

Review of Consumer Psychology
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Lecture – 20
Summary

Hello friends welcome back to this last and final session of the course on Consumer Psychology. Now over the past 19 lectures spanning across 2 weeks we have covered the basics of Consumer Psychology. What I am going to do today in this last 20th lecture, lecture number 20 is review what we did in the early 19th lectures. Now this course of consumer psychology is brought you by ministry of HRD and the NPTEL MOOCs program and the course is a 20 week lecture course.

Now the division the course was made in such way that we cover most of consumer behavior and a lot of psychological factors which effect consumer behavior. Now the course was like a different from earlier courses on consumer behavior which focused mainly on consumer behavior from the marketing point of view, the present course what I try to do was to bring up psychological factors or look into psychological factors and how the psychological factors influence the behavior, the transaction of consumers into the market place.

So, the main aim of this course was looking at the psychology behind consumer marketer interaction or market place interactions. Now as had been doing in all the 19 lectures right from number 2 is reviewing what we did in the earlier lectures. This way before you start being a new video each week you would be updated with what we did in the last class or in the last lecture and so they would be continuity. So, mainly for the reason of continuity I have been doing this that I have been bringing up or summing up what we did in the last lectures and since this is the last lecture I have give it given it a name of review of consumer psychology course.

So, here what will do is will be cover all the 19 lectures in very brief and I will show you how the continuity is and what was the subject matter of this course. So, let us begin the actual and before I start reviewing right from lecture one to lecture number 19 the focus of the course let me also tell you how the courses for design. So, the courses design in such a way that there was a median split between lectures, so all in all in 19 lectures had finished the course and 20th lecture.

Obviously, the one I am doing present presently is a review of what we did 19 lecture and so for keeping that in mind what I did was a divided the course in to 2 brief section, section number one was focusing on the idea of, what a consumer is, what is the basics of consumer behavior? So, what is a consumer kind of a thing and looking at basic decision process of how consumers make decisions to the market place, to section one was mostly involved in looking at the idea of consumer behavior the factors related to the manipulating the behavior of consumers and what is consumer behavior what are consumer types in this kind of things will review in a minute.

And also defining those decision process variables decision processes that consumer go through while into the market place, this was section number one with consisted of 9 lectures in total. In the second part of the course what my focus was on picking up individual psychological factors one by one and looking at the psychological factors explaining a defining the psychological factors and then incorporating this psychological factors into the behavior consumer.

What does that mean? It means that looking in the psychological factors in finding the interaction of finding the effect of the psychological factors on the behavior of consumers or the psychology of consumer. So, how does a psychological factors modulate or effect move forward flow the behavior of consumer into the actual market place. It could also be discuss in terms of the relationships between marketers and consumers and market place and how the psychological factors govern these relationships.

So, that was what it is in the next section 10 lectures in total where dedicate to 5 psychological factors, know a part of the whole course which was related to situational factors is not covered in this course because, we are in generally interested in only the psychological factors so I only cover the psychological factors. Had we cover the psychological factors had recovered the situational factors in social factors as well the course would have running to 30 lectures and should be a massive course but since the idea of this course of this course is a review of consumer psychology, we just focused on psychological factors and how the psychological factors effect consumer behavior.

So, in total 19 lectures, 1 hour per lecture so 19 hours and this last lecture 20th lecture, so let us start this lecture is start reviewing very briefly or giving you slip at of what would

be did in the fast 19 th lectures. So, we started of a journey in to this idea of consumer psychology with first defining the basics of consumer behavior.

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Basic of Consumer Behavior

- *Defining Shopper, Buyer and Consumer*
- *Total Product Concept and Consumer Benefits*
- *Market Segmentation*
- *Consumer Decision Making Process (EKB Model)*
- *Consumer Behavior Research*

What is the basic of consumer behavior? And in there what we did was we started by defining different types of consumers are different type of individuals in to the market place. So, we looked at something called shoppers, we looked at buyer and we look at something call as consumers. And what is the difference? So shoppers are those people are actually shop right. So, they just go have a look at things and may not buy it they are in to the market place for some reason so may have a look at things.

But may not be interested buying it buyers on the other hand actually make the transaction complete the financial transaction complete. So, shopper would be people would be just go visit market place see things and may not complete the transaction in terms of buying. But buyers those people of the actually completed the transaction and the consumer of the people who actually consume an good example of this is that if small child wants video game. So, he is the consumer because he will consume the video game where as the parents is the buyer because, they do the financial transaction and by the game and the small child can also be the shopper because, he goes into the market place present in indicates the parents what you want to buy.

So, as far as well as a consumer but he is not the buyer sometime he is not even the shopper because, he writes chit of paper what you want to buy and give it to the parent

who goes into the actual market place buys it and brings it to the small child who is actually the consumer. So, this the difference that we first look into addition to that you also look to do something total product concept and consumer benefits, so will looked at what is the total product concept when you actually look at products what are it.

Now before going into any details standard line that I have been using all through the lecture is at consumers do not buy products, they buy product benefits of they are looking for product benefits they buy the ease. They by utility of a product and so what consumes what marketer should be actually focusing on, what product manufacturers should actually focusing on is providing utility, providing benefits bundle of benefits.

So, consumer do not buy things what the buy is the ease that gets out of those products as of that is the bottom line of any consumer behavior, being a good for being a good consumer specialist or being a good entrepreneur for that matter is that understand in the consumer and understand this fact that consumers are looking for benefit. So, coming back to the idea of total product concept what is the product concept, so any product has 4 different rings take a watch for a example.

