

Consumer Psychology
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Lecture – 03
Problem Recognition – I

Hello friends. Welcome to this third lecture on the course of Consumer Psychology. Now, in the first two lectures, what we looked at is what is consumer behavior and what are the factors which are responsible for consumer behaving in particular ways into the market. And, we started those lectures by explaining the idea of what our product is and what is it that the consumer is actually looking into the market. And, we outlined major factor of study of consumer behavior which was consumers are actually looking at benefits into the market and but they are not looking at the products.

Then, we moved on to explaining what type of consumers are there. So, we explained three different types of consumers which are shoppers, buyers and consumers who actually go ahead and consume over the data. Followed that we looked into the total product concept something which defines what a product has to offer to any consumer. And so, there we looked at the four different rings which are there of any product. So, starting with the core ring, where the major essential benefits of the product is to the accessory ring to the psychological ring and to the ring of time or the utility of time which is explained through any product.

Further to that, in the next lecture we looked at something called the consumer decision process and that is very important because any consumer into the market he decides to buy a number of products which is the available and which are giving him the same kind of benefits, all different products giving you know same kind of benefit. So, how does he decide? Now, before that we also looked at something called market segmentation and the study was important. Why? Because, we wanted to look at what is a market and how does different consumers are categorized into types or subtypes which have which require equal benefit or which are looking at or looking for equal products into the market.

Why was that necessary? That was necessary because marketers cannot manufacture products for each consumers differently. And so, one thing that has to be studied that is

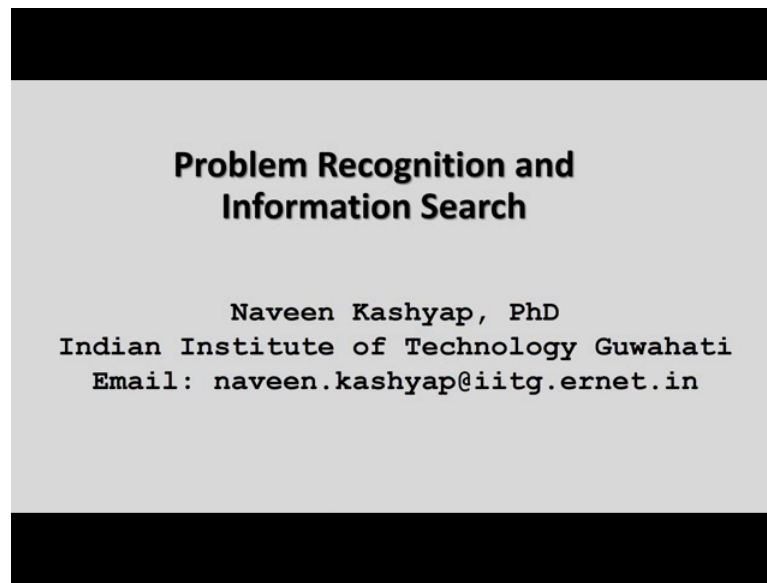
that is important instead of consumer behavior he is looking at how do current marketers go ahead into the market and then define these segments or basically classify people into same types or types which are similar or so on basis of similarity. So, the consumer decision process, we looked at a model of consumer decision process which is called the EKB model, the Engel Kollat and Blackwell model. And so, in the EKB model, the model starts with looking at how consumers perceive information from the marketers into the market. And so, several senses of the consumer saw in the example, the eyes or the visual presentations or audio presentations are given by the marketers which are perceived by these consumers.

Now, these information which is let out to the marketers into the market for consumers to perceive come in forms of TV adds, in terms of newspaper ads, in terms of booklet, us books, in person information transfer, word of mouth transfer and so many other ways each other. So, the first step was looking at different information which is available into the market or the marketer puts out there into the market for consumer to perceive. The next step was information processing. So, we looked at those variables which is inside the consumer which is the or sort of consumer psychology which actually helps a consumer perceive this information which is let out by the marketer into the market. And so, factors like memory, comprehension, attention, perception.

All these factors combined together to form a bunch of factors which are very essential because, these factors help the consumers understand those information which are left out into the market by the marketer for them to perceive. Now, these informations are essential because these informations help consumers decide what product to buy and what product not to buy and how to differentiate between two products which are offering the same kind of benefit. The third step into this model was the consumer decision process which has 5 steps into it and so, what we are going to do in the present lecture is look into this consumer decision process.

So, the first two steps or the consumer decision process is what we are going to actually look into in the present the lecture and the upcoming lecture after this. So, this is lecture number 3 and in lecture number 4, we will also will do a continuation of this particular lecture.

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So, in this lecture, what we are going to look at is once this information which the marketer is left and consumers using the psychological variables or memory attention perception. Once they had gained this information from the market, how do they use this information or what is the process that they use to differentiate between two products which are available in the market and which offer them the same kind of benefit.

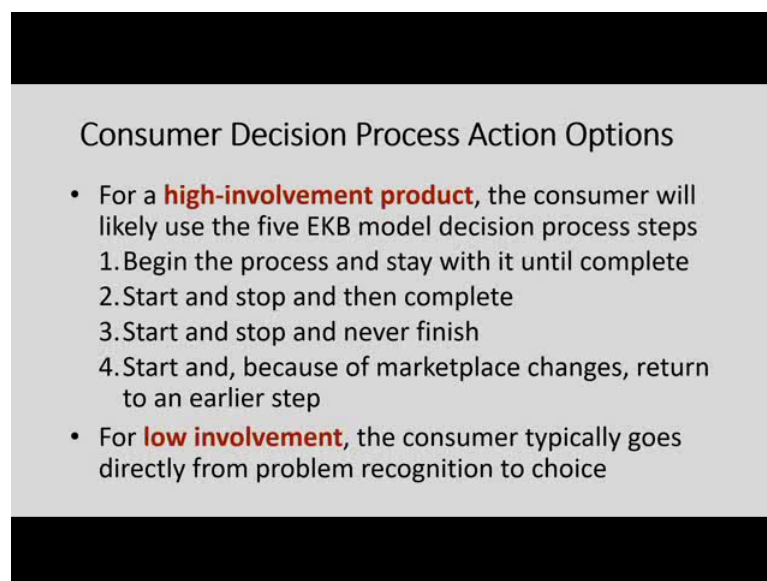
So, that is what we are going to look. So, the consumer decision process starts with something called recognition of need. Consumer has to recognize that he needs something and further onto that he has to do something called information search which is basically another step into the consumer decision process. So, these are the two steps which we will be looking into this in the next upcoming lecture. Further to that, once the information is available to consumers, they do something called alternate evaluation, they start a process of evaluation of different products and from that make a final choice and once the choices been made by the consumer, he goes ahead in actually buys the product.

Once he why is the product, there are only two options that can be there a satisfaction or dissatisfaction. A third option is also been pointed out by some researchers which is called cognitive dissonance and all these options, all these results of the consumer decision process, we will lead to different kind of inputs. Now, that the decision process of the consumer of deciding between different products into the market is influenced by

several psychological variables and these variables are called the decision process variables which is another part of the consumer decision model, the EKB model that we have been looking at and. So, these are motivations, these are emotions, good, attitudes and so many other psychological variables which have the consumer decide between what product to buy and what product not to buy.

