

Consumer Psychology
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Lecture – 06
Alternate Evaluation – II

Hello friends, welcome back to this 6th lecture of the course on Consumer Psychology. Now after the first 5 lectures what we have done is we have covered two main points into the idea of what consumer psychology is, first 2 lectures we looked at what is consumer behavior.

So, the definition of it and other things related to it and the variables which defined consumer behavior, which basically defines how the consumer behaves or how the consumer takes action into the actual marketplace. Now, next 2 lectures were focused on looking on how the consumer searches information about the products that he needs and how does he realize that he has a need for a particular product.

So, these are the two things that we were doing in the first 2 sections and the first 4 lectures. Now the last lecture we started on to the third step onto the EKB model, now what is the EKB model? If you remember from the last lectures this is the model through which the consumer decides which product to buy or which product to not buy.

So, when he goes with the market and he has all the information available about all the products that he has, the EKB model defines what the consumer is going to do in the market, how is he going to actually make a decision? And so, the first 2 steps in the EKB model is the realization of the need for the product and the second is search for the information about the particular product and that we did in the lecture number 3 and 4.

In lecture number 5, we looked at the first part of alternate evaluation which is the process which comes right after the consumer has all the information about the search information that hit into the market. So, alternate evaluation as we saw in the last lecture is basically dependent on certain criteria, we described those criteria and alternate evaluation is actually a process through which the consumer makes choices he decides between what products to buy and what products not buy.

Now the present marketplace is a huge market place or it has a lot of products offering a bundle of benefits to the consumer. And as we saw the underlying meaning of consumer psychology is buying benefits rather than buying products. So, the consumer does something right, he does something about choosing from products, which products to buy and which products are not.

And this process of making this choice is called alternate evaluation and in the 5th lecture which is the previous lecture that we did. We looked into all those criterias of how the consumer makes this choice and what is silent and determinant criteria and factors like price country of origin which helps the consumer actually decide of what product to buy and what not to buy.

Now in today's lecture what we are going to see is what is the decision rule that the consumer uses in choosing between product. So, what kind of decision rule does he use while he is evaluating two products and many as all the information about all the products that are available into the market.

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Consumer Decision Rules

- Marketers encourage consumers to make purchase decisions that favor the marketers' brands
- A **noncompensatory consumer decision rule** is one in which *the weaknesses of a possible alternative are not offset by its strengths*
- A **compensatory consumer decision rule** allows *for trade-offs among strengths and weaknesses*
- If two alternatives are close in evaluation, *the one that takes more thought processing effort will be seen more negatively*

And the next thing that we are going to look at is something called plant versus and plant purchase. Now, voltage evaluation is not only dependent on the criteria that the consumer uses for choosing the product, it is also dependent on something called the decision rule that uses, the rule of thumb that uses the kind of mathematical rule that he uses for choosing between the product.

So, that was the first part of this lecture and the second part of this lecture will be looking at plan and un-plan purchases, I said these there are two kind of purchases that happen into the market. And so, they have a major role to play in alternate evaluation because, this alternate evaluation of choosing one product over the other is not an easy process.

And so, it differs between these plan and unplan process processes or unplanned purchases and that is what we are going to see in the up in the later part of this lecture. So, basically the consumer decision rules, what are consumer decision rules? Now as we know that marketers they encourage consumers to make purchases decision that favor their market brands.

Of course, the underlying meaning of any marketer, any product manufacturer is to put information into the market and somehow make it available to the consumer so the consumer while deciding to buy a product prefers his product or his brand. So, that is the underlying role or underlying need for any marketer. And so, for that to be necessary, for that to happen, the marketer has to understand how the consumer actually takes in information from the market and makes the actual decision? Now criteria are good, because they tell you on what basis the consumer is going to do, but what is the actual process of this decision is what we are going to look into in this part of the lecture. And this is lecture number 6 in the series of lectures that we are going to hold.

So, basically the consumer has to various ways or to varied ways through which he makes decision about particular brands or he does alternate evaluation based on the information in the marketplace. The first method that uses the first process that he uses is called the non compensatory decision rule and the other is called the compensatory decision rule. Now there is a very subtle difference between the non compensatory and the compensatory decision rules, what is the difference? The difference is that in the non compensatory decision rule, the weakness of the possible alternatives are not offset by their strengths.

So, basically in the non compensatory we do not compensate for weaknesses and strengths. So, basically if you buy a product let us say if we buy a product A and it has a particular weakness. For example, in terms of let us say I like product it has style, but it has lower perceptibility or it has lower price, but it has no style.

Now, this kind of trade off is not supported in non compensatory decision rule. So, the weakness of a product is not sort of taken care of by its strength and that way of making decision is called the non compensatory decision rule. Now the second decision rule that the consumer uses or consumer decision process utilizes is called the compensatory decision rule.

And so, what is the compensatory decision rule? It is a comp the compensating decision rule allows for the trade off among strengths and weaknesses. So, here the strength of a product is it is traded off or is replaced by its weaknesses. So, some strength can actually cloud the weakness of the product or some weakness of the product can actually make you not make a decision. And so, if you look into these processes or the compensatory and the non compensatory decision making you will quickly understand that non compensatory actually does not facilitate decision rules, it is basically non facilitative in some ways, but the compensatory decision rule is facilitative because it compensates.

So, basically, it improves decision making or it promotes decision making into the marketplace based on the information that you have about various products that you are going to do the evaluation for. Now let us quickly look into these compensatory and non compensatory decision rules. So, basically the non compensatory decision rule are four different types, we will discuss them and the compensatory a two different types. So, we will quickly look into these compensatory and non compensatory decision rules.

And if two alternatives are close in evaluation the one that takes more thought processing effort will be seen as more negatively. So, if two alternatives which are more or less same thought provoking or in terms of evaluation in terms of likingness, if two products are very equal in terms of likingness, the one product which takes up a lot of your cognitive process or lot of your time and effort and in deciding whether you should go for it or not. Rather the second product which is taking lesser time for you to decide whether you should go for it for not that product is the one taking more cognitive process is actually something which is not preferred by consumers.

So, basically in a situation where there are two products which take the same amount of or offer the same amount of benefits, the one which requires you to do a more work, a little more work is not preferred than the one which is not offering you or does not

involve you that much or does not require an effort from your side to make the decision. And when does this happen when both products are equally lucrative they offer the same kind of benefits which are there.

So, basically it is it is consumers generally the term of rule is that consumers generally makes decision in terms of ease, how easily the information is available and how easily he can make that decision. So, that decides and so if a product is if two products which are equal in strength in benefits and one of them requires more cognitive process it is the one which is not preferred.

But, if a product benefit is more and it is some kind of more lucrative to you and that requires more cognitive process. So, that product benefit requires more cognitive process then it is preferred so, these are the two different distinctions which we have to understand.