Now the 4 rings is the first ring of the watch is called the core ring, where the watch has a core purpose of telling the time and has the core ring not there is an accessory ring the accessory ring is additional ring. So, any watch which can tell your time as well as can be used as a stopwatch or can be used for as a date function in time function and accessory ring so this are additional things.

Watch is have core purpose of products of core purpose that solve some problem of the consumers, accessory ring is any additional thing which is associated with the core benefit of a product and so telling time and date is an accessory ring on accessory feature of the product.

Then there is a psychological ring which is the feeling that you get by buying a product and so by buying a watch the height and feeling of a motion that you get by associated with the product of the watch is basically the accessory ring and the last is the time dimension and the time dimension what we look at a certain time features are also of was important. For example, when I you going to buy it and how much time I do investing in buying it and those kind of features are also important in product buying or product

features. If a product takes lot of time for buying or it takes a lot of time for getting it was for a somewhere then the time dimension it fails.

So, therefore dimensions of a product and that is what it is and so consumer benefits related to a product could be both tangible and intangible. Intangible benefit are that benefits you can touch, things like product form, thing like ways things like usability are tangible forms and intangible form is the prestige the social upliftment that you feel the happiness that you feel after that of product are the intangible benefits. So, there several benefit which are there so I am just reviewing it go in to the chapter this section we did will look at several benefit, several factors which affect of this benefit, that third thing of benefit look into the section was market segmentation.

So, market segmentation is the policy that market used actually to find what the market is like, what is the need of market segmentation? All people are not same the key to any psychology theory is that individuals are different, people are different and so if people are different they would have different wants and needs and so if people are different then they have different wants and needs the basic idea is that everybody would be different from everyone else.

Now, if a market would be looking for covering all markets it is not possible for him the produce so many goods and so what they tend to do is to classified people together into meaning full groups, in to groups which are alike and this process of doing or looking at people who are alike and classifying people like is call market segmentation.

Now the idea of market segmentation says that marketers actually do not segment the market, what they do is there are people there are expert, their companies who actually identify segments in the market and they sell the segment to product manufacturers. So, marketers do not go and segment, the market than marketers do not go and divide the people into different sections, what they do is the find out the section and that is the bottom line of market segmentation and so in this we looked at what is marketing segmentation how it is done what are the benefits of it what are the factors for it and so on and so forth several interesting things to be looked at.

Next we look at something call the consumer decision making process and so in this consumer decision making process please discuss on the EKB model or the equal angle and black veil model. Now what is this model? The model says how does a consumer

actually make an decision into the market place for buying a product and that starts with an input system where the consumer get information or consumer first realize that he has a need, realize that he want something, followed by the fact that he goes into the market place and search information for this product has information about this product or types of products which are similar he does go into a process called alternate evaluation. Where does he evaluate all these products are the factors which is the next section deal here and based on these evaluation he makes a final choice.

So, this choice is the product that scored the maximum based on his decision process, based on decision rules and is the product that he actually makes the final purchase of and then the last process of these is called post purchase evaluation and consumptions. Post purchase evaluation and consumptions is the point where the consumer has a product that he wants or has choice product with him, the idea is how does it consume that product. To study how does the consumer actually go ahead and study the product. Once he studies once manufacturers studies or once a marketer studies how does a consumer consumes the product, he can introduce several variables or you can control several variables manipulate several variables.

So, that the maximum satisfaction is achieved by the consumer, will look at that in that section when we come to that section. Now this process of making decisions of what to buy and what not to buy is influenced by several decision variables, as what are these decision variables? There are psychology lot of psychological variables. For example, the variables like mood and emotion variable like consumer perception variables like learning and memory all these variables influence the decision process and that is what we are looking at and we will be studying. So, we looked at in this course the basic model of decision making plus all those consumer variables which affect this decision process, that is how the formatting of this course was done and lastly we look that how do we do consumer behavior research. So, what is the methodology of doing consumer behavior research and in this section we looked at several factors.

For example, we looked at an observation method where will looked at something called in house observation versus shadowing. So, in house observation actually going to the house of the people who are buying a product in using it, versus shadowing with basically means that tracking this people and going with them wherever and whenever they buying a product and using it. We also use other methodologies for example,

methodologies of focus group, methodologies of survey, methodologies experimentation, methodologies of physiological observation using in a MRI or FMRI and all those methodologies that are used for collecting data and doing consumer research.

So, a lot of metrology is a discussion, so if you focus here if you go back to the lectures you will see and number of mythologies that we discussed here which can be used for doing research on consumer, no this was the first section covered in the first 2 lectures of our course, from here we moved into the actual EKB model.

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Problem Recognition and Information Search

- Problem recognition expressed as actual vs desired state
- Situational, Marketing and Consumer influences
- Information search (Pre-purchase, ongoing and post-purchase)
- Internal vs External Information search
- External search strategy (Use of sets)
- Universal, retrieval and consideration set

Now, since I said the scope of the sports was very limited and very specific, what we were trying to do is understand the psychology of the consumer and to do that we needed 2 things. We need it the first of the half the EKB model where we needed, we were needed to show how does the consumer actually make decisions into the market place, because that is what is important and we needed to identify those variables, those psychological variables which influence this decision process. That was what were the main idea behind this course, so we jumped into first explaining how the decision process actually goes through.

So, what is the EKB model and what are the parts of a EKB model and how does it function, for section number 2 was focused on the first part of the EKB model which is problem recognition and information search. Now for any consumer to basically make a decision or to basically start the process of buying a product or think about the product

starts with something call problem recognition. Until unless the consumer feels that he is deprived of certainty things, deprived of certain utility the deprived of certain goodies he is not going to look forward for products and benefits at associated outfit.

