad #7—Trident gum

Initiator – Most likely one of the parents will realize the need for sugarless gum for their kids. The ad also triggers latent problem recognition by mentioning that it strengthens kids' teeth, something one wouldn't expect bubble gum to do.

Gatekeeper – The parent reading the ad would tell other family members about the product. The ad offers a Web site for further details.

Influencer – The parents might need to sell their kids on the idea of switching to sugarless gum. Showing them the picture of the big bubble in the ad might do the trick.

Decider – One (usually the mother) or both parents would take this role.

Buyer – Most likely the mother is the buyer, although kids might be persuaded to use their junk food money for this.

Preparer – Not relevant.

User – The kids would be the consumers, although the parents just might indulge once in awhile too.

Monitor – When parents take the kid to the dentist, they'd monitor whether or not he has cavities.

Evaluator – The child will evaluate whether or not he likes the gum, and the parents will evaluate the child's reaction to it and its apparent ability to help their teeth.

Maintainer – Irrelevant.

Disposer – Hopefully, the kid doesn't park the gum under the table.

3. Ad #1—Goodyear tires: This is a purely *instrumental* product. Traditionally the husband would be the target for tire ads, although increasingly wives are too.

Ad #2—BBC Video Language Course: This product fulfills an *expressive* role, providing fun and intellectual stimulation. All family members can participate.

Ad #3—Carnation Instant Breakfast: These roles aren't relevant to a food product.

Ad #4 Pull-Ups: This ad is both *instrumental* in nature (helps the child potty train) and *expressive* (it provides emotional support for the child and has a nice design with magic flowers and stars). The mother would likely take both of these into consideration, and the child would appreciate the expressive role.

Ad #5—JCPenney: These products are mostly fashion items, hence *expressive*. Wives probably play a major role in their purchase.

Ad #6—Honeywell: This is an *instrumental* product, with the husband likely taking primary interest in it.

Ad #7—Trident gum: This is *instrumental* in helping strengthen kids' teeth.

4. Ad #1—Goodyear tires: This is probably still a *husband-dominant* product, as evidenced by all of the tire ads one sees in the sports section of the typical newspaper.

Ad #2—BBC Video Language Course: This is probably a *joint* decision, as both parents are concerned for their children's development. One parent probably reads the ad and then discusses purchase of the product with the other parent.

Ad #3—Carnation Instant Breakfast: Most food items are *wife dominant*, although other family members might express a preference. The ad clearly targets the wife.

Ad #4 Pull-Ups: This product is probably *wife dominant*, although the ad wisely leaves it open to the husband as well.

Ad #5—JCPenney: If bought as gifts, these items would be *wife dominant*. If not, most (except perhaps the ties) would be *husband dominant*.

Ad #6—Honeywell: As noted, this kind of mechanical product is likely *husband dominant*.

Ad #7—Trident gum; Mothers usually decide and buy these kinds of items, although in some families it could be a *child dominant* purchase.

Written Exercise Question 4. In this age of diversity, different families are likely to have different purchase role structures. Students could cite examples of nontraditional families, or families that are matriarchal vs. patriarchal, for instance. Differences might also arise with different stages of the family life cycle.

Marketers can address these different decision role structures by using different approaches in different media. Ads in *Working Woman* magazine, for instance, might give more roles to women, including *instrumental roles* and *wife dominant* roles, than do more traditional magazines like *Good Housekeeping*. Otherwise, marketers should discover the most typical family decision role structure for their product and portray those.

Exercise 34: Family Life Cycle Stages

Advertisements

Ad #1—Nestle

1. *Full Nest I* stage in both the Wells and Gubar (W&G) and Gilly and Enis (G&E) models, assuming the little girl is under 6. The focus is on “family fun” for the kinds of activities young children enjoy. The idea of cost savings appeals to the typical cash-strapped Full Nest I family.

2. This is a very traditional nuclear family with two children, one under and one over six, and parents in their thirties. The needs are for family time together during the summer months doing affordable activities. The advertiser is helping by making candy the family can enjoy together and is offering pre-paid tickets to a new Disney movie. Such a family’s financial situation is typically tight, so such an offer will be helpful and the family will be grateful. No family changes are reflected in this ad—a similar ad could just as easily have appeared in the 1950s. It could run in publications targeting parents (it ran in *Ladies Home Journal*).

3. This is very much a family offer, so FLC stage would appear to be most effective. The appeal to economy works well with Full Nest I families. Alternatively, the ad could have used age as a segmentation variable, going right to the children in children’s magazines. The kids would then serve as gatekeeper of information about this offer to parents. This wouldn’t be as effective because the money-saving offer wouldn’t be of as much interest to children. The ad could also have targeted Empty Nest or Solitary Survivor grandparents (W&G) or Older Couple grandparents (G&E). And, it could have targeted Single Parents (depicting only one parent in the photo) who want to do everything possible together with their kids to make sure the children feel being part of a “family.”

Ad #2—Ensure

1. *Empty Nest I* or *II* in W&G and *Older Couple* in G&E (although only he is over 65). They appear to be retired but active as a couple.

2. They appear to be an older couple without children (or, at least, children at home). There is a 15-year age spread between them, making them a bit untraditional. Their need is to remain active and in good health. They both have very good jobs, so they earn good money, as do most members of this target market, so they can afford to buy products such as Ensure and other health-related items. As is common for Empty Nest I ads, this ad appeals to self-gratification need. People in this group also have the need to remain “healthy, active, and energetic,” as the ad says. However, most people cannot relate to the Olympic athlete pole vaulting—it might make more sense to show consumers engaged in a more common athletic

endeavor, like bike riding or bowling. This ad ran in *Modern Maturity*, although it could have just as easily run in demographic editions of health and exercise magazines targeted toward their older readers.

3. This is a product with many possible target markets. Somewhat similar to Carnation Instant Breakfast, discussed as an example of a product with many possible positionings in Exercise 6, this product could be positioned to almost any target market interested in health. Other FLC stages could be Bachelors interested in looking and feeling good for the mating game, Newly Marrieds who wish to remain vibrant throughout their honeymoon stage, and all kinds of families raising children who also could use a nutritional boost for handling the stress of raising children. Targeting health-conscious readers of fitness magazines could also be fruitful.

Ad #3—Titinger champagne

1. *Bachelor* stage in W&G and *Bachelor I* (unmarried, under 35) in G&E.

2. This ad seems to be targeting young (late 20s, early 30s) singles. The ad appeals to their desires for alcohol, entertainment, and playing the dating game. The ad appeals to both status (note their dress and the plush atmosphere) and fun, as the background suggests for this group. They have few financial obligations and so can afford to buy such a luxury as expensive champagne. The ad is consistent with their lifestyle focused on dating, partying, and otherwise socializing. The ad ran in *Vogue*. Other appropriate magazines would be the likes of *GQ*, *Playboy*, *Cosmopolitan*, and *Glamour*.

3. Appealing to the singles lifestyle seems right on target for this high-end alcohol beverage. It could also work well for Newly Married Couples or Childless Couples who likewise have the time and money to indulge. Social class is another variable that could be effectively used, with the appeal to the Upper Middle Class and up. Psychographically targeting partiers would work too.

Ad #4—Comfort Suites

1. *Full Nest I* in both the W&G and G&E models—the youngest child (pictured) is well under 6. The fine print at the bottom mentions grandparents, so the ad could also target Empty Nesters or else grandparents raising the kids or taking them on vacation. The former group wouldn't be as concerned as the latter about economy.

2. The demographics are the same as Ad #1: most likely a nuclear family with young kids. However, the fact that parents aren't pictured broadens the appeal to Single Parents or else relatives such as grandparents raising children. Like Ad#1, the appeal is right on the money (no pun intended!): save oodles of money and enjoy family togetherness. (Note the popular "Are we there yet?" question in the subhead—right out of our Foursome family scenario!)

3. For a budget motel like this, targeting young, cash-strapped families seems like the way to go. The ad could appear in parenting magazines. The Full Nest II or III stages could have just as easily have been targeted, as these families typically have financial constraints, although not as severe as Full Nest I families. Another possibility would be to use social class and target blue-collar workers who typically have income limitations.

Ad #5—Stouffer's

1. *Single Parents* in the G&E model. The mother and daughter are labeled as "The Pierces," suggesting that they are the entire family. Alternatively, the ad could be pitched toward *Full Nest III*—older children still living at home.

2. This ad is targeting middle-aged single parents with tweens or teens. Because they need to raise children and work, such parents are time-strapped and need convenience products such as Stouffer's frozen dinners. This frees up leisure time to spend together. However, this relatively high-priced food item might be out of range for many of these fiscally-challenged families. The ad ran in *Ladies' Home Journal*.

3. The ad could be targeted to any time-constrained stage in the FLC, which these days includes virtually all of them. However, the best prospects would seem to be Bachelors, Newly Married Couples, and Full Nests with two working parents. It could also target people with above-average incomes.

Ad #6—7UP

1. *Bachelor* in the W&G model and *Bachelor I* in the G&E model.

2. These are young (well under 30) singles. The ad appeals to their needs for recreation, entertainment, and socializing.

3. Since young adults, teens, and kids are the heaviest soda consumer, this ad is well targeted. It could be equally as well targeted at families containing kids and/or teens, such as all of the Full Nests. Age could also be used as a segmentation variable, with those under 30 or specific age categories as the target market.

Ad #7—Pork

1. The nature of the family here is deliberately vague. Most likely the ad is targeting any of the *Full Nest* stages (fussy eaters can be under or over 6). However, since no parents are pictured, the ad could also be speaking to Single Parents.
2. Demographically these are adults with one or more children. The need spoken to is getting kids to eat healthy foods or what is served to them. The family budget is generally tight. The ad does effectively present a situation most parents can relate to. (The two things kids can control are what they will or will not eat and when they choose to fall asleep—parents can try to force the issue, but kids have the last say.)
3. Pork is such a universally consumed product that almost any FLC stage could be targeted in a multitude of media. The ad is best aimed toward adult food decision makers, who could be singles as well as parents (especially moms).

Ad #8—Honda Odyssey

1. *Full Nest I* (the ad refers to changing a diaper), although *Full Nest II* would be possible too. Since a set of parents isn't depicted, the ad could also appeal to Single Parents. Either way, it appeals to parents raising children who are serious about their children's future.
2. These are parents of fairly young (preteen) children who, like our Foursome kids, get easily restless on road trips (There's that reference to "Are we there yet?" again!) They need a car with a "spacious, comfortable, family-friendly interior." Since they are on budgets, the ad should also refer to the car's affordability, low-interest loans, etc. It appeals to this target market by reminding parents that no matter how frustrating their children might be, they are still the most important things and that the parents are responsible for their future. *Good Housekeeping* carried this ad.
3. Minivans are also known as "kid haulers," so they are definitely a family car—hence Honda chose the wise segmentation strategy. Any other way of segmenting the market would be inferior.

Ad #9—Bluefly.com

1. *Newly Married Couples* in W&G and *Newlywed* in G&E. They could also be targeting Cohabiting Couples or Singles on a fling together as well as Childless Couples.
2. The ad primarily targets young people married without kids. The ad appeals to newlyweds' desire to travel and enjoy life together. The appeal is on target: enjoyment and togetherness. There is also an appeal to economy, which isn't usually as important to these since they have two incomes and no child care expenses. This is also a Net-savvy set who shops sites like Bluefly. The ad appeared in *Vogue*, although it could also run in publications like *Glamour* and *Maxim*.
3. This service could be more broadly targeted at anyone looking to travel and save money. Full Nest stages would be a good bet too, and the airline could pitch saving money for family vacations. Average-income groups and the middle class would be another possibility for segmentation.

Ad #10—Osbon Medical Systems

1. The ad is most likely targeting *Empty Nest I* or *II* families—older couples whose kids have left home for greener pastures. The ad could also be speaking to *Childless Couples* and *Older Couples*.
2. These people pictured are adult couples 50+, presumably married, who have a need for restoring physical intimacy in their relationships. Their financial situation is usually well off enough that they can afford the medication. This ad appeared in *Modern Maturity*.
3. These stages in the FLC are right on target for this product. They could also target male Bachelor III's or Solitary Survivors who are on the prowl, but this would be a smaller target and morally suspect.

Ad #11—Alka Seltzer Morning Relief

1. The ad targets Wells and Gubar's *Bachelor* stage and Gilly and Enis' *Bachelor I* stage (most likely under 35—young people who stay out late partying and overindulging).
2. They are young (under 35) and single. Needs are to have a good time yet be able to function for work the next morning. Earnings are good, and so affording this product is not an issue. The ad ran in *Cosmopolitan*, but could just as easily have run in *GQ*, *Playboy*, or *Glamour*.

3. Most couples, regardless of age and stage in the FLC get out at least once in awhile to party, so other FLC stages could also have been targeted. The psychographic group that “parties hearty” could also have been a target market.

Exercise 35: Family Influences and You

If you decide to try these applications in class, you might wish to break the ice by first answering questions 1 and 2 for yourself. This should help break the ice and get the ball rolling for a class discussion where others open up and share.

Exercise 36: Categories of Innovations and Product Characteristics that Influence Adoption and Diffusion

In-Class Applications

1. Students may come up with various products, e.g. a hybrid car (runs on both gasoline and electricity). Try to find a pattern of product categories that come to students’ collective mind first. Encourage them to go beyond the usual food categories or electronic devices to services (e.g., online grocery shopping delivery). Look for common answers as to why they have or have not purchased the product yet (e.g., too expensive, no perceived need, too complex). Is there one particular product attribute that seems to be the deciding factor for adoption and diffusion? Their suggestions to reduce innovation barriers should tie into the five product characteristics. For instance: better satisfy a need or want or offer a better solution to the consumer’s problem (relative advantage), make sure the product fits well into target market lifestyles and with ways of buying and using (compatibility), etc.

2. Here is an example: Toro is a well-known manufacturer of home yard care vehicles like lawn mowers and snow blowers. Possible new products bearing the Toro name:

a. *Continuous innovation*: A Toro 10-speed lawn mower. It has ten speeds (feature) for making mowing on different inclinations/grades of land easier (benefit). Other than making cutting grass easier, no significant change in consumer behavior will occur. In the Booz, Allen, & Hamilton (BAH) scheme, this is an *addition to the existing line*, and because it bears the Toro name, it is a *product line extension*. The Toro name will help guarantee consumer acceptance.

Dynamically continuous innovation: A Toro combination lawn mower-lawn fertilizer. Now, you can do these two jobs simultaneously (like mowing and mulching leaves simultaneously with a mulcher). A modest change in behavior will occur in the form of multitasking and perhaps having to mow a bit slower to make sure the fertilizer is evenly spread. In the BAH scheme this would be classified as a major *addition to the existing product line*. Again, the Toro name will speed acceptance since they are associated with lawn care products of many different types.

Discontinuous innovation: A Toro robot lawn mower. The gee-whiz features are that you outline the edges of your lawn with a wire that attaches to a remote switch. Sensors allow this oversized hockey puck to negotiate the area within the wires. Tactile bumpers prevent it from running over Fido. Benefits are that it provides hands-off lawn care, allowing you to nap in your hammock while it mows the lawn. In the BAH categorization, this is a *new-to-the-world product*, greatly enhancing consumer lifestyles (and putting kids who cut grass to earn money during the summer out of business!). The Toro name will help assure skeptical consumers that the product will actually work as it should.

b. The 10-speed lawn mower will speed up the mowing process and make it easier for women and children, whom dad will be more likely to assign lawn mowing duties to. Women and elderly people might be more

likely target markets compared with conventional walking lawn mowers. The product scores well on all innovation attributes, including trialability if dealers allow consumers to take a “test drive.”

The combination lawn mower-lawn fertilizer will save people time, giving them more leisure time or more time to do other yard chores. It might lead to more do-it-yourself yard care (vs. hiring others to do these chores). It too should score high on all innovation attributes, although complexity could be an issue.

The robot lawn mower will save even more time, eliminating lawn mowing altogether. At a price of about \$700 (Hammacher actually started marketing this product in 2000) it will likely only be in reach for the upscale homeowner market. It won't score as high on compatibility and perhaps complexity, although relative advantage is huge and communicability should be very high as the neighbors gawk in amazement.

3. For more information about new products, visit <http://www.productscan.com/new.htm> and click on “*Build a Better Mousetrap*” 2001 New Product Innovations of the Year. Encourage discussion of these products for further clarification of their uses and attractions. The following are possible answers for innovation attributes that have influenced or hindered the success of each product:

General Mill's Milk 'n Cereal Bars

Influences: relative advantage (better than sitting down for a bowl of cereal), compatibility (on-the-go breakfast).

Hindrances: trialability (skepticism regarding how they taste), communicability (not very visible, sounds like a strange combination).

Marketing strategy suggestions: give free trials, preferably in the store, so consumers know this isn't a “yucky” product.

StarKist Premium Tuna in a Pouch

Influences: relative advantage (no can, no liquid, no mess), complexity (hands-only process).

Hindrances: trialability (skepticism regarding fresh tasting), observability (ease of preparation isn't observed by others).

Marketing strategy suggestions: In-store demonstrations, free trial sizes.

Saran QuickCover Food Storage Lids

Influences: relative advantage (hugs container to keep freshness), compatibility (no behavioral change), complexity (easy to use).

Hindrances: communicability (privately consumed item).

Marketing strategy suggestions: In-store demonstrations to show ease of use.

Crest Whitestrips Dental Whitening System

Influences: relative advantage (costs less, quicker, and easier than bleaching), complexity (no trays).

Hindrances: trialability (does it work?), complexity (do-it-yourself), communicability (the results of use are visible, but most friends, colleagues, etc. won't know why a person's teeth are whiter unless they ask or are told).

Marketing strategy suggestions: allow a free two-week trial period, give incentives for dental professionals to promote it.

P.J. Squares Peanut Butter and Jelly Slices

Influences: relative advantage (less mess and fuss in making sandwiches, and just the right amount of peanut butter and jelly), compatibility and complexity (quick and easy)

Hindrances: trialability (are they the real thing?), communicability (who will see them?)

Marketing strategy suggestions: In-store sampling, advertising and other promotion encouraging kids to show their friends.

Campbell's Soup to Sip Microwaveable Soup

Influences: relative advantage and compatibility (quick and easy with no messy dishes to clean up).

Hindrances: communicability (if lunch is eaten at home—it would be more visible if eaten in the workplace).

Parkay Fun Squeeze Colored Margarine

Influences: relative advantage (not so boring, fun, play with your food), compatibility (no behavioral changes).

Hindrances: trialability (blue margarine?), communicability (looks gross).

Marketing strategy suggestions: promotional material encouraging kids to tell/show their friends.

American Woman Tri-Color 3-in-1 Nail Color

Influences: communicability (very visible), compatibility (use like any other nail polish), complexity (as easy to use as regular nail polish).

Hindrances: relative advantage (other than the novelty aspect, there doesn't seem to be one).

Marketing strategy suggestions: somehow convince women that there is a want for this product (novelty, relieve boredom, conversation piece, etc.).

4. Analysis of Ads

Ad #1—Kodak ADVANTIX Preview Camera: Dynamically continuous innovation—The preview screen allows consumers to inspect the picture in advance and retake it if not satisfied.

Addition to the existing product line.

Implications: Will require some consumer education regarding usage and to overcome pockets of consumer resistance.

Very high in relative advantage, compatibility, and communicability, moderate in complexity and low in trialability.

Ad #2—Charmin Plus with Aloe: Continuous innovation—No behavioral changes.

Product line extension—Same brand name on an addition to the existing product line (new feature).

Implications: Should be rapidly adopted after an advertising campaign runs.

High in compatibility, complexity, and trialability; moderate in relative advantage; low in communicability.

Ad #3—Orajel Toddler Training Toothpaste: Continuous innovation—No behavioral change on the parent's part, and the toddler can happily swallow it anyway.

Product line extension—Same brand name on an addition to the existing product line (new feature).

Implications: Should be rapidly adopted after an advertising campaign runs

High in all product attributes except low in communicability.

Ad #4—The new iMac: Continuous innovation—No behavioral changes.

“New and improved” product—The improvement is the adjustable flat screen.

Implications: Should be rapidly adopted after an awareness advertising campaign runs.

High in compatibility and perhaps relative advantage, moderate in the other innovation attributes.

Ad #5—Yoplait Expresse: Dynamically continuous innovation—A yogurt that can be eaten without a spoon on the go.

New-product line—It is a new form of yogurt

Implications: Because it requires some behavioral change, it might meet with resistance.

High in complexity, trialability, and communicability (if eaten on the run, or on the skate, as it were); moderate in relative advantage and compatibility.

Ad #6—Norton Internet Security: Dynamically continuous innovation—Requires parents to install and regulates little Billy's attempts to visit risqué Web sites.

New product line—New to Symantic, a firm that traditionally makes antivirus products, not security products.

Implications: Parents might need some convincing that it really works.

High in relative advantage, moderate in compatibility, complexity, and communicability, low in trialability.

Ad #7—AT&T Wireless: Continuous innovation—No behavioral changes for wireless users.

Cost reduction—Its main benefit is that it saves money.

Implications: Marketing should be a breeze—just emphasize the cost savings.

High in compatibility and complexity (for wireless veterans), moderate in the other innovation attributes.

Ad #8—Adidas Fragrance for Women: Continuous innovation—It's new to the company but not to the market.

New product line

Implications: Customers might not immediately accept a fragrance from a sports company (smells like sweat?).

High in compatibility and complexity, moderate in the other attributes.

Ad #9—Reese's FastBreak: Continuous innovation

Product line extension—Same product line, same brand name.

Implications: An easy sell.

High in complexity, compatibility, and trialability (due to the coupon); moderate in relative advantage and communicability.

Ad #10—The Toyota Hybrid System: Continuous innovation—The car's battery is recharged by regenerative braking, which means it does not have to be "plugged in" for recharging. Unlike traditional electric cars, there are no short driving ranges prior to recharging and long recharge times, both of which greatly alter driver behavior. Thus, to use it, there is no behavioral change.

New product line—This is a new type of car.

Implications: Many people associate hybrids with traditional electric cars, which were limited in driving range and had to be recharged. A significant consumer education campaign is in order.

High in all attributes (including trialability if test drives are taken).

Exercise 37: Word-of-mouth Communication and Opinion Leaders

In-Class Applications

1. Analysis of Ads

Ad #1—Northwest Airlines E-Service Centers—WOM communication and opinion leadership would be an important influence on this new product (service) because its target market consists of traveling business-people always exchanging information, especially about finding the cheapest and easiest ways to travel. Some people lack confidence in how to use paperless tickets and airline travel is high in "perceived risk." Possible opinion leaders here would be travel agents or the top salesperson in a company. Traveling buddies would be inclined to talk about the ease of this new E-Service Center system and the good reviews (or possibly bad reviews) are likely to spread.

Ad #2—Clarinet—This product will be affected by WOM communication, involving opinion leadership. There is high "perceived risk." The opinion leaders in this case would be doctors and frequent patients who have "tried everything." While this is a privately consumed product, consumers look to their doctors for advice on what works and what doesn't. If the doctor can't help, then on to the friends and family they go!

Ad #3—MSN 7—WOM communication and opinion leadership are definite influences on this product, for which some buyers lack confidence. As the advertisement quotes, there are various public opinion leaders who have spoken good words about this product (CNET, PC Magazine, and eTesting Labs). Some consumers may be skeptical of these quotes and may turn to their friends and family for advice on whether to choose MSN over AOL (complaints are heard louder... remember!).

Ad #4—Charmin Plus with Aloe—WOM communication and opinion leadership are not much of an influence with this product. This is a privately consumed product that people generally don't talk about in public. Just imagine this scene: "So, Kim, how is that Charmin toilet paper with aloe working out for you?" "Oh, just fine! My tush feels so much softer- you should try it!"

Ad #5—Bose Lifestyle—This "next generation" system is quite susceptible to WOM communication and opinion leadership because it is socially visible and buyers may lack confidence in purchasing such a system. Opinion leaders in this case may include the local DJ, a band member, or an electronic wizard in the neighborhood. Some consumers may be visiting a friend's house and get blown away by his system. Their question will be, "What brand is that?" and then, "Where did you get it?" Those who are into having the best system will definitely chat up a storm about this product.

Ad #6—Diet Coke with Lemon—While some may scream, “ewwww,” others shout, “delicious!” WOM communication and opinion leadership are huge influences on the adoption and diffusion of this product. When it comes to soft drinks, which are often socially consumed, especially the two biggest competitors (Pepsi and Coke), news travels fast. Surprisingly, Coke is not using a celebrity endorser as an opinion leader in this advertisement, but instead took the “common man” (or woman) approach, in effect simulating WOM communication. We will just have to see if this one meets the challenge.