And further to it, the last factor in the EKB model is called the external influences. So, there are several external influences which help a consumer again decide what to buy and what not to buy or how to buy and how not to buy. And so, these external factors could be compliance with family, family influences, normative influences social factors and so many other factors from the external world around the consumer which helps in making the decision. So, let us then start this particular lecture and understand what is the process of problem recognition and how does problem recognition start and how does information search start by the consumer. So, we will be detailing on those things. Now, as I explained to you, the consumer decision process.

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Consumer Decision Process Action Options

- For a **high-involvement product**, the consumer will likely use the five EKB model decision process steps
 1. Begin the process and stay with it until complete
 2. Start and stop and then complete
 3. Start and stop and never finish
 4. Start and, because of marketplace changes, return to an earlier step
- For **low involvement**, the consumer typically goes directly from problem recognition to choice

Is a five step process and it goes by one by one, it goes through a process one by one ends up into something called satisfaction or dissatisfaction. And so, for products which are high involvement all five process of the consumer decision modeled are followed by the consumer in making the decision whereas, a low involvement product, the same five steps cannot be or may not be involved and any consumer decision process when it ends,

it can lead into either a satisfaction or dissatisfaction. If the consumer is satisfied, after buying the product and using the product he might come back to the product and start buying it again and again and become something called brand loyal, if he is not satisfied with the product he might revert may not revert back to buying the product.

So, he may start his journey again either from need recognition process or he may enter into the search process of the consumer decision process model and from there on, again to alternate evaluation, do the choice and then follow the process of a satisfaction or dissatisfaction. If we still not satisfy, the loop we will go on again and again and the consumer will be shifting between several products and the several consumers are there in the market who are not satisfied with the products which are there and. So, though keep on shifting and so, they are not called blind lawyers. They are called jumping consumers or they are they are the these are the consumers which each market that is actually targeting.

So, then for a high involvement product, the consumer is likely uses all the five EKB model decision processes as I said. And so, high nodal and products are those products which are requiring high time and high money. So, this time that I am talking about is not only the physical time which the consumer spends in understanding the product or interacting with the product, it is also psychological time. So, both and the money that I am talking about is also both psychological money as well as physical money. So, physical money is the currency that he gives; psychological money is the investment of his time, investment of his labor, his mental states all those things are composed of this psychological time and psychological money.

So, it is not only physical, but psychological. So, let us assume that you are buying a new car which is very expensive or not even expensive, you are buying a car once, you are buying a car it is not that everybody buys cars every year right. Most people actually buy a car and some of them actually use it for the whole lifetime, but on average, most people use a car for at least 5 to 7 years and then they buy the new car. So, when you are thinking of buying a car, it is a 7 year investment that you are going to do and this 7 years, for the next 7 years you will be stuck with your car and. So, once you are buying a car, you go through all this a high involvement product because your involvement is high and your time and money which you devote to it will be high.

So, most people when they buy a car, what they do is they visit a number of showrooms first of all and they look at all the models which are available, they jot down all the briefs that they get, all the technical information that they can get from different showrooms, look at different car magazines which has to offer, look at television advertisements, talk to our friends who have bought car before people have experiences and go around the market and talk to a salesperson. So, they do all this kind of process, all this kind of activities to gather information and so, since this is a high quality product because if they do not want it to fail. So, they cover a lot of ground into it. Also, where since they are putting up a lot of money, most people generally buy a car alone and so, they are putting a lot of money into it. So, they do all this kind of process into high involvement product. And so, in this case, they go through all the five steps.

They began the process and stay with it until it is complete. So, basically, for a high in modern product, there are three things that can happen in if a consumer is starting a high involvement purchase and the through the consumer decision model. The first thing is they can any consumer who is buying high involvement product goods would start by looking at a product by actually looking, recognizing the need that he needs the product and starting the start cross search process for this product information and then follow through all the five stages and then I come to the step where he is either satisfied or dissatisfied with the product. So, basically he begins the process and stays with it until it is complete, this is one possibility that can happen.

So, for people who are buying a high involvement product, one possibility is that they start the process and they end the process and complete the process. There is a second step that can happen or the second scenario which can happen for people who are high involvement people or buying a high involvement product and they go through the EKB model. Here what happens is they start and stop and then complete. So, what happens is, in this case the consumer starts the process and then stops it in between, again restarts and structure. So, scenarios like I am interested in buying a car, but I do not have the required money right now and I am looking forward to buying it in the next one year or like six months what I will do is, I start the process of search right now and problem recognition has already been done.

So, I will start the process of searching information. For the next 6 months, I will be searching all kinds of information which is there and then when the money comes in I

will come go into buying the product. So, when I am going to buying the product, it may happen that a new model comes in and. So, now, money may be sufficient or may not be sufficient. And so, I stop and start and stop and start and stop and start and then finally, complete the process in many steps. So, some kind of consumers actually works in this way. The third thing that can happen, the third possible scenario that can happen is start and stop and never finish.

And so, in this case is what would happen is I think of buying a car and so, I wait for say let six months and the money is there with me and then I have enough product information I have or I am particularly looking for a particular launch of a car and. So, I am waiting for it and the launch of the new car is there, but the reviews are never good and then later on realize that it I do not need a car anymore because I might be moving or some other thing has happened.

Where I was gifted a car by someone or something happens and so, I never finished this particular process of buying a car. So, I do all kinds of search, I gather all the money, I do all the evaluation of brands which are their price evaluation make a final choice, but I never complete. It could be that I do the search and never do the brand evaluation different evaluations or any number of processes. So, I start and stop and never finish actually the buying process. And the fourth is that I can start the process of this decision process of buying a high involvement product and because of market place changes return to an earlier step.

And so, it may happen that I think of buying a product. So, I think of buying a particular brand of car which is out there, then what really happens is that I gather the money, within the next six months I have all the money, the required evaluation has been done I have looked at everything and finally, it so happens that the brand or the particular product that I am looking for there is no more avail in the market and so, I go back to the earlier process of re evaluating more vans which are available or more products which are available.

So, it may be that a particular model has disappeared from the market or is no longer manufactured or has been reverted back in some way for some technical regularity the irregularities and that may lead negative effect on me and so, I never complete this process or return to an earlier step under the decision process. For example, it could be

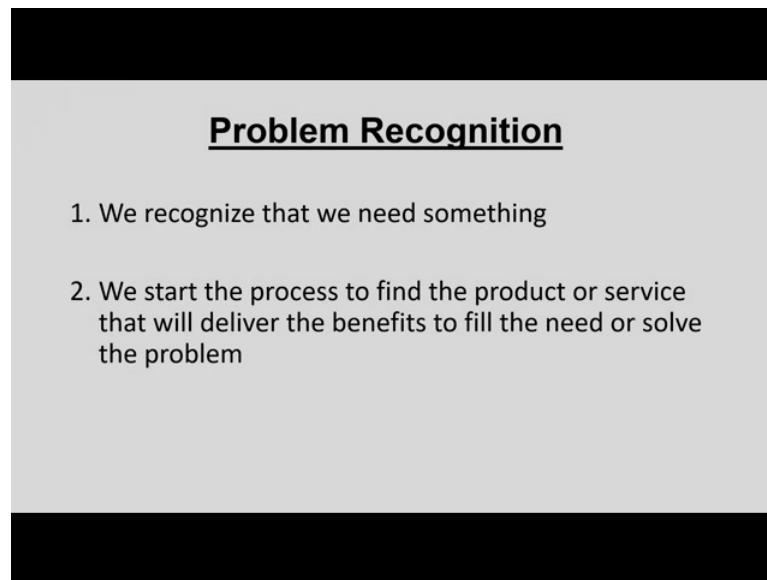
this information search, it could be the process of doing alternate evaluation and choice or it could also be the process of need recognition. So, these are the three or four scenarios which can happen when I am going through all the five steps of the consumer decision model and when I do that, I do that only when I am looking at a high involvement product. So, what is the high involvement product? A product which takes considerable amount of time and money, both physical and psychological from me or makes me involved with it and that is what a high involvement product is.