So the first step is the consumer should feel deprived in some way, he should recognize that he has a problem and this recognition that he has a problem that he is lacking something makes same starts the first step of problem recognition information search, the first step of the EKB model. Now how does it say, how does it start? It start with problem recognition express is desired versus and actual state, so this problem recognition the idea that you do not have something, the idea that your lacking something can be expressed as a difference between an actual and desired state. So, what is the difference between actual desired say, let us say that you are in need of a watch.

The actual state is you do not have a watch and the desired state is the state why you have a watch and so by having the water problems are solved. Now because you do not have a watch you do not get up early, you are not able to keep track of certain things, you are not able to do certain functions or certain task which are time dependent. This is the present state of the actual state and this is the problem the problem is getting an equipment which can track time for you because, this time tracking is the problem you have.

Now the desired state is a state when you have a watch and this time tracking is done by the watch and this time tracking then actually helps you in doing are achieving certain goals and this is how problem recognition is expressed. Problem recognition is expressed in terms of an actual state where you do not have certain things and a desired state where you achieve something so, that the problem is solved the problem is time keeping here and you solve by buying a watch and so this is how the problem recognition actually takes place. Now in this chapter in this section will look at several methods of problem recognition, how does problem recognition start what is the way in which the factors which affecting problem recognition and so on and so forth.

As I was saying there are several situational marketing and consumer influences of recognizing problem, problem can arise because of certain situational factors. For example, certain things breaks certain things do not work certain situations arise when you need something and those are situational factors, certain marketing factors can be of

effect. For example a certain sale is there, a certain kind of benefit is given by certain company and so this situation is actually make you think of you are going to a showroom and showroom is offering you 50 percent off on something not there to start with you did not have a problem you do not need to buy clothes. But this marketing opportunity which is the sale which is giving you benefit right now, which is offering you 4 or on 2 price of 2 or 1 minute to in a price of one which is 50 percent of the physically means that if a 100 percent means 2 objects 1 free for 1 and that is a marketing influence or marketing situation all could be consumer influencing consumer influencers.

For example, certain people have higher motivation, a certain people are bound to products or has certain desirability of buying new products or are there an enthusiastic uses and so certain consumer related factors, consumer related influences may actually be responsible for recognition of problem, not only situation but marketing and consumer variables also effect problem recognition. Now, once the problem is recognized once you know that there is a problem.

Once you know that you are not well, in the sense that you are not having certain benefits and you what are the benefits of certain products the second step is information search. You know that you want and equipment for timekeeping underwater, you are a diver and you need to keep time. As you know that driver they can be underwater for certain time only, the reason is that that the oxygen cylinder that they carry comprises of nitrogen as well, as a nitrogen oxygen gas mixture is what is filled in to the oxygen cylinder.

Now the thing is this nitrogen oxygen cylinder can only be life supporting for you for certain time and so this divers need very accurate watches to actually tell them went to surface because, otherwise what will happen they will be irreplaceable damages to the lungs to the breathing system. Know if I am a diver and I need a watch to time keep because driving is my profession and so I need a good watch; the idea is that I cannot take any watch which is available the reason being that most watches have certain limits for this diving.

So, what I do is I look at the marketplace I look at magazines, I look at a television advertisement, I talk to friends, I do whole lot of information search about such kind of watches which can give me this kind of proficiency, which means that time keeping. So,

that I will come to know beforehand before the air runs out or before that starts being harmful for me to sufficient water and so this is what is called information search. For this information searched is basically about the products. what kind of products available into the market and how do I come to know about this product and what are the benefit of this product and so on and so forth.

Now the information search can be categorized into 3 different sections it could be a pre purchase search, which means that before buying a product I am going on doing a search about a product and the associated benefit of the product. It could be an ongoing search, where I actually while the process of buying while the process of even after I have bought a product not only before buying a product where just at the point of using a product and also after purchasing in consumer product I am still going on doing searches about better versions of the product is called an ongoing a search. And a post purchase a search where betterment or better models of the product is not the bottom of the particular item is looked into.

So, once you have brought the product and consumed it and even if after that you are searching for more information about the product this is called the post purchaser, so 3 different kind of search methods. Now this information search can be both internal and external nature. What is internal search? Internal search is though searches where we actually depend upon your memory and passed knowledge because, this memory and passed knowledge is gather from using different products in different types of equipments and different types of items with providing certain benefits and so when we are looking into a memory.

In fact, voice searches start with an internal search so you need something, you need biscuit to eat, the first thing that you do is search memory for the last eating biscuit which was something which you like and so this is called internal search. This internal search is basically done by both experts and no wise, experts are those people who are very proficient with a product and very knowledgeable product and no wises are people who know little bit about a product. So, most experts actually depend on internal search they look at the internal processes, internal feelings, internal memory and so on and so forth. And that helps them in doing search about products because, they have read they know the collected organized so much information about different products in the market place.

On the other hand external information are search those search where we look into the market place and collect information from magazines, from marketplace, on sales persons, from sales initiative, from TV advertisements, from newspaper and links from and so many other ways. There is a lot of external search criteria or search strategy example one search strategy is using sets what we do, if we create mental sets and sets is a bin where we keep information together liked information together.

So, we have 3 kind of sets in our mental internal system the universal travel and consideration set. The differences universal set is the site where everything about every product is stored, retrieval set is those set which comes to mind when you think about a particular product a particle sub type of product and consideration set is the set me actually think of buying.

So, that is like prince of information into the mental system, now with the use of set there also price and brand reputation in several other ways of actually doing an external search. We do search based on country of origin, based on price, based on availability, based on product positioning and so many other search strategies are there when you going to this chapter reading this you will come to know what I am talking about.

