

Consumer Psychology
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Lecture – 07
Alternate Evaluation – III

Hello friends. Welcome to the 7th lecture on the course and consumer psychology. Now in the last lecture, the last 2 lectures we will looking at the process of alternate evaluation; which is how consumers decide, what products to buy from the market. Now the market is filled with a number of products which appeal to the consumers, and they provide competing benefits to the consumer. So, lot of products lot of benefits and it is a whole new world to the consumer varies is number of products offering a number of benefits completing benefits, benefits that is not thought of all those kind of things are there. So, in this vast array of stimuli which is present in the marketplace, how does the consumer do alternating evaluation?

And so, in the last 2 lectures we looked at the process of alternate evaluation are that the consumer utilizes. And also the consumer decision rules that he uses for narrowing down what products to buy. So, this lecture basically is going to focus on how does consumer choosing outlet. Now when the consumer has decided on to what products or he has determined those criteria on which she would try to select the products, and in the next step when he uses those criteria in using one of the heuristics whether it is mathematical heurist like the compensatory or non compensatory method, or it could be simple heurist like price or brand reputation.

One of these features and based on that he has decided on what product to buy. And also he is categorized whether his product is a planned or unplanned purchase, that is not the end of this whole game. So, that is just the end of the alternate evaluation process. Now on the alternate evaluation process has been done choice of a product has to be done. And in choosing what products to buy from the market or what products to actually purchase from the market procure from the market, very important part is also of the outlet from where he is going to buy. The story here is going to buy. So, choice of outlet is what is the current topic that will be discussing in this particular lecture.

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Choice: Outlet Selection

- Outside the home
 - Retail stores, strip malls, discount malls, huge indoor shopping centers, new “town centers,” flea markets, swap meets, auctions, or even garage sales
- Within the home
 - Catalogs, fax machine, telephone, watching television shopping channels, or a variety of sites on the Internet
- The challenge for marketers is to understand exactly what drives consumer choice

We will be looking at how does the consumer do outlet selection, why it is important and to this process of shopping, how does it really takes place. So, 2 parts in this lecture the first part we will look into something call outlet selection. So, how does outlet selection happened, what are the factors and how is it is how outlet selection is narrow down and things like that. And in the last part we will see, how does the shopping process actually take place? So, how many types of shoppers are there, what is shopping orientation and those kind of things; that is, what we will do towards the end of this lecture. So, how does the consumer do choice of an outlet, or rather what is the meaning of choice of an outlet, what is the importance of choice of an outlet.

Why it is important? So, those days are gone when there was a mass product and we looked into in the first or the second lecture itself different types of strategies of marketing. When you are looking at something called market segmentation, we looked at different types of products and different strategies of marketing. And there we looked at something called mass marketing. Now those days of mass marketing are gone we do not have those ration shops which was there, or one place to buy kind of a thing where all consumers we will go and buy their products. Now in the today's world where a number of products are there, number of benefits are there, varieties there and the competition has arisen between marketers outlet selection or selection of place for buying is important.

And so, were the consumer when he is making a decision, this outlet selection of where to buy a product has a number of benefits as well as plays an important part into his selection process. Now at times the selection of an outlet or the place of buying place of very, very important role in consumer decision process and it becomes a determinant attribute. Now a member we looked at something called determinant attributes in the first part of this lecture; where determinate attributes are those attributes which actually decide how the consumer is going to make the final purchase.

And so, at times this place of buying becomes important. For example, and why this is there? So, we will discuss reason so that, but I will I will start giving you some reasons one of the reasons could be people believe that if you buy from a particular store, which is offering you that particular product or from a product outlet that is more trustworthy then some other shop which will which will give you the product.

So, we look at all those reasons, but first let us look at what is the process or what is outlet selection first of all. So, basically consumers in the present world they shop into a lot of place. The shop at a lot of place it is not just one place as I said it is not the old ration shop that you were looking into and consumer shopping there. Now the place of shopping has expanded and this is expanded vastly.

It has gone outside the homes. So, there is a number of places outside the home whether consumer can actually shop. For example, you have retail stores, these are stores where actually you can buy retail things you have strip malls you have discount malls or discount malls are those places like big bazaar or v mart where you have everything which is an discounted form every product that is there is an discounted form, or you have huge indo shopping centers.

So, big shopping centers where you have things to buy, groceries to buy, clothes to buy, food to eat, maybe sometimes you have a cinema hall. So, huge stores where you can do a number of shopping number of thing my number of things, and experience a number of services. Or you could have a town centre so, this is a new concept not coming to India as such it is in the west now up till now, but you soon coming to India. So, town centers are those places where you have dedicated areas for a buying, and for enjoyment and for services and so on and so forth.

So, complete town kind of a town centre kind of a thing. So, in the west you call this a city center. So, this is this is the place where this is the central city most people walk to this place and they experience the products or by the products and do a lot of moving around. Or this could be so these are all market dominated places or retail product dominated places. But there are other places which are not nominated by the market. For example, it can be a flea market where you can buy thing. So, flea market are those places where people coming from the villages to sell the vegetables it could be swap meets, it could be an auction or even a garage sale.