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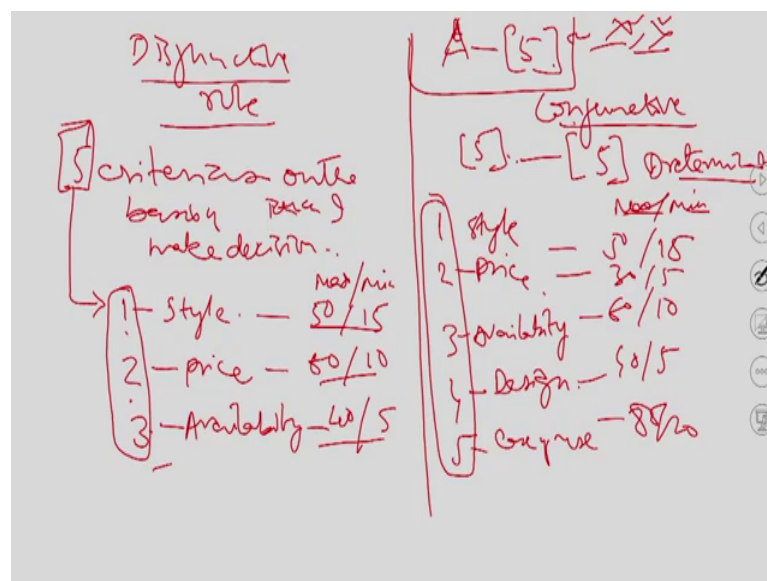
Non-compensatory Rules

- **Disjunctive rule**
 - Consumer *establishes a minimum "score"* or level of benefits to be delivered on each determinant criterion
- **Conjunctive rule**
 - Consumer *considers all criteria as determinant, and a minimum/ maximum acceptable* value or score is established for each one

So, non compensatory decision rules, so, there are the first kind of rule the non compensatory decision rule is called the disjunctive rule. Now what is the disjunctive rule? Consumer establishes a minimum score or level of benefits to be delivered on each determinant criteria. So, what the consumer does is he actually looks into a number of determinant criterias and establishes a minimum score on all those determinant criterias and based on that, he actually makes the decision.

Whereas, in the conjunctive rule consumer considers all criteria as determinant and a minimum maximum acceptance value for our score is established for each other. So, subtle difference between that in the disjunctive rule, consumer establishes minimum score or level of benefits to be delivered on each determining criteria. Whereas, the consumer consider all criterias determinant and a minimum maximum score acceptable value for each score is established for each in the conjunctive rule. So, let us look into how does this really work.

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So, in my disjunctive rule, let us say I look at so, let us say I have 5 criterias on the basis of which I make decisions what I do is out of these 5 I try to and limit or determine the determinant criterias. So, 5 criterias in total so, basically let us say I have a product A; of product A which I want to buy and there are 5 criterias on the basis of which I am going to buy the particular product.

So, while using the disjunctive rule, what I tend to do is I trying to determine those criterias which are determinant. So, out of this 5 let us say I have three determinant criteria and I have criteria number 1, 2 and 3 and they are determinant and let us say it is style, price and availability.

If these are my determinant criterias and if I put a score to it a max score and a minimum score to it. Let us say I say a max of 50 points a minimum of 15 points here, maximum of 60 points here, a minimum of 10 points here and a maximum of say 40 points here and

the minimum of 5 points here and that has to be achieved then this is called the disjunctive rule. So, what did I do I looked at 5 criteria so, as I said this product A which is supposed to be brought has 5 criterias on which the consumer actually sell it says. And what he does is if he looks into these 5 products or if he considers only 3 out of these five characteristics on the basis of which he buys the product. And he sets a maximum minimum value for it the so, if the consumer will why 2 brand. So, let us say I have a brand x and y and if these x and y brands have these 5 features.

Now, what the consumer does in disjunctive rule is he looks at both x and y who has all the five features or all the five characteristics and he sets a maximum and minimum score in on the three determined criteria the criteria that he considers important. And if my product x and y are tends any of these criteria I am going to buy it right.

So, what I have done is from the 5 criteria I have determined first of all 3 determinant of criteria set a maximum minimum value for that and then I compare these x and y products which I have all these 5 criterias. And whether they are acquiring this maximum and minimum score or not and based on that I make the choice and they say this is called the disjunctive.

Now, in the conjunctive rule what I tend to do is I will consider now as I said there are 5 criterias. So, what in conjunctive as in disjunctive rule I determine a determinant criteria in the connective rule, all 5 criteria which is in my consideration set, which is the benefits that I want is considered as determinant. So, all 5 criteria now becomes determinant and what I do is.

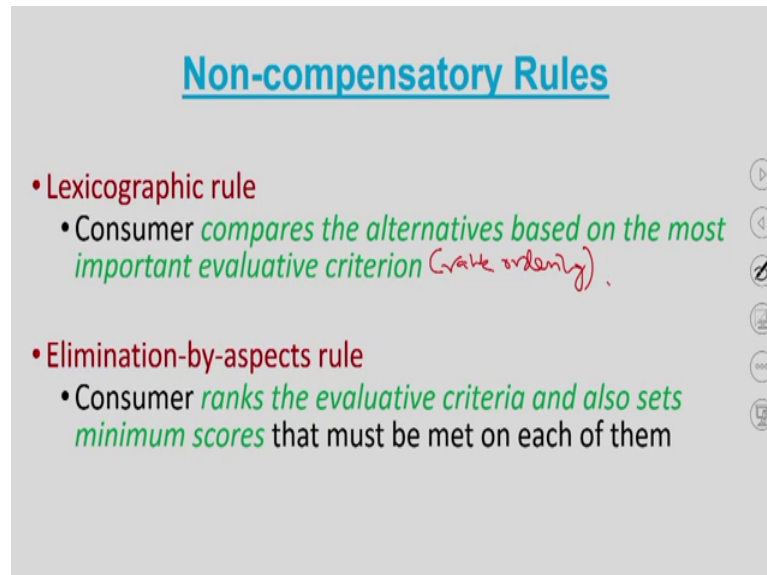
So, these are 5 criterias style is 1, price is 2, availability is 3, design is 4 and ease of use is 5 let us say. Then I said a maximum value and a minimum value for these let us say here I said 15 5 5 55 60 and 10, 40 and 5, 30 and 5 and let us say 80 and 20.

And so, I consider all of these 5 and based on that I am making the decision. And so, this is the distinction between disjunctive and conjunctive rule, in disjunctive I look at all the criterias from that I determine the determinants criteria the out basis of which I will make the decision, then set up maximum and minimum and then compare the products.

Whereas, in the conjunctive rule what I do is? I consider all the criteria set maximum minimum values compare the products on the maximum and minimum value and then

make the final choice. There are two more rules which are non-compensatory that the consumer actually uses to buy products.