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Alternate Evaluation and Choice

- *Alternate evaluation*
- *Benefits and evaluative criteria (sets, tangible and intangible criteria, attributes, price, country of origin & brand reputation)*
- *Consumer Decision rules (compensatory, non-compensatory and decision heuristics)*
- *Planned Vs Unplanned purchase*
- *Choice (brand and outlet)*
- *Why do we shop? (personal, social and hedonic motives)*

The next step is doing ordinate evaluation, so once you have a particular product or once you know that you have a particular need and you have information about the type of product that you want or the type of products which is available in the market. Now,

several products will be available for the particular need that you have, your task is to do alternative evaluation and alternative evaluation is a process where the strong and weak points of each product are matched into and based on that certain products are considered and certain products are thrown out. So that is what is alternate evaluation.

So, how it is done it is done in terms of benefits and evaluation criteria, example in terms of sets. So, either using set in terms of tangible and intangible benefits. So, what kind of tangible benefits and products are giving you what kind of intangible benefits and products are giving you based on that we create a mental score of to score above, what and all not all those things certain attributes based on certain determinants and salient attributes. What attributes of some time table attributes are sometimes in unimportant attributes are also considered as an evaluation criteria for doing alternative evaluation For example you are looking at different phones within the range of 45 to 60000 and so suddenly you locate apple I phone and the circle the not as it is called it somehow attracts you.

So, what you do is you look at the notch and based on the notch you by that will I know this is called an unimportant unrelated attribute and that makes to buy the product. Because, this notch has nothing to do with the performance because, you are what you doing is you are not doing a reliable or you are not using a reliable evaluative criteria and sometimes with him to use this kind of indeterminate criteria's for doing evaluation. Now other evaluative criteria for doing alternative evaluation could be in terms of price, which is cheaper which is not cheaper, which is higher in price of there is a direct relation between price and production.

So, the idea is that the more pricy of product is the more better the product is the more solid the product is the more features it will have and so that kind of thing is used from the country of origin is also used. So, depending on certain countries a product and be classified in terms of the country of origin, for example cars which are made up of Germany they believed to be more sturdy believed to more life's long working them believed to be more mechanically advance. Because, that is the country which is known for his cars and that is why the Volkswagen is known as the car or in terms of looking at a Japan. So, Japan also has this idea of products which are more technically advanced electronically advanced, so products comes from Japan they are more technically advanced looking at us these are products which are more sturdy more quality says and

more quality like and products from china known to be more cheaper and more functional in way.

So, different countries have different kind of associations with them and based on them products are position not possess evaluation is done based on that basis and so sometimes brand reputation is also used for doing this kind of an alternative evaluation. For example of a certain brands score higher than other brands Nike will score obviously higher and lotto as a shoe company or Samsung is a middle class or a middle layer company manufacturing electronic items in comparison to let us say Sony or some other good company or higher is so, much better company a Chinese company which makes electronic products and compared in compared to Samsung or Sony it is lies at bottom level, so that kind of a brand reputation also use.

Now there are certain consumer decision rules, these decision rules are used by consumer for making alternative evaluation and they choosing between products certain kind of consumer decision rules are used, for example certain compensatory and non compensatory decision rules. Now what is the difference compensatory rules are those rules where the weakness of a product is traded off by it is strength. So, the weakness can actually trade of the strength and so, this can be balanced on the other hand and noncompetitive decision making is where there is weakness cannot be traded off for it is strength.

As of this kind of interchange cannot be done and so within the compensatory and non compensatory within the compensatory you have the compensatory and non compensatory additive rule lexicographic rule. You have the weighted average rule, you have so many rules which are there when you go back into this section you will look into it and you will identify certain kind of rules which are there which have been used for making compensatory and non compensatory methods of alternative evaluation. And there are as in addition to the compensatory and non compensatory rules there are certain decision heuristics, heuristics are shortcuts.

So, certain heuristics are also use for example prices is one heuristics brand reputation is another heuristics country of origin is another heuristics and this kind of heuristics are also used for making final decision, when you do not do a compensatory on compensatory kind of a decision rule. So, product which have high involvement actually

go for compensatory and non compensatory decision rules, products which does not have that much risk and price is they actually are chosen or alternate evaluation is done in terms of decision heuristics.

Now within thus we have also define something called planned and unplanned purchase, so planned purchase are those purchase for which the consumer has made a planning and so there are some simply plane and some other soughs of planning which can be taken in an unplanned purchase also there. For example, they could be in the moment kind of a purchase or aesthetic hedonic value purchases or pure impulse purchases with in the plant you have generally planned you are specifically planned and so there as several types of purchases which are there and depending on this purchase the different kind of evaluation rule is used for making the final choice.

Now choice, now the choice can be in terms of a brand in terms of an outlet and so this brand in outlet choice is dependent on a number of factors, for example that can be done when you are not situational factors, marketing factors, it could be dependent on so many other factors which decide which particular brand are you going to choose. From what it valuation you will have one winners or 2 winners and from that you will actually find choose which particular brand to buy and which particular outlet to go to. Now then there within this section also looked at what is shopping and why do we shop and so the reason that are provided there was they needed the need for shopping comes from the idea that we have certain personal motives, we have personal social motives we have personal certain hedonic.

The personal motives could be people would feel enthusiastic going in to the market place, social motives it could be people could people would want to meet other peoples to communicate to go out to have a better social life and those can be the reasons and hedonic motivate pure impulse kind of a things certain brightness that you get certain kind of aesthetic value and that could be the reason why you shop.