On the other hand, as our low involvement product where the consumer typically goes directly from problem recognition to choice. So, for example, buying a salt or buying some potato chips packet or maybe kind of biscuit now for these kind of products, I really do not need to do enough search into the market and do alternate evaluation and all those kind of information search of the product and so, what may happen is that in these case of products, I realize that I am hungry, I want to buy chips.

So, I will go to the market, I will go to the shop, I will look at different brands of chips and with very less information or very less usage of the mind what I will do is, I will pick up one of the chips packet and tear it and start eating it. So, either I get satisfied with it, I do not get satisfied with it, but this is what the processes. So, I start and I stopped at a particular point or at a particular stage which is the satisfaction or dissatisfaction. So, these are the two scenarios which can happen so the consumer decision options now look at let us look at the first stage in the consumer decision process which is called problem recognition. Now, it is to start the whole process of consumer decision process, the person first has to have a need right.

So, first of all, we should recognize that we need something and as economics models say that rational people or the expected utility models in economics say that rational people only buy things when they need. But then, there is a or there is a different view of the or the psychological version of this of this expected utility model which is proposed by skin can man and they say that people also buy things just for the fact of not utilization, but for the fact of aesthetic keep right. So, people sometimes buy product because they do not need it in the way that economy is defined need, but they need it because for aesthetic, for a higher psychological purpose.

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For showmanship, for just keeping it, for increasing their social dimension in, increasing their social status and so on and so forth so, people buy different products because they have a particular need. And so, the first step that has that starts the process of this consumer decision consumer decision model or consumer decision process is or the first stage is something called need recognition. So, people have to realize that they have a need.

Now, it is as easy as understanding that I am hungry and I want food or it is as difficult as like recognizing that I need a car and I need this car from going from point a to b, not only from then going from point a to b, but I also need something which is giving me social status kind of positive believe or also raising my status in a certain way. So, this is the first step that is there and so, that starts with the understanding or with the realization that I have a need. When customers do not have need, they will not go into the market and so, this need recognition can be in any number of ways.

For example, somebody who is let us say moving from the and school to a college and so, when he moves to the school from the college, he has he suddenly develops a need of buying a laptop, computer. Now, this happens because in the school it is perfectly to use the school computer or to use the computer which is at home and maybe at times it is not even necessary till the school life to use a computer. But, when you go into out into college, there are things that you need to do, there are problems that you need to that

need to be solved and other things that you need to have and that is why you need a computer. And so, you realize the need that you when you are moving away from school to college and you are moving away from your house to some other place where you leave alone the computer is needed because, it acts now as a medium of communication between the not only the medium of communication between the parents and you, but also it helps you in solving your everyday problems as well as you are academic problems and so that the need arises.

Or it could be a simple need of buying a cell phone because you are moving away from house. So, when you are living with your parents, the need for cell phone is not that much, but when you move away for to your college or you are moving to a different city all together for higher studies, you need a cell phone. It is not only for talking, but it is for social networking and so many other things that you need it and so, that is what the need is. So, need arousal is a stage in which a consumer realizes that he needs something and this is eminent on him. The second step is that we start the process to find the product or service that we deliver the benefits and fill the need to solve the problem. So, once I need an erosion, once we let us see let us take the case of a student of a male student or a female student just a student who is moving away from his house to study it to the college which is distant from he is out.

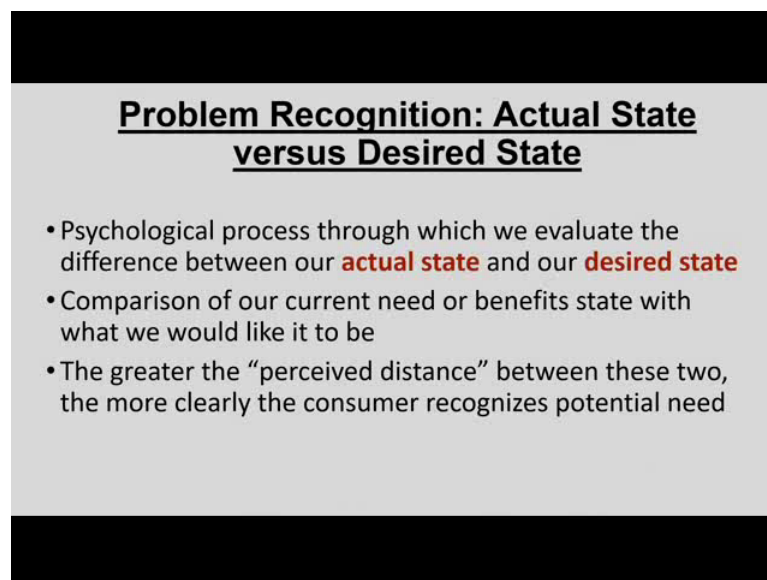
And so, now what has happened is the need arose from a cell phone. Now they need for the cell phone arises because this person is moving away from his school, from his family to a different town where he has to just complete his undergrad and post grad degrees. Now for that, the cell phone is necessary not only for him for getting connected back to his family, but it will also be needed because that cell phone will help you mean several things. For example, maintaining your social status, doing a social evaluation and doing some other kind of things like on the go editing of files or maintaining a so, social advantage or whatever we are looking at. So, several think this cell phone is going to do and so when that is there. The first step they do is that they start finding product and services which deliver them the benefit to and benefit and feel they need to solve the problem.

So, this student who is moving away and needs a cell phone, he will go into the market and start searching for all those products which are available, all those companies which are available which I give the which provide a cell phone because he is looking for the

cell phone and so, he starts looking at the production services companies, various companies which provide the cell phone to him and offers the kind of thing which is that it is not only cell phone is also look at plans or data plans or wise plans and so on and so forth which is the cheapest for use, which is in the highest ability the highest number of data packet so that he maintains his social status, he maintains his social environment and also gets connected with his parents, talks to them every day and so on and so forth.

So, not only the cell phone, but the network plus the network plans plus the usage plans plus so many other things plus extended warranty, extra liability and so many other things for them. So, when does a problem arise, now the problem arises understanding that there is a need for anything happens.

