

e.g.:

- Consumers Union - Consumer Reports
- Nader's Raiders

SOME PUBLIC POLICY ISSUES

Deceptive Advertising:

an ad which has the capacity to deceive a measurable (20 to 25%) segment of the public

Advertising Substantiation:

FTC (U.S.) idea that companies must provide evidence for the truth of their claims

Corrective Advertising:

advertising that is mandated by a federal agency (U.S.) to correct consumer impressions that were formed by previously misleading advertising

CORPORATE SOCIAL RESPONSIBILITY

idea that business has an obligation to help society with its problems by offering some of business's resources

CONSUMER INFORMATION PROCESSING

CONSUMER INFORMATION PROCESSING
the process through which consumers are

1. exposed to information
2. attend to it
3. comprehend it
4. place it in memory and
5. retrieve it for later use.

PERCEPTION

the process through which individuals are

- exposed to information,
- attend to the information, and
- comprehend the information

Exposure:

consumers receive information through their senses

Attention:

consumers allocate processing capacity to a stimulus

habituated to the stimulus

preference for a stimulus is greatest at points just higher or lower than the adaptation level

Why are fashions constantly changing?

THE ATTENTION STAGE

the allocation of cognitive capacity to an object or task

Types of Attention

- **voluntary attention:**
consumers actively search out information that has personal relevance
- **selective attention:**
consumers selectively focus attention on relevant information
- **involuntary attention:**
consumer is exposed to something surprising, novel, threatening, or unexpected
- e.g.:
 - o surprise
 - o movement
 - o unusual sounds
 - o size of stimulus
 - o contrast effects
 - o color

THE COMPREHENSION STAGE

the process through which individuals organize and interpret information

Perceptual Organization

the way people perceive shapes, forms, figures, and lines in their visual world

Gestalt Psychology:

attempts to understand how people perceive patterns in the world

THE COMPREHENSION STAGE

Interpretation processes:

people draw upon their experience, memory and expectations to attach meaning to a stimulus

Expectations:

prior beliefs about what should happen in a given situation can influence the interpretation of information

Semiotics:

how it is that people interpret meaning from signs

LONG-TERM MEMORY

Schema:

a cognitive structure that represents a person's knowledge about a given object or behavior

an organized set of expectations held by a person about an object

Script:

an organized sequence of behavioral events

Information salience:

refers to the level of activation of a stimulus in memory

NETWORK ORGANIZATION OF LTM

Node

an LTM center that represents a word, idea, or concept

Linkage

the means of association between two nodes

Activation

an energy flow into particular nodes to bring them into STM

Retrieval

the process of locating the proper nodes in LTM and bringing them into STM

Encoding

the process of categorizing a stimulus and choosing a storage location for it in LTM

ATTENTION

the momentary focusing of our information processing capacity on a particular stimulus

One school of thought is that attention lies on a continuum, anchored by processes that are:

- **controlled**
 - o effortful
 - o consume much capacity
- **automatic**
 - o "effortless"; "mindless"
 - o consume little capacity
 - o occur without conscious control
 - o a.k.a. preconscious attention

- social class
- reference groups
- stage in family life cycle
- - etc.

CONSUMER PSYCHOLOGICAL PROFILE

- innovativeness
- perceived risk
- motivation
- attitudes/opinions
- class consciousness
- personality
- - etc.

AIO INVENTORY

Activities

- work
- hobbies
- social events
- vacation
- entertainment
- community
- shopping
- sports
- club membership

Interests

- family
- home
- job
- community
- recreation
- fashion
- food
- media
- achievement

Opinions

- themselves
- social issues
- politics

preview from Notesale.co.uk
Page 19 of 48

- business
- economics
- education
- products
- future
- culture

LIFESTYLE

how one lives

Lifestyle is a function of inherent individual characteristics that have been shaped through social interaction as one moves through the lifecycle.