2. Analysis of Ads

Potentially effective creative strategies for these products susceptible to WOM communication and opinion leadership are as follows:

Ad #1—Northwest Airlines E-Service Centers

1. *Use buzz marketing techniques*, particularly by *stimulating WOM through targeting business organizations*. E-Service Centers may have a tough time becoming popular if the target market knows nothing about them. A great way for this new service to gain frequent consumers is to target certain businesses that do a lot of traveling, stressing how easy this service actually is.
2. *Stimulate WOM communication in advertisements*. Run television ads with businesspeople going through the process of printing their boarding pass from this new machine. It will look quick and easy, without ever having to talk to anyone. Run these ads on channels like CNN or during news broadcasts. The advertisement is somewhat implementing this idea, but only through a static print ad.
3. *Use referral incentive programs*. By using this E-Service Center kiosk, your frequent-flyer points will double! And by telling a friend (or co-worker) about the kiosk, your points will triple, getting you that much closer to a free trip. How’s that for incentive?

Ad #2—Clarinet

1. *Use buzz marketing techniques*, particularly by *stimulating WOM through product trial*. Send out trial packages to doctors and allergy specialists to distribute to patients in need. If the patients return with good reviews, then the doctors will plug this product even more. This ad uses this strategy indirectly by telling readers to call their doctor and then call for their 7-day free trial.
2. *Create opinion leaders*. Not only will consumers listen to their doctors, but also they are also attentive to Hollywood or sports stars who suffer the same allergy problems. This company could go the route of “I’m not a doctor, I just play one on TV” and get Dr. Cliff Huxtable (Bill Cosby) or one of the ER stars to be an endorser.
3. *Generate buzz on the Internet*. One e-mail with need-to-know facts about allergies could be just the start of a chain to friends and families across the Internet. The heading could be, “do you or someone you know suffer from allergies?” Who doesn’t know someone who suffers from allergies?!?

Ad #3—MSN 7

1. *Use advertising that simulates WOM communication*. Have a television ad that has a split-screen. The person on the left is using MSN 7, while the person on the right is using AOL 7. Person left calls person right to tell them about this new chat room she found on the Internet. Person right attempts to get to that site, but it takes him forever! The ad ends with person right giving up from frustration and person left telling him that he really needs to switch to MSN 7.
2. *Use referral incentive programs*. While you already receive \$50 back after using MSN 7 for three months, how about another \$50 for getting a friend to switch as well? This will spark some WOM communication of some kind of deal in signing up for MSN 7 and getting all of your friends to do so as well.
3. *Generate buzz on the Internet*. This one is easy for Microsoft, seeing as they almost own the Internet! Running roadblock (or pop-up) and banner advertisements will only enhance the success of WOM communication and opinion leadership.

Ad #5—Bose Lifestyle

1. *Use buzz marketing techniques*, particularly *stimulating WOM through targeting business organizations and hiring OLs as sales representatives*. By using the target market of DJ’s, Bose could stimulate interest

by targeting one particular DJ business and offering a great deal to each of that company's DJ's. Anyone who goes to that club or party hosted by the DJ will be blown away by the system and the news will travel. At the same time, Bose could hire popular DJ's as sales reps in order to give customers first-hand stories of how great the system really is.

2. *Use special events to generate hype and product involvement.* At a local concert, blow the audience away with a new Bose system, with signage letting patrons know whose sound system they are enjoying. On the way out, have flyers or coupons available for concert-goers to grab.

3. *Use star perks.* Just like Michael Jordan loves his Wheaties, another pro-star just has to have his Bose. By giving a few prominent Hollywood or professional stars a new Bose system, the news will travel among the prominent listeners.

Ad #6—Diet Coke with Lemon

1. *Use buzz marketing techniques, particularly stimulating WOM through product trials.* Everyone gets thirsty in the aisle of the supermarket. Why not have samples of this new product to quench that thirst? Not only will there be buzz in the supermarket, but word will travel outside of it as well (among friends, family, etc.).

2. *Stimulate WOM communication through advertising and promotion, particularly by using product publicity to get people talking.* Run a television ad showing a teenager sucking on a lemon, and then sipping a Coke. He repeats this process throughout the whole commercial, as a pile of lemon peels pile up next to him. Then the voiceover reads, "It's too bad he doesn't know about Diet Coke with Lemon."

3. *Create opinion leaders.* While Coca-Cola attempted to battle Pepsi's Britney Spears appearances with pop singer Christina Aguilera, this technique did not last. Coke may want to try a different route and grab a more sophisticated endorser (versus a hip young singer) to give this line of Coke a different look. Perhaps Martha Stewart or Sarah Jessica Parker (from *Sex and the City*) would serve as successful OLs.

3. Epinions.com enables WOM communication and opinion leadership by providing consumers with product ratings by peers and knowledgeable professionals. It also allows viewers to compare prices without actually having to rely on WOM communication or opinion leaders. Epinions helps consumers make informed buying decisions by providing unbiased advice, personalized recommendations, comparative shopping, the right incentives, and transparency (list from Website).

4. eWatch.com assists companies by tracking news sites, writers, consumers, and the investment community in what is being covered and said about these companies. The site also measures communication results of those companies and "catches the online buzz before it becomes a crisis," while at the same time saving time and money. This site simultaneously uses opinion leaders (big wigs in the business arena) to sell itself on its Testimonials page.

Exercise 38: Freudian Personality Theory

In-Class Applications

1. How many students correctly selected Freud rather than Maslow or Pavlov? Stress that the other two guests on “That’s My Theory!” will be discussed in future exercises (Exercise 44 treats Maslow and Exercise 51 investigates Pavlov).
2. Storm-chasers would be attracted to the Freudian appeals of fantasy, id, and perhaps Thanatos, because chasing tornadoes is a fantasized fun experience made reality, and it could kill you. This personality type would be inclined to buy the following products: all-terrain sports utility vehicles (SUVs), high-tech weather trackers, long-distance walkie-talkie radios, weather-proof outerwear, high zoom video cameras, on-the-go food items, bottled water, and 2-way internet satellite systems (got that one from the Web site!).
3. Emphasize that this quiz is intended to be fun, and not a clinical interpretation of their dreams.

4. Analysis of Ads

Ad #1—Bacardi

Eros—Sexual playfulness between the guy and girl.

Id—Experiential and pleasurable time with the drink and with a member of the opposite sex.

Ego—Take care of yourself by being a vegetarian by day, given you a *rationalization* for living a bit dangerously at night (“Bacardi by night”).

Fantasy—Drink this rum and the girls will love you—sure!!

Superego—Drink responsibly (in fine print).

Thanatos—The dark night scene evokes images of danger and death.

Ad #2—Kudos

Id—Desires “devilishly delicious” snacks.

Superego—Wants wholesome snacks.

Ego—Kudos is a rational decision to resolve the conflict between the id and superego and to make them both “happy” because it is both wholesome and delicious.

Fantasy—The angel and devil are fanciful characters.

Symbolism—The angel represents good and the devil signifies evil. (Ever notice what word you get when you tack the letter “d” onto the front of the word “evil”?)

Ad #3—Veterinary Pet Insurance

Superego—Do the right thing and protect your pet.

Ego—Although pet insurance sounds absurd at first, the rational benefits of pet insurance are spelled out.

Symbolism—A dog signifies friendship (“Man’s best friend”)—a picture of a cat just wouldn’t cut it here (sorry, cat lovers).

Ad #4—The Breast Cancer Foundation

Superego—Make the right decision by making a donation.

Ego—This is a worthy cause, as evidenced by the statistics (e.g., 85% of donations go directly to research, many women are diagnosed with and die from cancer).

Thanatos—Cancer can lead to the death of a family member.

Symbolism—The man holding his daughter’s hands represents love and protection. The black background symbolizes death.

Ad #5—Haagen-Dazs

Id—“Dive into pure pleasure.”

Fantasy—Swimming in a pool of ice cream.

Eros and symbolism—Phallic symbols of the diver going into a cup (male and female genitalia, respectively).

Thanatos—The diving could be dangerous

Ad #6—*Alldays Thong Pantliners*

Ego—This product is a good “reason” to wear a thong, helps you feel clean.

Eros—Thongs are worn to be sexy.

Id—You will feel good wearing the pantyliners.

Ad #7—*Crown Royal*

Id—Giving in to temptation.

Eros—The snake could be a phallic symbol.

Symbolism—Ever since the Garden of Eden a snake has represented evil and temptation.

Thanatos—Danger! High voltage! Venomous or poisonous snake could cause death.

Superego—Enjoy the scotch responsibly moderation message.

Ad #8—*SkyTeam*

Fantasy—They give you “vacations to dream about.”

Ego—Rational approach through frequent flyer miles.

Id—The vacation lounging on the beach will be pleasurable.

Symbolism—The outstretched arm with palm up signifies “At your service.”

Ad #9—*Dolce & Gabbana*

Fantasy—A “survivor” theme.

Id—Pleasure-seeking atmosphere.

Eros—A mix of the sexes in bathing suits.

Thanatos—The darkness presents a hellish atmosphere.

Ad #10—*Benson & Hedges*

Id—Pleasure of lying in the sun and smoking.

Fantasy—Having a moment of pleasure, fanciful image of the cigarette as a person (anthropomorphism).

Thanatos—Death wish reflected in the Surgeon General’s warning.

Superego—The Surgeon General’s warning is like that of a parent.

Symbolism—The cigarette represents peace and tranquility.

Eros—Some might see the cigarette as a phallic symbol.

Ad #11—*Jovan Ginseng NRG*

Id—Pleasure of being outdoors in the water and sharing the company of a loved one, the pleasure of the fresh ginseng scent.

Fantasy—Having a time of pure pleasure, being swept off your feet by a strong, muscular man.

Eros—The guy and gal together have sex appeal.

Symbolism—The product and picture in the ad represent high energy.

Ego—This is a wise purchase -- the ginseng will give you energy.

Ad #12—*Carlton cigarettes*

Id—Relax and enjoy your cigarette (sensual pleasure).

Superego—Do the right thing: think about number one and think Carlton. The Surgeon General’s warning is like that of a parent.

Fantasy—Think how good you’ll feel if you use this product. The guy appears to be fantasizing about something or other.

Eros—The guy has sex appeal; perhaps he is even thinking sensual thoughts.

Thanatos—The Surgeon General warns us that smoking is a health risk.

Ad #13—*Hedonism Resorts* (An “adult” resort in Negril, Jamaica.)

Id—The appeal to “hedonism” couldn’t be more obvious.

Eros—It sure looks like, right there on the beach, the couple is having—umm—a relationship. (The resort features “clothing optional” beaches and Jacuzzis).

Ego—They seem to give you a lot for your money.

Fantasy—It just seems too good to be true.

5. Thematic Apperception Test (TAT)

Note: Each of these visuals came from an advertisement. The source of each and body copy are revealed below.

- a. Have students complete this part anonymously, or, if students are willing, have them put their initials down.
- b. If they wrote their initials, redistribute the projected personalities completed by their classmates to see how accurate these projections really were. You could have the students share some examples of successful projective techniques at work. Ask the students, from which product advertisements they think these pictures come. How many did they guess?

Ad #1—*Suave Performance Series Anti-perspirant*

Copy: You can relax. Your anti-perspirant can't. Not for a minute.

Ad #2—*Tommy Hilfiger Sunglasses* (no copy)

Ad #3—*The Fresh Air Fund* (www.freshair.org)

Copy: Share a little fresh air.

Ad #4—*WeddingChannel.com* (where to buy wedding gifts)

Copy: Gift Idea: Bowls.

Ad #5—*GoodNites* (disposable absorbent underpants)

Copy: For him there's nothing worse than waking up cold, wet, and alone. Except waking up cold, wet, and surrounded by friends.

Ad #6—*Mirena Birth Control for Moms*

Copy: Motherhood changes everything. Happily, that includes your birth control options.

Ad #7—*Ralph Lauren Romance*

Copy: The women's fragrance by Ralph Lauren.

Ad #8—*State Farm Insurance* (www.statefarm.com)

Copy: We see your need for life insurance growing every day. We live where you live.

Ad #9—*United States Postal Service* (www.usps.com)

Copy: The next four years brought to you by United States Postal Service.

Ad #10—*Armstrong* (floors)

Copy: No animals were harmed in the production of this floor. Flattered, perhaps, but not harmed.

Written Applications

2. There are several cautions that should be issued to marketers planning on using Freudian psychoanalytical theory in their product development and promotion, as well as their marketing research:

- As noted in the Background, some of his thinking has been largely discredited, with critics saying he made exaggerated claims and ignored principles of scientific research. The elements of Freud's conceptualization of the human psyche are purely theoretical in nature, i.e., they do not have biological counterparts in the human brain (they are *hypothetical constructs*), and are improvable, and their actual existence is questionable.
- Some of the appeals might be rather limited in their appeal (e.g., Thanatos) while others might be offensive to many people (e.g., id and Eros).

- Motivational research techniques, while sometimes yielding interesting insights, have many methodological shortcomings discussed in the Background. They are expensive, time consuming, use small sample sizes which might not include people representative of the target market, can be of dubious validity and usefulness since interpretation of respondents' answers by the analyst is highly judgmental, and the information tends to be voluminous. Focus groups are subject to bias from group influences, and projective techniques have ethical issues of deception and violation of privacy rights.
- Perhaps we get carried away and overanalyze, looking for Freudian appeals where there really are none.

Exercise 39: Building A Brand Image

In-Class Applications

1. A good way to handle this question in class is to pass out small slips of paper or index cards. Give students a few minutes to answer the questions (probing students for specific *personality traits* or *sociocultural traits* that they have in common with the brand), collect their answers, shuffle the papers (to ensure anonymity), and read and discuss some of the more creative responses. If some students are willing to “come out of the closet” and identify that they wrote a certain answer, ask if this image congruence makes the brand appealing to them, if they have bought it, and if they are a regular buyer.

Here is a sample of some of the answers we have received over the years (You can read several of these to the class before they begin writing to get the ball rolling):

Wrangler: Practical, down-to-earth, and value-driven.

Laz-Z-Boy recliners: relaxed, laid back, and comfortable.

North Face: Reliable, athletic, outdoorsy.

Snuggle fabric softener: warm, affectionate, soft and cuddly, comfortable to be around, and I like to brighten things up.

Victoria's Secret: feminine, romantic, soft, sensitive, sweet-smelling, sexy.

People magazine: entertaining, amusing, and full of gossip.

Fruit Loops cereal: a little wacky but always full of fun.

Coke Classic: real, genuine, honest, and will always be around to put a smile on your face.

Energizer batteries: hardworking, keep going and going (always busy and never let up), and won't fail when the others will.

Coors Original: cool, smooth, and easy going, not to mention sophisticated. I'm the life of the party—once I arrive, the fun begins. I'm never bitter nor foul, and am more fun with friends.

Hallmark gift card: sweet, special, a little overemotional, love special occasions, and sentimentally make a few words mean so much and brighten the day of people who “read” me.

The Gap: young, outgoing, daring, colorful, yet conservative, comfortable, and relaxed at the same time.

Nike: I “just do it”—am active, energetic, competitive, ambitious, athletic, fearless, determined, assertive, tough, dependable, attractive, comfortable, casual, stylish, attractive-looking, popular, and self-sacrificing.

BMW: strong performer, not overly flashy, good appearance but not trying to be something I'm not, dependable, refined, and pay attention to the details.

Dell Computer: I listen to your problems and try to be as helpful as possible. I'm also dependable and always available.

Gatorade: athletic, extremely energetic, and always on the go doing something that requires energy.

Jeep Cherokee: hard-working, dependable, and never say die. Like Jeep, I have no problem switching gears and getting out there to have fun, and I'm adventurous and willing to travel over tough terrain.

Tootsie Roll Pops: hard exterior but soft on the inside

Bounty paper towels: dependable, strong, and able to clean up tough situations.

Range Rover: Rugged, dependable, and useful for outdoor sports.

Dunkin Donuts coffee: warm, comforting, and give people the “pick me up” they need when they are feeling down.

Kellogg's Frosted Flakes: “I'm greeeeat!!”

Bud Light: Classy but not showy, consistent, always up for a good time, and a staple at any sporting event.

L.L. Bean: outdoorsy, athletic, active, down to earth, and dependable.

Captain Morgan um: I'm irreverent, fun, and like to party!

Warning: you might wish to censor a few responses (e.g., *Trojan condoms*: strong, dependable, safe, sharing, loving, protective)

2. Try to determine if there is a pattern here regarding things students consider as part of their extended selves. Students tend to mention things like their clothing (styles, brand names) and accessories (jewelry, wallets and handbags, sunglasses, keys, etc.), collections (music, books, etc.), hobby items (e.g., musical instruments), memorabilia and souvenirs, and such. Childhood toys (e.g., Teddy bears), books, and the like are still sometimes clung to as part of the self. Video games, computers, MP3 players, and other electronic devices are also an important part of self for this generation. And, pets are often viewed as an extension of self (Ever notice how similar pets and their owners appear?).

3. Analysis of Ads

Ad#1—Armstrong ToughGuard

Sex: *Armstrong* is definitely a man, a very manly (tough and strong) man! He is a "tough" guy.

Age: This brand is probably between 35 and 45 years old

Culture: *Armstrong* is proud to be an American. His diligence and determination are very reflective of this country's hard-working ideals.

Social Class: *Armstrong* has long been synonymous with middlebrow suburbia. So, he most likely falls into the Working or Middle to Upper Middle Class, trying to maintain that three-bedroom Colonial while possibly working some night shifts to support his family.

Social groups: He is a regular churchgoer and is involved in a local civic club.

Family: *Armstrong* is in one of the Full Nest stages, with a wife and kids.

Lifestyle: *Armstrong* is a suburban, self-reliant family man. He works hard for the money, lives for the day, but always plans ahead. He is a go-getter and likes to do everything on his own. He appreciates quality, but at the right price. *Armstrong* takes care of his family and is very reliable. However, he is not really the handyman that he envisions himself to be. He and his wife like to entertain guests in their newly remodeled home.

Ad#2—Mootsies Tootsies

Sex: A man named *Mootsies Tootsies*... doubt it! She is woman, hear her roar!

Age: This on-the-go mom is probably in her 40's, maybe early 50's (clues include "bringing-your-daughter-to school" and "mid-life crisis").

Culture: A family-oriented businesswoman, *Mootsies Tootsies* definitely reflects the average "mom" in America these days.

Social Class: While this brand presents this woman as having a sophisticated look, *Mootsies Tootsies* is a "smart" shopper and falls into the Upper-Middle Class, perhaps aspiring to move upward.

Social Groups: She belongs to numerous social groups besides her family, including professional groups

Family: She is most likely in the Full Nest III or Empty Nest stage. She might also be a single mom.

Lifestyle: This elegant brand has a busy schedule! In between the office and the hair salon, *Mootsies Tootsies* must pick up the groceries and go to the bank before her daughter's soccer game. Once in awhile she "lets it all hang out" and shows off her wild side a little.

Ad#3—OshKosh

Sex: While the ad displays a little girl, *OshKosh* is for both sexes.

Age: *OshKosh* could be anywhere between 3 and 12 years old, as long as the child still knows how to play and get dirty.

Culture: While *OshKosh* is only a kid, the parents are always thinking about their child's future and the future of America as a country.

Social Class: Everyone knows that *OshKosh* is a "high-class" kid and requires nothing but the best!

Social groups: *OshKosh* is involved in local kids' sports leagues such as t-ball, attends preschool or elementary school, and is involved in Brownies or Cub Scouts.

Family: Full Nest I family with all the business and responsibilities thereof.

Lifestyle: Little *OshKosh* enjoys days at the local private school, playing outside with friends, and then returning home for weekly tennis lessons and daily homework. After Sunday school, *OshKosh* waits for Mom to bring him/her to pick out a new piano.

Ad#4—Jaguar the X-Type

Sex: *Jaguar* could be male or female (both are featured in this ad), but either way, this person has class.

Age: “The new Jag generation” is young (between 25 and 35 years old) and climbing the corporate ladder.

Culture/Subculture: Not only is *Jaguar* fast and mobile (like the typical working American), but represents Generation X (*the X-Type*).

Social Class: While *Jaguar* wants to be considered part of the Upper Class, this person is upwardly mobile and is currently in the Upper-Middle Class, driving the car daily through his or her well-to-do neighborhood.

Social groups; *Jaguar* hangs at the local country club.

Family: He is still happily single and uses his car to impress the ladies.

Lifestyle: This brand leads a fast-paced life of style, grace, and luxury. Performance is important—the *X-Type* has just been promoted at the corporate office and must rush to greet his/her fiancée for lunch. After work, *the X-Type* will jump on a plane for a conference in Boca Raton, FL.

Ad#5—Bombay

Sex: *Bombay* is none other than a sophisticated elegant woman (the major influencer and decider on such a purchase—men typically acquiesce).

Age: This brand is reaching the rank of “senior citizen” at age 60 to 70.

Culture: *Bombay* is no stranger to other cultures, but definitely enjoys the finer things in this retired American life.

Social Class: *Bombay* must be a member of the Upper Class, and nothing less will do. It fits in nicely in a classy house filled with expensive things, even though it sports a middle class price.

Social groups: She belongs to a “spiritual encounters” group that meets weekly.

Family; Definitely an Empty Nester.

Lifestyle: This brand enjoys quite the luxurious life. In between her daily mud bath and tea at the local country club, she volunteers at the soup kitchen and supervises at her antique shop for a few hours. At night, *Bombay* enjoys a competitive game of bridge while her husband sets off for a weekend at the dog track (cigars in hand).

4. You may want students wearing t-shirts to stand up for this exercise, so that everyone can see each brand. Point out any reoccurring brands and see what kind of company is making these t-shirts (e.g., a sporty company like Nike or a fashion company like Gap). Ask students if they bought the shirt, won it, got it for free at a concert, or simply found it on the street! Were these shirts intended as marketing tools or were they just the newest trend? Are they consistent with wearers’ personalities?

Written Applications

3. First, you must decide on a *personality type* to differentiate your product. Using cake mix as an example, e.g., silly and sensual. Possibilities here include:

- *Brand name* - Sexy Sally's
- *Product quality* – a perfect “10”
- *Packaging* - shape it like a human, a la Mrs. Butterworth's
- *Distribution* - sell it in unexpected places, like the comedy (or X-rated) sections of video stores.
- *Pricing* - high price for this perfect lady
- *Advertising* - feature the sexy Sally character in the advertising.

This product might appeal to the sensual self-image of a young, single lady interested in attracting a beau (after all, “The way to a man’s heart is through his stomach”).

Exercise 40: Measuring Brand Image

In-Class Applications

1. Analysis of Ads

Ad #1—Grey Poupon

- a. *Relater*—Sociable (but quiet and easy-going)—enjoys cocktail hour and wienie roasts with friends. Likeable and humorous.
- b. *ESFP*—Extrovert, Sensor, Feeler, Perceiver.
- c. *Other-directed*—Only the best mustard to conform and impress friends.
High in consumer materialism—Image is everything, and serving and using the product proves it!
Consumer innovators—Open and ready to adopt new products.
Low in dogmatism/open-minded—Prefers innovative products.

Ad #2—Canon

- a. *Thinker*—“Think outside the cubicle!” Analytical, conscientious, creative.
Doer: Gets things done (visionary and productive)
- b. *INTP*—Introvert, Intuitive, Thinker, Perceiver.
- c. *Consumer innovativeness*
High in need for cognition (NC)—Attracted to rational approaches, like all of the features the product has, along with their corresponding benefits.
Inner-directed—Don’t be afraid to be different from the test.

Ad #3—Chevy Malibu

- a. *Doer*—Self-sufficient, independent, practical, confident. The car is dependable “to get you through it all.”
- b. *INFJ*—Introvert, Intuitive, Feeler, Judger.
- c. *Narrow categorizer*—Not willing to take risks (there is a child to take care of).
Internal locus of control—In control of her own life and the life of the child.

Ad #4—Wish Bone

- a. *Influencer*—Outgoing and talkative, carefree, personable, enthusiastic, compassionate, and ready to tango!
- b. *ESFJ*—Extrovert, Sensor, Feeler, Judger.
- c. *High in dogmatism/closed-minded*—You either like it cool or hot; that’s it.
Visualizer—Attracted to the visual imagery of the ad.
High OSL—Seeking new varieties in salad dressing.

Ad #5—Veterinary Pet Insurance

- a. *Relater*—Cares a lot about others, especially loved ones. Appeals to the organized, objective, and practical.
- b. *ESFJ*—Extrovert, Sensor, Feeler, Judger.
- c. *Narrow categorizer*—Not willing to take risks at the expense of a loved one. Insurance is designed to reduce financial risk.
Visualizer—Seeing that puppy makes you say, “awww.” Further information is available for *verbalizers* at the 1-800 number and on the Web site.

Ad #6—Singular

- a. *Doer*—Self-reliant, strong-willed woman with a life. Others in the picture seem to be looking up to her as a leader.
- b. *ENTJ*—Extrovert, Intuitive, Thinker, Judger.
- c. *Inner-directed*—Very individualistic and takes control of her own life.
High in need for cognition (NC)—Needs to know the specifics about anything she buys.
Internal locus of control—In control of her life, especially how asthma will (or will not) affect it.

2. a. Take a survey of how many students fall into which category. Is there a dominating temperament among the students? Ask them to guess what your primary and secondary temperament is.