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Problem Recognition: Actual State versus Desired State

- Psychological process through which we evaluate the difference between our **actual state** and our **desired state**
- Comparison of our current need or benefits state with what we would like it to be
- The greater the “perceived distance” between these two, the more clearly the consumer recognizes potential need

When there is a difference between something called the actual and the desired state. Now psychological process through which we evaluate the difference between a actual state and our desired state is what makes us understand that there is a need. Now, the actual state is that state, but a person is particularly in. So, the student that we were talking about when he is moving away from his house to some other place to some other city for getting his education his actual state is living in the family not having a cell phone and so that is what is there having just the basic phone and everything is covered by his family.

Now, once he realized that he has to go away to some other place, so the basic idea of connectivity from his family creates the desired state and so the difference between the actual state where he has no cell phone to the desired state right he has the cell phone and has the connectivity and not only I have the cell phone. But, has a cell for plan where he has the connectivity now as a social life and has social network can do social networking is what the desired state is. So, the difference between what he is right now and what he will become after buying the cell phone is the difference that we are talking about and that is the difference between the actual state and the desired state. Now, comparison of our current needs and benefits state with what we would like to be is what is the basic underlying meaning between the understanding of the need.

Now, the greater the perceived distance between these two, the more clearly the consumer recognizes the potential need or the more difference that a consumer sees between his actual state and the desired state, the more chances that he will actually buy the product or the higher the need recognition will be. Let us assume that there are two people out there who go into the market for buying a car; one of them leaves in the university campus has a bicycle and can bicycle around and can go from his home to the to his academic department and come back.

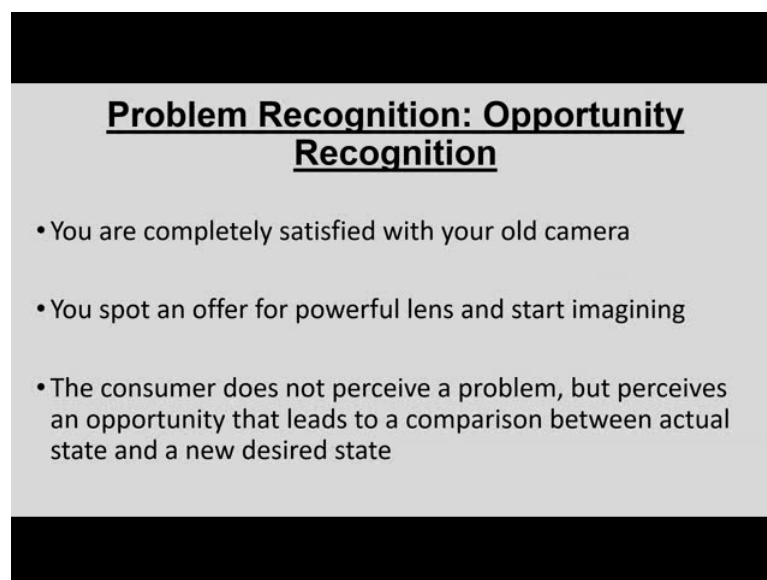
So, he is a professor. On the other end, there is someone who actually works somewhere else out of this campus say at a distance of 40, 50 kilometer which he has to go every day. And so, for the first person the difference between, so even if we does not buy a car the difference between the actual state and the desired state where he has a car in we where he does not has a car, the perceived distance is very less because no matter what happens the distance of his house from these academy department is just 1 and a half to 2 kilometers which can be covered every day by just walking or bicycling.

So, it is not needed that much. Of course, the car would be needed in different situations or emergency and so, this distance can be managed, but on the other hand, the person who has a work which is 50, 60 kilometers from where he is living for him the, if he if he does not has a car, he has to go through all sorts of public transports and get his time wasted into the into changing public transportation reaching his place of work. So, for him buying a car is actually at the desired state and not buying the car is the actual state.

And so, when he buys a car, all these problems will be solved and so, the more distance that he has between the perceived state. So, once he buys a car a lot of problem will be solved and so, the distance between the actual state and desired state will be high because once he has a car a lot of problem will be solved for him. And so, the distance between is and right now in the actual state the problems exist.

So, buying the car actually makes a lot of difference which is the perceived distance. So, larger perceived distances make the consumer realize the need immediately and may buy the product, but smaller perceived distances actually do the opposite of that to with the very small need to recognize the problem recognition and opportunity cost.

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Problem Recognition: Opportunity Recognition

- You are completely satisfied with your old camera
- You spot an offer for powerful lens and start imagining
- The consumer does not perceive a problem, but perceives an opportunity that leads to a comparison between actual state and a new desired state

So, it is not only the difference between the actual state and the desired state which actually makes a consumer realize that there is need generation, there is a need for buying something, there are chances where certain opportunities come across and so, people realize that they need something. So, what are those? Let us say that you are one of those people who is a camera free right and so, you love taking pictures, you are one of those people who are always behind the camera is enthusiastic photography, loves to photographs, submits your photographs to several journals and competitions and also so forth and you are completely satisfied with your old camera.

You have a camera on the corner or any other camera canon and you are completely satisfied with this camera and there is no need to buy a new camera, there is no need as

such. But then, suddenly what happened is, you certainly you see an offer with a powerful lens and start imagining. So, what happens you go into the marketplace and suddenly you see that the company you I have the camera also Nikon is offering a additional lens or additional system of lenses which can battery or camera or which can help your camera in certain way or is using is offering you some kind of a device or some kind of an addition onto your old camera which can actually help you into taking more brighter and more lifelike pictures.

Now, do you see the opportunity? So, you are ready side with the camera, but then when you go into the marketplace you see that your company or some other company is offering you a better camera. So, your company is offering you some additional benefits, some kind of very good lenses which are there and you start imagining to buy that lens and. So, this particular thing is called the opportunity recognition. You are suddenly realize that these kind of lenses which are being offered are and also in terms of a sale or also in terms of lower prices actually present you with the opportunity to buy something some of these lenses at very cheap prices and not only with very cheap prices, it actually will help you in developing or your interest further and clicking very good photographs and so, this is called the opportunity cost.

So, the consumer does not perceive a problem, but perceive an opportunity that leads to a comparison between actual state and new desired state. Now, in this case when we started we had no need for a new camera or no need for upgrading the camera because I was particularly satisfied with it. But suddenly, when I go into the market, I find out the company that I have been using the camera off that particular company has offered or is offering a new set of lens which is on sale which is on lower prices and this I realize is going to enhance the have the particular thing hobby that I have which is of taking photographs and so, I realized that there is on need.

And so, need recognition is because the company is offering the opportunity not because I want to buy a new camera right. And so now, I start seeing the change between the desired state and the actual state and that leads to the difference between the desired and actual states. So, sometimes it is approaching certain opportunities in the market which actually help you realize this. Now, there are several influences, there are several factors which influence problem recognition into the market.

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Influences on Problem Recognition

- *Situational influences*
 - Replace products that are broken, lost, or worn out
 - Product acquisition leads consumers to recognize new needs
 - Changed circumstances lead us to perceive new needs

And so, what we will do is we look into these factors one by one. So, there can be infinite influences from the situations that people get into and that let us them understand that particular problem is there or difference between the actual and desired status or there can be certain market related factors which can actually help them realize that they have difference between they, they see a difference between the actually and desired state why it could be just something within the consumer some influences from the consumer himself which will realize that there is a difference between the actual state and the desired state that they want to go to the actual state that they are and they realize that the problem is there.