So, it could be a market dominated place for example, a shopping place shopping mall or shopping store or it could be a non market dominated place. For example, the swap meets or the auctions and garage sales; so, the consumer in the present world has a lot of place to shop. Now in the earlier prime the shopping places were limited. And so, the choice of outlet was not important, but nowadays it is important because there are so many options outside the home. Now not only outside the home within the home itself, the consumer as a number of choices to a shop or a number of things which are available, which gives him the variety to shop at different places.

For example, you have catalogues so, different catalogue come to you some companies and pieces of information through catalogue, or you could have a telephone, watching television, shopping channels or a variety of sites on the internet. So, it is it is different size for example, Amazon dot com Jcpenney dot com or so on and so forth. You in the internet which could you show you or number of products which is there it could be whole shopping channel which is which comes into the TV.

So, you have the abc shop shopping channel or within India you have Naaptol dot com. And so, many other dot comes which actually show you a number of production you do not have to actually move outside your home to buy that thing. So, these are the variations of these are the places that you can shop. And so, I am just giving me the variety that is out there the number of options which is out there which is within the home. So, you do not need to actually move out, and within the home itself a number of variety has come. And that is why because of this variety, the idea of shopping or choosing an outlet has become important.

Now so, the challenge here for the marketer right; now is to understand exactly what rice consumers to making an outlet choice. So, when marketer is mixer product is not up till then that he is interested or he is that that he is interest lies, he is interest also lies in understanding how does the consumer make the final choice of the product and where does he by it.

So, that is why now does you have marketers which not only manufacture products, but also open showrooms also open places to buy right. And that guarantees or that offers a kind of trust to the consumer that if the marketer is the one who selling the product, then the service would be good, the product will be good and know an amount of tempering will be done. So, basically it is important for the marketers to understand, how does the consumer actually make this final purchase.

So, whether it is the brand that is important or the brand outlet that is important. And that knowing is very important to market has, because that will decide how the consumer is going to behave into the market place.

When you goes into the market how is he going to behave. So, that brings us to the next section which is how whether it is brand that is important or whether that is an outlet that is important.

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When Brand Choice Drives Outlet Choice

1. The consumer has no particular outlet preference or loyalty
2. Brand loyalty is strong
3. The consumer has sufficient product information to make the expertise of sales personnel or other outlet characteristics unimportant

And so, there are 2 or 3 different versions of a 2 or 3 different scenarios that can be created; which will decide whether a brand is important or a brand outlet is important. So, let us take an example let us say supposedly somebody wants to a person x wants to buy a Levis jeans. Now it for him Levis jeans is important so he may select any outlet go there till the point of time he gets a Levis jeans and it is done. Let us say there is a point person y, for him it is the outlet that is important. So, he will shop at Jcpenney example. So, he believes the Jcpenney is a very good shop, and that he that it offers good amount of discounts or very likable place.

So, here the jeans is the main important thing, for the first person it is the brand that is important. So, he decides that I will go only for Levis, no matter where I am buying on the other case it is the place of buying which is there. So, people basically believe the Jcpenney is a good or hnm or for that matter is a good store for clothing. And so, I will go there look at that since I want to buy a pair jeans, I will go to the outlet in there will be number of brands which is available. And whatever the consumer marketer suggest there whatever the shopkeeper suggest there, I will buy within. And in the third case there are people or there is a person z for whom he wants to buy a pair of Levis jeans and he wants to buy a pair of Levis jeans from a Levis outlet. And for him that a brand as well as a place of buying is important and so, 3 kind of consumers in that is what the marketer is actually and trying to understand.

What cases or what are the characteristics of these types of consumers, and when do consumers focus more on to the outlet and more on to the brand and when both of them are important. So, let us look into it so, the first case when brand choice drives outlet choice. So, there are cases so, what are what are the characteristics of this number 1.

The consumer has no particular outlet preference or loyalty. So, here the consumers have no brand choice of outlet loyalty. And so, they are just stuck to the brand so, these are the brand loyal consumers. And so, they want the brand and so, no matter what outlet is there he will go ahead and buy it. A number things second thing is brand loyalty strong that is what I was trying to tell you these consumers are very loyal to the brand. They believe that the brand will offer they may everything has no matter where they buy it if the brand is there. So, if Levis jeans is what I am buying so, weather I buy it out of a very cheap store or weather I buy it from a very expensive store.

No matter what the till the point of time that the Levis jeans is offer to me I will go head and buy it. And so, these people are brand loyal land no matter where they buy it that is not important what is the important is what brand there buying. And the third thing to look at here is the consumer as sufficient product information to make the expertise of sales personnel or other outlet characteristics important. And so, in this case the consumer has enough information about the product.

And so, he does not depend on people from the outlet to give them any information or basically take any information from people from the outlet. So, he is kind of an expert on to the product and or product characteristics. And so, he is sure that we what he when he goes into the market, and buys the product the kind of benefit that is looking is going to offer. So, outlet is not important for him.

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When Outlet Choice Drives Brand Choice

1. Store loyalty or preference is high
2. Brand loyalty is low
3. The consumer has insufficient product information and therefore values the characteristics of the outlet—such as helpful sales staff

The second case comes in where outlet choice drives brand choice. And so, as I said there are other kind of consumers for whom the outlet is more important. Jcpenney going to Jcpenney or htm1 is more important than choosing a brand. And so, what kind of people are there? Those people ask store loyal are store preference is very high. So, these go for buying because they believe that the store preference is very high. Thus, they like the idea of the store they, like the store atmosphere and that is why they go ahead and buying to the store.