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Post purchase and consumption

- *Consumption situation (types: ritual, sacred, profane, compulsive)*
- *Consumption effects on consumer satisfaction*
- *Purchase associated cognitive dissonance*
- *Post purchase behavior (Customer loyalty, Negative post purchase behavior)*
- *Product disposition*

The last section in or the last chapter in this section was post purchase and consumption, now given the fact that we have purchase the particular item with we have made a final choice of particular item, we actually go ahead and consume that particular product and so that is a called product consumption. And this after is product consumption a post purchase evaluation of the product is done. So, we started this section by looking at what is consumption situation, what is consumption situation what type of consumption situation is there.

So, what is the consumption situation? Consumption situation is the context in which somebody consuming and this consumption situation is social influence is influence by individual factor, social factors, market factors and so many other factor. So, what type of product are we using? What type of product are we consuming? Where are we consuming, what is that time that we are consuming into and how are which consuming? All those comprises something called the consumption situation and there are different types of consumption. So, example there is something called ritualistic consumption in which example things what marriages and death. Now this are ritualistic consumption because, certain things that you buy during a marriage or a death is something that you do not buy often and so this kind of consumption is very specific and this are called ritualistic consumption.

On the other hand are sacred consumption in which what happens is that every day buying secularization, secularization is basically making certain rituals into more jeany. For examples buying the statue of liberty, buying the (Refer Time: 35:53) statue of liberty or gift giving or giving so winners, now these were something which were ritual at one point when you go someday you bring it. Nowadays you find it everywhere to china made when, I remember still the time when people use to go abroad are my friends is to go abroad I would ask them to bring certain souvenir from those country know those souvenir that we they brought of the first souvenir I got was the tower of Paris, so that was what idea was and so when he went to Paris he got that thing for me at second.

The second the ritualistic icon that I got from the USA was the statue of liberty and also this thing that day brought, I was very happy bought them because, that reminded me of the place from where they brought. Nowadays this things are sold everywhere, china made tower Paris statue of liberty are sold everywhere as this is call socialization, socialization of sacred thing is that bring me the status from ritualistic to general buying. Now there also profane conventions in profane consumption what happens in every day buying is called profane, consumption of buying milk, eggs, bread for everyday eating is what is called profane consumption and the last type of consumption that you look into is called compulsive consumption and in compulsive consumption what happens is a consumer actually buy something out of compulsion right.

So, I have one phone I will buy another one, because it feels good to me another one another one another one this is called compulsive consumption and I see a new brand or something I go ahead put my money down and buy it and this is called compulsive consumption. Now there are consumption effects on consumer satisfaction this consumption that people do or buy the usage of the product can leads to consumer satisfaction or dissatisfaction. Now this, if there is satisfaction there will be brand loyalty if dissatisfaction then consumer can take several kind of negative utilize, several kind of ways to deal with this negative satisfaction or dissatisfaction that they are getting from the product.

The purchased related a cognitive dissonance, the purchase related dissonance is when we buy a particular purchase or purchase a particular product that is a cognitive dissonance the, what is cognitive dissonance the state where you think something and you do something else. Are you think 2 different things about a particular idea, person,

place, thing or whatever it is; this kind of discrepancy between thinking and doing something else or thinking 2 different having 2 different views about the same item is called cognitive dissonance. And so whenever you buy a particular product there is always cognitive dissonance is related to it is good points and bad point and so this purchase related cognitive dissonance associative cognitive dissonance can actually be lessened by marketed by doing certain things so, that the consumption process is better or processes is somehow increase,

Now post purchase behavior after buying a particular product that can be certain kind of behavior the consumption the consumer actually shows, this could be in terms of consumer loyalty is a purchase is positive the consumer has positive effect out of the purchase the will do something positive consumer loyalty increase and if the consumer is dissatisfied of buying a product he will have a negative post purchase behavior. Negative post purchase behavior can be in terms of spreading rumors, bad mouthing products having negative feedback or complaining to a higher authority or doing legal cases and so on and so forth.

So, consumer can take this negative person and last thing that we need to discuss here is product disposition, an important part of post purchase consumption post purchase consumption rules is product disposition. How is the product after being used when it is thrown how it is the disposing of the product being done and that is an important step in studying post purchase consumption (Refer Slide Time: 39:51). So, this marks the end of section 1 of our course on consumer behavior, when we not only looked at what is consumer behavior we also looked at the decision process that goes through in identifying a particular product or deciding which product to buy and making a final choice and actually using it.

Now as I said before this decision process that we discuss the Engel Black Veil (Refer Time: 40:18) method the EKB method, EKB decision processes is influenced by a number of psychological factors. And so what we did after that the next 10 lectures to each was dedicated to actually looking at several psychological factors which affect this decision process variable. So, we started off by studying what is perception and cognition and how perception and cognition actually influences the behavior of consumers.

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Perception and Cognition

- *Psychophysics and sensory perception*
- *Gestalt theory of perception*
- *Perception and cognition*
- *Consumer categorization, Consumer attribution*
- *Risk perception*
- *Price perception*

So, we started by looking at what is psychophysics and sensory perception, we looked at basic perception, what is sensation and sensation is any information which is coming to us. So, any information which falls bits of information so physical objects are physical changes when they are strike the psychological (Refer Time: 41:10) or they physical objects when they sort of enter the receptors on your eyes on nose because, these are the gateways to information collection in the body this is called sensation.

So, getting information from the physical world a sensation and making meaning out of it is call perceptions and so this sensation and perception are bound by certain physical rules psychophysical rules. What is psychological rules? That is psychological rules relating to the idea of absolute threshold, the idea of differential threshold absolute threshold the minimum energy or the minimum physical input that is required for any object to be say to be perceived and differential threshold is the minimum entity required minimum presence of an entity required so that differences between 2 consecutive (Refer Time: 41:58) is at entity is identified.