So, we will start first with something called the situational influences which are those factors which are in the situation itself and in a buying process which actually makes carbon consumer must realize that they have a problem or they have a difference between the actual and desired state. So, the first thing is, you please products that a broken law stove or not now sometimes it happens where such a situations happens, you have a particularly beautiful camera and suddenly what happens is the camera either gets lost or it gets broken down or it is worn out.

So, it is taking pictures, but not very good pictures or it may happen that you leave the camera somewhere behind or it gets it gets lost or somebody steals it or thieves steals it or you leave it behind or some other things happen and so, that situation is a situation

where you realize that you need a particular product and so, that situation can you and make you identify that you need a new camera and so, need recognition immediately is there.

So, situations in which you have old product at the product that have been use that you have been using either it is broken down at a lost or it is worn out, makes you realize that you need a product. Another factor which can help you realize that you need a product or there is a difference between the actual and desired state is the product acquisition teach consumers to recognize nudies. Suppose, you buy a particular product and so, this product is very good or whatever you have got is actually very good, but then this products needs some other product and that really makes you realize that you need and different product.

For example, I buy a 55 inch very good television led television and so, I am very happy I bring it home, but I realize that the sound that it is giving is although it is doll by digital, but the sound from the set television set is not very good. And so, immediately I realized the need for good home theater speakers because a 55 inch television is no good with very good sound and the speakers on the television set will not be enough for doing it and that is been probably what is been happening with the mi series of TV's which have come up which is very cheap very good.

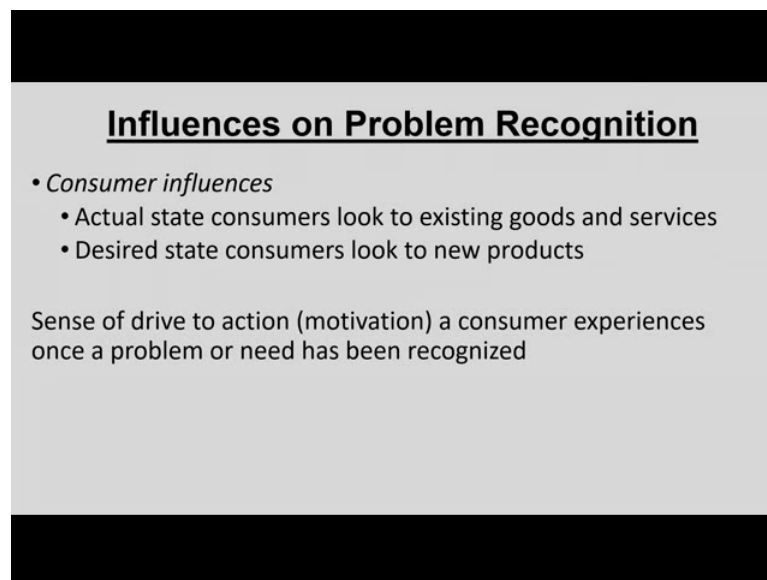
But the speakers are placed in such a way that the sounds are not very good. So, that is what some of the review say and so, it immediately tells you to buy a new home theater system which gets associated with the TV which of course, does not come with a TV, but you suddenly make this realization or the need develops that you have to buy a new set of speakers because this set of speakers which is used with a new TV, we will give you a different kind of a thought itself or a different kind of a pleasure itself.

The third factor which can actually involve or which gets makes you and realize that you need a product or there is a difference between the a actual state and desired state is change circumstances users to presume new needs. So, in this case is what happens is, sometimes you change places or certain circumstances around you change and that makes you realize that you need product and so, remember the example that I have been giving before.

Now, the student example now you graduate and you are going to new school and suddenly you realize that you needed your smart phone or on your mobile. Or it may so happen that certain situations, you are switching between jobs or switching between different houses or it may be that your old houses not worth living and so, you think of new houses and so, that gives you the realization that you will need more furnitures, more things to be looking at or it may be possible that you get a job overseas somewhere else and so, no realizations or new things will be there.

And so, that gives you the opportunity to realize that you have new needs. So, any change in situation we it has to be generally an external situation. So, we change in family income, change in place, change in time, change in job whatever we are looking at. So, any kind of change of the external nature which you realizes which makes you realize that two things have to be brought in, additional things have to be brought in creates a need for buying new things and that is one of the situational factors which make you realize that you have one you need and you start searching for information for that particular new need.

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Influences on Problem Recognition

- *Consumer influences*
 - Actual state consumers look to existing goods and services
 - Desired state consumers look to new products

Sense of drive to action (motivation) a consumer experiences once a problem or need has been recognized

The second sector process that actually helps you a consumer realize that he has needs or buying new products or that there is a difference between the actual state and the perceived state are something called consumer influences. So, certain consumer factors which actually also make people realize that they have a need for buying a particular

product or they should be looking for or they really need a new product. So, actual state consumers look for existing goods and services whereas desired state consumers look for new products.

So, those consumers which are act which, so within the consumer real aim itself, there are two kind of consumers we have something called actual state consumers and we have something called desire state consumers. So, actual state consumers are those consumers which are very happy with their all product. So, these consumers when they are highly satisfied with a product, they look for existing goods and services and so, when they are when they miss out something or when the product gets lost broken or something happens with them.

They actually look for the same products or the existing goods and services. So, these people try to find out what is new into their product or what can be done new with your product or look for their product only when replacing a product. Whereas, desired state consumers are those which actually look for new products. So, once desired state consumers are those consumers which actually are in the market for buying new product, they are not happy with the existing product and just start looking for the new product. Now, a sense of drive to action which is motivation a consumer experiences; once a problem or need has been recognized, so, once a problem or need has been recognized, the consumer realizes or motivation to buy that particular problem or to go for more such process.

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Influences on Problem Recognition

- *Consumer influences*

- Actual state consumers look to existing goods and services
- Desired state consumers look to new products

Sense of drive to action (motivation) a consumer experiences once a problem or need has been recognized

1. Optimize satisfaction
2. Prevent possible future problem
3. Escape from a problem
4. Resolve conflict
5. Maintain Satisfaction

So, there are certain motivations, there are certain reasons why the consumer actually looks for new products. There are certain motivations which make the consumer look for new products into the market and so, these motivations are basically categorized the five different types and once they buy the new product or they buy the existing products, they stuck with the existing product by the new product buy, buy the existing product itself.

They feel the relief from buying that particular product and so, the motivation the reasons the arouses or the drive to actions which lead them looking for new products or looking for the desirability for product are five in nature. Optimizing satisfaction; some people are out there in the market and the lake for a look for products or look for buying things because they want to optimize satisfaction and so, they realize that the product that they have been having is not actually giving them the optimal satisfaction and so, they are looking for products which will provide them the optimal satisfaction is. Some people in the market or some consumers in the market are who are looking for products are there because of the motivation of optimal satisfaction.

