Consumer Psychology
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Lecture – 10
Consumer Perception

Hello friends, welcome to this 10th lecture on the course on Consumer Psychology. Now, up till the first 9 lectures, we were looking at what is consumer behavior, the basics of it in terms of definition of what a product is; understanding what is market segmentation; what does the marketer do in terms of getting people who are alike and selling products to them and looking at how to do research in Consumer Psychology. Then, we focused on the decision process of the consumers.

Now, that was important and that that is what we took up next. We took up how does the consumer actually decides on what to buy and what not to buy. And so there are 3 steps to it and a model also we describe there of how the consumer decides on what to buy. So, we use the Black Well Model and the EKB Model or the Engel Kollat Blackwell Model as it is called, the model describes the process of decision making starting with information search.

Even before information search, we have the process of need arousal. Then, information search, then followed by something called Alternate evaluation of brands which are into the market; then, making a choice of that brand and then finally, using the brand which is the process of consumption and the process of something called post purchase evaluation.

So, these are the steps that we followed in these are what we followed into the lectures up till now; the lecture number 1 to 9. This is the second part of this course, where we will focus on individual factors, consumer factors which actually affect consumer behavior in the market. So, what psychological factors affect consumer behavior in the market and those factors which is related to cognition to related to attitude, related to memory and learning, laid to emotion and moods all those factors is what we will be looking in this section.

So, this section will be composed of 10 lectures and with 2 lectures each of perception learning followed by emotion and mood; then, followed by lecture on attitudes and final lecture on to how to perceive it consumer so consumer persuasions and communications.

So, like thinking about or explaining advertisements or what are advertisements and how is the communication message sent to the consumer and how the consumer actually perceive it. So, the first in these series of lectures is a lecture on Consumer Perception and so that is what we have in today's class. We have the lecture on Consumer Perception.

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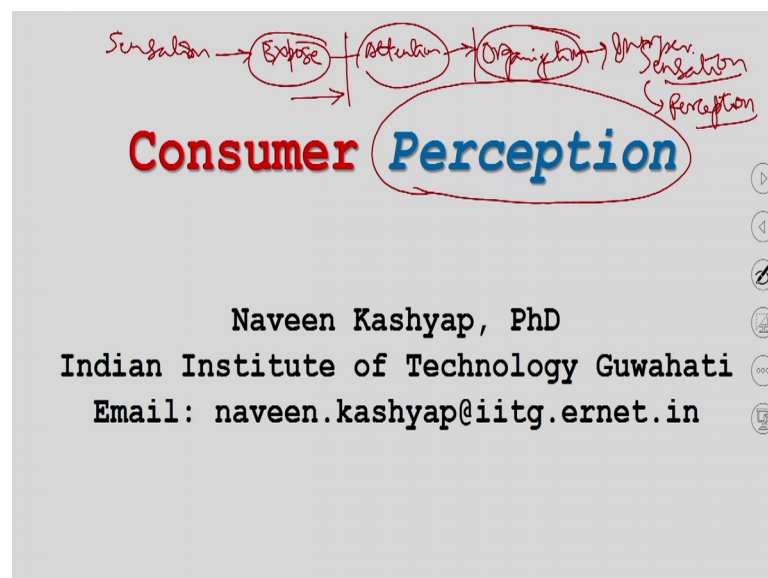
We will be talking about perception of the consumer. What is the process of perception and how does this process of perception actually influences the consumer or decides the behavior of consumer into the marketplace and that is what the sole aim of this particular lecture is. So, before starting with this lecture on consumer perception, let us understand what is perception first of all. And so to understand perception, we have to understand the process of say stimulation or sensation and perception.

So, in basic psychology there are 2 processes that are explained; one is called sensation, the other is called perception. And so what is sensation and what is perception; The process of sensation and the process of perception? And so sensation always leads to perception. So, what is the difference between the sensation and perception? The difference between the sensation and perception lies in the fact, the sensation is basically

taking in stimuli from the external world and processing it or encoding it into psychological formats.

So, information which is in in the external world, which is in the world outside of us is basically in forms of physical properties. So, we have temperature, we have pressure, we have light wave. So, photons we have air pressure. So, sound waves are air pressure and these are the things that are there into the external environment.

So, how these particular physical features or physical stimuli get converted into psychological stimuli; the process of that is called sensation. So, it is that process or that mechanism through which the sense organs; we have 5 sense organs and so how these sense organs actually take in this information from the external world in converting or basically encode it into human readable form. And then, comes the process of perception.

So, perception is the process which starts after sensation. So, it starts with the it starts with when the sensation has encoded or sensation has taken up or sort of pre processed physical stimulus and then, the process of perception starts where the encoding of the stimulus, the interpretation of the stimulus and a meaning of the stimulus is given. So, basically encoding of an external stimuli in a psychological world the processing of it.

So, and interpretation of it and assigning meaning to it is what is the process of perception. So, in this process of perception starts with something called exposure the stimulus exposure; then this exposure is composed or something called attention and selections. So, the process of attention starts with so whenever a stimulus comes to us the process of attention besides what stimulus to take in and there is a process of from attention there is a process of selection.

So, from the attention, some stimuli will be selected and some stimuli will not be. Then, they have further process and then, comes the process of organization. So, in the process of organization, what happens is the stimulus which has been selected through the process of is attention is further taken up and it is organized into meaningful bits and then the process of interpretation comes in where some meaning is at end. So, basically the speaking of how does this really start? What will happen is first I will have something called Sensation and this Sensation will be followed of or this sensation I can also call Exposure.

So, this Exposure will lead to the process of Attention and this Attention will basically give me the stimulus that I want or basically provide me stimulus that I want or filter out all those stimulus which come to us through the process of sensation or exposure and limited to a limited to a manageable number. And so, from this process of attention, further there is a process of Organization and this organization is the process, where this physical stimulus which is coming through the sensation is organized into meaningful bit and then, comes the process of interpretation.