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Non-compensatory Rules

- **Lexicographic rule**
 - Consumer *compares the alternatives based on the most important evaluative criterion (rank ordering)*.
- **Elimination-by-aspects rule**
 - Consumer *ranks the evaluative criteria and also sets minimum scores* that must be met on each of them

And these are the called the lexicographic rule and the elimination by aspect. Now what is the difference in the lexicographic rule, the consumer compares the alternatives based on the most important evaluative criteria. So, he first of all he does something called rank ordering so, the consumer does something called rank ordering of all the important criteria. And based on that considers the how the criteria which is highest rank, which has the highest rank and based on that he actually makes the comparison.

And elimination by aspect rule is the consumer rank is the evaluative criteria and also sets minimum scores that must be met on each of them and that is how he does this elimination by aspect. So, let us look at how does this lexicographic rule was.

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The image shows handwritten notes on a digital screen. On the left, under the heading 'Lexicographic rule', there is a list of five criteria with their respective ranks: 1. Price - 1, 2. Style - 2, 3. Color - 3, 4. ease of use - 4, and 5. Availability - 5. To the right of this list are three empty rectangular boxes. On the right side of the screen, under the heading 'Elimination by aspect', there is a table with two columns: 'Aspect' and 'Rank'. The table contains the following data:

Aspect	Rank
1. Price	1
2. Style	2
3. Color	3
4. ease of use	4
5. Availability	5

Now, in my lexicographic rule, what I do is first of all let us say my same product A which is 5 different features what I do is and xy are the two brands, which are offering me these 5 products. So, what I do is in lexicographic I will first rank order. So, what I do is let us say I rank order saying 1, price is of the highest rank right. So, this is my rank that I do to the product price is number 1.

So, let us say let's name it this way B is style, it has a rank order 2, C is color rank order 3, 4 is ease of use it is number 4 and availability is 5, rank order 5. So, what I do is this is my highest rank order and so, I will compare x and y on this particular rank or this particular price. Now, if they are comparable then I will move to the second one and if they are comparable I move to the third one. So, here no minimum maximum scores are actually made what you do is you look at the rank ordering of all the criterias which are there. Then the first the most dearest criteria on which you are going to make the purchase is chosen and then if you compare x and y on that.

If they are comparable then, you move to the second criteria if they are not then the 1 which wins here so, let us say x is of lower price and y x will win and x is brought. Now in terms of elimination by aspect it is just a variation of this rule so, it is the same 5 rules and so, I will go with 1st price, 2nd is style, the 3rd is color, 4th is ease of use and 5th is availability.

And so, now, what I do is I compare x and y brand here by setting a maximum and minimum value here. Now the only difference is here what happens is there is no maximum and minimum value on the first rank it is this is also ranked order again, this is ranked ordered. So, this is priced as the highest rank, 2nd rank is style, 3rd rank is color, 4th rank is ease of use and 5th rank is availability.

So, it is rank ordered here although it is rank ordered, but the 1st one is where it is compared if they are not matching, if they are matching the decision here the decision process stops and the product is the product is chosen. If it does not if it matches on this there is a tie it will go to the 2nd one, 3rd one, 4th one, 5th one and so on and so forth. Now in this case what will happen is a maximum minimum value set for each criteria or rather a minimum value is set for this criteria.

And so, let us say the minimum value is 30 here, the minimum value is 15 here, the minimum value is 10 here, the minimum value is 15 here and the minimum value is 5 here, And so, if two products attain this particular value then they are chosen. So, let us say x and y are compared on the 1st one 30 is the minimum if both of them attain 30, then I will move to the 2nd if not then the one which attains 30 is carried forward the ones which are attaining 30 will be carried forward it is 15 it is so on and so forth.

So, here elimination by aspect is basically looking at these criterias or basically looking at these minimum values and based on that I am making the final decision of what to buy and what not to buy. So, similar to this are the compensatory rules. So, basically in the non compensatory ruled or non compensatory decision making model what we tend to do is we do not compensate the strength and weakness. And so, products are compared not in terms of the strength taking for the weakness of a taking for the strength does not strength for weakness. So, they do not compensate, now where are much better decision rule which actually makes people buy products or which helps people making easier decisions is called the compensatory rule. And so, what is the compensatory rule?

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Compensatory Rules

- **Simple additive rule**
 - Consumer scores each alternative on *each of the evaluative criteria* and *sums the individual evaluative criterion scores*
- **Weighted additive rule**
 - Consumer assigns a *relative weight to each evaluative criterion*. Then the score on each evaluative criterion is multiplied by the relative weight. These weighted scores are summed for each alternative being considered

So, in compensatory rule what happens is there are two rules, one is called the simple additive and the other is called the weighted average. And so, what is simple additive rule and what is the weighted average rule? In the simple additive rule it is very simple consumer scores each alternative one basis each of the evaluative criteria and sums of the individual evaluative criterion score.

So, that is a simple addition which is there and weighted average consumer assigns the relative weights to each evaluative criteria then, the score on each evaluative criteria is multiplied by the relative weight these weights are scored and sum for each alternative being considered.

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Simple Additive				
	Max/min (10)			
	x	y		
1. Price	10	5	8.5 avg	
2. color	8	5	6-7	
3. Availability	10	10		
4. ease of use	5	5		
5. Design	10	5		
	42	30		
	42/5 = 8.4	30/5 = 6		

Weighted Average				
	Weights			
	x	y		
1. Price	10	5	10/5 = 2	
2. color	8	5	8/5 = 1.6	
3. Availability	10	10	10/5 = 2	
4. ease of use	5	5	5/5 = 1	
5. Design	10	5	10/5 = 2	
	42	30		
	42/5 = 8.4	30/5 = 6		

So, simply looking into how this works. So, my simple additive and here is my weighted average. So, same product A and it has 5 different criterias to look at and there are 2 brands x and y which offer this x A product right. So, in simple additive what I will do is? I will again go back to the 5 different things so, price, color, availability, ease of use and design.

So, 5 different things and then there is a score for it a max or whatever minimum score you say on a 10 point scale you will give it how much score does this particular product attain. So, on price let us say the x and y so, this is my x and this is my y what I do is x on basis of two price.

So, I am just comparing two brands which are they x attains the score of 10 here, it attains the score of 5 here and because it is a 10 point scale. So, it attains a score of 8 here, it attains the score of 5 here again 10 and this is 10, this is 5, this is 5 and this is 10, this is 5. And so, what I will do is? I will do a simple summation and so, simple summation is 42 here whereas, in this case 30 here.

So, value 42 here and value of 32 here and all the 5 criterias that I am looking at the simple average is 42 here so, 42 divided by 5, 30 divided by 5, the score I get is 6 here and the score I get here is 8 point something so, 8.5 right.

So, 8.5 versus 6 and so, x has a weight of 8.5 and this has a weight of 6 and so, I choose this particular product x over y. Now in weighted average a simple alternation is done here what happens is? I look at the same criteria. So, 1 2 3 4 5 I will have price, I will have color, I will have availability, then ease of use and then design and these are my x.