So, let us say I have a smart-phone and it is wonderful to use, but then it is not giving the kind of satisfaction that I am looking for, maybe it is not given it has a very nice camera which I am looking for from a camera enthusiast and I am looking for a good camera the mobile phone is very good, but it has no good camera. And so, I look into the market for new smart-phones because the phone that I presently have does not have good cameras

and that is one reason why there are phones in the market which are advertised on camera.

For example, and Nokia N-8 was basically induce with the market which had very good camera or brands like Oppo and Vivo into the market are there which are focusing their phone or which has may which are advertising their phone based on to the camera, they say it is a camera phone right. And so, the camera has been highlighted. So, it may be possible or a one reason why consumers are nice to the market, one of the motivation for them to be into the market for looking for new products is basically optimizing satisfaction and once they buy a good camera phone, they are optimally satisfied.

The other second reason why a consumer would be into the market or those consumer influences which basically means the consumer reasons why they of arousing the need is basically to prevent possible future problem. So, sometimes consumers going to the market to buy a products because they do not want future problems to be there. So, all those people to the market who are refilling there in inkjet printers inks and the inkjet printers or refilling the papers into the printers or refilling groceries into the home or why they are doing it they are doing it so that future problems do not actually occur. So, that they do not get into problems in future and so, these people are they are into the market or look they the need for the arousal I have need for these people and in the market is because they do not want future problems to occur and so, they are into the market and buying things or they realize the need for buying.

So, third is escaping from a problem. Now, sometimes consumers actually buy products so that they escape from a upcoming problem which is there. So, I see my camera which is very good, but I realized that there is a crack on to the lens. So, I buy a, so a new set of lens so that the camera does not actually go ahead and get broken and so, sometimes consumers are there into the market and they are looking into the market because they want to escape from a upcoming problem which is their or something which is a problem which is coming.

And so, though they realize the need to buy things, at times, consumers are there into the market because they want to resolve conflict. So, it may happen that somebody wants to buy a car and he goes and so, the husband wife both go to buy a car and so, suddenly the husband realizes that he wants to buy a very good car which has very good mechanics,

very good kind of Indian power and so on and so forth of the wife on the other hand is looking at design and so, the need for an optimal resolution of conflict.

So, need for buying a product which satisfied both comes in and so, sometimes consumers are into the market because they want to resolve conflicts and so, either if the husband thinks of buying a car which is basically not on to not offering very good shape, but offering you very good Indian power by the wife is pressing to buy a car which has a very good shape or very good dimension or leather seats and so, kind of features what they tend to do is that they tend to buy a product which satisfied both of them. And so, the need here arises because they want to resolve a conflict between the husband and wife or between any part number of parties which is there.

And sometimes, consumers or some motivations which may consumer go into the market or realize that they need is there is to maintain satisfaction. So, sometimes consumer and into the market because they want to maintain certain level of satisfaction and so, for maintaining this satisfaction and need arouses and he buys new things. So, the level of satisfaction which is happy she is been having stays there with him or is there with him for a longer period of time.

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Influences on Problem Recognition

- *Marketing Influences*
- Marketing information may lead the consumer to reevaluate his or her actual and desired states
- Price information can be influential
- Promotional activities: advertising, coupons, free offers, sweepstakes, product demonstrations, rebates
- Product or service developments can trigger a reassessment of actual and desired states
- Place actions can trigger need recognition

Now, there are certain market related factors. Now, there are certain market related factors which actually we will also help in problem recognition or which also influences how problem recognitions or how people actually realize that they have new problems or

they have new needs. And so, these marketing influences are marketing information, we will lead the consumer to reevaluate his or her actual desire states. So, sometimes when you want into the market, something into the market, something there in the market makes you realize that you have a new need that you have need for something and you realize in immediate chance to buy new products and so, one of these is price information.

Price information is can be influential sometimes you come to the market and you realize that there is a sale or there is a drop in price of certain products which is there in the market. And so, that makes you buy things or hold things together. So, realize all those trips to big bazaar or the nearest shopping center and on those Wednesdays which is the surface rested in kind of a tagline which this big bazaar has. So, why do they have it, because when consumers realized that the price is dropping where the price is low they are run in to the market to buy products because they want to take this opportunity and realize the need that the product is there and they want to buy it.

Another thing from the marketer or another factor from the marketer points of you and the market point of view which makes you realize that the need is there is promotional activities; for example, certain kind of advertisings, certain coupons which is their free offers, sweepstakes product demonstrations rebates all these things which is in the market. So, you want go into the market, there are people giving you coupons free coupons of one take something and buy something with it 50 percent off kind of a thing certain kind of advertising which pulls you towards certain kind of product.

So, certain kind of dynamic advertising which is there or free offers; so, buy something and get something free with it, buy two, get three kind of a thing; buy two levis jeans get levis jeans free out of it or buy one get two free where that does not happen. But that that could also be one of the things which is there or product demonstration sometimes there are products which is out there and it is demonstrated in such a way there are people who are demonstrating the product that is the immediately. For example, one of the things which in has never been able to capture is something called the dishwasher.

Now, when we I brought my first dishwasher, the reason was I went to the market and I realized that the way they were demonstrating the way, the company was demonstrating, it immediately appealed to me that I need this and it happens to most people when they

go there and see a product which is out there when they do not know whether this product is of use or not, but the kind of demonstration that the servicemen gives that makes him realize that the product is important and he needs it and so, he goes and buys it.

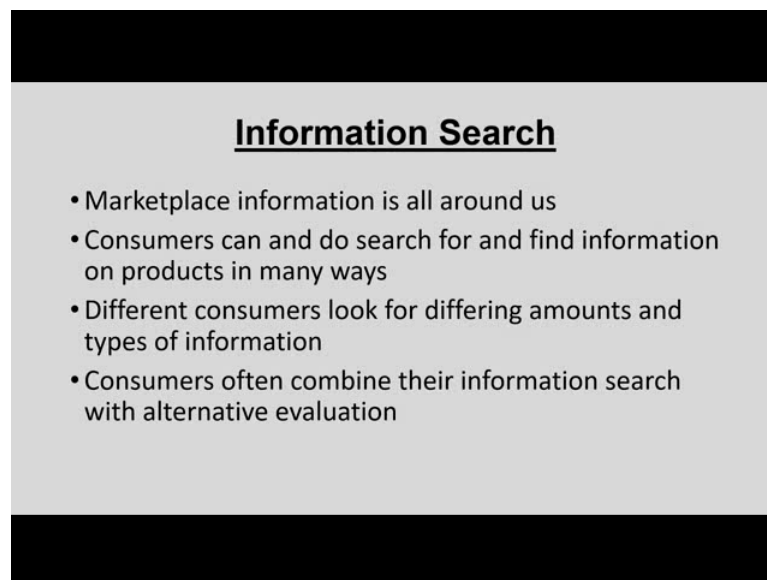
So, certain kind of demonstration, certain kind of advertisements in the market or coupons in the market makes people realize that then you would product. Our product and service developments can trigger a reassessment of actual and desired state it may. So, happen that you have the LCD TV that was at old technology and so, with LCD TV everything was very good, but then the LED came in and so, this improvement from the LCD with the led make you realize that you need a new television right. And so now, you have the UHD TV and then you have something called the Amoled TV. So, basically what is happening is as new products are being developing, as new products are coming to the market, it makes you or gives you the chance to look at better services, to look at better things which are all around, to look at better benefits from the product and so, you reevaluate your status and think of buying new products or a new need is recognized.