Here are some generalizations about the consumer behavior of each temperament type:

Influencers: Might serve as good “shopping pals (since personable), enthusiastic about shopping and consuming, impulse buyers, might buy more than they need (since overreaching), disorganized (don’t use shopping lists)

Doers: Make quick decisions (products, stores, brands), might make impulse purchases, might use quick decision heuristics, want immediate gratification, willing to try new products and shop at new stores (since they are risk takers), and might be demanding shoppers (insensitive to others, such as salespeople).

Thinkers: Put a lot of thought into decision making, carefully plan their shopping expeditions (e.g., shopping lists), engage in thorough alternative evaluation, have trouble choosing, resistant to new products, difficult to satisfy (since they are pessimistic), buy sacrificially for others.

Relaters: Brand and store loyal (since they value relationships), have preferred salespeople they like to do business with, routine decision makers, procrastinate in making decisions and might postpone shopping (since they procrastinate in general and lack initiative).

b. Analysis of Ads

Ad #1—Dasani: Relater

Attractions: calm, quiet, conservative, practical

Turn-offs: spectator, fearful, indecisive, unmotivated

Ad #2—Quaker: Influencer

Attractions: outgoing, carefree, talkative, enthusiastic

Turn-offs: undisciplined, restless, loud, egocentric

Ad #3—Aveda: Thinker

Attractions: sensitive, aesthetic, artistic, idealistic

Turn-offs: self-centered, touchy, impractical, critical

Ad #4—Columbia: Doer

Attractions: strong-willed, determined, independent, courageous

Turn-offs: proud, domineering, unappreciative

3. If students are willing to share, discuss their personality types according to each of these tests. Take a poll of who is Type A or Type B, who is an ENTJ or ISFP, etc. To spark things up, discuss the dog breed test and the shoe test (that should get some laughs!). On a more serious note, ask students what these “types” tell marketers about them as consumers. Does personality have anything to do with what brands people choose? Can personality serve as a predictor of brand or store choice for any of your students?

4. Some of the following personality traits may come up for each brand:

Pepsi—youthful, energetic, funky, fun-loving

Oscar Mayer—childish, silly, playful, fun, goofy

Tylenol—dependable, strong-minded, serious, comforting, trustworthy

Ben & Jerry’s—goofy, environmentally-conscious, creative, liberal

Volkswagen—cute, bubbly, sporty

Nike—athletic, determined, diligent, impulsive

Budweiser—humorous, sociable, carefree, a leader

Campbell’s—motherly, health-conscious, conservative, comforting

IBM—intelligent, sophisticated, stern, businesslike, professional, hard-working, conservative

Marlboro—manly, rugged, active, outdoorsy

Hush Puppies—“A shoe someone like my aunt or grandmother would wear,” cuddly and comfy,

Abercrombie and Fitch—sexy, naughty,

Miller Beer—Most younger drinkers don’t see it a cool brand like Bud light and Coors Light

Cadillac—When you think of Cadillac what images come to mind? Two seniors tooling around Palm Springs, Calif.? However, newer models and advertising are giving the brand a face-lift featuring more powerful engines, sportier handling, and edgier styling.

5. Ratings will probably fall very close to the following (but encourage any disagreement):

Ford—rugged, exciting, comfortable, dominating, indulgent, pleasant, contemporary, organized, rational, mature, formal, liberal, simple, colorless, modest

Oil of Olay—delicate, calm, comfortable, submissive, indulgent, pleasant, non-contemporary, organized, emotional, youthful, formal, orthodox, simple, colorless, vain

Charmin—delicate, exciting, comfortable, submissive, thrifty, pleasant, non-contemporary, unorganized, emotional, youthful, informal, liberal, simple, colorful, modest

Dell—rugged, exciting, uncomfortable, submissive, thrifty, unpleasant, contemporary, unorganized, emotional, youthful, informal, liberal, simple, colorful, vain

Sketchers—rugged, exciting, comfortable, dominating, indulgent, pleasant, contemporary, unorganized, emotional, youthful, informal, liberal, complex, colorful, vain

Written Applications

4. Students should do the calculations and determine whether or not their preferred brand's image lies closest to their self-image.

There are several problems with this empirical approach:

- It would be an accurate predictor of consumer choice only if brand image was the sole consideration.
- The scales must represent all relevant dimensions of the brand's personality and users' self-concepts and include adjectives that are truly opposites.
- Social desirability bias in the consumer's rating of her self-image might occur.
- It might not be clear which type of self-image is being measured—actual, ideal, social, or expected. Nor is it always clear which is most relevant in buying a product.

Exercise 41: Psychographics: VALS II and Claritas PRIZM Lifestyle Segmentation

In-Class Applications

1. This question will help students integrate not only material in this Exercise but it also touches on topics from the Sociocultural Influences (subculture, social class, etc.) Part of the course as well. Give students about 15 to 20 minutes and encourage creative thinking. You could offer a small incentive (e.g., donuts if a morning class, snack food if an afternoon class, but, please, no alcoholic beverages if it is an evening class) to the group that, in your humble estimation, comes up with the most creative answers. Each group should appoint a spokesperson to share answers with the rest of the class.

2. Have the students either print out or write down each of their VALS types to have prepared for class discussion. Ask how many students actually guessed their types correctly. Discuss whether or not these types accurately match the students' lifestyles. Ask the students to guess what typical college students usually score on this survey for both primary and secondary types (Experiencers, Achievers) and why they think most students end up categorized in one or both of these groups. Take a survey of primary and then secondary types to see if there are any dominant types and if the class matches the typical college profile. Make sure to have your VALS 2 survey completed to see if the students guessed your primary and secondary types correctly. Discuss any differences between you and the typical class member and how this could affect your communication and relationship between students and professor.

For those students who don't think the questionnaire validly captured who they are, you can point out the following qualification found on the VALS site (<http://www.sric-bi.com/VALS/context.shtml>): "You may find that some of the details in your VALS type description or the accompanying data tables are not like you at all. But don't judge too quickly. The details that are literally unlike you may identify a basic tendency that you express in some other way. You may also find that some of your favorite activities or interests do not appear in the data tables. Understand, however, that we are only listing a few illustrative elements out of a vast data set. Alternatively, we may just not have information on your favorite activities

or interests available to us. In sum, your VALS type implies that you will share many attributes with others of the same type. It does not imply that you will resemble them in every detail. Even so, the details we provide should form an overall portrait that, as a whole, reflects your individual preferences fairly well.”

3. Analysis of Websites

Here are three examples (Web sites might be gone by the time you read this.):

<http://www.m88.org>: A Christian Web station.

Primary VALS 2 type: Believers—Being a Christian music station, it is almost assumed that the listeners would be *believers*. The website offers a calendar of upcoming events and Bible meetings, as well as inspiring words to live by.

Secondary VALS 2 type: Experiencers—While this station is of religious affiliation, its target market knows how to have fun. The site is full of pictures, featuring many teenagers and young adults having fun and enjoying life. These listeners are a fun, energetic group of people!

<http://www.npr.org>: National Public Radio (NPR)

Primary VALS 2 type: Actualizers—Those who listen to National Public Radio have been stereotyped for a while now. They are definitely established and usually well off. They like to keep up-to-date with important events and information to keep their lives up to par.

Secondary VALS 2 type: Achievers—NPR listeners need to know what is going on, and that may be for social reasons. In the community or on the job, they need to be involved in conversations regarding the latest and the greatest. What better way to keep up with the times than by listening to NPR!

<http://www.kpoa.com>: Hawaiian island music

Primary VALS 2 type: Fulfilleds—These calm, laid-back listeners are quite content with sounds of the ocean skimming their radio waves. They are open-minded and are happy with life, about which these relaxed listeners reflect.

Secondary VALS 2 type: Makers—While KPOA fans are content with life, they don’t overdo it. They appreciate the beauty of nature and making things from scratch. What nature has provided is enough for these land lovers.

4. Get the PRIZM cluster(s) for your institution’s zip code and see what the students think. Is it an accurate description of the surrounding area? Encourage discussion about measuring lifestyle based on geodemographics (as used by Claritas). There might be some disagreement about to which such stereotyping is accurate or fair.

5. Analysis of Websites

The Simpsons

(A)—Drinking, bowling, watching television, eating, playing video games.

(I)—Providing for the family, violent movies/shows, sports, jokes.

(O)—avoiding being politically correct, buying the cheapest brand, never saying you’re sorry.

Oprah

(A)—Working, exercising, reading, crocheting, cooking.

(I)—Health, sex, trends, family, recipes, Hollywood gossip.

(O)—Doing the right thing, practice makes progress, there’s a solution to everything.

Survivor

(A)—Extreme sports, playing board games, traveling, building.

(I)—Reality shows, trivia, psychology, puzzles, close relationships.

(O)—Only live once, always trust your friends, be yourself.

6. Faith Popcorn comments on a variety of possibilities for the future, including food engineered with prescription medicine, at-home surgery, virtual post offices, personal robots, doctors making house calls, paternity leaves as commonplace, and video post cards. Marketers should respond to Faith’s predictions by

actually implementing them! They could also run future “what if?” advertisements about these ideas and measure consumer response. The full list of her predictions can be found at <http://www.faithpopcorn.com/faith/predictions.htm>.

Exercise 42: Rational versus Emotional Motives

In-Class Applications

1. Analysis of Ads

Ad #1—Prudential Center—Even though it looks like the ad is selling affection or friendship (the motives), it is really an ad for a shopping destination (the goal whereby the motives can be fulfilled). Along with this, you could say it is an appeal to the innate need of clothing (although the truth of the matter is that women *need* more than the clothes on their backs!) or an appeal to the acquired need of socialization or self-esteem. This ad is different from most other shopping mall ads by not featuring the products themselves (like clothes, lipstick, etc.) and does so effectively by telling you to “make a day of” shopping.

Ad #2—Jergens—While some may believe that shaving should be done since birth, this ad is effectively appealing to an acquired need of tradition or being normal as well as beauty (though some European women may beg to differ!).

Ad #3—Hartz—This ad appeals to the need for love, which is considered innate to some and acquired to others. This appeal is effective because many people consider pets to be part of the family and would do anything (like buy this product) for them.

Ad #4—Captain Morgan—The innate need of liquid nourishment is a must, but alcoholic drinks (or the effects of them) are considered to be an acquired need. The ad also effectively appeals to the acquired need for socialization and fun—let the good times roll!

Ad #5—Huggies Little Swimmers—While the *need* for the comfort diapers provide is innate, the need for protection while swimming is an acquired need. This ad is fantastic in its effective appeal because it adorably plays on these “needs.”

Ad #6—Children, Inc.—This ad effectively touches upon several needs, one being the innate need for food (by the little girl), a second being the acquired need to feel good about oneself, and a third an acquired need to make the world a slightly better place (the latter two by the donator).

Ad #7—Harlequin—This ad is appealing to the acquired need (or maybe innate need) for romance, and is doing so effectively by reenacting a novel’s dramatic scene.

Ad #8—Nikon—The appeal in this ad is to an acquired need to capture moments through a camera. This appeal is played out well through an anticipation of what will happen next.

Ad #9—Loop-Loc—While on the surface this ad seems to appeal to the acquired need of protecting your pool, it is really an appeal to the innate need of safety (for your children). This ad catches your attention with the elephant, but you must keep reading to realize how effectively it appeals to the need for safety.

Ad #10—PlayStation—This ad is appealing to the acquired need for entertainment, and it does so quite effectively by showing some people experiencing this need all the time!

2. Analysis of Ads

Ad #1—Prudential Center—This shopping center ad is definitely appealing to *emotional motives* (perhaps *human interest*). The women featured in the ad aren't in the process of shopping, but instead are conversing and sharing stories over coffee and dessert. While most shopping centers would want consumers to be attracted to the stores themselves, and could use rational appeals such as quality merchandise, low prices, and convenient location, this ad appeals to the experience of a shopping trip (appeal to an experiential need which is *attitude-based*) and is therefore effective.

Ad #2—Jergens—With a woman's leg covering most of the page, one would immediately think this was an *emotional* appeal, specifically a *sex appeal*. Women want their legs to be attractive and feel smooth. There is also an implied *shame appeal*—women fear that if they don't have enough time to shave their legs men will find them unattractive, which would be embarrassing.

This ad also appeals to *rational* motives because of the ease of this product (therefore being *attribute-based*). One thing that women hate to do every morning is shaving their legs, and this ad effectively offers a solution to that annoyance by reducing this activity by half.

Ad #3—Hartz—A boy and his dog can only appeal to *emotional* motives (particularly *fear* of losing the dog), and this product provides a way to keep that relationship alive (*attitude-based* appeal). While this ad makes the consumer feel *emotional*, a *rational* approach may have been a better route for Flea and Tick Drops because of our tendency to rationalize all medical and health decisions/purchases (which would be an *attribute-based* appeal).

Ad #4—Captain Morgan—This ad screams *hedonic* needs, and therefore appeals to *emotional* motives especially *sensual* (a beautiful woman sits in a provocative pose with an attractive man in a bar) and *fantasy* (have you ever had this much enjoyment in a bar?) (*attitude-based*). There is nothing *rational* about the need for rum. This ad is effective in reaching the target market “with a splash of the unexpected.”

Ad #5—Huggies Little Swimmers—After looking at the children and reading the copy it is too obvious that this ad appeals to *emotional* motives, especially *humor* and the cuties tootsies. This appeal would catch the attention of the target market (mothers or fathers), and create good feelings for the product (*attitude based*). There is also a *bandwagon appeal*—if everyone else is trying it, then you should too. The ad suggests to young people that by drinking Captain Morgan, they will be socially accepted.

However, there is also a *rational appeal* because of the discussion of the functionality of the diapers themselves (*attribute-based rational appeal*).

Ad #6—Children, Inc.—This ad is appealing to *emotional* motives, particularly *guilt*, as is evident by the look on the little girl's face and knowledge that she is starving while readers have an abundance. The ad also appeals to *human interest* via the sad picture of the hungry girl, introduced in the body copy to readers as “Mandy,” an Appalachian coal miner's daughter who doesn't have enough to eat. With an overwhelming sense of pity, the target market has nothing but feelings for the child and would respond to this *attitude-based* appeal.

Ad #7—Harlequin—This ad speaks for itself—it is an appeal to *emotional* motives, blatantly *sex!* The ad could just as well have said, “Warning: These books might improve your sex life!” There is also a *fantasy* appeal—women buy these books for the steamy fantasy element within them. This *attitude-based* appeal is effective and appropriate for the target market because it is simply playing out a scene in one of the novels being advertised.

Ad #8—Nikon—Readers must notice the copy superimposed on the illustration to realize it is appealing to *emotional* motives, especially *humor*. While most camera ads point out special features, this ad effectively wants the consumer to “never say ‘you had to be there’ again” (*attitude-based* appeal). However, the fine print at the bottom of the ad presents the facts and figures of a *rational appeal*.

Ad #9—Loop-Loc—This ad appeals to *emotional* motives, the top having a *humor* appeal and the bottom having a *fear* appeal (“safe choice”). It also uses a *rational* approach by discussing tangible product

attributes (value, performance, size, etc.). The elephant standing on the pool cover illustrates its durability. The elephant effectively catches the consumer's attention, while the smaller photo shows the safety of the product (*attribute-based*).

Ad #10—PlayStation—Just the thought of Santa Clauses sitting around is a definite effective appeal to *emotional* motives, particularly *humor*. This product is meant to be played “whenever, wherever, forever” and there are no limits to being a child again (*attitude-based* appeal).

3. For more background on this issue, visit <http://www.consumersunion.org/other/sellingkids/>. You might want to separate the class into two groups: those who are opposed to child-targeted advertising and those who are for it. Do marketers owe anything to their consumers as far as ethics are concerned? Discuss the Web sites provided in the Exercise and how they target children. What products are eye-catchers for kids (e.g., cereal)? Are these products attractive because of their appeal to *emotional* motives?

3. Scenarios

Scenario#1—*Need for Achievement*

Scenario#2—*Need for Affiliation*

Scenario#3—*Need for Power*

Scenario#4—*Need for Achievement*

Scenario#5—*Need for Power*

Scenario#6—*Need for Affiliation*

Exercise 43: Motivational Conflict

1. Analysis of Ads

An important point to note is that these are only suggested interpretations, because each can be seen differently. What one person might interpret as an approach object (e.g., achieving good looks) another person could view as an avoidance object (e.g., preventing bad looks).

Ad #1—Orbitz

Approach-approach conflict—In the “good old days” of travel agents, the tradeoff was full service and selection but at high prices vs. do-it-yourself to save money, possibly at the hazard of missing some great options. Orbitz offers the second general solution to approach-approach conflict: provide a product that provides the better of two conflicting choices (and in this case it eliminates the negatives of each). With Orbitz, you get the travel service you need at the price you want. The ad convinces us that, with Internet technology, it is possible to get the best of both worlds with this relatively new service.

Approach-avoid conflict—Approach the reward of learning about a nice, affordable vacation spot, but avoid the hassle of shopping around on the various travel Web sites and of paying too much money. Orbitz offers one-stop shopping to efficiently get all the info one needs via comparison shopping without putting too much work into it.

Ad #2—Dove Body Refreshers

Avoidance-avoidance conflict—The choice in the consumer's mind for freshening up on the go is between three negatives: gritty paper towels (uncomfortable), hand dryers (which can chap your hands), and disintegrating toilet tissue (an annoying mess!). “When you need to freshen up on the go, your options are not exactly optimal.” Dove offers a fourth alternative—wipes (a product that boomed in popularity in the

early 00's) that eliminates all of the negatives, yet makes your skin feel better. This alternative is much different from the traditional alternatives and so seems to offer a convincing solution to the problems.

Ad #3—Estrostep

Approach-avoid conflict—Birth control pills have historically come with negative side effects, such as causing acne and weight gain. Estrostep has developed a product that is just as effective yet eliminates the bad skin and lessens the weight gain. “An effective birth control pill that helps clear up your skin.” What’s better than that? Assuming that this ad is targeted to girls in their late teens, this ad might be of limited effectiveness. For one, it is rather copy-heavy—will young lassies bother to read all this? Also, there are still quite a number of remaining problems, pointed out as disclosures (by law) in the third paragraph. Finally, there is the ethical (and, for some, religious) issue of promoting birth control to young unmarried girls. This conflicts with the growing (and admittedly controversial) “abstinence-only” movement in some public schools.

Ad #4—Lactaid Ultra

Approach-avoidance conflict—As with most yummy food products, there are some “bads” that go along with the “good.” When you are lactose intolerant, you really want a delicious ice cream sundae but can’t handle the side effects. Lactaid offers an alternative to eliminate the negative side effects of cramps, gas, and bloating. “Enjoy dairy again.” The ad seems convincing, and for the skeptical consumer, further information is available on the Web.

Ad #5—Nasonex

Avoidance-avoidance conflict—The “great way to deal with your nasal allergy symptoms” is to choose a third option (option C: Nasonex) over the original two negative alternatives (A: artificial lawn and B: artificial pet). Plenty of information is offered in the ad and on the Internet to convince the consumer. The free sample offered should provide the best persuasion of all.

Ad #6—Riders

Approach-avoidance conflict—Most jeans that look good are way too tight and hence feel uncomfortable. Riders provides an alternative to suffering with style by offering jeans that keep you “looking good” and “feeling good” at the same time. The ad offers no proof, however—a smiling lady hardly does the trick.

Ad #7—Atrovent nasal spray

Approach-avoid conflict—The consumer believes that to break free from his runny nose (the approach object) he must take undesirable antihistamines or steroids, or suffer side effects such as staying awake or not being able to go to sleep (the avoidance object). If you want the good, you must take the bad. The marketer is resolving the conflict by showing how this product treats runny noses without all of the undesirable ingredients or side effects. Get the good and avoid the bad in the same goal object. Follow-up information is available for the skeptical customer.

Ad #8—National Flood Insurance Program

Avoid-avoid conflict—Consumers want to avoid having to pay for the disaster a flood can cause, but they also want to avoid having to pay flood insurance premiums. The ad effectively shows how this program minimizes the pain of paying the premiums by offering a low-cost (\$100/year) premium, while avoiding worry over paying for a flood’s wreckage.

Approach-avoid conflict—Get the peace of mind of flood insurance while avoiding the typical high costs.

2. Analysis of Decisions

a. New house

Approach-approach conflict—You may find two houses that are each “perfect” for you, and you must weigh the benefits of each, considering many factors besides the houses, such as their neighborhoods and the quality of nearby schools. Another possible approach-approach conflict entails deciding on desirable locations (mountains vs. beach, one town or another, etc.) Or, you might want an economical house but a waterfront property (usually expensive).

Approach-avoidance conflict—The house of your dreams requires a new septic system.

Avoidance-avoidance conflict—There is absolutely nothing close to ideal on the market, so you must choose the best of the worst. Or, imagine a couple is just barely making ends meet in their one-bedroom apartment. Then, they find out that they will unexpectedly have twins. So, they must look for a house large enough for two adults and two children. So, they are forced to spend money they don't have or stay in an undersized apartment and live like animals in a cage. Also, once the home is purchased, avoid-avoid decisions can occur for the likes of homeowner's insurance, exterminators, and other items providing no pleasure or enjoyment but bought to ensure against negative situations.

b. Used car

Approach-approach conflict—The dealer fixes everything in sight and is practically selling “new” cars! Should you pay more to get a brand new car or go for the used one that is less money but almost as good as new? Or, perhaps a buyer wants a flashy sports car but also desires a reliable vehicle for driving in the snow, and he knows that sports cars tend not to handle as well in the snow.

Approach-avoidance conflict—You find a great deal, except the car is lime green (yuck!). Or, that flashy sports car doesn't handle well in the snow.

Avoidance-avoidance conflict—The prices are way too high for all available cars... negotiation time! Or, your car breaks down, and now it's time to either shell out the bucks to buy another one or spend major dollars to get your car repaired. Also, once the car is purchased, avoid-avoid decisions can occur for the likes of tires, new engine, etc.

c. New facial tissue

Approach-approach conflict—one contains lotion but it costs more, while another without lotion is on sale.

Approach-avoidance conflict—it is the cheapest brand, but you could blow right through them.

Avoidance-avoidance conflict—you have tried everything and they all leave you with a chapped nose.

d. Used school books

Approach-approach conflict—The bookstore offers you an almost-mint condition book for your consumer behavior course marked down 25% from the price of the textbook when new, while your friend offers you one slightly more highlighted and underlined for 40% off (and, you'd really rather help your friend than the bookstore). In either case, it looks like a textbook you can really sink your teeth into.

Approach-avoidance conflict—your friend offers you her old textbook for free, but the cover and several pages are missing, it is all marked up, and it is the previous edition!

Avoidance-avoidance conflict—same scenario as the first, but it's a big, thick, dense, and expensive (\$150 new) book in a subject you dread taking—calculus for business majors (Challenge: find a businessperson who actually uses calculus on the job!).

3. A possible scenario would be choosing a college and experiencing an *approach-avoidance conflict*, where you got into your first choice but couldn't afford to attend. Encourage students to share their stories and have the class identify which of the motivational conflicts was encountered. Which type of conflict came up the most (perhaps *approach-avoidance* is most common)? Were any students affected by marketing strategies?

4. Analysis of Choices

a. *Approach-approach conflict*—you can either enjoy the candy bar or enjoy looking and feeling better by going on a diet.

b. *Avoidance-avoidance conflict*—Pain is no fun, but anesthesia can leave you feeling lousy after an operation.

c. *Approach-approach conflict*—these are two mutually exclusive, exciting ways to spend your limited time and money. Or, *avoidance-avoidance conflict*—Depending on the person—this is not a choice for those with low optimal stimulation levels!

d. *Approach-approach conflict*—Two nice options, but you don't need (and can't afford) both.

e. *Avoidance-avoidance conflict*—neither is pleasant but one will be reality. Do nothing and it remains broken down.

f. *Approach-approach conflict*—Time and money constraints don't permit both.

g. *Avoid-avoidance conflict*—although the sleep option might sound desirable, it could come with a high price, viz. fail the exam.

Exercise 44: Maslow's Hierarchy of Needs

In-Class Applications

Note: these questions reinforce the idea illustrated in Figure 2-A for Chapter 12 that multiple motives can underlie a single motivated behavior (i.e., purchase of a product).

1. *Safety*—a Ford Truck is strong, dependable, and safe for the family. Safety ratings by an independent third party could be included. Ford's slogan is, "Built Ford tough."

Love—this is a fun vehicle to ride in with your friends and family. If everyone else in the "crowd" you run with owns one, you might wish to do so too to achieve a sense of belongingness.

Esteem—it is a strong and manly truck, giving it (and the driver) a tough and rugged look. The Ford F-150 pickup truck has some models which are primarily status symbols, such as the F-150 Lightning (the best-selling pickup truck in its class).

Self-Actualization—Climb every mountain and explore every valley with a Ford truck.