In these cases, the brand loyalty is low and so, these consumers are not brand loyal in the sense that they do not stick to one particular brand. It is basically the store that they stick to and the brand not to the; and because they believe that swapping a brand is ok. Until the point of time that the store that they are buying has some kind of a reputation. Because that is what is going to give them the kind of benefit that they are looking at.

And the third thing to look at is the consumer has insufficient product information. And therefore, values the characteristics of the outlet such as helpful staffs. And so, here what happens is when consumers do not have enough information about the product that they are looking forward to, or not enough information about the characteristics of the product; they are not experts rather they are the no voice is there. And in those cases people actually prefer store. Because they believe if the store information the people in the store actually go ahead and give you information and that is going to help you.

So, if it is jeans that I am buying, store information or a brand loyalty is more worthy, but supposedly I am not interested in electronics. I do not know anything about electronics, and I am going to buy a new laptop and I have no information about what laptops are; I will trust the apple store because I believe that the apple is going to give me more information, about what to buy and what not to buy or an hp store because they will give me more information.

So, for those products which I have an expert, it is more or less brand that drives you to buy. For other cases when you are not an expert, but you believe it we had to buy something it is more store information directory information are you I am become most store loyal. Because if believe that the information that is given to you at the store is more important, and that is going to help you in making the final purchase. And then there is a third case where brand choice and outlet choice work together.

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When Brand Choice and Outlet Choice Work Together

- The consumer seeks to buy a *preferred brand at an appropriate outlet*
- The marketer's best strategy is to be able to have, in the eyes of the target market, the *"best" brands and the "best" outlet*

And so, what happens there? The consumer seeks to buy preferred brand at an appropriate outlet. And so, in this case what happens is there is a consumer who believes that going to particular outlet for a particular brand is the best case scenario here.

The market has best strategy is to be able to have in the eyes the target market the best brands and the best outlet. So, basically here the what can the market do if the consumer is brand loyal as well as store loyal in believes that going to the particular store which is the brand is offering, or a brand store is going to help what the marker can do here is he can create and the image of the store in such a way and brand in such a way in the eyes of the consumer that the consumer believes, that the store best store and the best brand those combine together is going to only then it is going together maximum benefit out of it. So, that is the characteristic of consumer. So, come to make decisions and this type of scenarios.

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Outlet Image

- **Retail outlet image:** How does it fit your self-image?
- *Functional attributes*
 - *Merchandise selection, price ranges, credit policies, store layout*
- *Psychological attributes*
 - *A sense of belonging, a feeling of warmth or friendliness, or a feeling of excitement*
- Consumers form an outlet image based simultaneously on functional and psychological attributes

So, then comes the outlet image. So, basically when you are looking for an outlet, or when you are looking for a store to buy, a particular store to make this purchase. There are a number of factors which define this outfit image. And so, this retail outlet image or the image of an outlet of a store is depend in a lot on to the self-image. So, people generally how do they decide this outlet image is; basically the closer the outlet image is to the image of the person to the self-image of the person the more he will be driven to in.

So, for example, if I am looking for glossary shopping and the image of an outlet that I am I am thinking about is more extravaganza kind of a thing, or more high price think, I will not go for it because glossary shopping is more of a routine kind of a thing. And so, I am looking for an outlet which gives me a routine kind of a service with more number of employees and not too much area, and more number of products variations and so on and so forth.

So, basically outlet image there are way if this outlet image really works is that, people make this choice of an outlet or the image of an outlet is built on how closely this image is to the self-image of the person. Now everybody has something called self-image, they believe that they have some characteristic witnesses and strength. And based on then everybody has an image of themselves.

They have kind of a portrait of themselves for believing that what they are and who they are. And the closer the outlet matches to them; in the better it is for them to shop there. For example, if I have any person from an allied family, I have a person from the height of upper middle class family; he will look for an outlet which is kind of giving him one to preference.

So, he will look for an outlet where he is treated as a special person, and people there is an one to one interaction. But if I have a (Refer Time: 18:39) coming from one of those family is which are in this in the middle class or the lower middle class. I will think of an outlet which kind of gives me more product information, gives me more number of products, but less number of help in that that is going to be right. So, more not one to one kind of things, not 2 classic kinds of a thing and average outlet is going to work from me.

So, everybody self-image is there, and then the when the self-image meets the image of the outlet and when it matches that is how the outlet images define. Now there are several factors which defined the outlet image which creates the image of the outlet or basically defines how an outlet would like, and some of them are the functional attributes and the psychological attributes. So, what are the functional attributes? For example, those attributes which actually work which are the functional part of a outlet includes merchandise selection. So, how much merchandiser the outlet is keeping? How much varieties it keeping? What type of merchandise it is keeping? What style? What color those kind of a thing.

The price ranges, what is the price range? So, as I said if I go to an upper higher class or on the top class, top economic class and outlet matching that, I might I have only the high price let us say cloths. Now if I am looking for something for casual wear, I am not thinking of investing such money. I will not select in outlet like that. So, how much variation of price does not outlet had that also creates an outlet image.