With apple when I have brought my first LED TV, the LCD's were out there and so, I had an older cd TV, but I realized the led gives you more lights or it stays there for more period of time. And now even a year and 2 years have not passed there is the USD and the Amoled TVs and so, this developments of products this development of any product which is out there which sometimes creates needs in people to buy newer products into their. Place of action can trigger need recognition and sometimes what happens is there are certain plays of factions what is the that what is the place that your that this advertisements are sometimes it is very near to you and so, sometimes these places where this demonstration are there can actually lead to their recognition.

For example, it may happen that you and to the market in the marketers say that five people will visit your house and then demonstrate everything into your house or they will show you how it works into your house and so, with the ves of it or sometimes marketers send people with products into your house to show how easily things can be done. And so, this clear the fraction where the in your comfort of your own home they show you things that also sometimes makes you develop that and your product is there or product is there which you need.

For example, buying water filters. So, these aqua guard people you will see running around with their machines. Now, you go from house to house and demonstrate that this is the need and at a at the at the house itself at the comfort of your house, you realize that somebody is delivering you something which is going to you do not have to go anywhere and they are delivering you giving you enough information. So, you realize that the need is there for a water filter and so, this is one other reason. A marketer is a know basically market based reason which makes you realize that you have a need and the difference is there between your actual and desired state which is having the water filter and not having the water filter and so, as you see the distance to be more, you realize that a need is there and so, need recognition happens.

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Information Search

- Marketplace information is all around us
- Consumers can and do search for and find information on products in many ways
- Different consumers look for differing amounts and types of information
- Consumers often combine their information search with alternative evaluation

Now, once a need recognition happens, once you realize that you have a product be it from ending of the factors whether it is a situational factor, whether it has to do with the consumer factor your own factors your own motivations make you buy a particular thing or it could be market factor. Once a need has been develop, the consumer does a thorough search process of all the information of the product which is out there right. So, once you need, once you realize that you have a need for a particular product, what you tend to do what most people tend to do is look for information look search for information to the market for those products. So, marketplace information is all around us and consumers can do, consumers can and do search for and find information on products in many ways.

So basically, when you are looking so, of or when you realize that a new that a need is there for a particular product or you realize that you need to buy a particular product the and the need has been established, the next step that you do is search for information and this information that we are looking for is all around the marketplace, all around us. The marketplace is full of it, we it advertisements which is there may be a TV advertisements, be a radio advertisement, be it billboard displays, be it sales person which is displaying a particular product or be it is tupa stores which are actually showing you information about the product or product related information, be it consumer magazines, be it newspapers, be it editorial the articles on the internet, be it anything. So, the whole process, the whole plays around you in the market has all kinds of information, for all kinds of products all you need to do is search and consumers can do search for and find information of product in many ways. So, it could be looking at it advertisements, it could be also talking to people who have used the product.

So, you can talk to people who have used the product or those experts have used the product and that can also lead you to basically realizing that you need the product or you read the product and so, you can get more information from them. It could be of the full of word of mouth, a friend or relative would say that this product is good and you would think of buying it or it could be as simple as looking at an advertise and the paper advertisement which tells you both the product or it could be going into superstore and realizing that you need the product. So, there can be several ways in which you get this information. Now, different consumers look for different amounts and types of information. Now, the thing is one once this has been done marketer has to realize that consumers, all consumers are not same. So, different consumers have different abilities and based on that different consumers require different kind of information which is there.

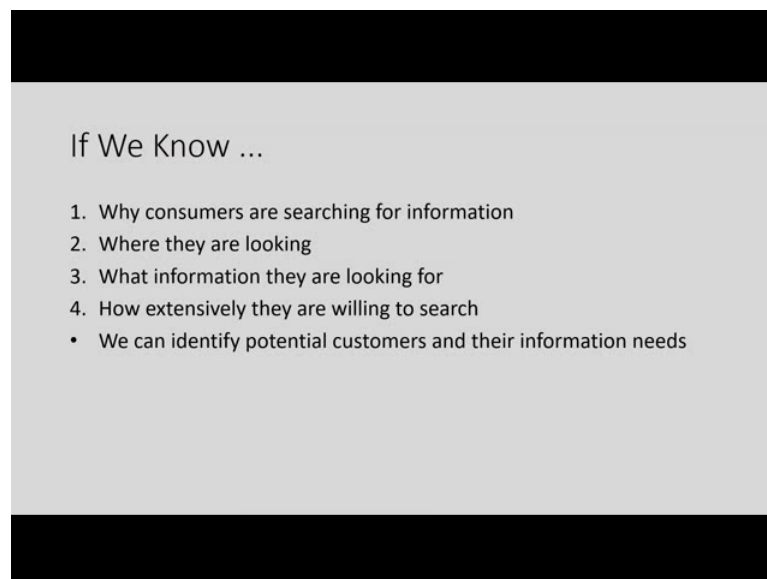
For the same product, some consumers are looking for just basic information and first some other consumers would be looking for more information. For example, look at cooking oil. Now, when I am looking at cooking oil, people who are health conscious, we were looking at each part of the cooking oil what is composed of, how much calories it is giving, what it is made up of, how much it is density, how much is the quantity and so on and so forth. On the other hand, somebody who is not that much health conscious,

we will only look at different kind of walls which is there and may only buy the oil, based on price or maybe some information.

So, that is there so, different consumers which is out there require different kind of information and different amounts of information which is out there. So, consumers often combine the information search with alternative evaluation. And so, why do they do they the information such the information search is being done because when they are comparing two brands, they can do a very good alternative evaluation.

Because this search information actually leads to the alternate evaluation; so, more such of information whenever consumer is searching an information, what is not what he is doing is, not only is he searching more information on the product that he is targeted on or he has zeroed in, but he is also looking for alternate products which are there and he is constantly doing this process of alternate evaluation with him.

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If We Know ...

1. Why consumers are searching for information
2. Where they are looking
3. What information they are looking for
4. How extensively they are willing to search
 - We can identify potential customers and their information needs

So, what is going to help us. Now, if we know these four or five things, but it will actually help us in the search process first; why consumers are searching for information? So, for marketers what happens is that as I said that there are different consumers and they require different information, there are certain factors which actually we will help the marketer in putting the information out there. And one of the thing is why consumers are searching for information with the marketer exactly knows, what is it, why is the consumer actually searching for information and use and looking for any

product related fact is that will have the manufacturer to put in for different kinds of information.

Now, if it is only for a surface level problem solving that is looking for information, surface level problem identification that he is looking for the information, then a very narrow information is to provided. But if a consumer is looking for if a consumer is an expert he is looking for information on the product in a deep level are more thorough example or a booklet can be provided to him which with more number of information. Where are they looking; if the market has come to know where is it that the consumer is actually looking for information; whether it is he is looking at the television or the visual media or if he is looking at newspapers for information, this will help him put more advertisements out there and put the advertisements strategic place, put the information at a strategic place so that they can be accessed. What information are they looking for?