So, that is called differential threshold and then we also discussed on something call Webber's law, that is the law of which describe how change in a stimulus is perceived as a ratio of change in the standard stimulus. That was what was Webber's law and we look into those things you also looked into something for sensory perception how does the sensory perception takes place.

So, all these idea of absolute threshold differential threshold and psychophysics is internal to the subject to the consumer, but then there are certain external factors within the environment which also decide the perception cognition is. So, these factors are color, taste, smell, form and gestalt and so and so many other things which are there, so we looked into those factors also. We looked at the Gestalt theory of prescription which says that the sum of total of any industrial pieces of element is never equal to the actual perception of the total elements the element in the totality.

So, what do I mean by this? If you if you have a glass ball and if you break the glass ball into certain pieces in try combining it back or try rebuilding the ball out of it. The experience the ball will never be equal to the perception the ball will never be equal to the pieces combined together to make the broken ball into the solid ball and that is what is called a gestalt. Gestalt actually means form and so these are inside there are certain idea of gestalt, for example the first idea of gestalt is about background and foreground. So, how do you perceive background and foreground the idea of form is gestalt there are certain gestalt principles that are used. So, example principle of similarity, principle of closure of principle of good form and so many other gestalt forms that we looked into. So, you can have be looking into those then we looked at perception and cognition, how does perception influence cognition.

So, whenever any information is taken (refer time: 43:58) I define perception is a method of taking in sensation and making meaning out of it. So, once you making meaning out of it these meaning has to be organized into the human memory and this process of categorization organization of meaning into the human memory is called cognitions. So, consumer categorization in consumer attribution, consumer categorization is the process where the consumer takes in information from marketplace and categories them into similar information's into the human memory. Or categorized or what he does it takes in similar information and club them together this is called consumer categorization and consumer attribution is giving meaning or giving reasoning to a particular action that has happen.

So, if a machine failed, giving at a (refer time: 44:39) giving at a meaning of why it failed is what is consumer attribution, then we looked at a something call risk perception. For example, what is the perception of risk how risk, perception effects the perception of the consumer in total. Price perception for examples using Sherrie's model or any other

model to look at how perception of price or the idea of price different referential price in reference price in and actual price retail price in all these mechanisms actually is the perception in cognition of the consumer.

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Memory and Learning

- *Human memory*
- *How information is stored and retrieved*
- *Artificial reconstruction of memory*
- *Learning*
- *Behavior Analysis (Probability, operant, classical, modelling and cognitive theories)*

So, that was the section on consumer perception and cognition and how these variables actually influence the behavior of the consumer. The next section we discussed about memory and learning and the psychological factors and how the psychological factors actually influence the behavior of the consumer or the transaction of the consumer into the market place and so we started by defining what is human memory.

So, basically human memory is a place or is a juncture or is a box when everything is stored and so this storing is influenced by perception and categorization. So, categorization is the process through which this incoming information when the meaning which have been extracted from this incoming information how they are stored.

So, human memory generally speaking is a 3 part process it starts with encoding storage and retrieval. So, this whole 3 system this called human memory and it is human memory has 3 steps that there is something called the sensory memory, something called the short term memory and long term memory. Each unit has it is own attributes and parameters and this own tributaries and parameters is what we discuss in this section and with how these parameters and these variables affect the behavior into the consumer marketing place. Then we looked at how information is stored in actually retrieval.

So, this information storage and retrieval is a dynamic process, now the storage of information is influenced by what time of processing (Refer Time: 46:41) information gets. So, if the information gets something called meaning based processing it is too deep and it is too good for longer period of time. But if it is just getting a peripheral kind of a processing, then the information is stored for very small period of time mistake in the short term memory does not go to long term memory.

So, some information is not important to us it does not get meaning level, it is called surface level processing, as the information stays for very short period of time into the human memory. On the other hand if information is assigned meaning or it is getting meaningful processing those kind of information stays in memory for longer duration of time longer period of time and so that is how the information is actually stored and the process of rehearsal in the process of storing is what we looked into here.

Also information retrieval, the information retrieval is dependent on something called cues and so this kind of information retrieval cue is learning cue is a retrieval of information is what we looked at. So, the different types of cues different type of situations, different type of moods and different type of psychological variables affect the retrieval of information that is also and something situational versus consumer factors how these information a retrieval what we looked into. Then we looked at artificial reconstruction of memory and other important factor is reconstruction of memory. So, sometimes if information is processed at a very surface level, some other information become some other parallel information become and actually hinder with the storage of the original information and that is least reconstruction.

So, some part 2 advertisement is look together field our similarly nature what would happen is a reconstruction what happened, where one information part of information from advertisement gets on to the other advertisements and advertisement is actually no perceive no way or noval way and this is call artificial reconstruction show in the actual incident.

The actual event is no reconstructed or is replaced by new information, new information which are not available in the original add or the original memory is now inbuilt thought original memory. Now give an example how does it is happening for example, say something suggestive reconstruction, now you often seen movies in which what happens

is that if particular lawyer, criminal lawyer once a criminal to remember something or you want this criminal to fast remember something he does something called suggestive reconstruction. So, he suggest so he gives certain of his own words to this particular or forces certain office own words which fits into the schema of this criminal.

For examples is the criminal his I saw someone dark cloths, then they us lawyer would actually say that this dark cloth that do you remember this dark cloth, so that it look brown, almost brown. Something that kind of information and so this the information in a latter a retrieval the criminal will remember the brown color and not the dark color and this is how suggesting reconstruction happens. What happens is the original information which was the dark cloth is no replies by brown clothes, which is actually dark in nature because the schema are says that there is a dark clothes. Brown is a dark color and so they merge together by (Refer Time: 49:53) reconstruction for the personal members are dark brown wearing person, that kind of thing. So, that is call suggestive reconstruction and this kind of suggesting reconstruction actually happens in memory.