The more variation of price that is there, the more genie in the outlet looks like, and more number of prefer flock to it where as I said outlets are also defined on in terms of what self-image do people have. So, I have on one hand I have very classy outlets. For example, I have an apple store or some other kind of a store where they or may be an Audi showroom or a kind of a thing, which caters to the top middle to the top upper class

people on the other hand, I might have a maruti showroom which creates to every kind of people.

So, that kind of a thing and depends upon what is the price range that you are having. And so, if you say that my car starts at let us say 90 lakhs or one crore, then the price range is very high. And so, you expect people of that class to go to you. But if you have car starting from 3 lakhs up to 20 laks, then you have range of price and more number of people flock to you and that is what the outlet image and that you how the outlet image.

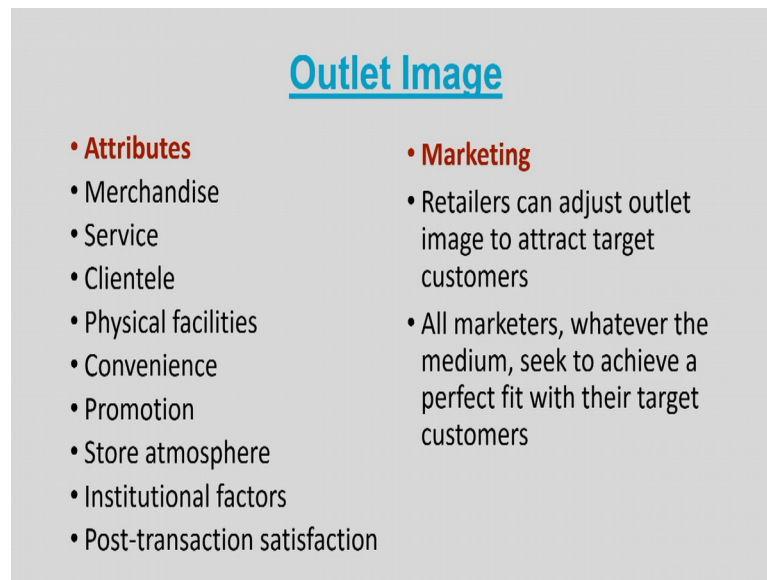
So, it is it will be more trustworthy or more reliable outlet that is how the images created. And then you have the credit policy; so, the credit policy also depend and outlet image and how much credit are you going to give. So, what kind of credits are you going to give; for example, coupons; for example, e convergences of into EMIs and all those things which may be there and the store layout, how the store is layout.

If your store is layout in a very happy hazard way if is not array not ordered that creates a different outlet image, then an ordered store a kind of shelled store shelled values store and so on and so forth. So, these are the functional reasons or the functional attributes which creates the outlet image. Now that is not only the functional attributes which create not an image, there are also some psychological attributes which create an outlet image in the mind into the consumer. And those attributes are sense of belongingness of feeling of warmth or friendliness and a feeling of excitement.

And so, these are related a psychological variables for example, when you go to the outlet how much do you see yourself accepted into it, how much warm do you see, how cheerful you see people working there, how friendly they are what is the kind of welcome that you are going to get what is the kind of interactions that is happening, and what is the kind of feeling that is levied on to you when you visit this outlet and that defines a psychological aspect of how in outlet images basically created.

So, consumers from an outlet image based on simultaneously on function and the psychological attribute. So, what consumers do it take in this functional attribute, how much the in terms of the product that it is offering and all those kind of product related factors, and then psychological related factors, and they join together and create an outlet image or the image of an outlet.

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So, as I said a number of outlet where you are attributes are there; which basically goead and defined my attributes. Say it could be the merchandise; it could be the service that I am getting the clientele what kind of clients comes to your what kind of consumers come to it. That of the physical facilities which are available whether washrooms are available to you, whether some kind of lifts are available to you, escalators are available, physical facilities in terms of water, in terms of air, how much air is it and so on and so forth convenience.

How much convenience is there is applied there is a ship setting place for older people or children. And that kind of conveniences or it could be what kind of promotion is the outlet giving. So, is this the is this outlet not giving any promotion at all, or is it giving negative promotion, is it giving positive promotion, is it offering information within the outlet in store is are you getting more information, or whether it is some kind of product of product related promotions that how conveniently can you see that is also an important, store atmosphere.

So, in terms of the store atmosphere those features like how good the stories, how whether it has lighter music or some kind of a perfume which is in into the outlet. How arri it is, how friendly it is, how well it is shell shelled out whether it is start at one place whether it is all over the place. And so, that kind of a store atmosphere and institutional

factors and so, all these factors are important in [imp]- attributes are defining the outlet image.

And post transaction satisfaction; so, basically post transition satisfaction is once you have transacted with the particular outlet, how much satisfied you are. So, in terms of if you are returning it, whether they give you the store credit, or give you the money back and those kind of post transaction that is fraction in terms if you something is not gone wrong whether someone comes from the outlet in Wilson does work for you, or how does they talk to you when you have taken a product. So, those kind of store pots transaction satisfaction is another thing to look at. Now there are some marketing attributes also for example, retailers can adjust outlet image to attract target consumers, and so one of the things that can that the consumer market has can do is they can adjust this image.