Depending on who the target market is, all four appeals are very effective. For caring but adventurous mothers and fathers, the safety and love appeals work best. For young men looking to boost their egos, the self-esteem approach fits. For older folks looking to explore the country, the self-actualization appeal is most effective.

2. Marketing Appeals

A. M.A.D.D.

Physiological—Alcohol abuse is harmful to your body. Target: Teenagers and young adults.

Safety—Car accidents due to drunk driving can maim and even kill you—driving while intoxicated will cost you your life. Target: Same as above.

Social—would you want to lose a friend or family member? Appoint a "designated driver" (D.D.). Target: "Belongers"

Esteem—"Friends don't let friends drive drunk." Having a D.D. is the *cool* thing to do. Drinking and driving is for dorks and losers. Target: Teenagers and young adults. Alternative: It is irresponsible and setting a bad example for your kids if you drink and drive. Target: Parents.

Self-Actualization—Don't you want to live to see the day your grandchildren graduate from college?

Target: Older adults. Alternative: "You have your whole life ahead of you to do great things. Don't throw it away." Target: Young adults.

b. Crest Toothpaste

Physiological—Brush with Crest to keep clean and healthy teeth and gums, and to avoid unnecessary pain. Target: Adults or anyone concerned with oral hygiene.

Safety—Fight against cavities and disease that may alter your life. Target: Adults or those who consume a lot of sweets.

Social—Friends and family won't want to hang out with someone with bad breath or missing teeth. Target: Teens and young adults who are concerned with physical appearance.

Esteem—Fresh breath and whiter teeth make you look and feel your best. Target: Teens and young adults.

Self-Actualization—A brighter smile could make you a star one day! Target: Teens and young adults.
Alternative: People judge you by your smile. To get ahead in life, whiten your teeth with Crest. Target: Upwardly mobile adults.

c. *Candidate for Class President*

Note: Target market in all cases is fellow students.

Physiological—Better food in the cafeteria! “I promise to ban liver and onions from the cafeteria!”

Safety—Will make sure those parking lots are plowed right away. Also, will push for the school to hire more officers for the campus safety patrol.

Social—More social gatherings with unlimited food and drink flowing. Show how popular the candidate is with shots of this person in various campus social scenarios.

Esteem—This will be the BEST class this school has ever seen if this person is elected!

Self-Actualization—Strive to be better, not only as a person, but as a community.

3. Analysis of Ads

Ad #1—*Tylenol Arthritis Pain*

Physiological—This product can relieve physical pain from arthritis and allow you to maintain mobility.

Esteem—It can “change the way you see yourself,” perhaps giving you more self confidence

Other possible appeals:

Safety—No side effects. This could be a secondary appeal but isn’t the primary selling premise.

Love—Take Tylenol so you’re at your best for the ones you love. This could be effective for parents and grandparents.

Ad #2—*Hummer*

Self-Actualization—With this product, “you find yourself.”

Other possible appeals:

Safety—Won’t fold up like a tin can if (God forbid) you get into an accident. This would be best as a secondary appeal.

Esteem—Be the first on your block to drive this expensive, luxury, converted military vehicle. Since this is an expensive, luxury vehicle, this could be effective—it tells others that “you have arrived!”

Cognitive—Hummer allows you to explore the world.

Ad #3—*Mercedes-Benz*

Safety—This SUV gives you and your family security against all bad conditions.

Esteem—“You just feel more confident” in this product.

Other possible appeals:

Aesthetic—This car is a thing of beauty. This probably doesn’t need to be stated per se—it is obvious from the “beauty shot” of the product.

Ad #4—*Mutual of Omaha*

Safety—This service allows you to feel secure about the future.

Social—The ad stresses the importance of family and showing them your love.

Other possible appeals:

Physiological—Protect your home (shelter). This could be effectively accomplished via a shot of father and son in their house (rather than a tree house).

Ad #5—*New York Palace*

Physiological—This hotel offers all the “creature comforts”

Esteem—You will feel good about yourself staying in such elegant quarters, and it is implied that others will be impressed too.

Self-Actualization—This hotel reflects all that you have accomplished in life.

Other possible appeals:

Safety—A safe environment (security guards, deadbolt locks, well it, etc.)

Social—A place to bring your loved ones (or even to make love!)

Ad #6—AT&T Unlimited Plan

Safety—Stay financially secure by using this low-cost long distance calling plan (this is the implied message).

Social—This phone service allows you to keep in touch with everyone you love for “as long as you want.”

Other possible appeals:

Esteem—win others’ respect and admiration by doing such a good job staying in touch. This would probably not be as potent an appeal as it isn’t the major driver behind long-distance calling.

Ad #7—Hop.com

Social—Help your kids to learn.

Esteem—Learning to read makes children feel better about themselves (note “self-esteem” on the shirt).

Self-Actualization—It is implied that this product will ultimately help children to be all they can be (note “brighter future” and “knowledge” on the shirt).

Transcendence—Help your children fulfill their potential.

Ad #8—Calvin Klein Eternity

Social—This product helps you and your family share “love, sweet love.”

Other possible appeals:

Sex—Perfume and cologne ads usually use this appeal. However, Calvin Klein breaks the mold and cuts through the clutter by NOT using the almost-trite sex appeal.

Esteem—Feel more self-confident with others by wearing Calvin Klein. It enhances your pride in your appearance. This might work as an implied secondary appeal but might seem ridiculous as the primary appeal since it speaks more to a latent need.

Aesthetic—The product enhances your outer beauty.

Ad #9—CapriSun

Physiological—“Big Pouch” quenches the thirst of those bigger kids.

Other possible appeals:

Safety—Protect your health. Lots of vitamin C to keep you from catching a cold. This could be a secondary appeal but isn’t of primary importance to most consumers.

Social—Beverage ads are often in social or family settings.

Ad #10—Pedigree

Physiological—Not only do humans need to fulfill their hunger needs, but dogs do too!

Social—Not in the sense of “love a home-cooked meal” (that’s physiological enjoyment) but love of the dog who is “really a part of the family.”

There don’t seem to be any other

Exercise 45: Marketing to Selective and Subjective Perception

In-Class Applications

1. Selective Attention Fun

a. You may want to begin the class with this exercise, because you do not want the students to be familiar with “you are the bus driver.” Pair them off and let them do the exercise. The correct answer is: the bus driver is the listener and therefore is as old as that person! Have students who answer the question correctly raise their hands to see how many people were really listening. More than likely, the students will have been concentrating on (selectively attending to) the numbers (ages) of the passengers and get confused.

- b. This exercise you should do next, before students start preparing in advance. Encourage students to discuss what stimuli they noticed while staring at the X that they had not noticed before doing so. Did anyone get the ceiling color and texture correct? You may have them write down their guesses before looking up. Why is the ceiling something the students know nothing about? Discuss the role involvement plays in selective attention.
- c. This is a fun game to break the ice and wake up the class! While you are outside of the classroom, you can change five things about you (e.g., take off your watch and put it on the other wrist, comb your hair differently, take off your shoes, put on lipstick if you are a woman, etc.) and give them a little quiz of their own when you return. Discuss with the class what changes you did and did not notice and why that may be (relate to expectations and perceptual predispositions, including level of involvement).
- d. Make sure to shuffle the numbers so that you have no idea where number one will end up. Have the students talk at a normal level, and good luck finding number one! This exercise displays the *cocktail party effect* that says we are capable of focusing on one voice or conversation among many through selective attention.
- e. This is a card trick on a kid's Web site. Before you are laid out five cards, all of different suits and numbers. The question is asked, "Can the bats in our computer game read your mind?" Obviously, the answer is, "No," but it sure seems so. You are asked to mentally pick one card out of the five, say it out loud, and memorize it. Next, you are requested to press on a tiny picture of a tornado to "mix up the cards." After that, you "click on the bats, and they will fly into the tornado and remove your card." When the next set of four cards is shown, you are amazed, baffled, and dumfounded—the card you had selected is missing, as if the bats could read your mind!
- The answer to the trick is: "None of the cards in the second picture are the same as the cards you selected from in the first picture. The suits (diamonds, spades, clubs, or hearts) have all been changed, so no matter which card you picked, it would be missing!" This is probably the best example of selective attention, since we only pay attention to the card we chose and do not notice the other cards.
- f. The fingers will form a third "finger sausage" in between the real fingers. When moving the fingers apart, the sausage appears to get smaller. Discuss how perception may be affected by vision.

2. This is a classic, timeless game you might have played as a child, and most of your students will have done likewise. It is inevitable that the last person to hear the story will "reproduce" it in a very different fashion from the original tale. Discuss how selectivity and subjectivity influenced the results.

Here are a few stories to choose from (simply photocopy the page and distribute to students):

Harry Leggs and Maida Mess were approaching their senior year in college when Harry proposed to Maida. Maida couldn't believe it, because they had only been dating for one year. She told him to wait because she needed to think it over. Maida and Harry lived in the same dorm at school, but were there were three floors in between them. Maida consulted her friend Mary Mee, who told her to go for it! Meanwhile, Harry consulted his mother, Betty Wont, about if he made the right decision to ask. The next day, around two o'clock, Maida and Harry met up right before their Consumer Behavior class. Harry, a bit nervous, asked if she had made a decision. Maida got down on her knees, pulled out a silver box, and proposed to Harry on the spot. They have been together ever since!

Marcia Mellow had always been a straight-A student, until she reached college. Freshman year, she encountered the worst professor of all, Doctor Lee Gal, for her Principles of Management class. On the first day of class, Dr. Gal gave out an exam that would count as 30% of the final grade, based on the reading of the first four chapters that should have been done before arriving to class! Needless to say, Marcia did not do so well, along with many of her classmates, including Tim Idd. After such a rocky start, Marcia was nervous about her grade in the class, and consulted Candace B. True, her academic advisor. Miss True suggested that extra credit work be done in order to make up for the bad grade. Marcia told her that Dr. Gal goes straight by the book and you get what you deserve. Candace didn't know what to say. Marcia decided to stick it out and ended up with a C- in the class. So much for her 3.97 GPA!

Paul A. Tishin was only one month away from completing an undergraduate degree in Political Science, so it was time to start looking at graduate schools. His first choice was Yale, because his grandfather, Pete D. Attrick, went there for both undergraduate and graduate school and could probably pull some strings. New Haven, Connecticut wasn't really Paul's first choice for cities, though, and he

would rather be in Boston. He decided to start looking at programs in that area, specifically Boston College, Northeastern University, and Harvard University. Paul had to visit the area, so he called his friend Meg A. Bucks in Cambridge. After riding the subway and completing a visit of two days, three hours, and forty-two minutes, Paul had made up his mind. Boston College was the place to be!

3. Analysis of Ads

Ad #1—*Campbell's*

Attention getters:

Size of stimulus—Large bowl of delicious-looking soup.

Color—While the ad is in color, the bowl of soup is in black and white.

Unusual photo—The woman looks like she is in an utter state of ecstasy—almost an orgasmic experience!

Novel information is provided on the nutrition value of the soup.

Predispositions: Appeals to hungry people, interesting to people trying to get into shape, perhaps contradicts the belief that you can't feast on your favorite foods and still be eating smartly.

Ad #2—*Budweiser*

Attention getters:

Size of stimulus—The pint of beer is much larger than even a life-size pint, completely grabbing the attention of the reader.

Unusual headline—"Parts sold separately headline and its placement on the page surrounded by brackets are unique.

Predispositions: Appeals to desires for "natural" foods and beverages and a refreshing brew.

Ad #3—*Got Milk?*

Attention getters:

Celebrity—Especially among children, Ronald McDonald is a star and is very recognizable.

Surprise—we don't expect to see Ronald sporting a "milk mustache" or to be pitching healthy food.

Novelty—This is a different use of the fast food terms "small," "medium," and "supersize."

Color—The ad ran in vivid "clown colors"

Predispositions: Appeals to desires for good health and strong bones for one's kids. Plays off adult nostalgia for when they were kids and saw Ronald McDonald on TV commercials and visited Mickey Dees with their kids.

Ad #4—*Shower to Shower*

Attention getters:

Attractiveness and sex—A naked woman would grab the attention of almost anyone flipping through the pages!

Size—She appears to be rather Amazon-sized too.

Predispositions: Appeals to the desire for moisture-rich lotion to keep one's skin smooth.

Ad #5—*MaxFactor*

Attention getters:

Novelty—It is not every day that you see a woman wearing linguine (and a tomato) as a wig! And, the notion of "foodproof" lip color is unique. The product itself is novel—misperception that lipcolor can't last long.

Humor—Although the ad is mildly humorous, it seems to swipe attention from the product—we focus more on the woman's weird hairdo than on the lipcolor.

Ad #6—*Miracle Whip*

Attention getters:

Contrast—Most products are seen standing right side up, while this one breaks the mold being upside-down. Also, the headline is vertically positioned rather than using the usual horizontal positioning.

Size—The large picture of the salad dressing jar makes certain attention will be focused where it should be—on the product. The large, bold, stark capital letters in the headline also gain attention.

Humor—This ad is a good example of the use of subtle, cute humor that doesn't detract from the message.

Predispositions: Appeals to the belief that a sandwich can't be good without salad dressing (although presumably this doesn't apply to a peanut butter and jelly sandwich!). Also, it is a situation many people can relate to—scraping the salad dressing jar for that last morsel or two of dressing; this connects effectively with the consumer.

Ad #7—Clean & Clear

Attention getters:

Novelty—Most ads are flat, while some have smelly tabs to pull back. This one jumps out (literally) with a free sample to pull off the page.

Predispositions: Appeals to the consumer's interest in experiencing the product for herself.

Cut?? Ad #8—Got2B

Attention getters: Color—This page screams neon yellow, unlike the rest of the magazine.

Predispositions:

4. Analysis of Ads

Ad#1—Crest Whitestrips

Impression management—Crest wants consumers to perceive Whitestrips as easy, quick, and effective. What they do not tell you are the side effects of the product, like heightened sensitivity of the teeth that people experience. As the website (www.whitestrips.com) explains, “As with any teeth whitening product containing peroxide, teeth and gum sensitivity may develop temporarily when using Crest Whitestrips.” They do, though, point out at the bottom that the picture of the whitest smile is a “dramatization of typical 14-day results.”

Ad#2—Lever 2000

Correct false perception—Soap is known to leave skin dry and irritated, especially when it comes to kids. This ad features two kids who won't get dry skin when using this anti-bacterial product.

Impression management—The association with children also suggests mildness and gentleness.

Ad#3—Listerine

Perceptual cues—According to the color quiz, green and blue are cool, refreshing, and clean colors, leaving consumers with an idea of freshness. Also, a pink gel wouldn't fight cavities and kill germs as well as a green gel! The “Essential Care” subbrand name suggests that this is a mandatory product to use.

Ad#4—Endust vacuum bags

Correct false perception—As stated in the ad, most vacuum bags cause “dust clouds” and “dirt explosions” when vacuuming or changing the bag. This won't happen with Endust, though!

Impression management—They are trying to make this product seem very modern by featuring an “old-fashioned” frenzied 1950s-type housewife who doesn't use the product.

Ad#5—Martex

Perceptual cues—Instead of giving up, “never, ever throw in the towel.” This great use of a euphemism speaks to the elderly (who are also featured in the ad), and you can keep going in life with your... sheets and towels (?).

Ad#6—Honey Bunches of Oats

Impression management—Through this ad, marketers want consumers to view this cereal as breakfast for the whole family. What they don't show you is the real expression on kids' faces when given anything without plenty of sugar and bright colors. The message about not needing an expiration date creates the impression that it is so tasty that the family will wolf the cereal down long before the box has time to sit on the shelf and grow stale. However, perhaps this also gives the false impression that it never gets stale. And, the various fun-filled scenes suggest that this rather pedestrian product is fun.

Correct false impressions—Honey Bunches of Oats isn't just another good-for-you cereal—it is a combination of three flakes that tastes “irresistible.”

Ad#7—Crest Toothpaste

Perceptual cues—This must be a running theme among toothpastes—as Crest uses the colors of blue and white, leaving the consumer with the perception of a cool, fresh, clean, whitening toothpaste.

Ad#8—Kmart

Correct false perception—Everyone knows that Kmart is where you shop for “cheap stuff.” But, the retailer is attempting to change that image by featuring three “hip” and “stylish” teenagers wearing clothes from Kmart. While the clothes are “hip, fun, fashionable,” they are still “affordable.”

5. Internet Activities

a. Nielson Media attempts to measure who watches what television programs when. In other words, they measure audience size—the number of households or individuals watching a program. The only problem is, how do they know who is actually “watching” these programs? Just because the TV is on doesn’t mean that there is *exposure* to the programs (the set could be on with nobody in the room), and people might be exposed to the program but leave during the commercial break. Too, exposure to the show or commercials doesn’t mean people are paying *attention*, *comprehending*, or *recalling* the content of the commercials. Selective attention is our tendency to focus on one particular thing at a time, but how does Nielson Media know that the television is the object of focus at all times? While this is a weakness of the system, Nielson ratings are held in high regard among media buyers and advertisers.

b. Logically, it doesn’t make sense to base a restaurant decision solely on the logo, but this visual element is certainly an influencing factor in at least some decisions. Take a poll of which of the 16 restaurants the students are most likely to visit. Are there any that stand out among the crowd? You may want to print out the Web site pages in order to have a better feel for what the logos look like for particular restaurants. Are there vast differences among the students because of how they view the logos? Encourage discussion of subjective perception and decisions based upon this topic.

c. Take a poll of the students’ tri-color combinations to see which colors are most liked. Each student will choose different colors because they perceive them differently. Some see blue as calming and soothing, while others see it as gloomy and sorrowful. Marketers can respond to such data by using well-liked colors in ads, commercials, and even signs (e.g., McDonald’s uses red and yellow).

d. Names can have a significant effect on people, especially due to subjective perception. If a girl meets a boy who is six feet tall, good-looking, and charming, she would probably have a positive perception of him. But, if she discovers his name is Jennifer, now what would she think? The same thing can happen with brand names. A couch is a couch is a couch, but LazyBoy couches are much more comfortable even if you haven’t ever sat on one. It is not very likely that consumers will flock to a pizza joint called “Pains ‘R Us”!

6. Color quiz:

1. (Red)—d.

2.—f.

3.—a.

4.—i.

5.—j.

6.—g.

7.—b.

8.—k

9.—c

10.—e.

11.—h.

Exercise 46: The Absolute Threshold Level and Subliminal Messages

In-Class Applications

1. Analysis of Ads

Ad #1—Paul Mitchell

Embeds—If the reader looks closely enough, he or she can probably detect (or, more likely, imagine) hidden words or pictures in the bubbles and/or water droplets in this ad. For example, if you look at the bubbles in between the two containers, there is a reflection of two white rectangles... perhaps the windows of the room in which the picture was taken. Feel free to analyze the bubbles to any extent, for what you see is in the eye of the beholder...or was it really embedded by the advertising creatives?

Suggestiveness—The two bottles could be perceived as two people. The conditioner bottle on the right could be a guy (boxy shape), and the shampoo bottle on the left is a gal (curvy shape). They are positioned so that they seem to be moving towards one another in a mating, or at least flirting, stance. The man's head (cap of the shampoo bottle) seems to be placed near the bottom of the woman's body, suggesting perhaps oral sex. They are apparently frolicking, splashing around in water and bubbles (somewhat of a Freudian interpretation if you put a sexual spin on it!). It is implied that Paul Mitchell hair products will make users more attractive to, and thus more likely to experience—umm—positive interactions with, the opposite sex.

Ad #2—Yves Saint Laurent

Incongruities—While the fragrance is for women, the ad features a hairy leg at the bottom of the page (perhaps that of a man?). Also, not many women have hairy arms like the one featured at the top of the ad! So, there must be more than just a woman featured in the ad, which leads to...

Suggestiveness—At first glance, it seems like parts of a woman's body. But, there must be a man in the scene as well. And, what position do you suppose they are in (as it is very difficult to tell)? Sexual suggestiveness is extant here.

Ad #3—Absolut Citron

Embeds—This image may be more blatant than the rest, but the lemon is highlighted with the outline of an Absolut vodka bottle on the top right side. The marketers are playing with the idea of subliminal images in this ad, but it is almost *supraliminal* rather than subliminal.

Suggestiveness—One could perceive “forbidden fruit” imagery. The lemon (the ad's focal point) is shown as a ripe, ready-to-be-picked fruit, and it looks tempting and luscious. Although readers can't have the lemon, they can buy Absolut Citron, as a substitute for the forbidden fruit.

Also, the beads of water on the lemon are suggestive of the sweat one works up during a sexual encounter. And, the bottom of the lemon could be construed as the nipple on a woman's breast. The resulting arousal in the viewer is supposedly transferred to the reader.

Ad #4—Bacardi Limon

Incongruities—Clearly, the fanciful images of people in the glasses do not match the images of the folks in the background—“this does not compute!” However, unless you spend some time studying the ad, this might go unnoticed.

Suggestiveness—It seems as if the people in the background are at the “real” party, and the people in the glasses are experiencing what would happen after drinking Bacardi. (Also, are the people holding the glasses fantasizing about actually realizing the scene in the glasses, a la Freud?) The body language and eye contact portrayed between the characters in the martini glasses suggests flirtation. The bottle in the ad's foreground suggests that it provided the fuel for this fire.

Embeds—the darker portions of the bottoms of the two martini glasses resemble a woman's breasts. Too, there is a black extension to the right of the Bacardi bottle that resembles a penis.

Ad #5—Maker's Mark

Embeds—After searching high and low through this golf ball fire image, one could definitely find some subliminal images. For example, at the bottom of the golf ball appears to be the outline of a skull's head lying on its side. It could also be inferred that the scene inside the ball is a desert horizon with the sun setting. And, as most subliminal fans can attest to, the word “sex” is bound to be found somewhere in this ad (perhaps in the lettering in the golf ball's center)!

Incongruities—A golf ball on fire with brown goo running down is not an everyday occurrence! What’s up with this?

Suggestiveness—Going back to Freudian theory, Thanatos (death wish) is quite evident with the darkness of the page, the possible skull’s head, and especially the dripping blood covering the ball.

Ad #6—Crown Royal

Embeds—With ice cubes, anything is possible! What do students “see”?

Suggestiveness—The three glasses appear to represent three people (a little personification at work?) at a party, enjoying their drinks and socializing (“Ginger” is a female name). The glasses and copy are almost telling a story about the “perfect day” that was had by these three. Each glass even seems to take on a personality, based on the color, texture, and lipstick marks.

2. Take a poll of the class to see how many people believe subliminal messages affect consumer behavior. Who is for it and who is against it, both strategically and ethically? Discuss some of the ethical issues concerning the use of subliminal messages in advertising, such as honesty, deception, consumer rights to information and full disclosure, fairness, and customer care. Ask the students if there should be any further regulations established on subliminal advertising or if that is a strain on free speech rights. (You could quote the Constitution regarding freedom of speech—“Amendment I: Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the government for a redress of grievances.”).

3. While these sites are intended to stun their surfers, they are not legitimate claims for subliminal advertising. The sites are intended to point out how subliminal messages are not only used in magazine advertisements, but in other media forms as well. The first site points out a few “urban legends” regarding business and marks them as true, false, or undetermined. Were any of these shockers to students? Which ones were the most memorable for students (and you)?

The second site is a compilation (not “copulation”—see the first site!) of long-running legends about Disney’s alleged subliminal messages. Disney movies are not the only ones to have horror stories written about them, as did *Three Men and a Baby* (<http://www.snopes2.com/movies/films/3menbaby.htm>) and *The Wizard of Oz* (<http://www.snopes2.com/movies/films/ozsuicid.htm>). Are students familiar with these stories?

The third site features visual embeds on certain products and a fun trick (but scary!) with a \$20 bill. If you happen to have any of these products or a \$20 bill, bring them in to class for a better visual.

The fourth site has the actual written lyrics of backmasked songs, while the fifth site has audio clips that students can listen to.

You might wish to ask students, “Who has the time and motivation to actually find these messages?” Some of these interpretations might be a bit far-fetched, but others are somewhat scary as to the clarity of the quotes. For students not familiar with the practice of backmasking, you may want to print out a copy of how it is done from the fourth website (<http://home.talkcity.com/BasinSt/niks20/nsback.htm>—see the bottom of the page).

4. Take a poll of how many students have used or know someone who has used subliminal self-help tapes. What were the intentions of these tapes (if students are willing to share)? As research has shown, these tapes do not have a significant effect on consumer behavior, even though many Americans continue to believe in subliminal messages. Perhaps if you have a subliminal self-help tape or can buy/borrow one to bring into class, students can get a better idea of how they “work.”