So, even before going to x and y I will set up weight. Now what is the weight? Weight is how much desirable this particular criteria is, how much liking this criteria has? So, let us say price has a weight of 10, color has a weight of 2, availability has a weight of 4, ease of use has a weight or 6 and design has a weight of 4. So, these are the weights means; how much desirability that they have for you how much likingness do you have for these particular or what is the use of these how much requirement that you have.

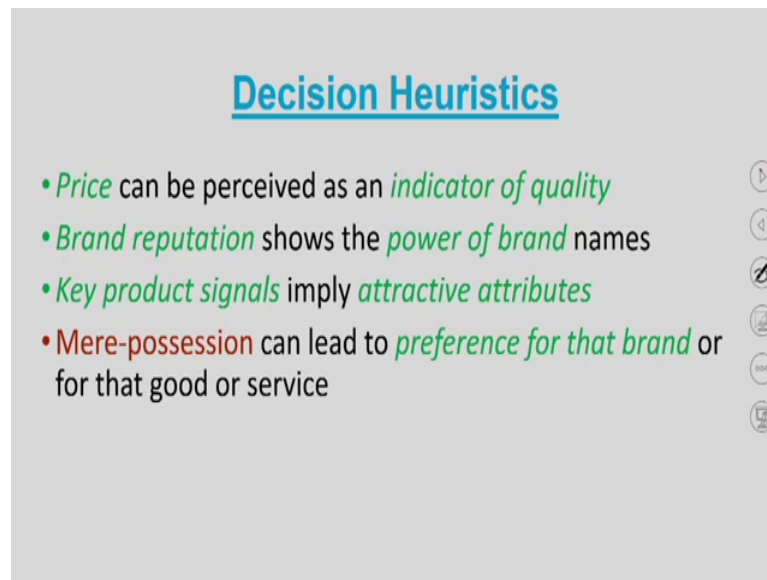
So, weight is mental method of saying how important it is these criterias are and so, now, I have x and y and the score same score. So, 10 8 10 5 10; 10 8 10 5 10 and in this case I have 5 5 10 5 5 5 5 10 5 5 what I do is I look into x into weight x into weight. So, x multiplied by the weight and y multiplied by the weight and so, what I will do is? Simply looking into 10 into 10 is 100 in for x and for y the same score is 5 into 10 is 50.

In this case, it is 80 the 8 so, this weight here is 8. So, 8 8 64 here and in this case 40 similarly sorry the weight here is 2. So, it is 16 here, 16 and the weight here will be 10. Similarly in this case, 10 into 4 is 40 and 10 into 4 is 40 and in this case 30 and 30 and in this case 40 and 20. And so, a simple summation will give me how much? So, I have 40 80 110 210 226. So, my score for x is 226 divided by 5 and for y the score is 100 110 and 150 180 200 divided by 5.

And so, here I will have somewhere on 5 50 and 45 or something this is the weighted average. So, basically it taking the so, what I do is the summation of the total value that I get here by multiplying. So, what I do is? The weight is multiplied by the value of x and weight is multiplied by the value of y and this sum is then divided by 5 and the value reached. So, here I get a value of 5 for x and for y I get a value of 45.

And so, these are the ones which are which I actually go ahead and look at and so, 50 is more and so, I buy this. So, basically weighted average and simple additive two different rules of how to make decisions or decision making rules.

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Decision Heuristics

- *Price* can be perceived as an *indicator of quality*
- *Brand reputation* shows the *power of brand* names
- *Key product signals* imply *attractive attributes*
- *Mere-possession* can lead to *preference for that brand* or for that good or service

So, it is not only that, there are mathematical rules decision making because generally you do not have most consumers actually do not have these are not aware of these this mathematical rules for making decisions. And so, there is a third decision rule which is called the rule of thumb.

So, if the product is not high involvement with the product does not require a lot of involvement from your site, in those cases these many calculations these many mathematical calculations are not banned by consumers. But if your product is very dear to them it is highly approachabilities highly desirable on those cases he does the mathematical rule or uses this kind of a conjunctive disjunctive rule or maybe compensatory not compensatory rules.

But, this is these are not the only rules for making decisions, there is another thumb of use rule or rule of thumb heuristic rule for making decisions that consumers actually use. And so, one of these is called price and so, sometimes the consumers actually do not go through this process of making these evaluations and based on that making the decision he uses price.

So, price can be perceived as an indirect indicator of quality and so, more higher prices articles are products which are higher prices are generally known to be classy to have higher quality. Whereas, products which have lower prices are considered to be non

quality products and so, price then becomes a tie-off rule or basically a heuristic method for judging whether a product is or how to buy a product.

Similarly, I have something called brand reputation which also sometimes shows you or is actually a decision heuristic that people use for making decisions between or choosing between alternatives which are available there. So, what is brand reputation? Brand reputation is how much the brand is known.

So, when you are buying your shoes, let us say if you are buying a shoe its Bata is on one side, in Nikes or other side Nike has a high brand reputation, people all over the world when it is a reputed brand everywhere there is a big showroom as the outlet is very good. And so, based on that and advertisements you have seen so many people using them so, many famous people using them.

And so, in those cases brand reputation actually represents the power of a brand that represents how good the brand is going to be and so Nike as on terms of its brand reputation, scores to be a higher or brand or an easier choice in between Bata and Nike. And so, that is how sometimes consumers actually make choices of what to buy and what not to buy.

So, that is a decision heuristic and sometimes key product signals employ attractive attributes, sometimes there are some key product signals which are also there which actually tell you about how good our product is. For example, coffee; the aroma of a coffee for a very good aroma, the coffee is known to be very good. If it is bread that you are after if you go to a bakery the fresh smell of bakery products or a bakery bread will tell you how fresh it is and so, that will tell you whether it is a good quality product or should you choose this product over the other product.

Smells, tastes and that kind of things are key product signals which actually tell you about the particular product. The 4th is mayor position can lead to preference for that brand or for that goods and service. And the 4th decision heuristics or the 4th rule decision rule, rule of thumb, that people use in choosing between product A and B or two different or many different products is mayor position.

Sometimes people buy just possessing a product such believing that the product is good and that is a thumb of rule. So, you bought a product and you bought a cell phone that

was the one which was also available and so, you brought it and now by just processing it you believe that this brand of cell phone is very good. And so, that makes a decision rule.

So, next time when you are satisfied with it you will actually go ahead and buy it and that makes you or that makes criteria in itself for deciding between alternative brands of products which are out there. So, these are the different decision rules or different decision processes that the consumer go through while making a choice between available brands in the market and once he has all the information about all the available brands which are there and what the benefits is going to get.