So, we look into these processes as we move along this lecture, but this is the basic of it. So, let us start with and since we are looking at perception in the context of consumer psychology in in terms of the marketplace and consumer interaction; let us start our lecture by this specific focus, but what I will do is in between I will also give you a snippet of how this perception really works because those are the factors that will be actually looking into of how this perception effects of perception happens on this consumer behavior.

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So, how does Psychophysics; this is basically a science of physics psychology and physics, and is a combination of those science and it explains how stimulus interpretation is done and how is stimulus interpreted and meaning attached to it. So, basically what happens in in in in terms of perception or in terms of consumer behavior is that when we

go into the market, when we actually go into the marketplace when a consumer goes into the market presence sees the brand and how does it distinguish between them.

So, basically what does the consumer do in distinguishing between 2 brands of coffee? So, he has if is the consumer likes one particular brand of coffee and there is another brand of coffee which is available; what are the factors which make him distinguish between those 2 and what factors make him prefer one brand over the other; how does he make this distinction? So, what are the distinguishing features which loyal consumers perceive between their preferred brands and others in the market?

So, basically brand loyalty; how does this brand loyalty really come about; what are the distinguished features which a actually makes someone or actually make a consumer decide that their brand is what they will prefer and the other brand is not that they will prefer? And so these are some of these features are related to Brand image, Pricing and Quality.

So, some of the features which are important for consumers loyal consumers which make them decide how their brand is different from others is focused on the idea of perception and. So, this perception this perception basically is based on these parameters. So, how does consumers know that their brand is better than the other brand or distinguish between their brand and other their preferred brand and the brand and a brand which is equivalent to them, but they are not referring it is in terms of brand image.

What is the brand image of the brand that they have preferred or that they are using? It is in terms of the pricing which is what is the pricing between them in order; also it is in terms of the quality that the particular their brand has over others. And another interesting feature could be in terms of risk. How much risk that they are taking in terms of buying their brand and in terms of brand switching? So, basically then what is perception in the context of in the context of consumer psychology?

So, perception generally is explained, it is a way through which individual gathers processes and interprets information from the environment. So, the definition of perception has been given as a process which encode stimulus. So, individuals gather stimulus. So, it encodes stimulus and interprets stimulus. So, basically organize them and make an interpretation.

So, this is what perception is all about and this is what will be looking at and we will also look at those factors of perception which actually determine consumer behavior or consumer responses into the market. So, several factors are there perceptual factors. So, all the perceptual factors which actually affect consumer perception into the market is Sensory modalities, Gestalt psychology, and consumer interpretation. So, let us look at all of them one by one.

So, as I was talking about those processes perceptual factors which affect consumer perception or consumer behavior into the market is Sensory modality related factors Gestalt psychology related factors and consumer interpretation related factors are consumer interpretations of perceptions. So, let us look at what are these one by one.

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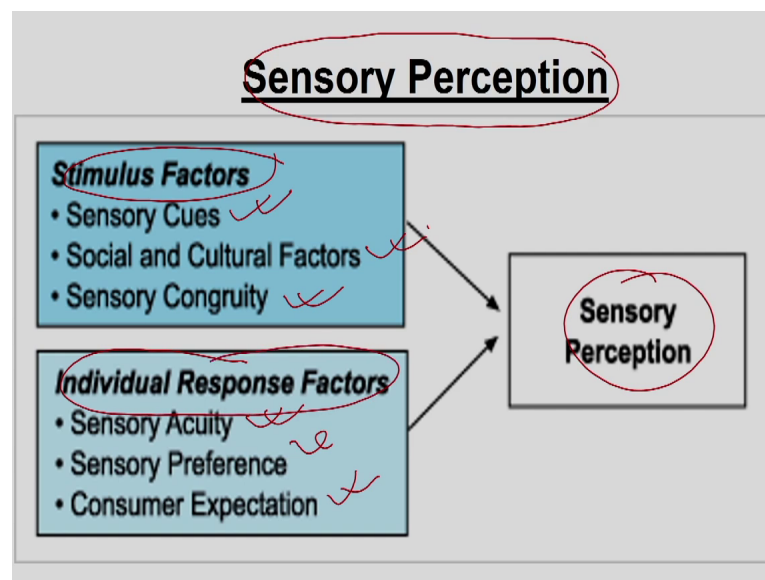
So, this sensory perception is basically dependent on Stimulus factors; these are Stimulus cues. So, Stimulus cue related factors, Social and Cultural factors and Sensory Contiguity based factors and also individual related factors. So, it is basically either the stimulus; for features in the stimulus which makes something in the consumer which makes consumer respond in a particular way or it could be individual response factors which are Sensory Acuity, Sensory Preference and Consumer Expectation. So, the Sensory Perception is actually dependent on both stimulus and individual factors. So, what are Sensory Cues?
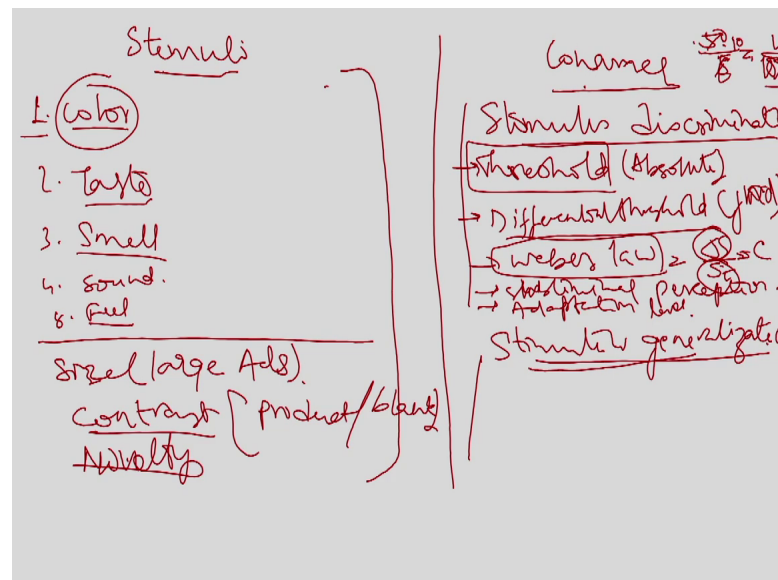
So, on this side, I will put Stimuli related factors and on this side, I will I will put Consumer related factors.