5. Again, take a poll and compare opinions on students’ answers to these questions.

Exercise 47: Weber’s Law: The Just Noticeable Difference

In-Class Applications

1. Three scenarios in which marketers *do* want consumers to perceive a difference are: (1) when a fast food feeder has increased the portion of fries in a small size order of French fries and has not raised the price; (2) when the three-for-two deal beats buying each product (e.g., tank tops) separately; and (3) when the newest cereal has EVEN MORE chocolate for the kids to devour! Three scenarios in which marketers *do not* want consumers to perceive a difference are: (1) when they have to cut costs on potato chips due to rising factor of production costs (such as for raw ingredients or labor) and put less of the product in the same size package (a practice known as *downsizing* or *package shorting*); (2) when a whisky product cuts back from, say, 86 to 80 proof; and (3) when a hotel must cut back costs and stop putting chocolates on the pillows or offering other little amenities such as shampoo and shower caps. Doubtless, students will be able to cite many additional specific examples of each of these two general categories of change. Be sure to ask about their personal experiences and how they were able to detect subtle marketing mix changes.

There are several ethical issues involved in trying to sneak in negative marketing mix changes such as price increase and size decreases:

- Are consumers *deceived*, i.e., misled, by offering less value? Deception occurs when the marketer deliberately creates a discrepancy between reality and consumers' perceptions or beliefs so as to mislead them to their detriment. If the marketer's intention is to pull the proverbial wool over the consumer's eyes by such actions, this is clearly wrong (although under the law intent does not need to be proven for deception to be found to have occurred since motives are a hypothetical construct which can't be discerned).
- Does the consumer have a *right to know* about such negative changes? If so, what is the marketer's *responsibility* to honor that right and inform customers about such changes? Many would argue that the buyer has a right to be informed, and since the marketer has the information, he has the duty to supply it to the customer. It seems to be a double standard when the marketer touts "New! Twice the strength!" but never "New! Half the strength!"
- Should it be the buyer's *responsibility* to check for changes such as weight, price, quantity, and serving size? Is "buyer beware" a *fair* policy? Some would argue that customers need to be discerning, while others contend that such marketing actions jeopardize the customer's trust.
- Although such practices are *legal*, does that make them ethical? Not necessarily—unethical laws are possible since they are passed by flawed (and sometimes unethical!) humans.
- If such changes are *standard industry practice*, does that make them acceptable? No—majorities can be wrong. "Everyone is doing it" is not a justifiable ethical excuse. As Mom asked you, "If Billy jumped off the bridge, would you jump off the bridge too?"

2. Betty Crocker has been a symbol of the American homemaker for years, beginning with the image of 1936 when she was a matronly "housewife"—that era's ideal woman. Since then, General Mills has wanted to keep up with the times by changing the image of Betty Crocker. They wanted to stay current with trends and hairstyles, but did not want consumers to notice the difference each time they made an update, so that consumers wouldn't lose trust in this advertising icon or the company backing it. Therefore, they made sure to stay below consumer's j.n.d. when changing anything about Betty. The 1986 version was a major change, as Ms. Crocker became a more professional woman with family responsibilities. However, the biggest change came in 1996 when, to honor Betty's 75th anniversary, General Mills cooked up a composite image to represent women of diverse ethnic groups.

Other trade characters that have evolved over time with facelifts, makeovers, and slimming down (examples of which can be found in some consumer behavior textbooks) include Aunt Jemima (it's not certain whether she was thrown into Betty Crocker's ethnic mix), who has evolved from a plump plantation nanny to a slim-and-trim beauty (we guess they put her on a diet where she had to stop pouring the syrup on her pancakes), and she lost her bandana and the kerchief around her neck while gaining a set of pearl earrings and gray-streaked hair; the Campbell's kids, who gradually slimmed down from being husky little porkers (too much Campbell's pork and beans?) to being lean and mean in an era of fitness; the Morton Salt girl, whose hairstyles and garb have become more contemporary; the Dutch Boy, who in 1987 came full circle after changing his looks over 80 years back to his original appearance because his good looks had become legendary; and Sailor Jack (for Cracker Jacks), who has evolved from a child at the dawn of

the twentieth century to looking more like a kid from the '00s that Borden (the manufacturer) wants to target. By the way, one trade character whose change was *above* the J.N.D. was the Jolly Green Giant. His original incarnation was too frightening, especially to little children, and so he was made more friendly and jolly (Ho, ho, ho!).

3. This color matching exercise is meant to be fun, but also shows us that we perceive colors differently. The j.n.d. differs for each of us, and marketers must be aware of that difference. So, while some consumers will notice the color change on a Pepsi can, others will not.

4. Bring in a national brand and private brand food or beverage product (e.g., Kellogg's Pop Tarts vs. Safeway toaster cakes, Barnum's Animal Crackers vs. Krogers animal crackers, Sprite vs. Pathmark lemon-lime soda), along with some paper cups to serve the items from. Ask several students who think they can tell the difference (and perhaps several others who aren't sure whether they can) to leave the room while you fill half the cups with the national brand and half with the private label brand. Invite the students back into the classroom (hopefully none will have fled in the interim!), and hand each a sample of the national brand and a sample of the private label brand. Could those who thought they'd be able to tell the difference do so? How about those who weren't sure?

If you want to be a bit mean, next ask several different students to participate under the pretext that you're somehow not certain of the results based on such a small sample size. Only this time, use only either all national brand or all store brands while pretending that half are the national brand and half are private label. Did you fool any students into thinking that some were private label or national brand when, in fact, they weren't?

Although private labels sell for less than national brands, they often claim to be of equal quality, cutting costs (and hence prices) by not advertising and skimping on packaging costs. In fact, some manufacturers are the same firms that produce and sell national brands. Nonetheless, in our experience, most private labels are of inferior quality and most students can tell the difference.

5. The rule of thumb in the retail industry is that a markdown should be at least 20 percent to have an impact on purchasing. You will probably find that K in this example (1) is hard for students to estimate since there is no concrete product given (K is, in part, a function of the stimulus, which here is the product); (2) varies from student to student (K is, in part, a function of the individual); and (3) declines rather than remaining constant as the price points increase. What the latter suggests is that consumers pay attention to the *absolute* amount as well as the *relative* amount. This is rational—absolute savings are larger at higher price points, even though the relative savings might be smaller. Nonetheless, *Thaler's transaction utility theory* says that the psychological utility that a consumer derives from saving a fixed amount of money (say, \$20) is inversely proportional to the item's original price—*relative* savings matter more than *absolute* savings. Thus, a consumer who is willing to spend an extra hour shopping for groceries or clipping coupons to save \$5 on a \$100 purchase might not be willing to spend an additional hour comparing prices to save \$100 or more on the purchase of a \$20,000 car.

Written Applications

1. In class, as you discuss students' results in these two experiments, take a poll or create a graph of how many teaspoons (absolute amount) and the percentage change in liquid (from the Weber's Law formula) it took for subjects to notice a difference in the watered down Coke experiment, and how much weight difference it took for them to detect in the shrinking candy bar experiment. Calculate the average absolute difference, and then determine the just noticeable difference for the entire class sample.

Regarding the results of the candy bar experiment, j.n.d.'s have been found in Lantos' classes ranging from as low as 4% to as high as 30%. Women and children generally have smaller j.n.d.'s, perhaps because they are less muscular. It is dangerous to generalize from students' samples since they are convenience samples not representative of the target market and are too small in size to project results from. Also, the experiment is highly artificial—people don't compare different flavors or weights the way subjects did.

Discuss the marketing implications of this experiment with the class. Perhaps if Coca-Cola was having money trouble (yeah right!) or if raw ingredient prices skyrocketed, they could lower costs and water down the syrup just enough so that consumers cannot notice the difference. Or, if Hershey faced rising cocoa

prices, they could simply lop off an eighth-ounce of chocolate. However, would this be an ethical action? Consider that since carbonated water is usually the first listed ingredient in soda, the packaging would not legally need to show (let alone flag) the change.

One pragmatic difficulty in implementing changes above and below consumers' j.n.d.'s is that the j.n.d. (Like all psychological variables) is an individual difference variable—students calculated averages but also plotted frequency distributions as well (they could also have calculated standard deviations, had you asked them to). For instance, suppose you wanted to institute a price hike below the consumer's j.n.d. The question is—whose j.n.d.? If too large, some people will spot it. If it is below *everyone's* j.n.d., it would be a very small price increase indeed!

Exercise 48: Surrogate Indicators

In-Class Applications

- The following surrogate indicators (SIs) could affect the purchase decision when buying a car:
 - Color (e.g., black is more prestigious than green, and white might seem cleaner than brown)
 - Price (which *could* possibly determine the quality of the car, i.e., it could be a *relevant cue* or *performance attribute*)
 - Brand name (e.g., Lexus versus Honda versus Kia), which also might actually correlate with quality)
 - Smell of the car's interior (that “new car” aroma caused by emissions from the interior's plastics)
 - The salesperson's looks and demeanor
 - Dealership name and reputation (e.g., family or friends or have *always* bought from them)
 - Amount and nature of advertising (that handsome endorser just did it for you)
 - Size (“Bigger is better”)
 - Country of origin (many people still think made in Japan or Europe is better than made in America)
 - Third-party endorsements (e.g., from *Consumer Reports* and *Motortrend*), which probably is a relevant cue)
 - Product warranty (which might be a relevant cue)
 - Model (which is pretty much personal preference).

None of the above attributes have that much effect (if any) on the performance of the vehicle but serve as the bases for many car purchases (ask any dealer!).

2. Analysis of Ads

Ad #1—*Pepperidge Farm Goldfish*—The intrinsic product attributes of *shape* and *color* can serve as SIs, as these distinguish Goldfish from other brands. The *brand name* could also serve as a SI of quality because it is seen as superior to other brands featuring similar products, such as cheese crackers, graham crackers, or animal crackers (parents don't usually buy such better crackers and cookies for their kids—hence Pepperidge Farm Star Wars cookies flopped when launched to tie in with the film's release in the late 1970's). Pepperidge Farm definitely intended for consumers to use these product attributes as their reason to buy (on top of the taste, that is!). Neither the shape nor color of the product has anything to do with quality, although the name is an actual performance attribute. The fact that they contain 30 per cent less sugar might be used as a SI of healthiness, although this might not be the case. Anyway, in the eyes of consumers, “Goldfish” mean great snacks!

Ad #2—*Nestle Butterfinger*—The immediate indicator of “quality” seen in this ad (and in all Butterfinger ads) is the *endorser*, Bart Simpson (and his parents Homer—he loves donuts so he's got good taste—and Marge in this particular ad). For the target market (kids and teenagers), Bart is the man! What isn't featured in this ad but is a well-known trademark of Butterfinger ads is the *slogan*, “Nobody better lay a finger on my Butterfinger!,” which could also be considered a SI for how good the candy is. The bright orange *color* featured in the ad and on the package could be regarded as a SI of quality for some, especially

since the inside of a Butterfinger is an orange-like color (therefore reminding consumers of its appearance and perhaps taste) and because this color does stimulate the appetite. Do any of these indicators have to do with the actual product quality? No! However, the Butterfinger *brand name* on the new “fun size” is an accurate indicator of the candy’s nature and quality. Sidebar: The 10% free must be above the consumer’s J.N.D.)

Ad #3—Newport—The *advertisements* themselves (both the theme of “pleasure” and the sheer volume of magazine advertising run for Newport) are the main SI for this product. While having nothing to do with the quality of the cigarettes themselves, Newport provides consumers with a “pleasure”-able image of smoking them. The marketers definitely want consumers to use the image created as SIs of quality—the selling point! The green *color* used on the package and in the advertising had healthful connotations, which might also (falsely) improve the product’s quality perceptions. Also, Newport is one of the top-selling cigarette brands, and so the *brand name* might be a SI.

Ad #4—Redken—If the *endorser* Jessica Simpson uses this product, it has got to be top quality! Or, that is what marketers want you to believe. Choosing this pop star as an endorser was intended to be the selling point of the product. While she has nothing to do with the product itself, her hair could give consumers an idea of the product quality (yielding the ever so popular “I want to look like that!”). The *retail distribution* channel (“available exclusively in fine salons” and 5th Avenue suggests top-notch quality).

Ad #5—Ferrero Rocher—“Rocher is perfect for Halloween” because of its packaging! The gold *color* foil wrapped around the candy serves as a SI for (but really has nothing to do with) quality (wrapped in gold—must be good!). The intent of the marketers is for consumers to think this product is high quality by wrapping it in the prestigious gold foil *packaging* (too bad they ruin the image with a coupon!). Also, the *brand name*, which sounds foreign, suggests exquisite quality.

Ad #6—Franco-American SpaghettiOs—For the target market (children) this product’s *shape* could be serving as a SI. While these noodles usually come in O’s, Franco-American has decided to stop discriminating against the other members of the alphabet. Perhaps the O’s just weren’t giving consumers a perception of quality anymore or maybe kids were just plain bored with them. The product’s appearance may have changed in this line extension (as well as the packaging label), but the actual pasta quality is still the same.

Ad #7—Rolex—What other brand name says “quality” like Rolex? (Certainly not Timex!) Obviously, the SI for consumers is the *brand name*, which in this case does accurately indicate quality. Were marketers aware of the power “Rolex” holds? Definitely. *Distribution* through “Official Rolex jewelers” helps boost perceived quality too. And, the “official *certification*” of the “superlative chronometer” (a fancy *term* for “watch” or “timepiece”) surely boosts the perceived quality too.

Ad #8—Absolut Mandarin—There are quite a few SIs evident in this ad. The first is the *brand name* “Absolut,” being very well known and associated with quality. The second is the ubiquitous series of *advertisements* run by Absolut, all having different associations that attract diverse target markets. One final SI, which may not come to mind at first, is the product’s *country of origin* (Sweden, noted in the fine print). Many consumers view “imported” alcohol as better than American-made. As far as any of these indicators having anything to do with the actual quality of the product, it is up to the consumer. (Does imported vodka taste better than domestic vodka? Or is vodka just vodka? After all, it is both colorless and odorless.)

Ad #9—Got Milk?—For this general product category, the SI is the *endorser*. The Got Milk? series of ads is definitely a motivator to buy and drink milk, even though these people (or characters) have nothing to do with product quality (except if Jessica Alba drinks milk, it must be good!).

Ad #10—Mr. Clean—Who does it better than Mr. Clean? The *trade character* is only one SI in this ad, and was intended to be the strong selling point for the product. *Colors* and *scents* are other SIs that consumers might use to predict Mr. Clean’s cleansing quality (e.g., a yellow lemon signifies ability to cut through grease, and blue Springtime Fresh scent will make your house smell—well, guess how? While

personal preference plays a part in selecting the brand and scent, the color and smell of a cleaning liquid has nothing to do with the product's ultimate performance.

3. The ethics of charging a high price in order to fashion a high-quality image is controversial. On the one hand, it seems to be deceptive in that it deliberately creates false impressions about the brand's quality. This is dishonest, deprives the buyer of her right to know the truth, and seems unfair to consumers and competitors.

On the other hand, consumers who use price to erroneously assess quality are probably at least no worse off in terms of product quality since signaling products are unlikely to be inferior. Therefore, such buyers are able to avoid inferior products while saving on the time costs and cognitive costs of information search, which might be worth the price premium to those buyers. And, since "perception is reality," buyers who think they are getting a better quality product might experience it as such. In addition to *tangible value* they are getting *intangible value* added from believing they are getting a superior product, snob appeal, and the like. As long as consumers are happier, extra utility is provided. Is it wrong to "charge what the market will bear"?

Written Applications

1. a. This exercise bears some resemblance to Exercise 47, In-Class Exercise 4, only the application principle differs (surrogate indicators rather than the just noticeable difference). Students shouldn't have a hard time getting hold of an inexpensive brand of boxed chocolate, but if so, you can always supply students before they do the experiment. The best thing to do is buy those boxes of chocolate (individual pieces) and mix-n-match so that the samplers think the chocolates are different (based on size, shape, texture, etc.). Tally the results of whose respondents chose which "brand" or if some couldn't distinguish between them.

In general, the results of this experiment should show that the largest number of consumers prefer the prestigious-labeled chocolates. The mass-market brand should be least favored, and the somewhat upscale brand should be rated in the middle.

The marketing implication of this experiment is that consumers base their judgments of products on attributes having nothing to do with the quality or performance of the product itself—the brand name (and associated brand image) could be more important than the actual taste! The subjects in this experiment were eating the same chocolate all three times, but were "able" to distinguish between them based on the brand names. Marketers must be aware of how decisions are based on surrogate indicators in their product category and adapt their strategies accordingly. The answer to the question, "What's in a name?" could be, "A lot!" A rose by any other name might smell sweeter!

b. This experiment should provide living proof that consumers do taste with their eyes. Typical results are that the darkest colored "chocolate" pudding is most preferred, is judged as tasting most chocolaty, is perceived as smoothest, is believed to have the greatest consistency, has the best texture, is the thickest, and has the highest buying intention. However, the darkest color is rated as least creamy. These results hold true even if the pudding is vanilla, not chocolate! (In one study [by Gail Tom and associates published in the *Journal of Consumer Marketing*, "Cueing the Consumer: The Role of Salient Cues in Consumer Perception," Vol. 4, No. 2, Spring 1987, pp. 23-28] all eighty college students believed that vanilla pudding dyed brown was chocolate pudding.)

Again, the marketing implication is that taste is influenced by product attributes that actually have no direct impact on taste. Does pink lemonade taste different from yellow? Do different color M&Ms taste different? Although the answer in both cases should be, "no," it is in fact often "yes."

Exercise 49: Gestalt Psychology's Principles of Perceptual Organization

In-Class Applications

1. Fun with Gestalt Psychology

- a. *Relative Size and Context*. The typical response is that the oval on the left is larger than the oval on the right. This illusion arises because of each oval's surroundings (context)—the oval on the left (right) is surrounded by relatively smaller (larger) ovals, making it appear larger (smaller). In reality, the two ovals are the same size.
- b. *Continuity and context*. The typical response is that the second symbol is the letter “B” in the first line and the number “thirteen” in the second line, based on the surrounding letters in the first line and the neighboring numbers on the second line. While both lines are italicized, the second symbol consists of a slant mark (/) and the number three (3), which makes its interpretation ambiguous.
- c. *Relative Brightness and Context*. The typical response is that the gray square on the right is darker. It appears so because its context is lighter, while the square on the left has darker surroundings. As in part a. above, the perception is relative to the context (environment). In reality, the two gray squares are of equal shade and brightness.
- d. *Negative After-Image*. The typical and correct response is seeing a red circle with a blue border.
- e. *Proximity*. The first pattern can be seen as five columns, five rows, or a square composed of circles, depending on the respondent. All of the circles are evenly spaced—there is no proximity principle at work. The second pattern is typically seen as three rows since there is a large space between each row and objects within each row are close together. The third pattern is seen as not really having any pattern, except that it is horizontally symmetrical, i.e., the top half is a mirror image of the bottom half. Finally, the fourth pattern is seen as five separate columns since there is a large space between each column and objects within each column are close together. In summary, while each of these patterns contains a bunch of circles, the close placement of some circles and distant placement of other circles makes the difference in what is actually perceived—circles in close proximity are perceived as belonging together and forming some sort of pattern or object.
- f. *Closure and Continuity*. The first pattern appears to be a triangle, as we fill in the blank space; however it is actually two lines of the same size and one shorter line at the bottom. The second pattern looks like an “e,” as we fill in the blank space, even though it is simply a curved line and a straight line touching. The third pattern is usually seen as a line with a circle on top of it that covers up part of the line, when really the circle is just surrounded by two equivalent lines. Thus, the line is seen as continuous. The fourth pattern almost has a 3-D effect, looking like a circle with a pole going through the center and sticking up out of the page, i.e., it is seen as a continuous pole. This image was actually created with a circle and two lines that “appear” to be connected behind the circle. The final pattern looks like a circle because our mind's eye connects the separate stars.
- g. *Similarity*. The first pattern is typically described as an “x” (composed of plus signs) on top of a square (composed of equals signs), simply because the positions of each plus sign create an “x”—the similar items (the plus signs) are perceived as belonging together and forming an “x” object. The second pattern is seen as rows of stars separated by lines, because the similar stars are all perceived as belonging together in rows.
- h. *Context*. The lines in each arrow are equivalent, just as the parallel lines between the slants are too. However, the bottom line looks longer (shorter) in the left-hand (right-hand) figure because the arrowheads point in on (away from) it. In the right-hand figure the line on the top looks longer because there is less blank space surrounding it on either side.
- i. *Figure and Ground*. Depending on the person, the vase in the center or the faces on the left and right are seen first and then vice versa. Whichever image is seen first is the figure (foreground) and what is seen second is the ground (background).
- j. *Relative Height*. The vertical line may appear to be longer, but, in fact, the lines are of equal length.

2. Analysis of Web sites

- a. *Magic Eye*—These images will change frequently, so make sure to visit the site shortly before class and be familiar with the current images. The Gestalt principle being brought to life by Magic Eye is *figure and ground*, where the colorful (or black & white) design is the figure and the hidden 3-D image is the ground.
- b. *Where's Waldo?*—Hint: Waldo is in the center of the page (just to the left of the ring toss), waving his cane! It is difficult to find Waldo due to the Gestalt principle of *similarity*—all of the objects or people in the illustration are very similar in size, shape, and color (and obviously similar to Waldo!).
- c. *Classroom*—When you quickly glance at the image, you see a classroom. When you look again, you notice that the “classroom” is made of individual objects like crayons. According to the Gestalt principle of *continuity*, we see the classroom right away because we tend to see smooth continuous patterns before we see individual, discontinuous objects.

d. *Blind Spot*—When you close your left eye and look at the “+” on the left with your right eye, you can see the dot on the right. But, when you start moving closer to the screen, the dot on the right “disappears.” The Web site better explains the idea of our eyes having a “blind spot.” Encourage feedback from the class regarding this interesting exercise.

e. *Apparent Motion*—Gestalt psychologists were inspired by the “apparent movement” seen from a moving train when looking at white dotted lines going by. The whole is definitely greater than the sum of its parts. We do not see separate lights flashing until they are slowed down or separated, but we see movement.

3. Analysis of Ads

Ad #1—ViewSonic

Proximity—The birds that are near each other are seen as members of a group.

Similarity—Birds that are similar in size and appearance are seen as members of a group. The large ones especially stand out as a totally separate group, which is important to the ad’s message.

Contrast—The large birds in the middle stand out because they are different. This effectively reinforces the point that the ViewSonic display is separate from the pack and that you can “see the difference.”

Continuity—The phrase “See the difference” is used as both the headline and tagline. The picture of the three birds appears at the top of the page as well as in the laptop’s screen and in the Viewsonic logo in the lower right-hand corner of the page.

Closure—The “See the difference” headline along with the dotted line acting as a pointing device leading to the laptop’s screen invites you to complete the thought and actually see the difference in the monitor.

Ad #2—IBM ThinkPad

Similarity—This is a family branding strategy—a line of similar products all branded as IBM ThinkPad notebooks and all with “Intel inside.”

Closure—The picture is cropped on the right-hand side, forcing consumers to fill in the rest. Also, the headline is broken into two parts, causing readers to put the two halves together.

Figure and ground—The three pictures of the notebook computer are prominent. To attract our attention they are made dark and are surrounded by a lot of light space.

Attention Getters—relative size of the laptops and motion of the man walking in background\

Movement—the man in the background appears to be walking.

Proximity—The two men near each other are grouped together so that they are seen as working together.

Ad #3—Nike Swoosh

Closure—While the word “swoosh” on the right-hand side is not complete and consists only of lines and curves, we say “swoosh” when we read the unfinished word because we are familiar with the Nike swoosh theme. Thus, the lack of closure gets us involved and reinforces the brand. It is unclear what the black marks over the upper-left portion of her sweater are, but it appears incomplete too. This might cause readers to spend more time viewing the sweater over which they appear as they ponder them, but they seem to cause divided attention. Also, the top of her head is cropped, forcing the reader to “fill in the blank” from memory what Marion Jones looks like. This is effective because it takes the spotlight off of her and puts it on the product. In all, these closure devices are meant to increase advertising involvement. And, the lines on the jacket are broken, inviting readers to mentally connect them.

Proximity—The Nike brand and swoosh logo are closely associated with athletes in this and other ads.

Figure and ground—This could be a problem—is the product the hero or is the athlete the hero in this ad? Ms. Jones is relatively large, making her the focal point.

Continuity—The Nike “swoosh” logo is used throughout the campaign.

Ad #4—The Anti-Drug

Closure—The headline contains a fill-in-the-blank sentence “...But _____ what they’re into” and the fill-in words appear near the bottom of the page (“talk, know, ask, keep an eye on them”).

Figure-and-ground—The girl (figure) appears to be in front of and quite larger than the street and buildings (ground). This is effective because the focus should be on her, not her surroundings.

Relative size—The girl stands out in the ad because she is relatively large, and this enables readers to see the tears in her eyes.

Movement—The girl’s hair appears to be blowing in the breeze, and the tear seems to be running down her face, thereby creating the illusion of motion, which attracts our eyes to her.

Ad #5—Business Week Investor

Similarity—The small “planets” are all about the same size, and the AT&T logo is much larger, making it stand out as unique and reinforcing that the small planets (“Baby Bells”) are its offspring.

Proximity—The planets are in close quarters to one another, suggesting they belong together.

Relative size—Some planets appear to be bigger than the others, creating a sense of depth and three dimensions.