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Initial Commitment by Consumers

- During alternative evaluation *consumers first commit to a product category* and then move toward selecting a *specific brand or retail outlet*
- Consumers are particularly *receptive to messages from marketers* during this stage
- The *amount of help* needed depends on the *extent to which* their purchases are *planned or unplanned*

So, during alternate evaluation consumers first commit to a product category and then move towards selecting a specific brand and outlet. So, in alternate evaluation first the consumers actually look at he looks at the product, the first step in alternate evaluation because it is consumers are not buying brands, they are buying as I said benefits and benefits are related to product. And so, the process through which this works the process through which the alternate evaluation works is first zeroing in and on the product and from the product then, he moves up to specific brands.

So, if you are buying you have to first know that you are buying shoe or maybe or sandal or something else and within the shoe category. So, if you want the shoe, if you want a sandal or so on and so forth. Once you have decided that then you will go forward for

looking at different brands which are out there maybe just Skechers you are looking at, maybe it is Bata that you are looking at maybe it is design that you are looking at so, different companies.

So, that is how actually it really works so, there are some initial commitment that the consumer does and the first commitment is that looking at the product category and then moving to the brand or retail outlet. So, consumers are particularly receptive to messages from the marketers during this stage so, all information about products of different brands when they provide information about products, about the product benefits that role plays a key role into this alternate evaluation.

So, as I said the first step in alternate evaluation is focusing on zeroing in on the product and then looking at the brands. And so, at that time when the consumer is actually looking at the product and then deciding the brand, if enough information of quality information is given by the marketer of the product manufacturer, what is product to the consumer at this point of time that is of high importance and that is very receptive the consumer is very receptive at that point of time.

So, the amount of help needed depends on the extent to which that their purchases are planned or unplanned. And so, this information that the consumer that the marketer is providing to the consumer in not need alternate evaluation or before the process of alternate evaluation is also dependent a lot on what kind of purchase you are doing. So, there are two kinds of purchases that we actually tend to do into the marketplace, one is called the unplanned purchase the other is called the planned purchase.

And so, depending on the type of purchase that you are making that you are intending to do into the marketplace. The product or the information that the marketer has to give you is depend is varying on what kind of product that you are actually looking forward for into the market.

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Planned versus Unplanned Purchasing

- **Specifically planned purchase**
 - Consumer *decides on the item and even the brand* before visiting a store or investigating other outlet options
- **Generally planned purchase**
 - Before visiting an outlet, *consumer decides to purchase an item from a certain product category*; the specific item and the brand are not yet decided

Now planned versus unplanned purchasing, now, specifically this what is planned purchases what is unplanned purchases? Let us make a distinction right here. Now as I said this planned unplanned purchase purchasing also plays a lot of role in to alternate evaluation. And this planned and unplanned purchasing has a lot based on what information is coming from the marketer or what quality of information is coming from the marketer.

So, let us make a quick distinction it is what is planned, what is unplanned purchase? Planned purchase is that purchase which you have decided, you have gone through the process of buying it the need is arouse. And you have made a plan or you have actually decided before going to the outlet or before approaching the product in his physical sense a buying it is called planned purchase.

So, a planning has been made to buy it, unplanned purchase on the other hand are those purchases which happen through sudden suddenness or which happens out of the blue. So, this is those kind of purchases where things like impulse buying happen. So, you are there doing window shopping certain things attractive and you buy it.

On the other hand, planned purchase is that where a planning has been made, funds have been saved all kind of information has been gathered about the product and then you finally, go to make the purchase. So, there is a distinction between a number of planned and unplanned purchase we will actually look into what these are. So, specifically this

planned and unplanned purchase is within the planned purchase there are number of planned purchase types which are there.

The first kind of purchase type within the planned variety is called the specifically planned purchase. So, what is specifically planned purchase? Consumers decides in the item and even the brand before visiting a store or investigating other outlet options. So, here in the specifically planned purchase what the consumer actually does is even before going into the market, even before going into the store what he decides is what is he going to buy and which outlet is he going to buy.

So, if I think of buying levis jeans, if I am a need of a jean and if I think of buying a levis jeans and I decide to go into a levis store into the city and buy a levis jeans from a levis store this is called specifically planned purchase. Because what has happened here is even before interacting with the product even before the process of evaluation happens I have pre decided of on what product to buy, what brand to buy, what outlet to buy and so on and so forth. And so, in these cases the process of purchasing is called specifically planned purchase. In comparison to that there are something called generally planned purchase, this is another kind of purchasing which happens into the market.

And so, what is generally planned purchase? Now before visiting an outlet consumer decide to purchase an item from a certain product category, the specific item in the brand are not yet decided. So, here what happens is in this kind of generally planned purchase where the consumer knows is that he has to buy a particular product, but what he has not decided is what product is he going to buy, from which brand, from which outlet those things are not decided.

And so, subtle difference between them, in the specifically planned purchase what has happened is I have decided on everything, I have decided on the brand, I have decided on the type, I have decided on the product and I have decided on the store outlet and the way of buying it and everything.

In the space general buying per chance it so happens that only a product category has been outlined, but we are going to buy, how you are going to buy, what you are going to buy, which outlet you are going to buy has not been decided. And so, in this cases it could be in generally planned it could be that I am going to buy vegetables let us say. Now if I am going to buy vegetables it is a generally planned versus because I have not

decided on what vegetable I am going to buy, where am I going to buy, whether I will do a comparison on price or not, which type of vegetables that I am looking at.

And so, within category distinction outlet and so, many other things are to be looked at, whereas, in a specific planned purchase as I said if I am buying to going to buy a particular levis jeans from a levis store this is called the specific planned purchase. And so, subtle difference between them, when the category is decided, but planned, but that actual product the place of buying, the way of buying is not decided it is general planned purchase whereas, with everything is fixed up it is called the specifically planned purchase.

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Planned versus Unplanned Purchasing

- **Substitute purchase**
 - Consumer *switches from a specifically or generally planned item* to an altogether different one
- **Unplanned purchase**
 - No *conscious prior consideration* or need recognition

Then in addition to these two types there is also something called substitute planned purchase or substitute purchase and what your substitute purchase? A consumer switches from a specific or generally planned item to an altogether different one. And in substitute purchase this is also planned purchase so, I am going to buy let us say I am going to buy pants right.