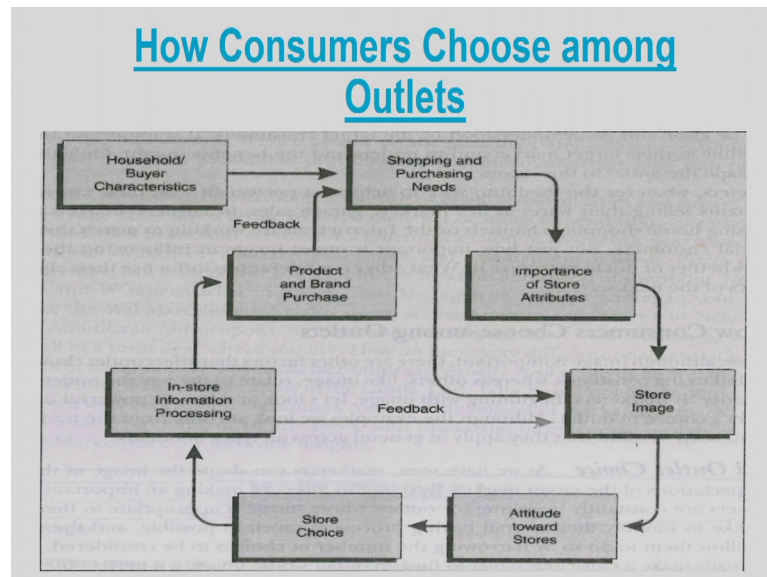
So, they can work on any of these attributes, right if you if they find that not no more people are coming to there too often, you see that there are outlets there are stores showrooms; where people are not visiting, and one of any one of these reasons could be there. And so, what market as content to do, is they can adjust this one of these factors, and they can they can play around with one of these factors and adjust it. So, that the outlet image improves.

And so, most people find it near to the self-image and start getting there or shopping there. So, all marketers whatever the medium seek to achieve a perfect fit with their target customers. And that is what I have been telling all around. What marketers want to do is that they want to study how this consumers actually form this outlet image, or how do the perceive these outlet image. And so, based on any of these factors whether it is psychological factor or an or functional factor.

They try to match these factors which was the consumer is; looking for and match it with consumer self-image. Now more closer the self-image of the more closer consumers finds itself image to the outlet image, and the more easy finds to shop there and he goes to the those particular outlet and prefer that part outlet and does a lot of buying. Now why outlet image it is an important another reason is that sometimes consumer go there and for planned purchase, but with planned purchase they do a number of unplanned purchase also.

So, when a outlet image is very good, when a outlet image is elevated or it is very close to the self-image of the person who is do buying there, or making a purchase; there he can also think of doing unplanned purchases. And that way these are the marketers can make a number of profit.

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So, how consumers choose among outlet? So, when there is there is a number of ways in which the consumers actually makes a choice between outlets. And so one of the one of the factors through which the consumers actually choose between outlet is something called the image of the outlet.

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How Consumers Choose among Outlets

- Image
- Level of involvement
- Perceived risk
- Advertising
- Price
- Outlet size and location

So, outlet image right and so, this outlet image is based on flow diagram I have put in and how this outlet images influence, or how this outlet image really works.

So, basically in this case what happens is, any consumer who thinks of buying a particular product, he has a certain kind of a characteristic to look at. And so, these are the how household bar characteristics and these and these consumer whatever characteristic he has he generates a need. So, the first step in any buying process, in any process of making purchase starts with understanding the consumer characteristics. The first step the marketer has to do is to understand the consumer characteristics.

And then the next step he has to do a shopping and purchase a need understanding what is the need of the consumer. So, first he has to understand the consumer and then also understand the need of the consumer, what is that he is wanting. And once that is there the consumers so, with the certain characteristic consumer has a certain need and this consumer can think about an outlet.

So, once you have a particular need consumer has a, but particular characteristic, and this consumer who has a particular characteristic for example, he is let us say more field or dependent consumer or he is more of an introvert consumer or more of a flashy consumer, and that kind of a characteristics are there. So, each consumer has a characteristic and this characteristic is called the self-image. So, that is about understanding of the self. So, once that is there a consumer is there, and then he has a

particular need, he thinks about an outlet. And there are 2 ways in which he thinks about where to buy the product. So, he has a need so, there is a consumer who is field independent right.

So, he is one of those people who does not want to get information from outside or does not trust information from outside he believes in whatever information he has in his memory. And based on that he wants to buy so, there is a need generated in him for example, he wants to buy a television or whatever it is and once that need is generated he then decides where to buy the television. And there are 2 ways of looking into it. He can think about the store image you can think about the place where he buys a particular store where he buys and think about fixed store. For example, I will go to the Samsung store and buy it or it could be another way of thinking about the store for example, importance of store attributes and store image.

So, the store image can be made directly in terms of going to a fixed store or it could be made in terms of an important store attribute. For example, I should go to Samsung store is one thing, or I should go to a Samsung store which is at place x. Why I will go to at place x and not that y? Because x has more number of attributes right. So, this is how it works, this model works in this way first of all there is a consumer he has certain characteristics. And then he has a need let us say, he has a need of buying a television once; he has a need of buying television he decides where to buy it now this where to buy it can work 2 ways.