Continuity and closure—The ellipses signifying the planets’ orbits are hidden behind the planets, but we “see” them as complete nonetheless.

Size—The large size of the headline “investor” grab’s the attention of the relevant target audience.

Ad #6—Lexmark printers

Similarity—The pieces of paper appear similar and therefore form a group (a “road”).

Proximity—The pieces of paper are near to one another and therefore form a group.

Closure—The pieces of paper appear to create one large image of a road, even though they are not connected, thereby reinforcing the headline. Also, part of the illustration is cropped.

Continuity and movement—The prints appear to be spewing out of the printer in a continuous pattern.

Figure and ground—The product is the focal point of the ad, and the results of using the product (the prints) are quite noticeable too.

Ad #7—Hewlett

Proximity—The text appears to create silhouettes of two men because the text letters are close together

Continuity—The text letters are continuous along the edges, also helping to form the men’s’ silhouettes.

Similarity—The images of the two line workers are formed in similar fashion.

Closure—You need to do some “filling in” to see the images of the two men.

Contrast—The images of the two men are unique and hence stand out.

All of these devices help put the focus on the “people issues” in the ad.

Ad #8—Breitling

Figure and ground—The watch is the figure due to its large size and double placement, and all else the background. This creates good product focus.

Relative size—The watch is much larger than the army/desert background, helping it to stand out in the foreground.

Relative brightness—The watch is much brighter than the army/desert background, helping it to stand out in the foreground.

Closure—The background picture is cropped by the watches and on the right-hand side. Unfortunately, trying to figure what’s missing might cause readers to take their eyes off the ball (or the watch, as it were).

Ad #9—MSN

Continuity—The butterfly seems to have left the top of the page and flown through the other objects, creating a continuous and connected trail.

Movement—the butterfly seems to be flying, attracting our attention to MSN’s uses.

Simplicity—The ad visually and easily lays out the basic uses of MSN Internet service.

Ad #10—United Way

Closure—This ad is a great example of the *closure* principle. We immediately see a full image of a man, even though the dots have not been connected yet.

Simplicity—The idea of mentoring is simply illustrated—“A picture is worth a thousand words.”

Contrast—There is a stark contrast between the boy who is a real photo and the man who is merely a connect-the-dots drawing.

Figure and ground—Through isolation, relative size, and movement (the boy and man appear to be walking) our eyes are attracted to the illustration.

Size—The pencil is relatively large, ensuring that readers see the United Way name.

Movement—The two people are strolling along.

Exercise 50: Memory, Retention, and Retrieval

In-Class Applications

1. When students think about it a bit and share their thoughts, they will soon realize that, as the chapter on Perception explains, we are bombarded with sensations, even in a ho-hum place like the classroom. Some examples:

Sights: All objects in the room are visible. Hopefully students especially see and remember your visuals (PowerPoint slides, overhead transparencies, writings on the board, etc.). These are the things that are ideally entering their short-term memories for analysis and syntheses with past knowledge they have acquired in this course (see, e.g., Review Question #1) and in other marketing, business, and perhaps even social science courses. Hopefully they aren't letting distracting sensations outside the room (especially gazing through the windows) hinder them from processing the important things in sensory memory (specifically, *iconic* memory—visual images). Ideally, *selective attention* is weeding these things out.

Sounds: What you and their fellow students say should be the most important sounds they process in *echoic memory*—words and other sounds processed in sensory memory. Other sound sensations include shuffling feet, rustling papers, and noises immediately outside the classroom. Ringing cell phones should not be permitted as a distraction!

Smells: Perhaps a neighbor is wearing an especially powerful perfume or cologne. Students sometimes bring hot food into the classroom, making fellow students hungry and distracting them from processing the important sensations.

Tactile stimulations: Although these are fewer, examples include the hardness/softness and general comfort of the seating arrangements, a classroom that is either too warm or too chilly, and anything they grasp, such as their books, notebooks, and pens. It is doubtful that much here will distract students from learning.

Tastes: Although it might be difficult to think of examples here, perhaps some students bring food and/or drink or else chew gum in class. Hopefully, the energy gained will aid in learning.

It will be interesting to discover which prior sensations students best remember. Unusual ones (e.g., weird-sounding bodily emissions, a clap of thunder, or the time a bird flew into the classroom) are most likely remembered, although none of these help students to remember the “important stuff.” Perhaps you have presented powerful *visual images* that have stuck with them.

2. What is being tested here is students' *span of recall*—a short-term memory capacity limitation. Remind students that they can process no more information bits than their short-term memories can hold at one time.

The question offers you several ways to conduct the test for students' spans of recall. However you do it, be sure to poll the class to see how large their spans of recall are. Are most within the “magic number” of seven plus or minus two? How does chunking two, three, and four numbers help facilitate recall?

The question should serve to demonstrate the limited capacity of short-term memory and how chunking greatly facilitates short-term memory. You might wish to see if there are any patterns of individual differences here, such as men vs. women or older vs. younger students.

You can also have students brainstorm ways other than those mentioned in the textbook or specific examples they recall when marketers enabled consumers to remember information bits or the chunking process.

3. Slogan/Tagline/Jingle Associations

- a. U.S. Army
- b. Secret deodorant
- c. Visa credit card
- d. Toyota cars
- e. Folgers coffee
- f. Nike athletic shoes

- g. Burger King restaurants
- h. American Express traveler's checks
- i. Campbell's soup
- j. Bertucci's restaurants
- k. Stouffer's restaurants
- l. Petco pet superstores
- m. McDonald's restaurants
- n. M & Ms candies
- o. Wrigley's Doublemint gum
- p. Pepsi Cola
- q. Wheaties breakfast cereal
- r. Hallmark greeting cards
- s. Secret deodorant
- t. General Electric (GE) Corporation
- u. CK1 cologne
- v. Lever 2000 body wash
- w. Folgers coffee
- x. BMW automobiles
- y. Slim Fast
- z. Metropolitan Life Insurance
- aa. Goodyear tires
- bb. Mountain Dew soda pop

These slogans, taglines, and jingles were all transferred to long-term memory through the *recirculation* process. Students were repeatedly exposed to this information over time without actively rehearsing it. Such learning is known as *low involvement (associative, incidental, accidental, passive) learning* (as opposed to *high involvement intentional learning*). Students learned these gems without effort more or less unconsciously without actively associating each slogan/tagline/jingle with the company. This happened by being involuntarily exposed (forced exposure) to ads, mostly in low involvement media like television and radio. The slogans were not generally learned intentionally during prepurchase search. The process entails simple-stimulus-response learning via repetition and association, essentially *classical conditioning*, as discussed in Exercise 52.

According to low involvement learning theory, incidental learning is linked to brand liking, so theoretically students should report that they have more purchase and usage experience with the brands whose slogans they are familiar with. It will be interesting to see whether this is true of your students. You might wish to distinguish between brands they have personally purchased and those they have consumed but not purchased, since the latter might include brands their parents or others have bought due to their own incidental learning.

This task is asking for the level of recall known as *aided recall*—the retrieval cues provided in the form of the slogans should help jog memory more than an unaided recall task (e.g., “Name all brands of automobile that you can is less likely to bring to mind the Toyota and BMW brand names than reminders via their slogans).

You might wish to point out how many of these slogans have become a part of American pop culture.

4. Logo Associations

- a. Motorola electronics
- b. Gerber baby food (Trivia: Ann Turner Cook was only 5 months old when an artist sketched the charcoal drawing that would make her what some have called the most famous baby. Gerber Products Co. has used her chubby-cheeked countenance on its labels since it started making baby food in 1928.)
- c. Nike athletic shoes
- d. Rolex watches
- e. Dove soap
- f. Mercedes-Benz automobiles

These logos were also learned via *recirculation* and the *low involvement learning* process. Because they are visual, they were most likely learned through the low involvement television and outdoor advertising media, although print ad exposure might also be a factor. Even young children are able to recognize many

corporate symbols such as the McDonald's Golden Arches and the Campbell's soup script long before they can read.

This task is asking for the level of recall known as *recognition*—the consumer remembers having previously encountered a visual stimulus shown.

5. After several students describe their consumer rituals, determine which are high and which are low involvement. You can point out how rituals for low involvement purchases are more effortless than those for high involvement purchases.

6. Students usually have no trouble citing examples of ads that have worn out their welcome with em. There are usually several current ad campaigns that many students agree on.

7. Analysis of Ads

Ad#1—Pedigree Little Champions

Generalization—This dog food is similar to feeding it a home-cooked meal.

Discrimination—This food comes in eight different flavors.

Association—The dog is just like any other member of the family!

Covert Involvement—That food is “mouth-watering!”

Visual imagery—A picture that hits close to home when you have dogs (they “love a home-cooked meal”).

Ad#2—www.theantidrug.com

Generalization—This campaign has been running for a while now, most people will be familiar with the “anti-drug” slogan.

Association—The feeling of not knowing where your children are with the dark scary scene.

Mental Completion—Fill in the blank!

Covert Involvement—A question of not knowing can be scary for parents.

Semantic Generalization—Putting meaning to the phrase “anti-drug.”

Visual imagery—The word “kid” and “home” is linked to the background image.

Ad#3—Jenny Craig

Generalization—The brand name Jenny Craig being generalized to a nutrition bar.

Discrimination—Consumers must distinguish between healthy and “not-so-healthy” foods.

Visual imagery—The “dangerous” part about the “world out there” is donuts!

Ludicrous Juxtaposition—It is not every day that you see a huge donut on top of a building!

Ad#4—Visa

Generalization—The Visa brand name on a new service.

Mental Completion—The only way to complete the sentence is to have a verified password.

Visual Imagery—The “*****” in the top copy coincides with the “*****” explained in the bottom part.

Ad#5—Reese's Fast Break

Generalization—The Reese's brand name going from candy to a “refueling” bar.

Association—This “fast” product is for on-the-go people.

Covert Involvement—The consumer feels rushed by seeing this ad.

Semantic Generalization—Putting meaning to the term “fast break.”

Visual Imagery—The bar is sitting on top of a newspaper featuring a “new source of fuel” that has been discovered.

Ad#6—The Neat Sheet

Discrimination—The two couples are in different situations due to the product.

Association—Linking the product to the different uses (like “use #23”).

Covert Involvement—There is a feeling of embarrassment without the product.

Semantic Generalization—Giving meaning to the brand name “Neat Sheet.”

Ad#7—Lever 2000

Discrimination—There are many scents of soap to choose from—pick Pure Rain!

Association—Consumers should link “refreshment” with the product.

Covert Involvement—A feeling of refreshment and being rained on after using the product.

Semantic Generalization—“R” is for “refreshment.”

Visual Imagery—The “rain-drenched scent” is being played out in the background image.

Ad#8—*Playtex Insulator*

Generalization—The brand name Playtex going from tampons to spill-proof cups?

Discrimination—There are various situations in which these cups would come in handy (as read in the fine print).

Covert Involvement—The picture of a child gives you a feeling of relaxation and innocence.

Semantic Generalization—What does “insulator” really mean?

Ad#9—*Absolut*

Generalization—The brand name Absolut has been applied to many ad themes.

Association—Linking the brand to a board game “challenge.”

Mental Completion—The pieces are in the shape of a vodka bottle.

Covert Involvement—The product (or the game) makes you think.

Semantic Generalization—A play on “absolut” meaning “absolute.”

Visual Imagery—The game of scrabble is a “challenge!”

Ad#10—*Herbal Essences*

Generalization—The brand name going from shampoo and conditioner to body wash.

Discrimination—The product is “new and improved.”

Association—The link between a sexual experience and a simple body wash.

Covert Involvement—This product gives you “a totally organic experience.”

Visual Imagery—The “moisture-rich lather” is very evident in the picture.

8. You can visit these Web sites in class to learn what else there is to learn about effective learning. These questionnaires are meant for curiosity reasons only and are not clinical analyses of learning style. Have students share their scores (possibly have them print out the results), and see where most students fall. Take the quizzes yourself to better understand where the students are coming from. These tests may even help you become a better instructor by seeing how students learn best! (For instance, perhaps more diagrams and less lecture are needed.)

Exercise 51: Elements of the Learning Process

In-Class Applications

1. Students will enjoy observing the verbal and nonverbal cues sent by both you and their classmates. You should point out that a large percentage of communication is nonverbal in nature and that at times it does clash with spoken words and messages.

2. Analysis of Ads—Section A

Ad#1—*Prilosec*

Kinesic communication—The man’s pointing finger matches his verbal communication (shown in the cartoon balloon). The woman is giving the “A-OK” signal with her hand.

Proxemic communication—The man and woman are standing very close to one another, indicating that they like (or even love) each other.

Tactile communication—They apparently have their arms around each other, suggesting mutual affection.

Advertising retrieval cues—The picture of the package will serve as an ad retrieval cue when shoppers look

for it in the store. The advertiser is also trying to familiarize readers with the two people (Randy and Cecil) so that they recognize these characters when they visit the brand's Web site.

Stimulus discrimination—The brand is something new on the market (or, at least it recently went OTC—over the counter). It implies that it is different from other heartburn products because it lasts 24 hours.

Ad#2—Microsoft Office

Kinesic communication—The applause indicates approval and affirmation of the woman's work. The workers' facial expressions reveal admiration and respect. The body language of the woman standing on the boxes suggests surprise and perhaps humility.

Proxemic communication—The people surrounding the woman are giving her plenty of space to indicate a sense of awe.

Advertising retrieval cues—The Microsoft Office logo will be recognizable at the point of purchase.

Stimulus discrimination—By being smart by using Microsoft Office, the woman literally stands out from the crowd. However, the ad doesn't state or imply that the product is better than competitors, perhaps because monopolistic Microsoft doesn't have any major rivals. The ad itself is somewhat distinctive in that the focus is on the users and results of use rather than on the software itself

Ad#3—Viagra

Kinesic communication—The look of love is written all over this couple's faces.

Proxemic communication—They are snuggling, indicating mutual affection

Tactile communication—They are arm-in-arm, also suggesting mutual affection

Advertising retrieval cues—The frequently-repeated Viagra brand name and picture of the (blue) pill should generate recognition at the point-of-purchase and point-of-use

Stimulus discrimination—The ad uses an *implied superiority claim*—it suggests that Viagra is superior, although it is really saying that Viagra is equal to competitors (“There's no other tablet proven to work better or faster to treat ED” and “There's no other Viagra”).

Note: The ethics of such a claim could be a point for class debate. Here are the issues as well as the justifications for such claims:

Ethical issues:

- Although literally true (not materially false), such claims are potentially misleading/deceptive, leading *consumers* to believe your brand is different when it is not.
- Creating induced differences (psychological distinctions) for near-commodities is deceptive
- Such claims are unfair to *competitors*, making them look inferior when they are not thereby harming their sales
- Such claims harm the effectiveness of all advertising by reducing advertising's credibility and harm the reputation of those working in the industry

Justifications:

- The claims are literally true—they are merely honest exaggeration (“puffing”) that consumers are used to and will see through.
- They are commonly used and are therefore acceptable
- They are legal and are therefore okay to use.
- Induced differences are actually psychological value added
- They make the marketplace more competitive, resulting in lower prices, higher quality, and more variety

Ad #4—Northwestern Mutual Financial Network

Kinesic communication—The expression and turned head on the woman to the left who is apparently trying to eavesdrop on the conversation indicates curiosity. The expression on the face of the woman talking to the man indicates interest in what he is telling her. It appears that he is smiling at her and enjoying their conversation.

Proxemic communication—The woman to the left is keeping her distance from the couple who are talking, so as not to intrude or make it obvious that she is trying to eavesdrop. The two people having the conversation are keeping a normal distance of several feet apart.

Advertising retrieval cues—The only one is the Northwestern logo and name.

Stimulus discrimination—Not a lot is being done to make this a distinctive ad. The only point of difference is that the firm has “quietly earned a most enviable reputation.”

Ad#5—Best Buy

Kinesic communication—The man’s body language speaks volumes—his facial expression, raised arms, and kicking of his leg all suggest jubilant ecstasy over the “thousands of possibilities” available at Best Buy.

Advertising retrieval cues—The logo is the only one evident

Stimulus discrimination—The ad is certainly different from most retail ads, and it implies more choice than competitors offer.

3. Analysis of Ads—Section BAd#1—Nestle Crunch With Caramel

Cachet by Association—In a sense this is an *upward stretch strategy*—a better or fancier version of the “plain” Crunch bar is being added. **Question:** Might this not make the “plain” version of their candy bar less desirable? This could cause a high degree of *cannibalization*.

Branding generalization: This is a *product line extension*—a modification of an existing product and bearing the same brand name. To the name they’ve added product identification (“With Caramel”). This is also *family branding* because “Nestle” is the corporate as well as the brand name. The familiar wrapper suggests *family packaging*.

Advertising generalization—Ho hum. Another candy bar ad, another picture of the package and a cut-away shot of the product.

Ad#2—Philadelphia cream cheese—

Cachet by Association—The product is associated with yummy bagels and fruit, and it is affiliated with heaven—probably the best thing you could associate any product with!

Branding generalization—The well-known “Kraft” corporate name precedes the “Philadelphia” brand name, a case of *family branding*.

Ad#3—Colgate Herbal White Toothpaste

Cachet by Association—The “natural” connection is clear with the outdoor scene in the background.

Perhaps there is an association with the beaver’s trade character who sang, “Brusha, brusha, brusha, with the new Ipana.”

Ad#4—Tide and Downy

Cachet by Association—A connection is implied between the way your clothes will smell after using the products and the freshness of the outdoors.

Product generalization—If you’ve tried and liked either one of these products, presumably you’ll like the other one too since they both come in CleanBreeze scent.

Branding generalization—Both products are *product line extensions in family packaging*

Ad#5—MailStation from Earthlink

Stereotyping—Perhaps this ad is playing off the stereotype of elderly people being technologically challenged and technophobes. Many seniors do know how to work a computer.

Branding generalization—This is a *brand franchise extension*—it takes the Earthlink brand, which is an Internet service provider, and extends it to an electronic device dedicated to e-mail. It uses *family branding*—the familiar Earthlink corporate moniker.

4. As the discussion in Exercise 51 Background, whether or not *selling against the brand* is ethical depends on whether consumers have difficulty distinguishing the lower-priced private labels from their national brand counterparts. If not, the practice is ethical since it helps shoppers get more for their money. If the national brands don’t like it, too bad! Nobody is violating a trademark or patent. They might need to suck it up and lower their prices too.

5. a. Gillette Silkience facial moisturizer: Although the Gillette corporate name is affiliated with superior personal care products, Silkience’s excellent reputation in haircare simply did not translate to face creams.

b. Country Time has a very narrow association with lemonade. Although it might seem logical to extend the name to another beverage, perhaps it was perceived as sour and not healthy.

c. Arm & Hammer deodorant: This wasn't consistent with the brand's household image, which has traveled well from baking soda to household cleaners like detergent, carpet deodorizer, and oven cleaner.

d. Crystal Pepsi: Pepsi means "cola," and cola by definition is dark, not clear. Also, a clear cola was perceived as lacking rich flavor, like bottled water.

e. Sara Lee Chicken & Noodles Au Gratin: Sara Lee is about baked goods, not soup.

f. Bic perfume: Bic has successfully leveraged its strength in low-cost plastic production to bring consumers the convenience of disposability and affordability. They have thereby successfully launched disposable pens, plastic Bic Clic disposable lighters, and plastic razors. But perfume is all about image: What woman wants to walk around smelling cheap and disposable! Incidentally, Bic also flopped with pantyhose.

g. Ivory scouring pads: Ivory is all about gentle cleaning, originally with bar soap, so the name extended well to liquid soap, shampoo, and body wash, but not to harsh scouring pads.

h. Betty Crocker breakfast cereal: Betty Crocker stands for baking and cooking, so the name has worked for a cookbook and even a rice cooker, but not a cold breakfast cereal.

i. Osh Kosh maternity clothes; Osh Kosh is associated with fashionable young kids' clothing. The name extended well to baby apparel under the Baby Osh Kosh name, but didn't wear well for women carrying a baby.

6. These cases of potentially confusingly similar brand names are all judgment calls. The issue in each case is whether the copycat brands are close enough in meaning and significance to potentially or actually cause consumer confusion. A key consideration is whether or not the product classes are the same or similar.

a. Breyer's Crème Savers yogurt: Life Savers candy might have a problem with this, but the products are rather dissimilar, and Breyers is associated with ice cream and yogurt, not candy. Also, a Google search reveals that there are lots of brands in various product categories using the "Saves" moniker, such as Bausch & Lomb Sight Savers, Jell-O brand Creme Savers Pudding Snacks, and Spec Savers eye care (seems that they and Bausch & Lomb's Sight Savers would be confusingly similar, though!). The folks who sell Life Savers make Gummi Savers candy.

b. Ritz designer cigarettes: The Ritz name is more closely associated with Ritz crackers and the Ritz Hotel. The latter sued the manufacturer of Ritz cigarettes some years ago and lost—the product categories are entirely different. It is unlikely people will think that Nabisco (the manufacturer of Ritz crackers) also makes cigarettes. However, those who follow the corporate world are aware that Nabisco is owned by Kraft Foods, a unit of Altria Corp. (formerly Philip Morris), maker of many well-known cigarette brands like Marlboro, Parliament, and Virginia Slims.

c. Country Daze drink mix: This brand name was successfully challenged by Country Time lemonade drink mix. However, a graphics company and an adoption center use the Country daze name,

d. Promise furniture spray: This was disallowed because it was confused with Johnson Wax Company's Pledge furniture spray.

e. Ball Game wieners: This was ruled to be too similar to Ball Park frankfurters.

f. Quick Tips manicure finishing spray: Even though the product categories are rather dissimilar, this was judged to be too similar to Q-Tips cotton swabs.

g. Creamy Wheat farina: Surprisingly, this was ruled to be not in conflict with Cream of Wheat at a time when Creamy Wheat was made by Nabisco and Cream of Wheat by Kraft. (Now, they are under ownership of the merged company, Nabisco Kraft.)

h. Toyota Lexus: Toyota was unsuccessfully sued by Lexis computerized data retrieval services. The products are clearly too disparate.

i. Whoppaburger sandwiches: Burger King, home of the Whopper, wasn't to please with this direct competitor and successfully sued.

7. Students should be able to think of examples of *stimulus generalization* such as *selling against the brand* (found in many food, personal care, and drug categories), *branding generalization* (*more than half of recently-launched grocery items use it*), and family packaging (most major brands use it), among others. Examples of *stimulus discrimination* would include placement in the store (front or end-of-aisle displays, snack racks by the cashier, etc.), store signage, in-store coupons, etc.

8. This question should get the creative juices flowing. A lower price won't work—Diamond has enough financial muscle to match that! Perhaps the product itself can be made unique: flavors, colors, designs, different shapes, materials (steel so reusable?), etc. A memorable brand name, catchy packaging, clever advertising, a trade character, different channels of distribution, and so on can all be used. The possibilities are only limited by students' imaginations!

9. Scenarios

- a. Fixed Ratio
- b. Variable Interval
- c. Variable Ratio
- d. Continuous
- e. Fixed Interval

Exercise 52: Theories of Learning

In-Class Applications

1. Analysis of Ads

Note: There will often be more than one interpretation on the type of learning theory that a given ad is applying.

Ad#1—Allegra

Cognitive reasoning—This is a fairly high involvement product for which people are actively seeking information to solve a problem. (The ad even suggests they consult their doctor.) The product is shown as a solution to the seasonal allergy sufferer's problem.

Vicarious learning—Readers can vicariously experience the long-lived relief the medicine provides by comparing the experiences of the two women featured in the ad.

Ad#2—Cialis

Attitudinal conditioning—The advertiser is associating the product with the excitement and stimulation of the “right moment” with your spouse. Presumably, Cialis will come to be connected with such feelings.

Cognitive associative learning—The ad is creating anticipation of satisfying results from using Cialis. Together, the attitudinal conditioning and cognitive associative learning are creating transformational advertising, showing audience members the psychological (as well as physical) satisfaction Cialis delivers.

Mood association—The ad associates the product with both relaxing moments as well as the “right” moment.

The ad also encourages further learning. The offer of a free sample might be the first step in a *shaping* process (*reinforcement theory*), and it invites *experiential learning* (*cognitive learning*). Given the high level of product involvement, these latter two theories seem more applicable than simply classical conditioning.

Ad#3—Ford Freestar

Cognitive Reasoning—This is a high involvement product for which people are actively seeking information, and this ad gives it to them. It simulates having a car expert personally giving readers an attribute-by-attribute rundown on the car's safety features. *Learning through education* is at work here. In a sense, it is also encouraging *modeling* in that the ad uses an expert *role model* (although he is discussing the car rather than personally using it, which we might reasonably assume he does).

Ad#4—State Farm Insurance

Attitudinal conditioning—State Farm has eternally been associated with being a “good neighbor.” Specifically, this ad uses *mood association* by linking State Farm with humanistic, helping, caring feelings. They also use *cue association* with the familiar logo and “good neighbor” tagline.
Learning through education. Although the ad doesn’t specifically use this, it describes a *training* program it has established in service learning.