Influenced by:

- values
- demographics
- social class
- reference groups
- family
- individual characteristics
 - motives
 - emotions
 - personality

PSYCHOGRAPHICS

quantitative investigation of consumers' life-styles and personality characteristics

a way of describing the psychological makeup or lifestyle of consumers by assessing such dimensions as:

- attitudes
- values
- activities and interests
- demographics
- media patterns
- usage rates

PROBLEMS WITH SOCIAL AND PSYCHOLOGICAL MEASURES:

- difficult to measure
- somewhat subjective
- based on self-reports from consumers
- sometimes hidden from view

When a message is on an issue of *LOW* involvement or prior knowledge:

- more thinking will occur in response to a source of low credibility than of high credibility
 - this thinking will be guided primarily by the person's preexisting attitude on the issue
 - highly credible speakers will be more persuasive than speakers of low credibility primarily for counterattitudinal appeals
 - this credibility effect should be attenuated or reversed for pro attitudinal appeals
-
- use a high credibility source to change attitude
 - use a low or high credibility source to reinforce existing attitude

One sided messages reinforce existing points of view.

Two sided messages (both points of view) are more effective than one-sided messages in terms of changing a strongly held attitude.

Which is better?

High involvement situation:

- emphasize the message content
- guide thinking by using high quality, strong arguments
- stimulate thinking with a source of high credibility

note: use two sided message to stimulate thinking if supportive of your view

Low involvement situation:

- stimulate thinking with a source of low credibility (i.e., don't stimulate with high credibility)
- emphasize the recipient's preexisting attitude on the issue using a source of low credibility

and/or

- use a source of high credibility to counter a preexisting attitude

note: peripheral cues might be more important

note: use one sided message to reinforce existing attitude

CONSUMER DECISION MAKING

Seven subjects (who actually are 'cohorts') announce incorrect answers. These subjects are actually working for the experimenter, but this is unknown to the eighth subject.

If the eighth subject makes a decision without prior knowledge of the other's choices, then the eighth subject is likely to make a correct choice.

If the eighth subject makes a decision after hearing the incorrect choices of the other seven subjects, then the eighth subject is very likely to make an incorrect response that is in agreement with the group.

C.f., Latane's **social loafing** experiments.

SOCIAL COMPARISON

the process through which people evaluate the 'correctness' of their opinions, the extent of their abilities, and the appropriateness of their possessions

GROUP INFLUENCE

Role

prescribed pattern of behavior expected of a person in a given situation by virtue of the person's position in that situation

Sanctions

punishments imposed on individuals for violating role parameters

Role parameters

range of behavior acceptable within a given role

Role overload

results when a person attempts to fill more roles than the available time, energy, or money allows

Role conflict

results when a person faces incompatible role demands in which roles demand different behaviors

Role stereotype

a shared visualization of the ideal performer of a given role

What sorts of products might a 'supermom' buy? How do product choices differ between a traditional mom of the 1950s and a working mom, going to college, in the 1990s?

Word of Mouth (WOM) communications

refer to exchanges of comments, thoughts, or ideas between two or more consumers, none of whom represent a marketing source

- Joe Gierard: we each have about 250 friends, relatives, and acquaintances and will tell them about good or bad experiences

Teletronix has just introduced a new wristwatch which contains a "personal communicator." It will transmit and receive picture and voice signals with another wristwatch on the same frequency code within a half-mile distance.

Picture and voice clarity is constrained due to the small physical size of the device. In size, the wristwatch is a little larger and about twice as thick as a standard wristwatch. Price: \$999; not discounted due to limited distribution channels.

1. Would you buy one of these?
2. Do you know anyone who would?

CATEGORIES OF PRODUCT ADOPTERS

- innovators
- early adopters
- early majority
- late majority
- laggards

HOUSEHOLD AND FAMILY DECISION MAKING

household

all people who occupy a living unit

- family
- nonfamily

family

household in which at least two people are related

What are some changes in the "typical" American family?

nuclear family

two adults of opposite sex living in a socially approved relationship with their own or adopted children

extended family

the nuclear family plus other relatives, such as the parents of the husband or wife

FAMILY LIFE CYCLE

the idea that families move through a series of stages in a developmental fashion

Stages in the traditional family lifecycle:

young/single==>young/married==>married/children==>empty nester