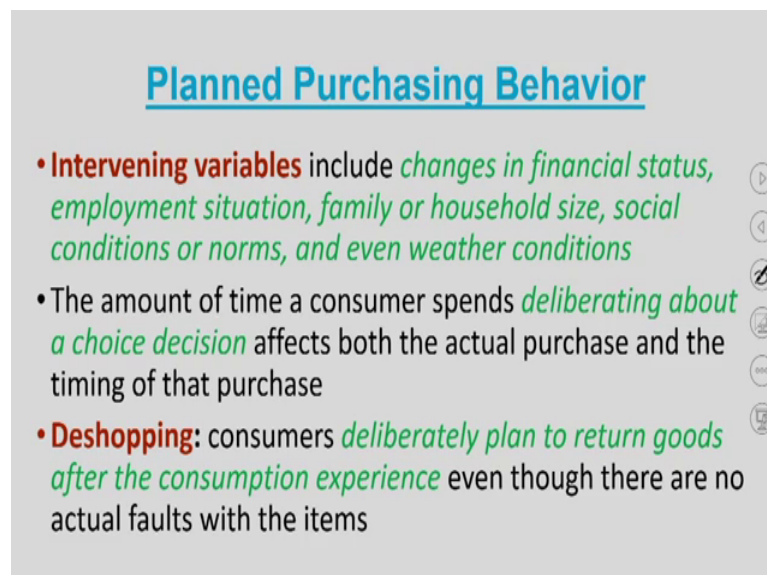
I want trousers and so I go into the market I am looking for a jeans and suddenly I find out or an offer which is on let us say tracks or an offer on cargos. And so, I decide to buy the cargo and or tailor pant or formals and not buy the jeans, why? Because they some offer, they some liking or suddenly something changes and I will and I like it or due to some market information or maybe personal information I make the switch and this kind

of purchase is called substitute purchase. So, here what has happened is I have switching from a specific or generally planned item to an altogether different item right.

So, it could be within the category that I am doing you the extension; it could be out of the category. So, go there for buying trousers and I buy a t shirt instead, I go therefore, buying trousers and I buy a farmer shirt instead. And so, this kind of a purchase is called switching purchase or switch substitute purchase which is another kind of planned purchase which is there. Because, I know what I am within the larger category I know what I am going to buy and then there is the 4th type of purchase which is called the unplanned purchase. So, what is unplanned purchase? Here no conscious prior consideration or need recognition is there. So, the person has no need recognition, he does not even know if he needs the product or not, he goes out there visits a mall, visits looks at the catalog, looks at the place, where things are being sold.

So, it could be a mall, it could be a flea market, it could be a swap market anywhere. So, you see that particular product no idea that he wanted to buy it before appeals to him any buys and that is called the unplanned purchase and that is the 4th kind of unplanned purchasing which is out there.

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Planned Purchasing Behavior

- **Intervening variables** include *changes in financial status, employment situation, family or household size, social conditions or norms, and even weather conditions*
- The amount of time a consumer spends *deliberating about a choice decision* affects both the actual purchase and the timing of that purchase
- **Deshopping:** consumers *deliberately plan to return goods after the consumption experience* even though there are no actual faults with the items

So, planned purchasing behavior there are a number of intervening variables there are a number of variables which actually influence this planned purchasing behavior and some

of which encloses changes in financial status, employment situation, family or household size, social conditions or norms and even the weather conditions.

So, a number of intervening variables decide, whether the planned purchase actually gets compete or not for example, changes in financial status. So, let us say that I planned to buy a car everything has been made, everything has been decided and suddenly the government raises the export duty on certain parts of a car and the price of the car shoots up and so I have no more money left for it and so, one of the factors is called financial status.

Now, employment situation could be another problem or another intervening variable in which I planned purchased for example, I was employed and suddenly layoff happened and I was laid off and. So, the car that I was buying thinking of buying or planned on buying it I cannot buy because, I have I do not have enough saving or even if I have saving I do not want to tap onto it, it could be family or household size I get married more number of people are there.

So, initially I was looking for buying a Volkswagen beetle two people car suddenly the family expense, now I do not want to buy a beetle, I want to buy a bigger car, because the family size has increased or something in the household has increased. And so, I am thinking of buying a new car and so the one that I wanted is no more it is desirable for me.

Social conditions or norms and even weather conditions sometimes social conditions example, I think of buying a particular product I think of buying a Volkswagen beetle, but people say there is more of a feminist car and so, looking at the society, looking at the people, around here I decide not to buy it. So, no matter how much are planning I have done on buying that, how much money I have accommodated. Finally, well going there something happened talk to friends and these friends say that is more feminine car do not buy it. And so, I do not make the final purchase and so, I do not make the purchase and so, planned purchase gets influenced by society car norms.

Now, the amount of time a consumer spends deliberating about a choice decision affects both the actual purchase and the time of the purchase. And so, another factor, another intervening factor which affects purchases or planned purchases is how much deliberation time a person is doing? So, the more the deliberation time the lower the

chances of actually purchase so, affects both the actual purchase in the timing of this purchase.

Now so, if I want to, I wanted to buy a car, but I am I do not think my search is enough and I keep on searching what would happen is things would change. And so, the model would get out of out of business or the model gets replaced or the particular thing that I am looking for is no more available or it could be that the company went out of this or the town that I am looking for in the and the product is not available there. Or it could be the company went out of business, there could be several other things or maybe I deliberated so, much that the money that I said for it is no more available or some financial or some other conditions happen, some social conditions, happen suddenly the family became big and the plan in flying of by a beetle cannot be done.

So, to more deliberation the more weight I do between deciding a product and actual purchase the more lesser the chance of you making the actual purchase happened. And so, this deliberation time is another thing that the marketer has to take care of. And so, what marketers tend to do? What we are marketer should do in if to reduce the deliberation time is in is offer certain kind of benefits, certain kind of membership, certain kind of discounts enough information. So, that the deliberation time is less or half convincing people so, that they convince the people the actual consumers into lowering this deliberation time.

Because if it is a planned purchase and the deliberation time is high, the product buying actually is narrowed down or is sufficiently not completed. And so, one important factor in terms of what the size planned purchase is basically the deliberation time. There is another important factor which lowers planned purchase or basically which is a technique that generally people use is called something called de-shopping.

Now, what is de-shopping? De-shopping is getting an experience of the product and not keeping the product. So, basically ordering something from an online shop, keeping it for some time and then returning it back so, when you have our experience of particular that particular product, the chances of you actually converting in buying that product becomes very less. And so, de-shopping consumers deliberately planned to return goods after the consumption experience even though there is no actual fault to the item.

And so in these cases purchase planned purchases actually go ahead in and they go down and so, this experience, this keeping return policies that companies give if the return policy is longer duration, people will actually experience the product. And so, if it is an experienced product and may return it back and so, the actual buying process may not get converted. And so, de-shopping is another intervening variable which can lower planned purchases or purchases for that matter because, if you are doing a de-shopping you have actually planned to buy that product and get the experience of it.

So, it could be things like using buying a new laptop or a camera using it getting the experience out of it and returning it back to the company saying that it is not worthwhile. So, you have had the consumption experience and so you are not purchase it and so the planned purchasing decreases through de-shopping. And so, company should not give enough time interval or enough de-shopping time for return so, that de-shopping should be promoted or they should discourage this de-shopping because that will lead to lowering in the purchase behavior.