In one way it can work is I have decided to buy it from, a particular outlet let us say I want to buy a Samsung television there is the brand I am looking at and I will go to a Samsung store room. Or it could be in terms of store attributes which is in terms of I can buy a Samsung television from a Samsung let us say outlet, but there are 2 outlets x and y, I will go to outlet x and not y because x is more number of brands which is there the people there are more friendly are and so on and so forth.

And so, this is the second part to it now once he has the store image and attitude towards the store is reflected. That is what I was discussing about. So, once he has the store image and attitude positive attitude. So, more number of people have which are helpful more convenience is there, near in the city where I can think about buying something else, or can integrate too shoppings together and so on and so forth. So, that

gives a positive attitude towards particular outlet which is x which is preferring and not the buy. And that is why that is how makes the store choice saying that I will go to x.

From there, when he goes into the store he get some kind of a in store in information processing in within the store he has a lot of information which is there. So, once you approaches the store the there will be people who will be telling you what to buy what not to buy what he is buying is of what use and so on and so forth. And that information is going to feedback on to the store image.

So, the more and more in store information he gets the more likely that that store will be more strictly adhered to is memory and he will think positively about the store the lesser information that he gets into the store the most chances that he will not visit that outlet more. And that we will this in store information we will further on go back and deep into the product and brand purchase and that will lead to more product and brand purchase.

So, once you goes into the store, he knows the store is good he likes the store and he gets more product information. For example, he thought of buying led tv, but when he goes into the store he comes to know that samsung also has a new hd tv or some other kind of a tv which is better than an led tv, as the offers also there and some other variation is there and that that kind of a thing.

And so, he gets that kind of a product and brand information and makes the final purchase. And then there is a feed back there if this particular thing, this product would not purchase is good, he gets benefit out of it, he if he if this feedback sent to the particular needs of any when he goes against to buy, what will happen is, he will go into the shopping process. And in this case or for second need is arouse if you wants to second tv what will happen he since the first tv has worked out for him it is a positive feedback. He will then go directly into the store image.

Right and make the purchase. He will not go into or looking at the importance, because what has happened is in the first case he has got enough information, from the store from the store and if the attributes that he was by looking for in the store is out there and so, this process will go on. So, depending on the so, this is one way of how consumer chooses among outlets.

So, number of variables are there, how consumer chooses among outlets and I just discussed about outlet image the more closer the outlet image is to yourself image and how you are going to buy. And that is the whole model of how this really works. Level of involvement how much involved you are with a product. The more involved you have with product the more important the outlet is. The lesser involved you have with the product the lesser important the product buying is.

So, if the product has also the perceived risk, the more risk that you think of buying a product the if the more you think that it is not only physical psychological risk is also involved in buying a product, you will go to more secure outlet you will go to a more image outlet, or more worthy outlet. And if you believe the risk of buying a particular product is very less, if there is no risk involved then you can buy it from anywhere. And it could be that if you if you if you are buying let us say if you if you if you are buying a good pair of clothes, do you want jean new kind of jean? So, it is more important is more comfort base.

So, you will think about an outlet with basically stocks the kind of brand that that you are looking at or a good outlet. And you will not look for free markets for buying a pair of jeans, but it is tablecloth if you are buying, then you will maybe go to of a market because the risk associated with this product is not that or hanky is it your buying you can also buy it from station shows or footpath stores and that kind of a think. So, basically is the how much risk do you see into. Also advertising so, advertising is another way of how consumers chose outlet.

So, sometimes outlets are advertise so, advertisement there are good advertisement saying that come to walmart. Where I am giving you this much of offer these offer you this kind of a convenience or come to decathlon is a as a sport store. So, advertisements in papers in television sometimes they are done to highlight and outlet. And that also creates an outlet image. Because that shows how the outlet is it shows all the store atmosphere store merchandise people and so on and so forth.

Price more variations in price more ways or offering a price the more the chances of you going to then outlet. So, somebody just saying that I have reduced price, will not be preferred because at times this low prices can also be expressed in different ways. For example, I can offer you in if you by 3 you get one more. So, the there I am also offering

your price reduction, but this a new way of saying that the something is something is of less price or store coupons or using the word free something can free with it.

So, how much price variations how much manipulation you can do with a price that also creates an outlet image or that also helps creating an outlet image into the consumer mind and outlet size and location. And that is related to where what is the size of an outlet? Small side outlets people do not do not prefer for good gifts, because what happens is that if you are buying if you are buying high involvement.

You look for more size you look for where the outlet is. And so, if it high involvement, you would think about or you would not shop from going to places and buying the particular going distance and buying a particular product. But if it is a no involvement product you would go to maybe the shop next to you. So, basically it is also dependent on involvement, of how involvement you are. And also outlet size of how begin outlet is that also define. So, very closely outlet very small outlet is not preferred rather bigger outlet is always preferred, and location as I said it depends upon how you are buying the product. And so, outlet size and location has an important part to play into outlet image into the consumers mind.

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Why Do We Shop? Personal Motives

- *The tendency of people within societies to role-play*
- *The sake of diversion*
- *A means of self-gratification*
- *To learn new trends*
- *The physical activity*
- *The sake of sensory stimulation*

Next comes the important question that we wanted to look is why do people shop. So, what is the reason that people actually go ahead and shop? So, the tendency of people within so, there are a number of reasons that people shop. The shopping is actually say,

something about shopping orientation. So, the way people shop how they shop and people just do not shop for buying products, not getting products and their benefits.