So, what are stimuli various stimulus related factors which actually affect perception or sensory perception? And the first factor is color. Color is a major factor which affects sensory perception, which affects how consumer behaves into the market. And so, red color is known to be more promising, is known to be more warmth related and is known to be more emergency causing; also red color is also known as the blood color or a or a lifeline color. And so, advertisements which are put in red are actually more likeable or more attending attention grabbing than other colors.

Similarly, blue color is known to be more comfortable and that is one reason why BMW cars are more blue color or the BMW logo itself as the blue color. So, one of the features and effect perception of or sensory perception of individual consumers are those stimulus features, those stimulus characteristics which affect are consumer response is color.

The next is to do with Taste and so taste is another factor which sensory factor, which basically affects consumer behavior. And so, those drinks or those products which have this lighter taste, which has this crispier taste are taken to be fresh or taken to be brewed fresh or taken to be having a vitality in it or energy into it then those which are darker and more form consistent kind of a taste.

So, taste is another factor which affects consumer perception. The third thing, the third factor is Smell. So, Smell is another factor which affects consumer perception. Floral smells, smells which are light smells which are of freshness of mountains or spring; those are the ones which are light, but smells which are dark and deep are something which are not preferred by people and also there is something called smell integrity.

So, what could happen is if I have a floral smell in a mechanical garage or in a garage where car parts are sold, people will not like it. So, that that there will be some kind of astimulus discontinuity and people will not understand the match between them; but if I have the greasy smell in a garage and the floral smell in a in a cloth store or in a pet store, people will like that. And so, smell has another feature or smell is another similar feature which is which promotes this sensory perception or which decides consumer response into the market. The fourth is to do with sound; sound is another factor which promotes consumer perceptions or consumer responses into the market.

And so, a different kind of sounds; for example, if sound is very melodious, if it is of a low tone. Then, people prefer shopping there on those particular malls. But if the if the if the sound is very high, it is very irritating; people avoid those stores, people avoid those places and the kind of sound that that that are produced by certain kind of for example apples are known for the sound. So, apple iPods are known for the sound.

So, if you have the smoothing town with a low bass and all those perceptual factors, sound factors which are appealing; those people prefer those brands. Then, on the other hand, you could have Lava related or some other company related sound system which gives you very high sound, but how very high decibels. But people do not prefer it. Sounds are also related to another factor which is called Jingles. So, Jingles are another way of how people can be attracted to certain kind of products and made to behave in a certain way. So, making jingles making, musical songs, small snippets actually are interesting and they are remembered more than anything else.

Also, sound is another factor which actually helps in consumer making response to the market and it is a perceptual factor. And the last is to do with Field. So, basically how something feels in your hand as another factor stimulus factor which decides consumer's response. So, things paper for example or lotions should be baby soft, it should be smooth and it should behave low viscosity.

But on the other hand, things which are meant to be rough for example, matrices or diesel oils or brake oils, those should have more viscous in nature for the more viscous in touch. Also, smell sorry feely is another factor which actually decide stimulus factor which actually decides how consumers responses are shaped or these are those factors of the stimulus which decides how consumer response are shaped into the actual market.

Now, in addition to these there are several other factors, stimulus factors that I can name which are which can decide the consumer response to the market. For example, size. So, generally large size are noticed more than large size ads large size in notations last size messages are no are better remembered or better perceived then smaller size ads.

Another factor is contrast. So, think of an ad, where product is displayed on a black background and in these cases, if the black round is very black and the product is on a lighter or a definitely a lighter color. Then, the contrast is very high and in this case is this contrast will capture your eye. And so, black colored backgrounds or contrast of in terms of advertising is another stimulus factor which the which money sort of manipulates the consumer perception or make consumer response in particular way into the market.

And the third factor is to do with Novelty. And so, novelty is another factor which decides consumer responses into the market or these are stimuli novelty is another factor stimulus factor which basically shapes consumer behavior into the market. And so, what has novelty do with? So, stimulus which is novel which is not unlike the product that the consumer has already used, which is different we will attract consumer attention more than those products which are not new.

So, a new type of video game, a new type of interface for the phone, a new type of camera system will attract the consumer more, then those features which are or those products which are similar features or more or less generalized features into the market. Now, there are some consumer related features also. For example, which decides how the consumer actually goes about and decides or basically how the consumer actually behaves into the marketplace and so, these features are broadly classified into Stimulus discrimination and Stimulus generalization.

So, stimulus discrimination and stimulus generalization; so, these are the factors which are present in to that these are cues which are present in to the stimulus itself which

modulates or which manipulates consumer behavior or consumers response to the market and these are the consumer related factor, when they interact with the product that or how you understand a product or how they perceive a product which decides consumers respond to the market.

And so, the in stimulus discrimination and what happens is in instimulus discrimination, what happens is that the consumer is able to discriminate between the stimulus to stimulus and that is a very important process because the consumer has to discriminate between the product he likes and the product alternate product which is available to him. If he cannot discriminate between them, then what will happen is that, there he will not be brand loyal and he will not choose a product, he will not run after the product, he will not have a favorite product. And similar generalization is the process through which the consumer is able to generalize. And, so this stimulus discrimination, there are several factors which are in within stimulus discrimination that we need to understand.

So, I will quickly go through it through it the first factor is called Threshold. So, another concept from psychology; what is Threshold? Threshold is the minimum amount of stimulus that that is that that should be present or sometimes it is called the Absolute Threshold. This is the minimum amount of stimulus difference that should be present between us between the presence and absence of a stimulus right. So, this is the minimum amount of stimulus or the minimum amount of difference that is present between a stimulus being there and not being there.