Then we focused on something call learning, so different process of learning and how does learning actually affect consumer behavior. So, what is learning? Learning is actually relatively permanent change in behavior which is occurring through experience and so it is relatively permanent why because this learning can be influence back. So, looked at several huge of learning we looked at behavior analysis modeling, we looked at the probability modeling of learning, were we looked at learning as a habit formation technique, we looked at operate conditioning. Were in operate conditioning what happening certain rewards are there which are which are followed after you do the correct behavior or a punishment and that mix you learned certain behavior and certain kind of information classical conditioning in which a certain reward is given with a particular behavior.

If you do certain kind of reward is given so that you do particular kind of behavior and modeling in which what happens is you learn by actually looking at other people doing certain behavior and getting rewards and punishment and then there are cognitive theories in which you actually form a hypothesis, form a problem hypothesis and a solution to problem and based on this test certain theories and based on that actually do the learning.

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Motivation, Emotion, Mood and Involvement

- *Consumer Motivation (Maslow, Sheth and Dichter model)*
- *Emotions (experiencing and inducing emotions in consumers)*
- *Mood (effect on recall, evaluation and positive mood states)*
- *Involvement (situation vs enduring; models: low involvement learning, learning-feel-do-hierarchy, Product vs brand involvement)*

Now we move into next the section or the next psychological variable which was of important to us and that was of motivation emotion mood and involvement and so what into we looked into here is consumer motivation. And what is consumer motivation? So, motivation is that drive to do a particular action and this motivation could be both internal and external in nature and so we looked at models on Maslow ditchers (Refer Time: 51:42).

Maslow model what we did was looked the Maslow triangle were people start of the very basic needs is moves to belong in needs, security needs, safety needs, belong into needs and mood up to certain kind of self actualization and it is been proposed the people move through by move through one section of this pyramid to the next section by full filling the certain needs and that it was the idea consumer motivation as proposed as Maslow model.

The next what will CS model were CS consume, where suggest there are 5 different the mentioned there are 5 different utile there in motivation to particular product purchase of product related information gathering. And digital modeling were digital was working for (Refer Time: 52:25) gamble was he gave in certain 12, I think 12 different dimensional motivations of how consumer are influence to behavior in certain ways.

Now with that we looked at consumer emotions in this chapter may experience and inducing emotions in consumers are important of look type those consumer emotional

and how consumer emotions influences the behavior of consumer and how the control the behavior of consumer that is what we looked into in this think. In addition we looked at to certain moods and how does mood actually influence the behavior, the consumer we looked at several factors several mood related factors.

So, it be personal factors, marketing factors, individual factors, so certain kind of and how being making positive mood can actually influence the behavior of consumer and the capacity of consumer to process or to act in a certain way, so this effect of mood can be in terms of recall evaluation and positive would say so, we look at all those things. And the last thing that we look that is, how does consumer involvement actually define consumer psychology consumer behavior and this involvement will be both situational in during involvement.

So, situational involvements are those involvements which are related to certain situations in during involvements are involvements, whether consumer is actually related or actually involved with a product for longer of time. There several model that we discussed here we discuss the low involvement learning model, we discuss the learning field hierarchy model and the product versus man in one model. Now will ask you are well suggest you to go back to this models and have a look at them and that will tell you how consumer involvement is related to the or direct the decision process, the consumer or it influences the decision making of the consumer.

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Beliefs, affect, attitude and Intention

- *Attitude as ABC (affect, belief and Cognition)*
- *Beliefs (strategies to change consumer beliefs)*
- *Affect (function theory, fishbein and belief-importance)*
- *Intention (reasoned action, trying theory)*
- *Attitude behavior consistency*

The next section was in terms of looking at believes attitude effect in intention and how these factors affect the consumer psychology. So, we looked at what is attitude, so attitude is basically and describe in the ABC is a basic feeling and believe that have to word the particular idea, person, place or something some other things and then based on that how do you act that is an attitude.

So, attitude defined as an ABC be looked at what is it, so we have a defined what is the effect component of a brief component voice recognition component of an attitude and we look that how these components are influencing our influencing attitude formation. Then we looked at certain things example persuasion, 2 methods persuasion and cognitive dissonance as a method of attitude change.

Because what is of importance to consumer psychology is not how attitudes are formed but how attitude change because, changing of attitude has a lot of role to play in decision making of the consumer. And making alternative and evaluation and making purchase of post purchase evaluation so on and so forth in (Refer Time: 55:17) and variable started by looking at what is believe and define the status is strange release by product positioning different types of positioning system that will look at. You also look that effect as a method of attitude change and with their we looked at 3 theory are at the functional theory where there several system are define which actually lead to the change in effect and change in consumer attitude will look at the fishbone model which looks into the belief and evaluation.

As the component and this components and manipulate it can change the consumer attitude will look at the belief importance model were multiple products as compared on the same stage on the same platform and how believes are and believes and attitudes are made and changed in using the belief important model.

will look that intention as a part of attitude and how these intentions actually lead to change in consumer belief, consumer attitude and that we looked at 2 different models are the reason action model never looked at not only the attitude change through belief and important belief and evaluation. We also look at subjective values example your personal motivation class subject evaluation and how they combined together to making you make an intention changed to word buying a particular product.

You also looked at theory of triangles are certain situations this intention theory does not work, the reason has does not work for example the consumption is spread over a long period of time. For example, cooking classes and also in those cases how is attitude change or how are a consumer made to change their attitude that has to be studied, so we looked at the theory trying where we looked at the attitude change occurring not only from the attitude towards success, but also attitude word processing and attitudes words the failure.