Sometimes people are at times people shop for the experience of it, and that is called experiential shopping right. So, you might have seen in bigger malls, people go there they buy the product by the see a number of products. So, it is the it the shopping is not just getting products and getting product benefits out of it, it is getting the experience of whole experience of shopping. It is to do with where you are going, how you are dealing with it, what is the experience that you are getting? All the surrounding in environments, all the noise is your surrounding it, all the thrill within the shopping process is itself.

So, shopping is not just buying product, it is a whole experience that is there. And so, the stopping process the finding of shopping process is a very important thing. So, people shop for several reasons. One of the reasons that people shop is tendency of people within societies to role play. So, people shop because they are certain roles to play. At times people shop because they are fathers, they are mother, they are sisters, brothers and so on and so forth. They are in officers; they are as an employee. And so, different roles that they are playing you within the society make them shop. So, at times they will be shopping for the house, glossary shopping at times they will be shopping for the office, office shopping the same person is doing a number of shopping. And so, for attaining different role plays, showing this role plays people shop.

The second is people shop for the sake of divergent. And number of people actually get involved into the process of shop shopping for diversion. What happens is a times you might have seen there a times if feel boring you feel not good, and so one of the outlet of that is shopping. And so, sometimes people just shop. So, that they get diverted from the whole, for the day to day life. So, it may be that it is the thing become too boring or the life becomes too boring, it is no more interesting, it is no more exciting for you and you shop because the feeling is exhilarating. Even you go into the market, it is it is all a different experience. It gives you the pleasure of buying, right the pleasure of spending money, the pleasure of acquiring something. And that is why your shop and so, people shop for divergent from their daily life's.

People also shop as the means of self-gratification. At times people shop because they when the shop they show that they have the power to buy things. So, they become they

get this self gratification. They have the controlling them and so, to express this control to express that self-worth, express that completeness in self the shop. So, they stop because they can, they shop because they feel gratified with it.

They shop because they feel enjoyed by buying and so one of the reasons why people shop is for gratification. Another reason is why people shop is to learn new trends in the market. So, people are stuck with one trend, people are stuck with one kind of product, they shop to learn new things to understand how new things are there how many new things are there. And so, that is one another reason why people go ahead and make shopping or go into the shopping process. And another interesting reason why people shop is physical activity.

Sometime you go shopping because that creates a lot of physical activity. So, those people who sit and do their work and they do not move around too much far in economics settings. These people go shopping, because when they shop a number of physical activity happens. Kind of physical activity happens where they we can they move away from the academic atmosphere, and go ahead and get involved in some another atmosphere, and then maybe take a walk or do at least something different from the academic and that is the reason they do shop. And sometimes shopping is the physical activity because stores would be at different places. So, you at least to walk to that and so, you shop because of this physical activity. And sometimes people shop why is because for sensory stimulation, you like that thing right.

The rush when you go into the market, the kind of people that point of a noise that you see their, a kind of all the jingles which is there, a huge noises, man's playing and all those atmosphere the simulation which is there; the kind of energizing atmosphere which is there, that case one of the reason what attracts people to shop.

So, one of the reasons why people shop is because they like the sensory stimulation; that lighting, that sound, that music, that aroma and all those thing combined together to give you hyper feeling, and that is one reason or that is another reason why people actually go ahead and do a shopping. Those were the personal motives; those were the personal reasons why people shop. But it is not only the personal motives why people shop. There are certain social motives also which make people shop. And one of them is the social experience outside the home.

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Why Do We Shop? Social Motives

- The desire for *social experience outside the home*
- To *communicate with others* of similar interests
- *Peer group attraction*
- A desire for *status and authority*
- The *pleasure of bargaining*

The desire for social experience; the man being a social animal, if you contain him and within a place, or if you contain him within atmosphere, he does not like it so, you want to move. And so, this outside experience the social experience of meeting new people, meeting your own friends in a different atmosphere all together.

Meeting people you can talk to you can express to you and meeting new social environments is one reason why people shop. So, it is the social experience of moving outside the home, and meeting new people acquaintances, friends whole new class of people that is why one reason why people shop to communicate with others of similar interest. One of the another reason why people shop a social reason is that, they get a chance to communicate, they get a chance to express their feelings and talk to people who have similar interest to them. And so, another interesting reason what make people shop is to meet people, or to talk to people who have the similar interest or interest similar to them; where why is that because this is a social need so, that they can communicate with them.

So, you can keep up with them; so, then at least because stopping a talking or communicating is an important aspect of humans. So, humans you have meant to communicate. And so, when so, do not communicate is not good. So, it might. So, happen that the place that will leaving at may not have people whose has similar interest as you are. And so, why you shop is when you go into the natural environment in the

market you get people the similar interest and you can talk yourself out. And so, that is one reason why people shop. Peer group attraction, at times people shop because other people shop right. And so peer people, who are near to you, they make you shop, they buy new things and so, you get attracted to that in so, you buy new things.

And so, it is basically your peers, your friends, your acquaintances make you shop. And sometimes the shop is making these acquaintances. Making this attraction this peer group make your or the peer pressure makes you shop. Another reason is a desire for status and authority. Sometimes you shop because you want to attain a certain status and authority move ahead of others have a status above than others.