Now with the planned purchase there are other kind of purchases which are out there in the market or which are the or there in the consumer actually goes through and that is called the unplanned purchase.

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Unplanned Purchasing Behavior

- When we enter the marketplace, we carry with us a *written or mental list* of places to go and things to buy
- When we buy items that are *not on either list*, the purchase is considered unplanned or impulse
- Unplanned purchases are *low-involvement products* and products we *do not routinely purchase*

The slide is a presentation slide with a light gray background. It features a title 'Unplanned Purchasing Behavior' in blue text with a red underline. Below the title are three bullet points. The first bullet point mentions a 'written or mental list' in green italicized text. The second bullet point mentions 'not on either list' in green italicized text. The third bullet point mentions 'low-involvement products' and 'do not routinely purchase' in green italicized text. On the right side of the slide, there are several small circular icons for navigation.

So, what is unplanned purchase behavior? When we enter to the marketplace we carry with us a written or mental list of places to go and things to buy.

So, as we go into the marketplace, there is always a list of what to do and what not to do, what to buy and what not to buy. And so, we always consult this list and decide what shops to go, what products to buy, what things to have and what things to not have that kind of a thing. So, when we buy items that are not on either list the mental list, as well as the written list the purchase considered is unplanned purchase.

So, something that we buy which we have not considered before so, if we buy a product which is neither on the written list that we take to the market for buying products nor on the mental list of that we have for buying any product that kind of purchase is called the unplanned purchase and that is what it says. So, it is not, neither on not on either list the mentalist of the written list this kind of purchase is called the planned or impulse purchase

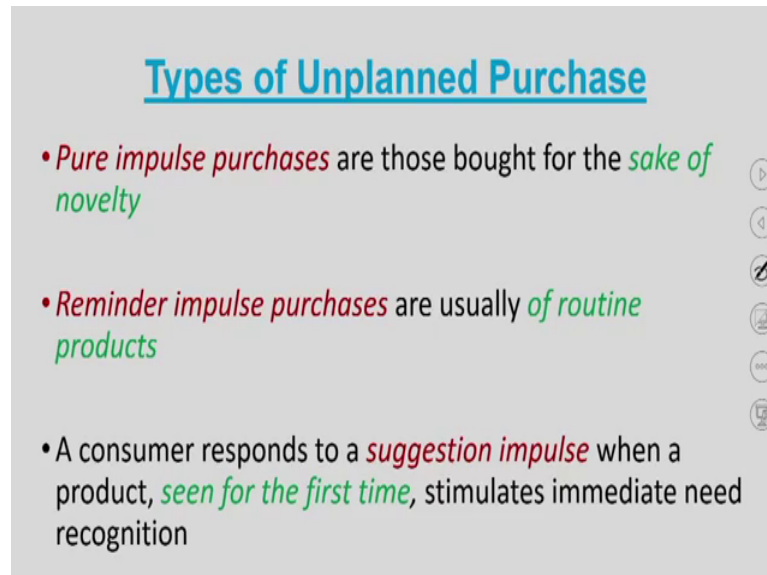
And so, there are varieties of these unplanned purchase and so, we look into what are these unplanned purchase and the factors which affect the unplanned purchase and how does unplanned purchase actually affect alternate evaluation? So, unplanned purchases are low involvement products and products that do not; that we do not routinely purchase. So, generally unplanned purchases are mostly it is no environment.

So, nobody would actually go ahead and buy a car out of impulse that does not happen, but yes, buying a new brand of chairs, buying a new brand of perfume or buying a new brand of watch or something which is now not that much financial that has does not has that much financial risk or that does not involve you too much is what is unplanned purchase. And so, that is what we are saying here and these products generally unplanned purchase projects are not the ones that we actually routinely by because, if we routinely buy them, when it becomes a planned purchase.

So, these are the same products which we do not buy occasionally or we do not buy on a routine basis. So, buying fiber cloth for the windshield of your car or new case cover for your phone, all those things are called unplanned purchase. Because, we never thought of buying it we never actually wanted to buy it and it just caught our eyes or buying artifacts some kind of designer things for the home, creative designer things marble statue or crystal ball or things like that are unplanned purchase because we never intend on buying it, but suddenly it affects us and so, we go ahead and particularly buy that

product. So, what are the different types of unplanned purchase? There are three or four different types of unplanned purchases.

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Types of Unplanned Purchase

- *Pure impulse purchases* are those bought for the *sake of novelty*
- *Reminder impulse purchases* are usually *of routine products*
- A consumer responds to a *suggestion impulse* when a product, *seen for the first time*, stimulates immediate need recognition

The first is called the pure impulse purchase at those that are bought for the sake of novelty. And so, these are the same products the pure impulse purchase are brought in because they appear new to the consumers they have not seen it before and so, you actually buy it.

For example; in the previous days something called selfie stick was it there which will actually help you keep the phone away from you and take photographs. And so, this was something which is a novelty purchase people have not seen this before or getting LED light for our LED fan for your computer, laptop these things are novel things which you have not thing buying Alexa which is a Google product, which is which here answers questions for you plays music.

And there are so, many things that kind of thing is called the novelty because, people have not seen this before the consumer has not seen this before and so, these are pure impulse purchases. Reminder impulse purchases are usually of routine products so; here what happens is the reminder interval purchases are those purchases, which the consumer buys because he is reminded of them when he is actually into the marketplace.

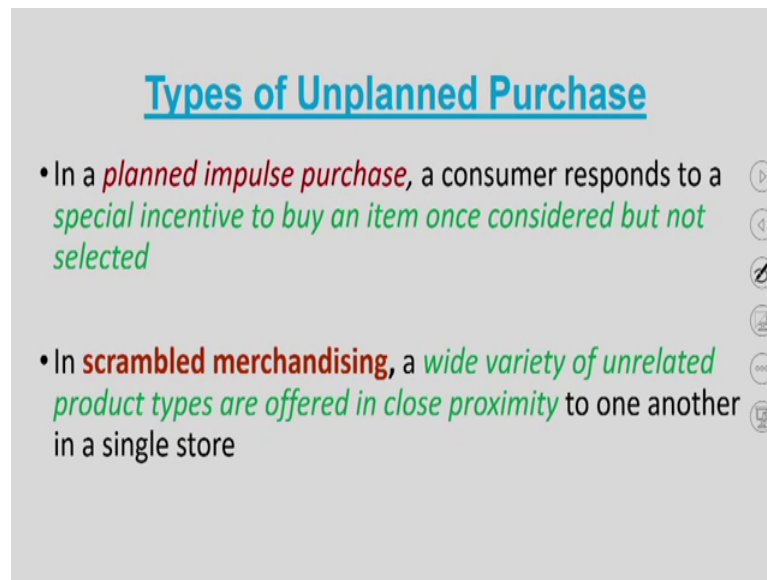
So, next time you are into the marketplace, you are going through several shelves and knives and suddenly you see the toothpaste. And remember that the toothpaste that you have at home is nearly finished and you buy another piece of it is basically called a reminder impulse purchase or you are through some other section. Let us say the fragrance section and you realize the body lotion that you used to use or the body wash that you used to use is actually finishing. And so, you buy another piece of it to cover for the body wash that has been already there is actually something called reminder impulse purchase.