So, all combine and together gives the final attitude towards the product or service and that leads to that in addition with the frequency of trying and regency of trying and the number of times that you are tried and all those things together actually leave you to forming the right attitude and right attitude change. And the lastly what we looked here is something called the attitude behavior consistency.

Where we look that how this attitude and behavior what is the consistency in what are the situation and factors and what are the consumer factors which lead to the attitude behavior consistency. So, that the behavior that you do when the attitude that you have are the same. Now what I find before is what is attitude? Attitude is a feeling component a belief component and are intension component, now feeling component is less there is a product a ABC and for this product ABC what do you feel about the product and what do you know about the product is the belief in the effect component.

The knowledge that you have got the product is called the belief component, the feeling that you have to buy the product the immediate reaction emotion that you have to buy the product is called the effect component. And by looking at the product what you want to do? How do you want to react was the product is called the behavioral component or behavioral intentional component. As this what an attitude is as time in again I am in stressing this you that it is not only the latitude which is important the attitude change is the key word of importance here and lastly we looked into the communication and consumer communication and consumer psychology.

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Communication and Consumer Psychology

- *Communication effects (AIDA, Integrated Information Response, Extended dual mediation model, elaboration likelihood model)*
- *Source factors (Credibility, Attractiveness, Power, Congruity)*
- *Message (Tone, Content, Execution)*
- *Media (category & sub category, vehicle, frequency, duration)*

Now, advertisement for that matter or views that you get from people behind the desk or service persons they give you something for communication messages. Now what are communication messages? Communication messages information about the product or adds about the product or some kind of details about the products that you get from either advertisement on the TV, video, newspaper or whatever what not or it could be information shared to you by company executive or sales person so on and so forth. So, what is the effect of this messages on consumers is what we looked into and how does a pay a roll into decision making.

So, we started by looking at consumer effects and will started by looking at different models will look at the AIDA model which is attention interest and action model attention desirability and action model, we looked at the advanced AIDA model. Then we look at the information integration response model where we looked at to pass to how believes attitudes lead to the final purchase intention.

So, there is a path where immediate by looking at a message your form immediate high belief and high effect and that list final purchase intention or you lead to other path leads to low belief and low effect. Then you trying the product then I believe and effect comes in and then you actually buy the product or develop a purchase intention buy the product and so that is the information integration model and then there is extended dual additional model which focuses on not only the attitude towards the brand, the attitude

towards the advertisement that you looking at attitude and the cognition towards the particular brand.

But also looks at sorry the product but also towards the brand and how this attitude towards a brands and towards the product advertisement or communication message how they add up to actually leading to the purchase intention. So, we looked at that 9 extended dual model and last you look at the elaboration likelihood model, which says that there are 2 paths to attitude change, there is something peripheral path there is something central path.

So, those information which is informative, those information which is factual in nature, actually take the central route and their appeal to organization on the other hand some information which is not informative is not actual actually takes a lesser meaning path and that is the peripheral path and their they appeal to our effect and not to our cognitions. And so these are the ways of changing people's attitude and changing people's decision process into decision making ability into the product buying. Now we looked at certain source factors which effect communication or marketing communication so we looked at source credibility.

So, how credible the source is, how attractive a source is so attractiveness and how powerful the source is and what is the how close the source to the product these factors actually effect these are called source factors and these factors have a lot of role to play into how a particular product will be looked at, particular will be perceived or a particular product particular message is perceived by the consumer. Now there are also message factors for example, the tone of the message, content of the message and the execution of the message.

So, the message is how it is spoken what is the flexibility of the content, what is content include the message, what type of information is contained what kind of appeal is been used whether it is a humor appeal or sex appeal the some other kind of emotional appeal what kind of or a factual message. So, what is the content of it and of it and how it is executed what is the method of execution through a radio, television, high frequency advertising or what whatever method is used that also plays a lot of role into how the messages perceive and lastly we looked at the media category.

For example the media vehicle the media, who is actually taking the ADS and information to the people and so we looked at category and subcategory media category subcategories. For example, television news papers point of sale purchase information salesperson information and so on and so forth. And within the subcategory within the television whether that comes before a romantic program whether a serial the news and so on and so forth.

We looked at the vehicles what kind of vehicle is being used, whether it is a television whether it is a newspaper whether it is something else and a frequency how many times a messages is been produced and reproduce and the duration how long is the message and so these media factors are also have a lot of role to play into. How the message is perceived, how the advertisement is perceived by the consumer remembered by the consumer and how they play a role into final decision making process.

So, this ends the last lecture or the review lecture on consumer psychology. So, what we did in this lecture again a very brief overview, what we did was we looked at starting with what is consumers behavior, we looked at the several process of decision making and looked at a number of decision variables which are psychological variables and how these variables interfered or modulated the decision making process of the consumer into the marketplace. Now these psychological factors have lot of role into make life easy or the consumer into the actual marketplace or doing this buying and international into the marketplace.

So, all in all this course was a wonderful journey for me, where I have tried to explain to you those psychological factors which actually effect consumer marketer interaction and defines the consumer marketer interaction and how does psychology, the power of psychology comes into actual consumer behavior actually studying the behavior of consumer.

So, over the past 2 and half month and 19 odd lectures I have really enjoyed this process of transforming from understand consumer behavior to explaining all the variables and I hope that you have had a similarly wonderful time by understanding lecture and viewing this lecture. So, this is my final goodbye to you from here until we meet again I do not know if we do in some other course. It is a final goodbye from here.

Thank you for viewing this lecture and goodbye.