Another kind of or the second factor which is there is called the Differential threshold. So, understanding the need between wanting a stimulus and not wanting the stimulus; so, the difference between the lines or the difference between when you want a product, to the point that you do not want a product is what is called Absolute threshold. That amount of need arousal is called Differential threshold sorry, Absolute threshold.

And what is differential threshold? This is the minimum difference that has to be there between two products so that you can make that difference between them. So, two alternating competing products if they are in front of you, the minimum amount of difference that that the products should have so that you can differentiate between one and them, one in the other and make one as your favorite product and the other not as a

favorite product is called the Differential threshold. This is also called the just noticeable difference in psychology.

The third factor which is out there which basically the helps you in discriminate stimulus discrimination which helps consumers in discriminating between stimuluses is called the Weber's law and what does Weber's law say? So, Weber's law states that when discriminating between two stimuluses, if you have to stimulus a and stimulus b; if you have two brands, one brand that that you prefer, the other brand which is alternate to it and both are likeable. Now, more the difference between the more the initial stimulus; the higher the difference that has to be created, what is the meaning of Weber's law? And it is the very simple word Weber's law is expressed as del S by S.

So, more strong the initial stimulus, the higher the change that is required which can be interpreted in this way. So, let us assume that there is there is a particular car or there is a particular product be chips. Now, if the price of the chips is 5 rupees and so if I increase the price of the chips by let us say 25 paisa or 50 paisa, then consumers will not perceive the difference and this is what is what is Weber's law. So, what he says is if the price of the chips increases from 5 rupees 100 rupees, the amount of difference that I have to the change that I have to make in the price for consumers to notices is constant.

So, if there is a 5 rupees chips and if I increase the price by 50 paisa, the consumer will and if the consumer notices it; then, if the price of the chips becomes 100 rupees, I have to increase the price of that chips by similar amount. So, it is not 50 paisa anymore; maybe it will be 10 rupees right. So, the difference between the initial stimulus and the change is always constant.

So, the stronger the stimulus, the stronger the initial stimulus; the larger the change. So, if it is a chips maybe a 5 rupees, then a 50 paisa increase will be equivalent to if I have a 100,000 rupees product. Then and if this is constant, then this price has to be similar to that. So, it is 0.1 percent and so, this will be almost about 100 times all right.

So, a 1000 rupees increase here and in a 100,000 product in a 100,000 price product, if I increase the price by 1000, it will be equivalent to if I increase the price off or 5 rupees chips that 50 paisa. So, what he says is that this difference has to be constant and that is what is Weber's law and then, there is the idea of something called Subliminal perception and what is subliminal perception?

So, per subliminal perception is actually it is its fact where stimulus is are presented to people below their threshold. Now as I said threshold is that minimum amount of stimulus which is necessary for someone to understand that change has happened right. So, stimulus is presented to you, an ad is presented to you and it is presented to you let us say for 100th of a millisecond; he will not notice that.

So, there is a certain period, there is certain time for which or there is a certain exposure which is required for consumers to perceive a product or to perceive an ad and if it is if this stimulus or if this threshold is lowered down that is called Subliminal threshold. The subliminal threshold is actually showing you or actually presenting you with an ad or a stimulus feature or a product or a product benefit and below the threshold.

So, there are several examples which have been or there are several studies which shall be done on subliminal perception. It has been shown that several times what happens is ads were shown to people in the rate of 1 to 300 of a millisecond in movies and so, it and the ads explicitly said eat popcorn, drink Coca Cola and when people were asked whether they notice that since the exposure time of the ad was 1-300 of a millisecond, most of the people who actually saw the movie never noticed this ad, but then what happened is most people actually ate more popcorns or popcorn sales increased after the movie and similarly Coca Cola sales increased after the movie. Which basically means that if even a stimulus is produced or is given below the threshold, people perceive it and that is the best way to enter into somebody's mind because below threshold stimulus when is given to you, the brain does not actually or block sing in certain way because it is not perceptible. And so, it enters the mind directly.

And so, one idea is about stimulus subliminal perception. And the last factor here has to do with something called Adaptation level and what is Adaptation level? Adaptation level has to do with something called how much tolerable each person is to a particular stimulus. Now ever heard the tick tock of a clock on in a empty room or in a very silent room and after a period of time what happens is that you will not hear the clock at all and this is what is called adapter adaptation and so, each people or each person has a different reputation level after which they cannot hear the repeated stimuluses.

So, adaptation level is another factor which actually helps in sensory perception or which actually is a major factor in sensory perception. And so, what is this adaptation level all

about? So, as which are which are repetitive in nature which are similar in nature, they are bypassed by people, you know people donot say it and so, ad manufacturers have to be very sure that this particular feature, this particular ad has to be kept on wearing because if you donot do that what will happen is the ads will be taken off. And so, that is the stimulus discrimination factors which affect perception oror people factor which affects stimulus perception and consumer response into the market and then, there is something called stimulus generalization. Now what is stimulus generalization?.

There are two processes; one is called. So, the people should be able to generalize the benefit of the product stimulus generalization may basically involves generalizing the benefits that you want from a product to other product so that if your product is not available, you can get the other product as related to stimulus generalization is the something called similar discrimination. So, people in the market should not, should always be able to generalize the benefits that they are getting from their product from some other products.

So, that if the product that you are loyal to if there is no more available, they switch to some other product and a related factor here is stimulus generalization stimulus discrimination which means that they should be able to discriminate between features or between products which are equal in nature so that they become loyal to one. So, similar generalization is basically understanding or extending those features of the product or those benefits of the product which they have been using to other similar products which they offered than the similar benefits.

Gestalt Theory of Perception

The **Gestalt principle** can be stated simply as, "*the whole adds up to more than the sum of its parts*"

The most effective point-of-purchase materials are those that use *colors and shapes* in an arresting way not typically found in the surrounding environment

So, let us then move forward. So, these were the factors which are stimulus factors which actually affects the stimulus perception or basically the way consumers responding to the market. The other factor which actually involves or which actually makes consumer's respond in the market in a different way is Gestalt theory of perception or Gestalt factors; and so, what are Gestalt factors?