And so, this kind of purchases are the impulse purchase or the unplanned purchase of the end reminder impulse type. The third variety is called scene for the suggestion impulse the suggest if the suggestion impulse purchase. So, a consumer response to a suggest we impulse when a products seen for the first time, simulates immediate need recognition. And so, here what happens is you actually see a product for the first time and certain suggestion comes to you that it could be of use to you and so, you buy that particular thing is basically called suggestive impulse purchase or suggestion impulse purchase.

For example, it could be that you go into the market and suddenly you see that there is a glass bowl and you realize that this glass bowl is something that you need because you have been using your microwave for so long. And then, this borrow sell glass bowl is actually will offer you more chances to cook cakes and to bake cakes and to make so many other things in the microwave and so, you buy that particular product.

Because you have not seen it before and so, that kind of product is called the suggestion impulse purchase, where you had no idea that you are going to buy that particular bowl, but stills you relate it to something, some particular feature or particular product that you have already had and this is going to add on to it. So, you believe that is the reason why you are buying it and so you go ahead and buy it and so, this is called the suggestion impulse purchase.

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Types of Unplanned Purchase

- In a **planned impulse purchase**, a consumer responds to a **special incentive to buy an item once considered but not selected**
- In **scrambled merchandising**, a **wide variety of unrelated product types are offered in close proximity to one another in a single store**

And the fourth type of impulse purchase so, in a planned impulse purchase a consumer response to a special incentive to buy an item once considered, but not selected. And so, planned impulse purchase which is another kind of unplanned purchase is basically, buying something that you have considered before, but you have not brought. Let us say that you are considered before buying a new brand of watch and so, at that point of time the money was not there. And suddenly the money is there or actually you see a sale where a certain company has come down with the particular product, which you always wanted to buy it was there on your mental list, but you were not able to afford it.

And so, you see that say, you know you see that reduced price or some kind of offer with it and so, you go ahead and buy it whereas, when you enter the market you actually had no idea that you are going to buy it is basically called the planned impulse purchase. So, here what happens is consumer response to a special incentive to buy an item once considered, but not actually selected. And the last one here in this case is called crumbled merchandising, a wide variety of unrelated product types are offered in close proximity to one another in a single store.

And so, what happens is in this kind of unplanned purchase what happens is different products for example, chips something football, some kind of a dress everything is kept near the outlet near the cashier and so, these suddenly makes you buy.

So, remember all those times when you went to this super store and when you were actually paying for your purchase, you suddenly realize you suddenly see a lot of products which are out there. And you suddenly find it interesting or you suddenly find an impulse to buy a product which is in front of you. The small ball it appeals to you or the chocolate which is kept right near to the cashier appeals to you or maybe a type of biscuit or maybe a type of hankie or anything else for that matter it actually appeals to you so, this is called scramble merchandising.

So, you have products or different types are kept their these are low involvement product and the consumer when he sees it he immediately realizes or a may be out of non realization and non crosses process, realizes that he needs it any buys it and this is called scramble merchandising. So, another way, of how this unplanned purchase actually happens so, how do we actually go ahead and increase these unplanned purchase and so, there are a number of ways in which unplanned purchases can be increased.

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Encouraging Unplanned Purchases at Point of Sale

- Point-of-purchase displays
- Price reductions
- In-store coupons
- Multiple-item discounts
- Packaging
- In-store demonstrations
- Free samples
- Free items
- Store atmosphere
- Store layout
- Merchandise shelving display
- Salespeople

And so, I will discuss some of them so, a number of ways which improves this unplanned purchasing at the point of sale is basically, point of purchase display what I can do is where the purchase is, where the point of purchase is I can display that particular product. I can do a price reduction of a particular product an artifact let us say an art piece of art or a piece of marble statue or something I can show that it has reduced price and that can lead to unplanned purchase in improving unplanned purchase in store

coupons. So, I could give you coupons which can be actually converted into money and that can lead to unplanned purchase.

So, basically a scene in going to this big bazaar's and all you often see that if you buy for 1000 rupees this there are coupons which will help you by certain other kind of a utensil which we will offer you some 50 percent reduction on that utensil. And so, this is the kind of thing that I am looking at. Multiple item discount so, what happens is if you buy 3 of it you can get one free and that kind of thing improves or unplanned purchases.

Packaging sometimes, the packaging of unplanned products is in the in a certain way that it appeals to you of course, packaging is something which is related to perception and attention which we look into the upcoming lectures of how these variables of perception and attention. Actually increases purchase behavior or how do consumers use these for making purchases is a something we look in the later chapters. Where we do the specific psychological variables which actually help consumers in making in making purchases or in which goes ahead and decides consumer behavior we look into that in later chapters for now that is what it can happen.

So, in store demonstration is another thing where a particular product is demonstrated the use of it is demonstrated to the store, it could be free sample. So, free samples could be given to people and these free samples can actually enhance purchasing; free items similarly store atmosphere, sometimes store atmospheres of good stores or light music or light perfumes or this music perfume combination store lighting and all those things the friendliness of people on the store. So, these variables also actually increase this unplanned purchase and store layout, merchandising shelving and salesperson.

So, a lot of variables are there and all these variables actually help you in deciding or encouraging the unplanned purchase and increasing the unplanned purchase in a consumer decision process. So, in this particular lecture what we actually looked at is, we actually looked at how does the consumer actually decide in buying a particular product. So, what are the rules that he uses so I discussed a couple of mathematical rules that he uses and then a rule of thumb which is the heuristic rule that he uses. Beside that we also looked at two different versions of purchase which is called the planned and unplanned purchase and how these planned and unplanned purchase actually affects this alternate evaluation process.

So, what is unplanned purchase and what is planned purchase and what how this planning of a purchase or un planning of a purchase or buying purchase out of impulse actually go ahead and beside this alternate evaluation and choice of the final product that is being chosen into. So, in the next lecture, which is the continuation of this lecture which is the upcoming 7th lecture we look into how consumer chooses outlets.

So, up till now we have looked at products, we look at product benefits, we have looked at product ties, we have looked at consumer decision rules and we have looked at purchasing types how a purchase is done or how our alternate evaluation is done. But the story does not stop here the a major part of this purchase behavior of consumer alternate evaluation behavior and choice behavior is related to how the consumers actually chooses from where he is buying. And also in the next lecture we are going to see what is shopping or what is the shopping process or how does consumer actually go ahead and do the shopping? So, far now the, it is this much only for now and we will continue with this in the next lecture.

Thank you.