Now, what is the content of information? Are they looking for details, hardcore, hardware details or they are looking for style information or they are looking for performance, or they looking for some other factor. So, whatever information that they are looking for, if that is available with the marketer what he can do is provide that information and provide them as at a place which is easily available. And also, when the marketer comes to know where is it that they are looking for information, what he could do is, he could make the information easily available right.

So, maybe put it at the front page of a newspaper. So, that it is accessible or provide a pamphlet, give someone a pamphlet. So, you would have seen small kid standing and outside stores giving you pamphlet us about product information and so, this is one easy way for you to give you the example to give you the information of what a particular product. How extensive will they are willing to search and sometimes marketers also need this information that how extensive people are actually looking for in information of, how extensive they are willing to search.

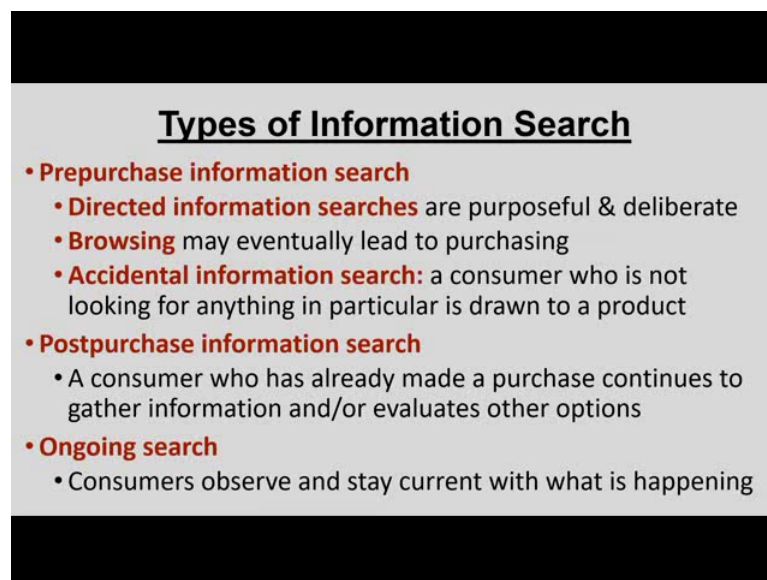
If the consumer is not willing to search extensively, then the information has to be very little has to be surface level information and provided very easily. But if the consumer is looking for extensive information or is willing to do extensive search for the information, more information can be provided to him in a particular way. So, we can identify potential consumers and there inform needs and so, one important thing that we can do is

we can find out who are the potential consumers, we can create a profile of the consumers from the from the needs that they have there from once I understand what means they have and we can actually create information from it.

So, we could have consumers who are looking for superficial information, consumers who are looking for deep information, consumer who are looking for aesthetic information, consumers who are looking for some other kind of information and create four or five versions of the same information about the product and display or send it to the marketplace. So, those consumers who are looking for whatever it is there will be a match and they will be satisfied with the information which is there. So, within the search itself, there are different kind of search that the consumers can do.

So, once the need has been recognized and once consumers have realized that through either the situational factors or consumer factors or market factors that they have, space between the desired space and actual space or desired state and actual state, then they start searching for more information of the product into the market and this is called information search. Now, there are several types of information search which is there.

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Types of Information Search

- **Prepurchase information search**
 - **Directed information searches** are purposeful & deliberate
 - **Browsing** may eventually lead to purchasing
 - **Accidental information search:** a consumer who is not looking for anything in particular is drawn to a product
- **Postpurchase information search**
 - A consumer who has already made a purchase continues to gather information and/or evaluates other options
- **Ongoing search**
 - Consumers observe and stay current with what is happening

The first kind of search is called the pre purchase information search. Now, in the pre person information search, what happens is we search find information before the actual purchase of the information and so, there are four or five, three or four types of there which is directed information such a purposeful and deliberate. So, one of one kind of

pre purchase search generally most pre purchase search start before we actually buy your product.

So, it is before it is immediately, after the inter cognition, but before making the alternate evaluation and choice and before buying the product and so, one way or doing the pre purchase search is something called directed information search. Now, in that information search, we actually go to those places where we are very sure to find the information; for example, if I am looking for car information, I go to car showrooms, I go to a mechanic shop, I go to those consumer magazines which are correlated for example, auto car is one magazine which provides of car informations or I go to those internet web bulletins or websites which are providing you car related information, right.

So, that is called directed information. There can be another kind of search which is called browsing which may eventually lead to purchasing second kind of information search is called browsing. Here, the consumer is not directed towards the particular product and so, he browses through he goes to several kinds of products which is they, several varieties of products which is there and from there, he collects information about all of them and then finally, he decides to buy one of them. And the third is something called accidental information search. Here what happens is, a consumer who is not looking for anything in particular is drawn to a particular product. So, here what happens is you are there and just because the fact that you are there, some company is offering something and do you do whenever meant to be together, but you are at the right place at the right time and so, what happens is you get to know something about a particular product which you an never looking for.

And so, these are called accidental information search. So, three kinds of information search which is in the pre purchase information category, which is the directed information the browsing and the accidental information search. Now, there is another kind of search which happens which is called the post purchase information search. Now, once somebody has bought a particular product and is either satisfied or dissatisfied with it, he can still go on looking at the particular product or look finding more information about the product that he already has.

Now, consumer who has already made a purchase continues together information and or reevaluates other options. Why he does that? He does that either to improve things on his

product, either to know more things about the product that he has brought or to gain more information about the product that he has brought or look for alternate, alternate availability of products which are better than this product present product and so on and so forth. And so, this is one reason why a post purchase is our post purchase search is done.

Even when you have a product and you have fully satisfied with it, consumers going to the market searching for more information through the existing product or the need for the product. And a third kind of search which is possible is called the ongoing search yeah, what really happens is that the consumer observes and stay current with what is happening. So, these are those consumers which actually are either real consumers and says that they have bought the product or they are willing to buy the product or sometimes they are not even willing to buy the product but they are doing the information search because they want to stay current with whatever is happening, whatever products are there in the market and these are called experts. So, experts are those people who do ongoing search. So, it and this ongoing search, can we or can start at can we at the pre purchase stage, can be at the post purchase stage or can be anywhere in between.

So, it is search for information what particular product which is an ongoing phase. So, in the present lecture, what we did was we looked at what is basically information, problem recognition, what is the factors which helps you into recognizing that you have a problem or recognizing that you have a need for a particular product. So, we looked at those factors and after that, we also looked at some of these factors of what once a need has been recognized, once the consumer realized that they need a particular product how do they actually go ahead and do the search. In the upcoming fourth lecture, we look into all those strategies or search, all those factors in information search of particular product and how this search is actually taking place or how this search actually takes place.

So, these this is the these two factors which is problem recognition and information search are the first two factors of the consumer decision process which is required for any consumer to be undergoing true for making any kind of purchase and making any kind of, getting any kind of benefit from any product into the market. So, I will see you again with the next lecture and we will discuss more about how the consumer actually

searches for information about production. So, that he is interested in buying or he is looking forward into the real market.

Thank you.