The Gestalt principle, the Gestalt factors are some of the some of the Gestalt factor. So, two main features the Gestalt factor let us look at first what is Gestalt factors. So, Gestalt principle states that the whole ads up to more than the sum of its parts. What does it mean? It means that the benefits of the product that you are using and the individual benefits of the product that you are using is will be different from the whole product use.

So, if let us say you are using a product and you use it for its taste or for its smell, then the benefit or taste and smell will be entirely different from the feeling that you get by using the whole product or using the or basically buying the product for its wholeness in a holistic way and so that is what Gestalt theory is all about. And so, where Gestalt theory is used is in terms of something called the process of organization of stimulus. So, the most effective point of purchase materials are those that use colors and shapes in an arresting way, not typically found in the surrounding environment.

And so, where Gestalt features are used? Gestalt features of use are in points of in in points where the point of sale the outlet is there at the very out or at the very last point,

where you have different colors and shaped things which are different from all the products which are there into the into the superstore or into the market.

So, what is basically there are two things to be known into Gestalt factors; first thing is the Gestalt the Gestalt law.

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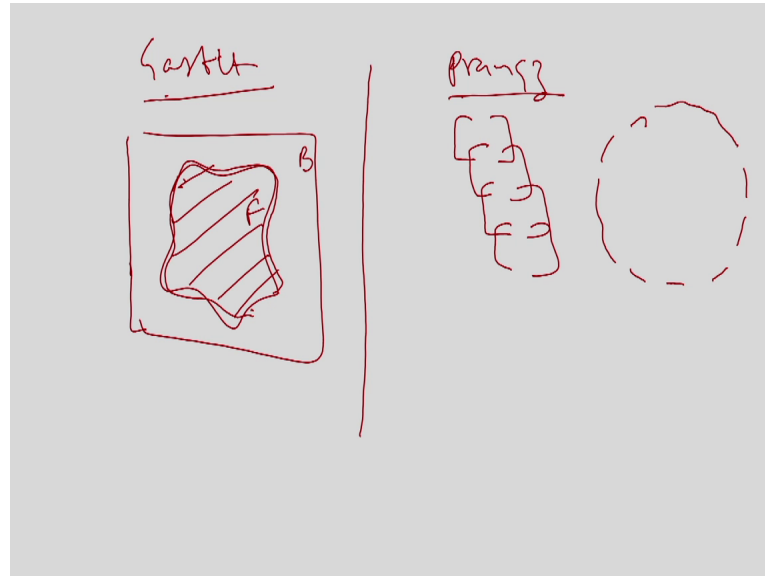
 In psychology is it is about backgrounds and something called foreground. And so, what are Gestalts? Now say that in any perception to take place, there are something called discriminating between backgrounds and foregrounds and as soon as you identify. So, in this case this is the background and this is the foreground.

So, I mean as soon as you and you see this contour or you perceive this contour, everything beside this will be background and this will be foreground and this is one feature which can be used in consumer psychology for highlighting product. Example remember the idea of contrast in contrast, what happens is since I make everything black the background becomes black and the product is focused on to you, it comes on to you and that is how you actually see the product.

The other feature of Gestalt is something called the idea of Pranks which basically says the most simplest interpretation. So, if I if I have something like this or if I have something like this, the most simplest interpretation of this will be a circle and this will be a chain and what the law of pranks in Gestalt says that the most simplest

interpretation of any stimulus is the most consistent interpretation. So, if a product is presented to you and if it is in a in un complete and uncomplicated way, if the product is not that much complicated; the most simplest interpretation that a product, the most simplest view that a product gives to you and the is the most simplest interpretation and the most simplest way to understand that particular product.

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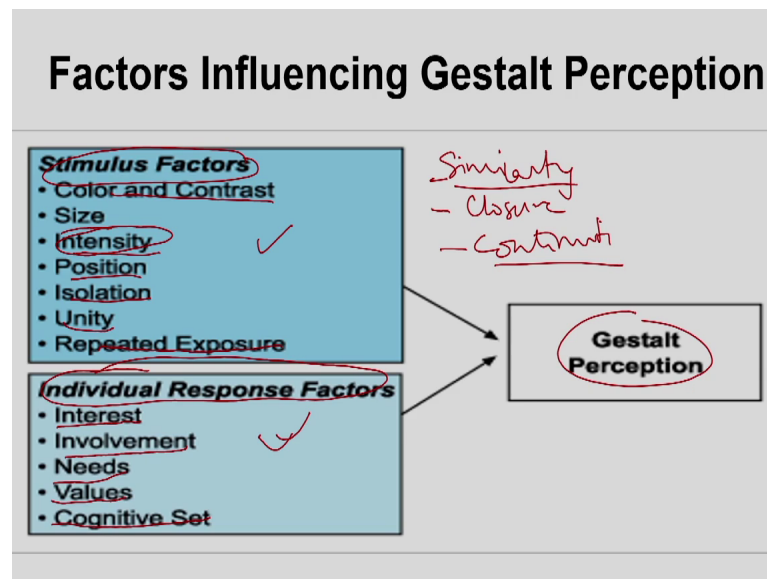
So, factors which effect, Gestalt perception. So, as I said in Gestalt perception what happen is certain features of the stimuli, certain ways in which consumers interprets these features in the stimuli that helps in consumers in respond responding in a particular way into the market. So, there are certain stimulus factors in in which in in Gestalt which actually helps in in consumer perception and certain individual response factors. So, what are the stimulus factors? Color and contrast.

So, different kind of color and contrast, different kinds of color and contrast actually helps understanding or actually helps perceiving objects in in a different way. Size: that we have discussed before. The larger the size of an object, the more better it is perceived or the more nicely it is perceived. Intensity; the more intensity of product has, the more intensity an ad has or the more intensityproduct perception has, the higher that it will be perceived. Position, the kind of positioning of a particular product which is there; so, where it is position? If it is position in a nice way, if it is put in in terms of deep lighter

contrast or if it is put in a in a highlighted way, then it will be perceive easier than in some, then in some other format.