Ad#5—Total Gym

Operant conditioning—The ad is offering readers a trial-and-error learning experience through a “test drive.” This is a good idea since this is a high involvement experience good. The “test drive” could be considered as the first step in the *shaping* process. The ad promises lots of physical rewards (getting into shape, getting healthy, and feeling good) for using the product.

Cognitive learning through experience—The “test drive” encourages this sort of learning.

Cognitive learning through vicarious learning—The ad is loaded with “everyday” models who discuss and demonstrate the benefits they received.

Cognitive learning is a good approach to use for this high involvement product which solves consumer problems and for which people are actively seeking out information.

Ad#6—The Vanguard Group

Cognitive Reasoning—The ad uses a problem-solution approach for this high involvement product. It makes people aware of a problem they perhaps haven’t given much thought to: planning so that they have adequate retirement funds. It helps consumers reason through a hypothetical retirement fund scenario. And, the toll-free number and Website offer further educational information.

Ad#7—Sure deodorant

Classical conditioning—The ad uses *need association*, connecting the Sure brand with its age-old dryness and odor-stopping claims as well as with an assurance of confidence (Repeat after me: “Sure means confidence, Sure means confidence...”). It also employs *cue association* by using the familiar tagline, “Raise your hand if you’re Sure” and Sure logo.

Ad#8—Sam Adams Light beer

Operant conditioning—A “reward” is promised to those who try this beer. The judges for the World Beer Championships have already done the trial-and-error learning for you by rating Sam Adams as the best light beer. The ad encourages consumers to try it too in their own trial-and-error learning.

Ad#9—Campbell’s Select soup

Classical conditioning—Salivation anyone? The ad links the unconditioned stimulus, the delicious-looking soup, with the Campbell’s Select name, logo, and can (the neutral stimuli) to evoke the drooling response. It plays on *need association* (the desire to spice up a boring sandwich), and *cue association*, associating the marketing cues—brand, logo, and package—with good-looking, good-tasting soup.

2. Scenarios

a. *Classical conditioning.* This is *attitudinal conditioning (affect transferal)* using a celebrity. By repeatedly pairing the soda (initially the neutral stimulus, NS) with the celebrity (unconditioned stimulus, UCS) who elicits warm emotional feelings (unconditioned response, UCR), the soda takes on the properties of a conditioned stimulus (CS) that also elicits warm emotional feeling (conditioned response, CS).

Classical conditioning is appropriate for this low involvement product advertised in low involvement media (TV, radio, billboards) and for which learning will typically be incidental. No solid information is provided—just the brand name is sung.

Modeling. Sherri serves as a role model. “If she likes the soda, it must be good,” so goes the thinking. This too makes sense for a product learned about through incidental search.

b. *Operant conditioning.* Mr. Button uses social *reinforcers* (compliments, pats on the back, and smiles) as well as monetary reinforcers (free meals, rebates and discount financing) to woo customers. (Ethically, a lot of what he does border on bribery, however). He also helps *trial-and-error learning* by encouraging test drives and even allowing patrons to take the vehicles home.

Operant conditioning as practiced here is the way to go for selling cars: People are actively involved and prefer information-rich content such as provided by salespeople. Learning is intentional, and trial-and-error learning is necessary for an experience good such as cars.

c. *Modeling (cognitive learning theory)*. Such word-of-mouth communication has a modeling component. If Candice's friends learn from her the details of the positive consequences of purchasing a product, they might react to the information by emulating her and purchasing the product, especially after they have witnessed her using the product. As psychologist Bandura has noted, "Models not only exemplify and legitimate innovations, they also serve as advocates for products by encouraging others to adopt them."

Encouraging referral word-of-mouth recommendations is a good idea for tech gear, which is highly involving for most buyers and for which people deliberately seek out information. This high involvement medium of communication is highly credible and, hence, effective.

d. *Door-in-the-face compliance (reinforcement shaping)*. Buyers are offered a high price (asked for a large favor) that almost all refuse. They are then offered a lower price (smaller favor), which they agree to pay. There is probably a *perceptual contrast*—relative to the first price, the second price seems reasonable.

This application of reinforcement theory seems to make sense for such high involvement goods sold to information-seeking consumers. It might lose its effectiveness, however, in light of the fact that most shoppers know they can drive Earl down on price.

e. *Reinforcement theory*. Can you say, "rewards"? (We knew you could.) Mr. Dandy provides customers with all kinds of reinforcers: compliments, royal treatment, and follow-ups. Trying on the clothes also enables *trial-and-error learning*.

Clothing whoppers are involved, active information seekers. Consequently, reinforcement learning is applicable.

Experiential learning. This is achieved by letting customers try on clothes to see how they look and feel. Clothing is an experience good, so this makes sense.

f. *Classical conditioning*. Kay uses key elements of the classical conditioning model. *Contiguity* is employed as she uses trim mannequins (UCS) and attractive models (UCS) to display clothing (CS) to its best advantage. She employs *mood association* to create a relaxed atmosphere (UCS) for selling casual; clothes (CS).

While these techniques might be useful, they are probably insufficient by themselves since they assume a low involvement, passive consumer, which most clothing store patrons are not.

g. *Cognitive reasoning theory*. The focus is on consumer problems and providing solutions to those problems. The company is learning through consumers' *experiential learning*. They then introduce packaging with a *meaningful* difference.

h. *Analogical learning (cognitive reasoning)* In each case, she transferred her learning from the predecessor product to the new product, while picking up additional skills each time.

Marketers of each of these products should have put consumers at ease by demonstrating how their old typing skills were transferable to the new product.

3. Answers will vary among students depending on their purchase and usage experiences. For lower involvement, simpler products like cold medicines and cake mixes, simple *classical conditioning* via advertising might have been their teacher, although *experiential learning* might have been important too via *trial and error*. Most of the other products are more complex and probably entailed some type of *reinforcement theory* learning or *cognitive learning theory* information acquisition.

4. Scenarios

a. UCS—Bite, UCR—Pain/Fear, NS—Dog, CS—Dog, CR—Fear

Stages of Classical Conditioning:

- 1) Bite (UCS) → Pain/Fear (UCR)
- 2) Dog (NS) → Bite (UCS) → Pain/Fear (UCR)
- 3) Dog (CS) → Fear (CR)

b. UCS—Criticism, UCR—Shame, NS—Boss, CS—Boss, CR—Shame

Stages of Classical Conditioning:

- 1) Criticism (UCS) → Shame (UCR)
- 2) Boss (NS) → Criticism (UCS) → Shame (UCR)

3) Boss (CS)→ Shame (CR)

c. (In true Pavlovian style) UCS—Ice cream, UCR—Mouth watering, NS—Bell, CS—Bell, CR—Salivation

Stages of Classical Conditioning:

- 1) Ice cream (UCS)→ Mouth watering (UCR)
- 2) Bell (NS)→ Ice cream (UCS)→ Mouth watering (UCR)
- 3) Bell (CS)→ Mouth watering (CR)

d. UCS—Patriotic music and red, white, and blue colors, UCR—Patriotic pride, NS—Sudso detergent, CS—Sudso detergent, CR—Patriotic pride

Stages of Classical Conditioning

- 1) Patriotic music and red, white, and blue colors (UCS)→ Patriotic pride (UCR)
- 2) Sudso detergent (NS)→ Patriotic music and red, white, and blue colors (UCS)→ Patriotic pride (UCR)
- 3) Sudso detergent (CS)→ Patriotic pride (CR)

e. UCS—Brutus Brothers workplace, UCR—stress, NS—Fruit Blast soda, CS—Fruit Blast soda, CR—Stress

Stages of Classical Conditioning

- 1) Brutus Brothers workplace (UCS)→Stress (UCR)
- 2) Fruit Blast soda (NS)→ Brutus Brothers workplace (UCS)→ Stress (UCR)
- 3) Fruit Blast soda (CS)→ Stress (CR)

Note: This is higher-order conditioning. When Warren began working at Brutus Brothers, it is doubtful that he associated his workplace with stress, although perhaps he rapidly learned to do so. At least initially, his place of employment was a neutral stimulus, not associated in his mind with stress. Over time, however, Brutus Brothers became a conditioned stimulus affiliated with stress. However, in the context of this scenario we can still think of it as a UCS.

5. Any bad restaurant experience and the resulting dislike of that dining place is a case of classical conditioning. Suppose you got sick from eating bad food at a restaurant. And, you now associate the restaurant (which used to be a NS, and has now become a CS) with the feeling of nausea (which used to be a UCR caused by the UCS bad food, but has become a CR to the restaurant). This is a very common occurrence (which almost all students can relate to)! Have students share their stories about particularly good and bad experiences at eateries, and apply the terms of classical conditioning.

6. Claustrophobia is the fear of confined spaces, while arachnophobia is the fear of spiders. The list featured on the Website is quite extensive, but some fears are more common (like the ones mentioned above). Have students share their phobias (if they are comfortable doing so), and see if there are any frequent phobias among the group.

Frequent responses from a Gallup Poll surveys include (in order of frequency) snakes, public speaking, heights, claustrophobia, arachnophobia and fear of insects, needles and getting shots, mice, and flying on an airplane. Fear of death is also common (although assurance of salvation is offered in John 5:24 and 1 John 5:11).

Are these phobias due to actual experience or are they due to the expectation of the unwanted feeling? Ask if any of the students are familiar with the “Little Albert” experiment (particularly those who have taken an introductory Psychology course). Have one of the students give a summary of the experiment to the rest of the class (using the terms of classical conditioning). Discuss the experiment and how ethical (or not) it was. What ever came of “Little Albert?”

John B. Watson in his experiment with Little Albert, an 11-month-old baby, studied how emotions are learned. He presented a white rat with which Little Albert had become friendly (NS) and a loud noise produced by striking a steel bar (US), which caused the child to be fearful (UCR). After several pairings, Albert showed fear (CR) of the white rat (CS). Later, Albert generalized the fear to stimuli that were similar to the CS, such as wool, cotton, and a Santa Claus mask.

7. Everyone has a bad habit or two. Poll the class to see what kinds of habits they wish to stop. How many nail-biters are there? How many cannot resist chocolate every time they see it? Who has a bad habit in a

sport they play, such as dropping an elbow when playing tennis or slicing the golf ball to the left? How about procrastinating when it comes to doing homework assignments and boning up for exams?

An example of how to rid yourself of a bad habit is as follows:

Bad habit: biting nails

Route to ridding the bad habit: *Positive punishment* (despite the psychologists!)

Tool of *positive punishment*: “No Bite” nail polish (it tastes awful!)

Schedule of punishment: Every time you bite your nails, you get a horrible taste of “No Bite” and stop biting them.

Result: After so many tastes of “No Bite,” you cannot stand the taste anymore and slowly stop biting your nails. (Buyer beware: Just make sure you do not start liking the taste of “No Bite!”)

8. Bandura conducted a famous study on social learning theory in which children experienced observational learning/imitation/modeling. The children were shown clips of adults (models) playing with the “Bobo doll.” Each group saw a different clip based on how the doll was treated by the models.

After watching the clip, the children were then handed a Bobo doll to play with themselves. Those who viewed the models acting aggressively toward the doll did the same, acting just as aggressively. Those children who did not encounter aggressive behavior on the movie did not act as aggressively toward the doll.

This study is very important in the context of television violence—what is this teaching our children? Some people say that if children are raised correctly, they won’t imitate what they see on television. However, how he or she is raised does not control that child’s imitation of what he or she sees.

The media know how observational learning works and do take advantage of these young hearts through violence on television.

Marketers, in turn, enhance the capability of children imitating what they see on television through toys such as plastic guns, miniature versions of “bad guys,” and other violence-provoking toys. How marketers could use this idea of observational learning in a beneficial way is to feature good and positive behavior on television in hopes that children will imitate that instead of violence. The same can be said regarding behavior that is disrespectful, rude, vile, and the like.

9. Latent learning is a spin-off on behavioral learning theory, but is much more complex and seems to also incorporate cognitive learning theory. In applying the concept to the mall scenarios, latent learning can be explained in the following way:

(1) Consumers drive around or travel every day—to work, to school, to the grocery store, and to the mall! How do they know how to get there? First, there must be an initial search or explanation of how to get to the mall. It could be through written directions or simply passing by it one day. From that point on, they know where it is located (just like any other desired destination). Through classical conditioning (perhaps) they learn to associate the exit number and the turns with actually getting to the mall. Repeated behavior of this type (going to the mall) only strengthens their knowledge of how to get there, so that eventually they will never forget.

(2) Any college student (particularly girls) can find his or her way around at least one mall. How did you come to browse with such ease? First, there must have been a mall map that could have helped you begin your perusal of the mall. Or, friends may have known where they were going and you went with them, or else they gave you directions. After a few times of simply walking through the mall, you began to form a *cognitive map*—a “map” inside your head of how the mall is laid out. Not even thinking about it, you could start walking straight to The Gap with a particular purchase in mind. It almost becomes second nature, based on your prior experience with that mall.

(3) Repetition is the key to latent learning. As for the rats in Tolman’s mazes, trial and error got them to the end. For us mall rats, it is the same thing. The sale rack is *always* in the back of the store! Experience is the only way you know where that rack is located.

Just as experience and repetition are key factors in latent learning regarding the mall, your college or university campus is just the same. During Freshmen Orientation, students have no idea where they are going. By the second or third week of school, they don’t even think twice about where their Principles of Podiatry class is located, nor about the locations of the cafeteria or mailroom. Their cognitive maps are formed through trial and error experiences that are repeated. While association plays a role, there is something more cognitive going on than the behaviorists can explain.

Exercise 53: Tricomponent (ABC) Attitude Model and the Elaboration Likelihood Model

In-Class Applications

1. Analysis of Ads

Ad#1—Loreal Vive for Men

a. *Forming*—The ad seems to be forming attitudes where none previously existed, both toward the idea of using a hair thickening shampoo as well as toward this particular brand.

b. *Cognitive*—The ad is providing basic information on what the product and brand do. For new products and brands, this is what consumers are interested in. Since this is primarily a *functional product*, this approach of focusing on *functional benefits* makes sense.

c. *Affective*—Since people use shampoo to make their hair look good for other people, an emotional pitch based on love, romance, or other types of warm human relationships could be used.

Connative—A free sample could be attached to the ad or else consumers could be told how to send away for one.

d. Consumers might have a favorable attitude toward the ad since it provides useful information.

e. The ad reflects the cultural emphasis in the importance of youth and looking good.

f. *Central route*—Having good-looking hair is a high involvement issue for targeted customers, so MAO will be high and they'll look for strong arguments to buy the brand.

Ad#2—Lightlife Veggie Smart

a. *Forming*—The ad seems to be forming attitudes where none previously existed toward the brand and the healthful benefit it offers

b. *Affective*—The ad is using a dominant illustration to associate positive feelings with the brand. This *transformational advertising* is linking the brand to the healthy, exhilarating feelings from getting a good workout. It thereby provides *emotional benefits*.

Cognitive—The ad offer a bit of information on the product's *functional benefits* of providing an energy boost and being easy to prepare. The Website offers further useful information on recipes

c. *Connative*—The advertiser could offer a free sample, which would make sense for an experience good such as this.

d. Since the ad features a pleasant picture, people might like it. They might also have a favorable attitude toward the ad since it provides useful information.

e. The ad reflects the cultural emphasis on healthy living, exercise, and eating sensibly.

f. *Central route*—A modest amount of information on the product's benefits is offered.

Peripheral route—The dominant photo serves as a peripheral cue making people feel good about the brand.

Ad #3—Sure deodorant

a. *Reinforcing*—This is a very mature brand and it has long run its theme of providing social confidence (use it and you won't smell like a goat). The ad simply makes users feel good about being brand users.

b. *Connative*—The ad is reducing dissonance for brand users.

c. *Cognitive*—Provide details on or evidence of how effective Sure is (“Keeps underarms from stinking to high heaven twice as long!”; “Four out of five doctors surveyed recommended Sure for their patients who sweat like pigs.”)

Affective—Show scenes of romantic couples who are confident because they plastered their armpits with Sure.

d. The mild humor in the ad might create positive affect for it.

e. The ad reflects the cultural emphasis on self-confidence and being clean.

f. *Central route*—The body copy provides a reason why to use Sure

Ad#4—Eggo syrup

- a. *Changing*—Users had probably been complaining about the sticky bottles, i.e., they had a negative attitude toward the way the syrup poured out of the bottle. By changing to a “hi-tech, no-drip bottle,” Eggo hopes these attitudes will become positive instead. Given that they’ve taken positive action to correct the situation, this seems like a realistic goal. Also, marketplace conditions make attitude change feasible: They are changing brand beliefs through a real tangible (not just psychological) change in the product, the information is presented in a KISS fashion, and there is low involvement and hence weak attitudes.
- b. *Cognitive*—They are changing beliefs about an objective product attribute and its corresponding consumer benefit.
- c. *Connative*—They could take an approach which is more focused on first alleviating dissonance (“Yes, you’ve gotten your hands sticky, but wasn’t the taste worth it?”) before introducing the improved bottle.
- d. The ad tries to empathize with users and displays humble contrition on the advertiser’s part. Hence, consumers should like it.
- e. Cultural attitudes toward the importance of technology, cleanliness, and convenience are reflected here.
- f. *Central route*—the message about improving the bottle is key.

Ad#5—Aqua Drops

- a. *Forming*—This is a new product.
- b. *Affective*—The dominant visual portrays an emotional benefit of refreshment. The emphasis is on how you will feel.
Cognitive—The focus is on the benefit of hydrating and refreshing your mouth.
- c. *Connative*—A sample could be attached to the ad or else offered if consumers call or mail in for one.
- d. The ad is designed to create good feelings, so A_{ad} should be positive.
- e. The ad reflects cultural emphasis on enjoying life and keeping clean.
- f. *Central route*—The ad has a message about hydrating and refreshing your mouth
Peripheral route—The ad associates the product with a pleasant mood (feeling good).

Ad#6—

- a. *Forming*—This is a new product.
- b. *Cognitive*—this is a somewhat information-intensive ad. It talks about objective product features (innovative cleaning technology) and the corresponding consumer benefits ((spot-free shine without the need to dry).
Affective—The ad plays off the likeable Mr. Clean character by featuring him in a dominant photo, thereby creating good feelings which should transfer to the product.
- c. *Connative*—The ad could offer a steep discount, thereby creating strong behavioral intentions.
- d. The Mr. Clean character might help create some positive feelings toward the ad.
- e. The ad uses words like “revolutionary,” “innovation,” and “technology,” reflecting a cultural emphasis on technological progress. Discussion of how it makes your car shine reflects our emphasis on materialism and beauty.
- f. *Central route*—The ad relies on strong arguments about why the product works well.

2. Scenarios

- a. *Cognitive*—beliefs about *subjective product attributes* (a stodgy, old-fashioned phone company) and *objective product attributes* (offers broadband service).
Connative—*overt behavior* (switching to AT&T and climbing on board the ‘Net).
- b. *Affective*—*emotional benefits*: He loves a good donut. He doesn’t like store bought donuts.
Connative—He stops at a donut shop every day.
- c. *Cognitive*—beliefs about *subjective product attributes* (it’s a hip soda that is popular with the young crowd), *objective product attributes* (it is loaded with lots of sugar and caffeine), and *benefits* (give him a quick energy boost)
Affective—*subjective beliefs* (runs fun TV commercials)
Connative—*overt behavior* (he buys it whenever possible when he’s out and about with friends).
- d. *Cognitive*—beliefs about *subjective product attributes* (she finds FedEx to be very reliable economical, and flexible).

In-Class Applications

1. Analysis of Ads

Ad#1—Curl.life

Argument quality: The ad stays on focus concerning the brand’s central merits: making curls spring to life. It briefly explains the technology underlying the product’s benefit and gives a brief description of what the curls look like.

Order of presentation: Irrelevant since there is only one argument presented.

Message sidedness: One-sided message. Appropriate since there won’t be many strongly held negative attitudes

Positive vs. negative message framing: Everything is kept positive

Conclusion drawing: The benefit statement draws an explicit conclusion, reinforced by the photograph

Distractions: Although it could be argued that the beautiful woman will be distracting, the emphasis seems to be where it should be—on her hair.

Ad#2—Allegra

Argument quality: A strong argument regarding 4x longer relief (up to 6 hours) is emphasized.

Order of presentation: The headline introduces the benefit claim in a vague way “long lasting relief”). The claim is clearer below this when it explicitly says, “Lasts up to 6 hours” and below that in the subheadline (“4x longer”). Since many people might not read past the headline, and it is doubtful that readers are opposed to or disinterested in the message, the more specific and hence stronger claims should be placed there.

Message sidedness: A two-sided message is used: side effects are mentioned as a legal requirement.

Positive vs. negative message framing: How long the medicine lasts is framed positively (“lasts up to 6 hours”) not negatively (e.g., “Lasts less than 6 hours”).

Conclusion drawing: It is clearly stated how the long Allegra lasts. If people were left to draw their own conclusions (e.g., by just saying “long-lasting”), they might draw erroneous conclusions.

Distractions: The two cute characters in the picture could be mildly distracting. However, since pain medication ads are usually boring, they probably help the medicine go down.

Ad#3—Hunny B’s cereal

Argument quality: Two strong arguments are presented: (1) the cereal has less sugar than before and (2) it’s a good source of calcium and iron.

Order of presentation: We don’t know which of these two attributes is more important to consumers.

Probably a primacy effect will prevail since targeted parents neither oppose nor are disinterested in the claims.

Message sidedness: it is a one-sided message—no negative information or disclaimers appear. This is appropriate since one wouldn’t expect strongly held negative attitudes and the consequent counterarguing.

Positive vs. negative message framing: “Less sugar” is a negative frame and “a good source of calcium and iron” is positively framed. This seems appropriate given the information to be conveyed.

Conclusion drawing: The implicit conclusion, that this is a relatively healthy cereal for the kids (compared to the usual sugary fare) is obvious—he ad would appear to be talking down to parents were this explicitly stated.

Distractions: The pictures of Winnie the Pooh and Piglet could be considered as distractions. However, given that this is a licensed brand, their affiliation is a strong selling point.

Ad#4—The Anti-Drug

Argument quality: The strong arguments are that even parents who did drugs when young should set rules and expect their kids to live drug free.

Order of presentation: The first point is that smoking pot is dangerous. The second claim is that parents need to set rules and expect their kids to live drug free.

Message sidedness: This is a two-sided message, specifically a *refutational appeal*: It raises the objection (“I’d be a hypocrite if I told my kids not to smoke weed because I did when I was young”) and then refutes it. This is necessary to counteract the anticipated counterarguing.

Positive vs. negative message framing: The ad honestly frames the message negatively: You will feel like a hypocrite, but nonetheless you must warn your kids.

Conclusion drawing: The conclusion is explicit: You must warn your kids about the dangers of doing marijuana, regardless of your personal drug history.

Distractions: There are no irrelevant ad elements—everything is on message.

Ad#5— Pravachol

Ask students what type of ad this is. It is *corrective advertising*—a remedy required by the FTC when consumer research reveals that an advertising campaign has perpetuated lasting false beliefs. The advertiser found so guilty must issue factual information in a new ad campaign to offset or correct lingering false impressions. (This is discussed in Chapter 14).

Argument quality: The mandated (by the FTC) claim is that Bristol Myers ran misleading ads for Pravachol, and it goes on to explain what the misleading claim was and why it was ruled by the FTC as misleading. The next claim explains what medical issues Pravachol has been approved for. It ends with “important considerations” or warnings.

Order of presentation: from the government’s perspective, the most important claim appears first and appears most persuasive since it has the FTC’s approval. This is important since the message is fairly long and detailed and people who had been using Pravachol for the unapproved use might be opposed and counterargue.

Message sidedness: The ad emphasizes the product’s shortcomings in claims #1 and #3—both a primacy and a recency effect that the FTC wants. The brand’s claim about what Pravachol has been approved for is sandwiched in the middle, making it less effective.

Positive vs. negative message framing: The mandated claims are negatively framed from the firm’s perspective, while the firm’s own claim is positively framed.

Conclusion drawing: All three claims are crystal clear, leaving nothing to the imagination.

Distractions: There are absolutely no irrelevant sideshows in this ad.

2. a. Sources:

- Anna’s Water World is the *sponsor*. They are *credible* since they have been around over a hundred years and carry everything having to do with water sports. They are *attractive (likeable)* because they sponsor an annual contest.
- The top-ranked local TV and radio shows carrying their commercials are the *media vehicles*. They are credible since they are the most popular stations and are therefore *attractive* (audience members tend to *identify* with local stations.) and probably viewed as *trustworthy*.
- Sammy the Seal is the commercial *presenter*. He has some credibility since he is likeable (“beloved, cute and cuddly”).
- Anna Polis is a personal *presenter*. She too is credible as the founder’s daughter and CEO, which gives her *expertise* (she doles out “water wisdom”) and *status*. She is also *likeable* (“beloved”).