Isolation, how much isolated? So, if I want my product to beit perceived differently from all other products, I will isolate it and I will raise it intensity. So, intensity can also be in terms of let us say smells. So, higher intensity smells or fine intensity smells if used with a product that will promote a particular product and in isolation I what I can do is I can take my product and put it in isolation and the more isolated a product is the more eye catching, it will be. Unity; how much my product has unity with all other products which are which are there or all other product features which are there.

So, more unity I have, the better it will be perceived and Repeated exposures; how many times exposure other product is there. The more number of exposures I get of a product, the better I chance to remember it and the better of perception of that product is. And therefore, some individual response factors also. For example, Interest.

So, whether the person in the market has any interest or not the more interested person has in a particular kind of a product, the more interested he will be and the better he will perceive a product. Involvement, the kind of involvement that is required on terms of the consumer; so, the more involved a consumer is with the particular kind of product, the better he will perceive that particular product, the better he will remember it and the better chances of him buying the product. Needs; how much need, the consumer has of that particular product? The better need that he has the more need of he has of that product, the better chances that he will look for that product, will perceive that product, will understand that product, will remember that product and we will buy it.

Values and values are related to how much value does the product has to him in terms of utility that it is offering to him, the more value that the product is, he sees the product offering him, the more higher the chances that he will remember the product, he will see the product, he will understand the product; organize it into memory and actually buy it. And Cognitive Set, Cognitive Set is a set which is used by consumers to basically put products which arewhich are into the consideration set.

So, cognitive set is those features of the product or basically those highlighted feature of the product basis on which he will be actually buying that particular product. So, cognitive set is another thing and cognitive set is the basis on which items are considered

into the considerable set in the memory. So, those Gestalt's Perception features our stimulus related features as well as individual features.

Now, there are several other Gestalt features or Gestalt organization principles that are used by manufacture as for example, the feature of similarity and so what happens in Similarity? Products which are similar together or product features which are similar together are clubbed together so that people see it as a bundle and buy it. For example, a laptop is present in near USB drive and so they are clubbed together and so, people buy it more; so, Similarity and Closure or Continuity.

So, closure has to do with how complete do you see the product? So, even if a product is sold to you and some part of the product is missing, the way consumer see the whole product and not parts of it together; in a holistic way he sees the product that is called closure and with continuity the idea is that the continuity is another Gestalt feature or Gestalt organization principle which is used.

So, in continuity what really happens is how the products; how the consumer sees this product to be in a continuous form; how do you see is that it is in a continuity. However, the product maintains continuity in terms of his positive feedback and buying that product again and again and so on and so forth.

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Perception and Cognition: Consumer Categorization

- The psychological process through which a consumer compares the perception of a product with a mental representation of that product in memory
- In analytic categorization, the perceived product has to conform to a set of necessary attributes before it can be put into a certain category
- In nonanalytic categorization, the consumer focuses on the entire pattern of features in a holistic manner

So, these are Gestalt related factors which actually affect the perception or the perception of products. So, we looked at two features. We looked at stimulus features and we also looked at consumer features. Now along with perception, there is something called cognition which happens and along with the second part of perception is called categorization. Now, as I discussed before, there are certain features or the product which actually improves the product perception, which basically means that these features when present whether it is an individual feature, a stimulus feature or whether it is a feature of the person who is perceiving the product, these feature somehow highlight the product in such a way that it gets that it gets into the persons considerable set or it appeals to the person in certain way.

Now, but if the consumer or if all these features are taken care of and once the product is or once the benefits service or whatever the marketer is offering, once that comes into the consideration set, once it once the product comes in to the universal set or once it these things get known to the consumer, the consumer has to organize or categorize this information right. So, up till now what we have been doing is we have been looking at is those features of the product which make a consumer notice it into the market. So, these features will actually help in making the product appeal in such a way that the consumer notices it. Now once the consumer notices it, he has to organize this particular information about the product or product related or assumptions into his memory.

And the second process in perception has to do with something called categorization. So, consumer has to categorize a product into a pre remembers pre remembered set. For example, a new type of cell phone has come. Now, the what the consumer could do is he can do a number of things, he can do increase the or he can manipulate stimulus related fetches factors in such a way so that it appeals to the consumer and the consumer also on his part he will do something so that the product the mobile phone becomes appealing to him. The next part is to deal with the fact that how does the consumer associate or categorize his cell phone into the category of electronics or into the category of phones into his head and that is what is important here.

So, perception and cognition, consumer categorization. So, how does consumer categorize all the information that he is getting from the environment; how does the process of making meaning happen into the consumers? So, the psychological process

through which consumer compares the perception of a product with a mental representation of that product is basically in memory is what is called categorization.

So, in categorization what really happens is the consumer now has the perception of the product based on whatever features we have discussed before. And so, how does he compare this perception of the product with a mental representation of that product in memory and that process? So, mental representations; what we have looked at is for each product there is a mental representation right.

For example, cell phones, there is a mental representation. It is an electronic item, it is a it is a item for communication and so on and so forth. So, each item is a mental representation and so, as soon as you see a product a new product which is offered a new service which has been offered, you need to categorize this into or you need match this into some representation which is there in memory and that is what the process is called categorization.

So, there are two ways to categorize and why it is necessary? Categorization is necessary because for through categorization, what will happen is he will then understand that this product has this features and this product has these features and this product is equivalent to this particular category. So, this this process actually eases the information, eases the way a consumer actually interprets information or understand information or perceives information from the environment.

So, this process of categorization of information is basically of two different types; one in the Analytic categorization method. The the perceived product has information to confirm to a set of necessary attributes before it can be put into a certain category and so, in analytical way of categorization, what the consumer does is he has a number of here with set of attributes which are out there, set of parameters which are out there and if the product matches all these parameters or some of these parameters; only then, it will be categorized into that particular category.

Now, example could be let us say, new kind of beer is there right and so, how does it consider this beer into the beer category? So, what he will do is he will consider two or three factors. First exam first example that if he has a kind if he looks at the new kind of beer and if it has hops taste, taste of hops into it and it is licely lightly toasted and pale yellow in color, only then he will say it is beer.

So, basically categorizing any beer, using these 3 features; using these 3 parameters any new kind of beer into the idea of what beer is as a refreshing drink or whatever it is into the glass of beer. So, that is what is called analytical categorization. So, as I explained a new kind of beer has come and so, what the consumer needs to do is understand that this is the kind of beer the or this is the beer right. So, within beers also you have something called the Alls or you have something called the Lager, but we will not go into that discussion. So, what happens is that if a new kind of beer comes in.

So, how does the consumer categorize this beer as a beer? What we understand for the consumer, if we takes in a few parameters and based on that he categorizes the new beer based on its all his sensory qualities and all its features and has categorize this in beer. So, he says that there are 3 factors that will 3 parameters that I will use; whether the beer taste of hops first of all; whether it has a pale yellow color and whether it has a particular smell or particular kind of aroma with it and if the new where stands or is match between these 3 factors. Then, only he will categorize this into beer and this kind of categorization is called analytical categorization.

There is another factor or there is another type of categorization that the consumer does and that is called the non-analytical categorization and what happens in non analytical categorization? The consumer focuses on the entire pattern of the feature in a holistic manner and so, if he does not if the consumer thinks a beer to be beer just because it has a particular kind of taste and taste is the one reason. So, he takes in the new beer tastes it and he likes the taste and that that is the reason he says this to be beer; whether it is alcoholic or non alcoholic or in I could do it much better. So, if alcoholic is one factor on the ways of the basis of which a new drink is categorized as beer and if the consumer by tastes itself is categorizing something as beer, then it is non analytical.

So, a non analytical any product is categorized into pre known categories or into mental representations which are already there in to mental sets which are already there into the consumers mind and these are this this categorization is not based on one particular category, but on a holistic manner in terms of how it tastes or in as a as a whole how does it look like that is called non analytical categorization. So, the primary difference is in analytical categorization some parameters are decided on the basis of these parameters if it fulfills the parameters, I have analytical categorization. If the product as a holistic in

and so, it is not the distinction is not based on certain parameters; but as a whole distinction is made, then it is called non analytical categorization.

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So, there are 2 more ways of category which are possible one is called abstraction and as an abstraction or a prototype or the product from in memory by focusing on the products important features and forming a category that associates to those features in the product.

So, one another way of categorization can be done by abstraction of prototype. Let us say that you have never seen kind of a product. So, a product is offered to you and you have never seen that product before. So, how do you understand this product? And this generally this abstraction of prototyping happens for new products. So, new product comes in market and you have not see in this product. What happens is quickly what you will do is you will look into those features, you will extract certain features of the product and try to match it with categories or products which are already there in your in your mental set or into their mind right or you will try to match it with mental representations which are already there or different kind of products.

And so, if the if the product does not match any mental representation; you will form a new category for it and that is called that is called prototyping or abstraction method categorization. Remember IPADS. Now, when an IPAD came in, it was matching nothing right; it was not a cell phone, it was not a an notebook. It was somewhere in

between right or those 7 or 8 inches phone way through which you can talk as well as right; now or Microsoft surface.

So, those kind of either those kind of tablets or which have a keyboard which is separated to you. So, if a consumer has never seen an IPAD before, never seen one of those Microsoft surfaces before which is neither a laptop nor a cell phone, but somewhere in between; what does the consumer do? He actually extracts certain features. For example, what does it look like? So, it has a physical keyboard, it has it has a display, it has an operating system, it lets you talk, it lets you write something on it, it lets you do certain kind of operations for example, edit files and all.

And so, these features are extracted and then compared to the idea of both the cell phone and the idea of computer and that is how a new category iPod IPAD is form because this IPAD is in between both of them and that is how consumers abstract that or consumers categorize this new kind of product which has come to it and that is how the IPAD category came in or the idea of a net book came in.

And the fourth feature or the fourth categorization methods that the consumer uses the fourth categorizations method is called an exemplar and sometimes consumer do not focus on neither the analytical categorization method nor on the non analytical categorization method; what he actually does is he thinks of a product. So, for example, in in in terms of exemplar; so, if I am thinking of a if I am thinking of a mixer for example, what I can do is I can think about Usha's kitchen cooing and based on that I think this is a mixer. So, what I will do is, I will take an example of the category. I will take I will remember an example of or the category and based on that I will do the categorization and those categorizations or those kinds of processes that that I use by the consumer is basically called the exemplar method of categorization.

So, why is this categorization necessary? But understanding how consumers categorized new products, marketers can select strategies that lead to correct categorization.

So, what happens is if marketers understand how the consumer is categorizing the product in his mind; how the consumer is understanding this particular product in his mind and basically relating it to mental representations which are already there, what they can do is they can increase those product features or they can highlight those product features which are or which fall in line with the actual categorization in the consumers mind, which can lie closely to what the consumer is looking for or what the consumer is scanning for. And if he knows what process the consumer is using; whether is using analytical or non analytical, he can highlight those features right. So, some products are offered in terms of its in in in terms of its color, shape and things like that and sometimes the product is offered as a whole.

So, ice creams are offered both as holes as well as shapes. So, some taste in. So, ice creams are both can also be offered as taste and smell and it can be offered as a deal kind of a thing. So, dit is this is a ice cream which comes in a deal. So, the whole process is a an important and so, this idea or this basically rule so which the consumer, the marketer understand how the consumer iscategorizing or what process of categorization he is using or what features of categorization; what parameters is using for categorization, if

you understands that, he will be able to highlight those product feature. So, there consumer understand them or perceives them quickly.