Overall, it looks like a very credible operation. It therefore probably garners little *source derogation* and much *source bolstering*. *Ad-execution related thoughts* should also be favorable because of the loveable Sammy the Seal.

b. Sources:

- Winky’s Water Wonderland is the *sponsor*. *Credibility* is low since their founder and CEO was a white-collar criminal, they aren’t well established yet (and probably never will be!), and have a more limited product assortment than Anna’s, i.e., lack perceived *expertise*. They also aren’t *trustworthy* because they have failed to honor their product and service guarantees. They are the area’s number one jeweler, which enhance their credibility.
- The Naughty Channel is the *media vehicle* in which they run commercials. Given its sleazy nature, it is probably low in *credibility*.
- *Winky Wallace* is the commercial *presenter*. He *lacks credibility* because he isn’t trustworthy as an ex-con and alleged illegal gambling maven (which he denies), and isn’t *likeable* due to his nasty comparative TV ads.

Credibility is very low on all counts. *Counterarguing* will be high and *source bolstering* low. *Ad-execution thoughts* are likely negative.

c. Sources:

- Pinky's Jewlers is the *sponsor*. *Credibility* is rather low since the sales staff lacks *expertise*, *status*, and physical *attractiveness*; the product quality is low, the stores are unattractive, there are no returns, and their TV commercials aren't likeable. However, they do offer *attractive* prices.
- s. *The Triboro Times* is the *media vehicle* in which they advertise. *Credibility* is high since this newspaper is *trustworthy*.
- The ad *presenters* are physically *attractive*, enhancing their *credibility*. Pinky Finger is also a presenter, although he appears less attractive and even annoying, which reduces his credibility. His slogan is confusing, also reducing credibility.

Credibility overall is moderate. There will probably be *source derogation* due to the sponsor's mostly negative attributes. *Ad-execution thoughts* will be positive because of the newspaper in which they run and the attractive presenters, but they will be negative when Pinky puts in an appearance.

d. Sources:

- Sandy's Submarine Shops is the *sponsor*. *Credibility is high, the product is good*, and Sam gives glowing *testimonials*.
- *The Metro Reporter* is the media vehicle, although we don't know anything about it and so can't judge its credibility.
- Sam Witch is the *presenter*. AS a friendly, good-looking guy, he is *attractive*. He offers a *testimonial* to enhance his credibility. However, his *trustworthiness* is suspect, as he also lost weight through vigorous exercise, and the ads fail to report this.
- Sandy Claws, the mythical founder, is not really a source but adds mystique. Whether this helps credibility is unknown.

3. Ad#1—Curl.life

- Alter the importance weight—Make taming curls the most important criterion in selecting a shampoo brand.
- Introduce a new attribute—For some consumers, taming curls might be a new consideration.

Ad#2—Allegra

- Change a belief—Get consumer's to realize how long the medicine works.
- Alter the importance weight—The ad emphasizes long-lasting relief over other attributes such as the strength or quality of the relief.

Ad#3—Hunny B's cereal

- Change a belief—Improving an existing product so it has “even less sugar than before” does this. Consumers are also made aware of a previously existing attribute, a good source of calcium and iron.
- Alter the importance weight—The ad focuses solely on health. No mention is made of taste or whether your kids will like it.

Ad#4—The Anti-Drug

- Change a belief—They are trying to correct the belief that a parent who smoked weed can't preach to her kids about it.
- Communicate normative beliefs regarding the social desirability of talking to your kids about the dangers of marijuana and the importance of complying with these societal expectations.

Ad#5—*Pravachol*

- Change a belief—Misperceptions created by prior advertising need to be corrected. New beliefs regarding Prevachol's other uses need to be communicated, as do the product's “important considerations.”

4. Ad#1—Curl.life

Utilitarian function: The product satisfies the functional need to tame curls.

Ego-defensive function: The product defends one's self-ego from social insecurity caused by untamed curls.

Ad#2—Allegra

Utilitarian function: The product satisfies the functional need of providing allergy relief

Knowledge function: The ad explains how some medicines stop working before the day is done, provides other perhaps unknown details, and urges patients to get more information from their doctor.

Ad#3—Hunny B's cereal

Utilitarian function: The product satisfies basic nutritional requirements

Value-expressive function: Serving this product to your kids will make you a “good” parent

All of these first three ads deal with attitudes that should be relatively easy to shape.

Ad#4—The Anti-Drug

Knowledge function: The ad lets you know that, when it comes to warning your kids about the dangers of drugs you aren't being a hypocrite.

Ego-defensive function: The ad tries to protect parent's self-egos from feelings of hypocrisy.

This is perhaps a difficult attitude to change since it is very central and relates so much to the self.

Ad#5—Pravachol

Knowledge function: The ad is designed to correct misinformation conveyed by prior advertising.

Exercise 55: The Affective Experiential Perspective and the Connative Behavioral Influence Perspective

In-Class Applications

1. Analysis of Ads

Ad#1—Tylenol

a. *Cognitive dissonance theory:* The ad is trying to stir up doubts by encouraging consumers to reconsider their use of low-dose aspirin with ibuprofen and to instead consider substituting Tylenol for aspirin.

Attribution/self-perception theory: After consumers visit their doctor and subsequently purchase and use Tylenol, they will ask themselves “Why did I switch from ibuprofen to Tylenol?” If they conclude that they ultimately switched of their own volition (internal attribution), they will deduce that their attitude toward Tylenol must have been positive and will therefore have a more positive attitude. However, if they believe that their doctor pressured them into switching (external attribution), they might not change their attitude toward using Tylenol. The internal attribution and consequent attitude change is likely to occur if they have a positive experience using Tylenol. However, given that they might not be able to detect any difference (Tylenol is a credence good in this situation), there might be little subsequent attitude change.

b. *Connative behavioral influence perspective:* The ad is trying to first induce a behavioral change, i.e., encourage buyers to first, discuss the issue with their doctor, which should lead to more favorable attitudes toward Tylenol due to the information doctors provide. This should then prompt another change in action, i.e., switching from ibuprofen to Tylenol. Following usage experience, they expect consumer attitudes to be positively strengthened as explained by self-perception theory.

c. *High effort central-route processing:* The ad encourages processing of a strong argument to encourage behavioral change and subsequent attitude change.

d. Given the very high involvement of the issue of taking medication for a heart attack, both theories discussed in part a. are very appropriate. Cognitive dissonance theory is relevant because consumers lack confidence in their ability to decide for themselves and the results of use are difficult to discern. Patients are encouraged to take action, experience the results, and then change their attitudes.

e. *Dissonance attribution hierarchy*: This is the high effort behavioral route hierarchy. The ad encourages consumers to first visit their doctor for more information and then buy Tylenol (*do*). They then might either *feel* postpurchase doubt regarding their decision or *feel* good about it. This might cause them to *think* further about their decision. The ad should be effective in getting them to first *do* because it presents a strong argument for so doing.

2. Ad#2—Freixenet

a. *Emotional appeal*: The ad appeals to hedonic needs like enjoyment, relaxation, and pleasure. It is a *transformational ad* that will cause consumers to associate the product with winter fun.

Attitude toward the ad: This is a likeable ad featuring a pleasant winter scene, a pleasant young woman, and animals in the background. This should create good feelings that, through affect transferal, transmit to the brand.

Mood: The ad is designed to put targeted buyers in a good holiday mood. This should soften them up to want to buy the brand.

b. All of these theories take the *affective experiential* approach. Rather than providing information (cognitive decision-making perspective) or encouraging a behavioral change prior to affective change (conative behavioral influence perspective), the ad goes right for the “heart sell” using the theories discussed in part a.

c. Although emotional appeal theory assumes high affective involvement, the ad’s approach toward influencing attitude toward the ad and its use of mood suggest more of a *low effort peripheral-route process*. On balance, given the intended sage situation, there is probably a moderate level of involvement for most buyers, although it is affective, not cognitive, in nature.

d. Given that this is a hedonic product and the discussion in part c., the ad seems to be taking the right approach.

e. *Experiential hierarchy*: Through an emotional appeal, a pleasant ad, and use of mood, the ad works first to generate positive emotions and affective responses (*feel*). After consequently buying and consuming the product (*do*), purchasers will *think* about how they like it. Given the hedonic, experiential, and value-expressive nature of the product, this is very appropriate.

3. Ad#3—Swanson broth

a. *Operant conditioning*: The ad encourages consumers to first take action: buy the product, use it in the recipe, and experience the results. If they like the end product, their behavior will be reinforced. Consequently, they will have a more favorable attitude both toward the brand and using it in the recipe. This assumes that cooking with the product is at least moderately involving.

Passive learning: If there is low involvement, this could be passive-learning attitude change. The ad gives users a reason to “buy and try.” When in the store, the familiar Swanson name triggers recognition and a purchase. If the experience is satisfactory, buyers will form a favorable attitude and purchase so again.

b. Both of these theories are based on a *behavioral influence approach*: actions will precede behavior, which leads to an evaluation of that behavior and the product involved.

c. Operant conditioning assumes *high-effort processing* and passive learning presumes *low-effort processing*. Which prevails depends on the consumer’s level of involvement. In either case, the attitude formed should be similar, except that with high-effort processing the attitude will be stronger.

d. Operant conditioning and passive learning via encouraging a rewarding experience makes sense since this is an experience good.

e. *Dissonance attribution hierarchy*: The ad encourages consumers to first take action (*do*): buy the product, use it in the recipe, and experience the results. They will then either *feel* good about the product or not based on how the mashed potatoes taste. This might cause them to further *think* about their purchase. However, dissonance will only be experienced if the cook experiences high involvement in serving the product to others—the evaluation (*feel*) is more of a like-dislike nature than a dissonance inducing kind.

Ad#4—Beef

a. *Classical conditioning*: The ad in Pavlov’s dog style plays off of our unconditioned response to drool at the sight of the unconditioned stimulus, a sumptuous slab of grilled meat. By making sure readers make the association between this specific unconditioned stimulus and the more general concept of beef (the

conditioned stimulus), presumably buyers will salivate over the beef in their grocer's meat case (i.e., have a favorable attitude toward it) and purchase it.

Attitude toward the ad: Since the ad is low on information content (which would generate a cognitive response), according to the dual-mediation hypothesis it seems to be trying to get a favorable affective response. It does so by being interesting and intriguing—the buyer wonders if their beef will come out looking this good. Also, there could be affect transfer: If consumers like the ad (because of the appetizing photo), perhaps the liking will transfer to beef.

Mere exposure effect: The slogan “Beef. It’s what’s for dinner.” has been running for a number of years now (It’s almost a catchphrase: “Hey Mom, what’s for dinner?” “Beef. It’s what’s for dinner.” The high frequency and longevity of this campaign might create liking for it and beef.

b. All of these theories assume an *affective experiential* paradigm. They work on the liking level first, which should result in positive action taken.

c. All three theories assume *low-effort processing*. This isn't a very high involvement item for most consumers, and the only information to be processed is the implication that beef looks and tastes good.

d. All theories could be operating simultaneously as all work through low-effort affective attitude change, which is a good assumption as explained in parts a. and c.

e. The only hierarchy relevant to the affective experiential perspective is the *experiential hierarchy*. The ad works through classical conditioning, attitude toward the ad, or the mere exposure effect to create positive feelings toward beef. Then, behavior will follow (*do*). People will then evaluate their purchase: whether it was, if they got a good deal for their money, etc. (*think*). For an experience good like beef, this is very appropriate.

Ad#5—Diamonds

a. *Emotional appeal:* The ad appeals to the love of a man for his special woman (most likely either a fiancé if this is the engagement or wedding ring diamond or a wife if it is an additional diamond ring).

Mere exposure effect: “A diamond is forever” is a long-running tagline. Being familiar, it is presumably liked (as long as message recipients aren't experiencing message wearout). The liking will then rub off on the product through affect transferal.

Mood: The ad is designed to create soft, warm, fuzzy feelings, making men more receptive to the message.

b. All of these theories assume the *affective experiential* paradigm.

c. The emotional appeal assumes high involvement, *high-effort processing*. For diamonds this is certainly a good assumption. The mere exposure effect and mood approaches assume low-effort processing. While this can be a good assumption regarding reading the ad, ultimately when it is time to inspect the merchandise in a retail store there will be high-effort processing.

d. Given the emotional nature of the product, all three of these approaches can be at work. Ultimately, the cognitive component will kick in as buyers acquire information to make an informed purchase.

e. As for ad #4, the only hierarchy relevant to the affective experiential perspective is the *experiential hierarchy*. However, given that buyers will want to make an informed decision, it would seem to be a *modified experiential hierarchy: feel-think-do-think* (*thinking* following positive feelings due to the very high involvement of this purchase, followed by a purchase (*do*) and then postpurchase evaluation (*think*)).

Ad#6—PurinaONE

a. *Operant conditioning:* Assuming fairly high involvement, they are trying to get dog owners to take action first: Go to PurinaONE.com and sign up for the 30-Day Challenge. Presumably, they will then be offered an incentive to buy thirty-day's worth of the product. If they experience results such as the dog owners giving testimonials in the ad did, their purchase behavior will be rewarded and favorable attitudes will form.

b. *Connative behavioral influence approach:* The ad assumes that a rewarding personal experience will lead to attitude formation or change.

c. The ad assumes *high-effort processing*. Most people are highly involved with their pet. Consequently, they will carefully evaluate the performance of the product after it has been purchased.

d. For such a high involvement experience product (the results on the dog must be “seen to be believed”), this model makes perfect sense.

e. *Dissonance attribution hierarchy:* The ad is designed to initially trigger action (*do*). Then, buyers *feel* good about the product as they evaluate the effects on their dog. Finally, they *think* more about why and

how the product works as it does. If it doesn't perform well, some *dissonance* and dissatisfaction might occur.

Ad#7—Zest soap

a. *Emotional appeal*: This seems to be *transformational advertising*—it associates the product with a pleasant experience (reveling in an invigorating shower in springtime), thereby increasing emotional involvement with the product. It is also *covert involvement advertising*—it encourages the reader to imagine the pleasures of using the product. Although the product isn't inherently highly involving, the ad works to increase the involvement level by using these devices to create affective involvement.

Classical conditioning—Since the product is a low involvement one, *attitudinal conditioning* also seems to be at work. The product (conditioned stimulus) is associated with an exhilarating shower and springtime (unconditioned stimuli), in hopes that the unconditioned response (good feelings) will transfer to the product as a new conditioned response.

b. Both approaches entail the *affective experiential perspective*.

c. The *emotional appeal* assumes high involvement (created for a low involvement product by the highly involving ad), resulting in *high-effort processing*, while the classical conditioning approach, recognizing the low involvement nature of the product, assumes *low-effort processing*.

d. Both approaches seem plausible, given the discussion in parts a. and c. Whether one or both are operative for any given buyer depends on her level of involvement. They are appropriate for an experiential product such as soap.

e. *Experiential hierarchy*: given that the experiential perspective prevails, this is the only possible answer. The ad first works at an emotional level through transformational/covert involvement advertising and/or classical conditioning (*feel*). People then purchase and use the product (*do*), leading to *thinking* about its merits.

Ad#8—FunFuel

a. *Emotional appeal*: The ad features a picture of children, which is especially emotional for parents. It also uses a *covert involvement* approach since most parents can relate to the scenario of their little darlings hiding “yucky” food under their napkins.

b. An *affective experiential perspective* is taken by emotional appeals.

c. Although the product isn't very involving, the situation to which it is liked (kids hiding food under their napkins) is. Hence, the ad assumes *high-effort processing*, although it won't be very high effort.

d. The approach seems appropriate, given the emotional nature of feeding your kids tasty food that is nutritious.

e. The *experiential hierarchy* is at work: The ad creates positive *feelings*, leading to a purchase (*do*), followed by an evaluation of whether or not kids do, indeed, like it (*think*).

2. Scenarios

a. *Attribution toward others*: Both Amber and Buddy are trying to figure out what motivated their ordinarily obstinate kids to hold a surprise party for Amber, buy her a gift, and treat their friends and themselves so courteously. The attribution concerns motives: Was their behavior done out of love for Amber or for some selfish reason?

Amber believes they have ulterior selfish motives: They want something. Buddy thinks that they are driven by love. Another possible motive could have been to look good in front of the guests. This seems to be a very reasonable attribution since the moment the guests departed, the kids reverted to their bad behavior.

Although this isn't a case of self-perception, there are still internal and external attributions being made. Buddy attributes their unusually good behavior to love (an internal attribution) and their regular bad behavior to hormones (an external attribution, beyond the kids' control). This is probably wishful thinking on his part.

Testing using the four criteria:

Distinctiveness. The children's wonderful treatment of their mother was a onetime event. Otherwise, they consistently treated their parents poorly, i.e., selfishly. Also, the kids had always forgotten both parents' birthdays ever since they were tykes, and they even occasionally told their folks that they hated

them. Also, the earrings weren't very expensive. Therefore, it was natural for Amber to suspect that they had selfish motives.

Consistency over time. The kids had consistently treated their parents in a rotten fashion. Now, all of a sudden they didn't. However, after the party guests left, they immediately reverted to their bad behavior. This caused Amber to suspect ulterior motives.

Consistency over modality. The kids' behavior was different just in this one time and place (although they had probably been planning the party for awhile). This too arouses suspicions about their motives.

Consensus. Amber isn't getting any consensus from others regarding her suspicions.

b. *Attribution toward things* (if a firm is viewed as an impersonal thing) or *attribution toward others* (if a firm is seen as a person, such as "Dr. Internet"). Yule suspects that the firm wasn't being altruistic in making this free offer. Rather, they had a selfish (e.g., sell his data) or even viscous (infect his computer) motive. Perhaps another selfish motive was to follow up after a few months and try to sell him an upgrade or other products.

Testing using the four criteria:

Distinctiveness. This is the only firm making a free offer. All of the others are out to make a buck. Does this mean that Dr. Internet is not motivated by profit?

Consistency over time. The firm repeatedly sent Yule offers. Why are they being so persistent?

Consistency over modality. This doesn't seem to be an issue here—everything takes place on the Internet.

Consensus. All of his friends urge caution.

We smell a rat here.

c. *Attribution toward self* and *attribution toward things/others.* She is leaning toward blaming the company for making the camera and instructions unnecessarily complex—an *external attribution*—rather than blaming her technological ineptness—an *internal attribution*. Although this could be a *defensive attribution*, more likely it is correct according to the analysis on the four criteria:

Distinctiveness. This is the only electronic product she has trouble operating.

Consistency over time. Virtually every time she tries to shoot a scene, something goes wrong.

Consistency over modality. It doesn't matter whether she's inside or outside, with friends or alone.

Consensus. A good friend of hers who also purchased Pixsher's has also grumbled to her about its complexity.

It looks like her external attribution about the company wanting to make money from tech support is the correct one. Another possibility is ignorance of customers: Pixsher's is an engineering company practicing the product concept.

d. *Attribution toward self* and *attribution toward others.* She thinks she took the job because she is a caring person and/or because she was sweet-talked into it by the interviewer. These are not mutually exclusive: there could be two attributions. The principle of defensive attributions suggests that she would lean more toward the positive self-perception rather than the negative other perception. Another possible explanation is that she was afraid to take the high-powered corporate job.

Testing using the criteria:

Consensus. Many other people have remarked how kind she is.

None of the other criteria seem to be applicable here.

e. *Attribution toward others.* While many of Amber's fellow churchgoers think that her worshipful behavior indicates that she is a godly woman, the elders attribute her religious actions to trying to show up well. Another possible attribution would be that she's wrong-headedly trying to butter up God for her otherwise bad behavior or even fool Him into thinking she loves Him. Perhaps she is even fooling herself.

Testing using the four criteria:

Distinctiveness. She behaves one way in church and another way out of church. That is, there are two different outcomes when she is present.

Consistency over time. She behaves in a religious fashion whenever she is in church but in a rather unchristian-like manner otherwise—there is marked inconsistency over time.

Consistency over modality. She behaves differently in differing places—there is inconsistency over place.

These factors suggest that Amber isn't being genuine in church.

Consensus. Many churchgoers view Amber very differently from the elders. This makes it less clear what her true motives are.

3. Scenarios

a. Consumer determinants:

- The attitude was not *salient*—he rarely indulged in pretzels.
- He *lacked direct product experience and involvement*—he only saw the pretzel maker advertised on TV.
- He seems to have *low involvement* with the product

Situational determinants:

- *Unanticipated circumstances*—the phone rang just when he was about to order
- *Social norms*—Jess' attitude toward owning a pretzel maker was more influential than his own attitude.

b. Consumer determinants:

- The attitude was not *salient*—she had no interest in sewing machines.
- She *lacked direct product experience and involvement*

Attitude object determinants:

- It seems when filling out the survey, Colleen had the *wrong attitude object* in mind. She seemed to be thinking more in terms of Proctor Brothers' products overall rather than of their sewing machine. Thus, the questionnaire might have been measuring a *general AO*, not a *specific AO*.

Measurement determinants:

- She was in a rush and didn't give it much thought, likely leading to *response bias*.

c. Attitude object determinants:

- The attitude object being measured might have been the wrong one to predict behavior. Slick measured Carlotta's attitude toward the Humpmobile, not necessarily her attitude toward buying one, and not her attitude toward purchasing one from his particular dealership.
- Attitude was measured apart from the rest of the marketing program—Bo Tye's Humpmobiles made them a better deal.

Situational determinants:

- Carlotta lacked attitudinal control—her husband called the shots.

Measurement determinants:

- *Response biases* because some of the technical terminology on the questionnaire mystified her

4. Scenarios

a. *Dissonance attribution hierarchy*: This hierarchy is relevant for many high involvement professional services about which the buyer knows little and so she relies on advice from others and for emergency purchases, both of which characterize this scenario. First, Brook purchased the surgeon's service (*do*). Afterward, when she didn't think she was healing properly, she experienced doubt (*feel*). Her attribution was that she was forced to make a bad decision based on the emergency and that others had given her bad advice. She then went online to learn more about orthopedic surgery (*think*).

The surgeon, as a marketer, got the hotel personnel to recommend him and provided them with a brochure providing imagery but not information. What he apparently failed to do was to provide quality and post-operative follow-up.

Given the nature of the emergency, no other hierarchy would be as relevant. One possibility, though, is the *standard learning hierarchy*. The surgeon could have provided a more informative brochure or other information to the hotel so that Brook could make an informed purchase (think). If the information was convincing enough, she could begin to *feel* good about him. She would *then have the operation* (*do*). Finally, the surgeon could follow up to alleviate dissonance.

b. *Low involvement hierarchy*: He is exposed to TV commercials for the chicken fries involuntarily and very passively. The message about less grease and the impression of Chick the Chicken apparently register as a *simple belief* (*think*), although not at the level of free recall but rather recognition. When passing by packages of the chicken fries in the store, he recalls the goofy chicken from TV commercials squawking about less grease, so he purchases a package (*do*). After consuming the product, he likes it (*feel*) and plans to purchase it again.

The marketer is moving consumers through the hierarchy by (1) encouraging passive learning through high repetition of the brand name and slogan, accompanied by an ad icon; (2) making the product readily available at the point of purchase, along with recognizable image (the brand name and chicken) from the advertising (*do*), and (3) providing a tasty product to create positive attitudes and a desire to rebuy (*feel*).

Another potential hierarchy for such low involvement experiential products is the *experiential hierarchy*. The advertiser could focus on cute commercials featuring the chicken, creating a positive *attitude toward*

the ad and liking through the *mere exposure effect (feel)*. The positive feelings will transfer to the product (*feel*), which will then be purchased based on their good feelings (*do*). After experiencing the chicken, buyers will evaluate its merits, such as being less greasy yet tasting good (*think*).

Another possibility is the *passive learning hierarchy*, also relevant for low involvement experience goods. The marketer could encourage a purchase through means such as couponing and dispensing in-store samples (*do*). After buying, consumers would think about their purchase (*think*) and evaluate whether or not they like it (*feel*).

c. *Standard learning hierarchy*: She gathered and analyzed information on the organizations and interviewed with ten of them (*think*). Then, she was still interested in five (*feel*). Finally, she accepted an offer with one and lived happily ever after (*do*).

As marketers, the organizations simply made information available to prospective employees through the Career services office and online as well as through interviews. They also encouraged action by making job offers.

The only other model of remotely possible relevance here would be the *dissonance attribution hierarchy*. This is unrealistic, however, because very rarely would a student impulsively take a job out of college without being informed (later on life while unemployed and funds running low, this could be a different issue). If this were the case, a firm might wine and dine a hot prospect to get him to accept a position. If he later experienced doubts, the Human resources Department would need to deal with those.

d. *Experiential hierarchy*: The commercial features music and a hyper announcer to excite listeners (*feel*). On the basis of their good feelings, they then purchase tickets and attend the concert (*do*). Then they evaluate whether it was a great concert (*feel*). If so, they might even buy CDs and T-shirts.

The marketers of this hedonic product use feel-good advertising to encourage a purchase. They also market related items for satisfied concertgoers.

For a high involvement experiential product like this, no other hierarchy would be very relevant.