Now, shoppers have schemes in their mind which represents prototypical stores and they compare the prototypical stores and images with the stores that they may evaluate in a shopping. And another kind of thing that the consumer does is that when visiting a store when buying a store it is not only product the categorization of the process of categorization, he uses in in buying product; also in terms of stores also, the consumer has a particular schema.

For example, if he is looking for, if the consumer is looking for buying a new pair of Levis jeans, he has a particular idea of a store or if he is thinking of a book shop he isbuying a new book from a book shop, he has a particular schema of how the book shop look like. So, you should have the or he should actually he would want the bookshop to have lots of sections and then, lots of books into it and then a coffee shop with it and so on and so forth. And so, the more closely the outlet resembles what he schema he has the better the chances that he will shop there again and again and shop for more books and the more books into that.

So, again the consumer uses some prototypical methods of or prototypical store schemas based on which he actually makes the decision or he actually the under the understands or actually forms representation of those store.

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Consumer Attributions

Attribution is the process through which people connect *events and behavior with causes*.

Consumers seek *explanations for marketplace events* and the way they come up with answers affects how they feel toward related products, services, brands, and firms

Next in line is something called Consumer Attributes. Now what are Consumer Attributes? Now, attribution is the process through which people connect events andand behaviors with causes.

Now, first of all what (Refer Time: 53:10) listen what is attribution? Whenever an event happened into the marketplace or an event happened providing a reasoning to that event is what is called attribution and so, consumers attribute or consumers actually provide reasons to certain facts or to certain events that happen to the marketplace; why did they brought a particular product; why did not buy a particular product; why somebody, why a manufacturer highlighted is product in such a way; why a particular feature was given to a product? And so, providing reason to these kind of questions is what is called consumer attributions and consumer attribution is another interesting fact in in terms of consumer cognitions and consumer perceptions.

So, what a attribution? Attribution is the process through which we connect or consumers connect, people connect events and behaviors which caused them. For example, I buy a particular product, now I might ask the question, why do I buy it. It could be that the product has certain things, certain qualities because of that I buy or it could be the fact that since I brought it is good.

So, both the reasons, it could be certain consumer related factor or certain product related factor and providing reasoning to why something happens or why is a particular the event happens into the market is what is called consumer attribution and these consumer attributions are very necessary. Why? Because if the consumer is attributing if the consumer has a proper reason or if a consumer has a proper reasoning behind an act, the more easily they understand and the more chances that they will like a product or they will particularly increase their purchases in to the market and understand the market in a better way.

So, consumer sees explanations for marketplace events and the way they come up with answers affects how they feel towards related products services and brands and forms. So, whenever they consumer is into the market, he actually seeks or he actually wants to get answers to several questions. For example,why a particular brand is put in a certain way? What?.

And these answers that he finds about why a particular shop is in a certain way; why a particular brand is manufacturing something; why something looks like something; why something is offered in in these bottles and not in these kind of a thing and so, the way he provides our answers to them, the way he gets answered to them; the same the manner in which he gets answered to them that marks his understanding of the market. And then, that marks is feeling towards particular brands, particular ways, particular persons. So, it could be like you went to a market all right and somebody comes in salesman comes in and greets you in a certain way right. Now, the way you feel the reasoning that you provide to why he greets you in a certain way.

For example, if you if you take that greeting in a positive way, then you will feel positive about the product and you will buy the product; but if you give a wrong reasoning to it, you believe that he is commenting on you it on you will feel wrong about that particular product, you will feel wrong about that particular sales person and the whole idea or the whole color of that particular brand will be lowered in your head and so, you will not buy that particular product. And so, consumer's attribution has a lot role to play in to consumer's cognition and consumer perception.

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So, Product and Service Perception and so, in Product or Service Perception, what happens is how does consumer perceive features about products and different services.

So, the inferences consumer make about products and services attributing their performances to specific qualities or features.

So, basically these attributions are about what production services; what features of production services are help or basically related to their performances and the specific qualities and features. So, basically these features are so the inferences consumer draw about products and services and the attributing that what features lead to what kind of performance.

So, let us say a camera has high speed shutter and because of that he gives very good photographs. So, attributing that this high speed shutter speed is the reason for this photograph that kind of a thing and that improves the quality or that decides the quality of the product is what is about I am talking about.

So, basically product and service perception is inferences about the consumer about those features. So, so the extent to which consumers make internal versus external attribution is referred to as internal locus of control. And so, here what happens is that sometimes consumer also believes that these attribution that they are drawing the reasoning for a particular product functioning a certain way or particular product not functioning in a particular way, the sometimes consumer believes that these attributions are internal versus external.

Sometimes, they believe that certain external features external factors have made the product work in a certain way and sometimes, they believe there is certain internal feature. So, something was wrong with the product and that is the reason why a product is failed and at other times the consumer believes that certain thing was inside the product and that made it fail.

And so, the way he perceives these he the way interprets this particular failure or success of a product the way he puts these reasoning to the product decides whether he will buy the product again and again and that will decide how he wants to highlight that product or how that product images put into his mind. So, in this particular class we looked into what is consumer perception; how does consumer perception go about and what are the stimulus features which actually decides consumer perception.

So, we looked at similar features of color shape taste; so, smell and ideas, about Weber's law thresholds and though those kind of features. We also looked at perceptual organizations using the Gestalt principle which actually are used by consumers or manufacturers to put a product into the highlight or into the light of the consumers.

Then we looked at the process of consumer's categorization; how does consumer categorizer information and this categorization, how does that actually lead to comparing a product to a priesthood mental set or a mental representation which is there and so, what does this categorization actually do? This categorization eases the way consumer sees a product and then, we looked at how product and service perceptions are. So, how does consumer perceive a particular product and service and what is the method of doing this kind of perceptions.

So, in the next lecture we look into we will take this thing further and understand something more about consumer attributions and consumer inferences; how do consumer draw inferences from particular product and what is price perception. So, those are the factors that we will do into the upcoming lecture.

Thank you.