So, you shop because you would have a things which do not have which others people do not have, and that will give you authority. For example, in a in a village buying a new car is authority. Or getting a new kind of phone or getting a new kind of fridge gives you that authority. Because people will respect you in that way; saying that he has the he is the one who is having that kind of a product. And so, respect that you get, social status that you get makes you shop and the pleasure of bargaining. Sometimes people job because they want to bargain; so the mostly house wife's and people who are involved in buying.

So, the pressure of bargaining, the pressure of economizing, the pressure of going through the ups and downs are another reason why people shop. So, a number of reasons it could to be a personal motive or a personal reason or it could be a social motive or social reason why people shop.

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Why Do We Shop? Hedonic Motives

- Advantage
- Gratification
- Role
- Value
- Idea
- Social

So, why do people shop? There are some hedonic motives also, and these one hedonic motives are related to the advantage that you get when you shop the benefit that you get the mental advantage that you get buy shopping buy processing there product the gratification as we were dealt with the social gratification, the self-gratification that you get by after leaving receiving a product. The role that you play by a shopping whether your shopping for a friend, your shopping for as a friend or as someone else, for someone else that is another hedonic motive.

The value which is there that you get after the shopping, that that is that is another hedonic motive, and ideas and social. For example, sometimes the hedonic motivates, you shop because you get new ideas about new products, and socializing is another reason why you a shop another hedonic motive why you shop.

So, how do people actually shop?

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How Do We Shop?

- **Shopping orientation** is the style or way of shopping
- In-store economizers
- Economy planners
- Involved traditionalists
- Homemakers
- Apathetic or mechanistic shoppers
- Convenience seekers

Ah shopping orientation is what is basically the reason or the main characteristics of how do people shop. And shop shopping origin is a style or the way of shopping. So, basically what shopping is a related to, or how do people shop is related to something called shopping orientation. So, different people shop differently, and a classification has been done or 5 or 6 classification has been done to name a number of shopper type. For example, we have in store economizers.

These are the same people who when inside the store they do this economizing of buying this over that kind of a product, because these are not the same people who learned before or decide before kind of purchasing. They go into the shop and then they economize what should buy and what not to buy.

Similarly, you have the economy plan has the same people who will buy products in terms of economy. So, to if you if you get 2 buy 2 get one free kind of a thing or 2 for 3 kind of a thing, this is the same people who are there they will economize buy buying, they look for economy in terms of buying. You have involved traditional's either same people who are very traditional people involved people, and they do not go out of tradition. So, if they have been buying a particular brand for over a period of time, they will just stick to it because, they do not want to go out of traditions. You have the homemakers these are the same people who are concerned about the home. And so, the

shopping pattern is entirely different from any of those. And so, they are always in terms of thinking about the home and buying in terms of the home.

You have the apathetic or mechanistic shoppers; these are the same people who just shop for the need of shopping. So, they have a need, they go there they buy it end of story, no experience needed, no kind of coupon needed, not looking for coupons and all mechanistic shoppers and convenience seekers. Convenience seekers are another reason another kind of people that the shop, they shop because the place that they looking for other product that they are looking for is of offering them convenience. It is nearby to them and that is the reason there shops. So, we have 5 or 6 different kind of shoppers which are there. And so, this is the how do we shop. So, one of these reasons are the reasons how do we actually shop.

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The Shopping Process

- A **surrogate shopper** is a *person, firm, or other entity paid by the consumer to make or facilitate a product or service selection decision on behalf of that consumer*
- Shopping behavior in different shopping venues
 - Shopping center traffic primarily consists of women
 - Both men and women go to the mall mainly to shop
 - Catalog shoppers rated retail service contact and unusual product source benefits higher than did shopping center shoppers

Now, how does the shopping process take place? Now sometimes people shop or some sometimes you have a surrogate shopper. So, another method of shopping is a surrogate shopper; where a person firm or other entity paid to buy the consumer to make a facilitate or product or service selection decision behalf that. So, some times what happens is that, consumer does not there enough time. And so, they utilize something called surrogate shopper. And surrogate shoppers are firms people whom you call up, and you tell them they are your preferences, or what you want what you do not want from a product, what is the liking on un liking and based on that they by the things for you.

So, another way of shopping you choosing a surrogate shopper. So, shopping behavior is in different shopping venues. Also, shopping behavior this idea of shopping, how do we shop, also varies from different places. For example, in a up skill restaurant the way you behave with a waiter, and in a in an normal restaurant how do behave with a waiter will be entirely different. Also in shopping malls and in showrooms the behavior will be entirely different.

So, people have these behavior differences while shopping. And so, that also defines how you shop. So, shopping centre traffic primarily consists of generally shopping center is mostly cons consist of human. So, both men and women go to shopping malls to shop.

And catalogue shoppers rated retail services contact and unusual product source benefits higher than the shopping centre products. And so, this whole idea of different place shopping would differently for different place or your behavior, and different place has also a way of shopping. So, the this is another way of shopping, how you change, whether it is a catalogue shopping you are doing or a shopping mall shopping you are doing, where you are shopping, who is shopping and all those we will decide the kind of shopping that you have or the shopping process that you are going to utilize.

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Choice Decisions during The Shopping Process

1. Which product type to buy
2. How many to buy
3. Which brand(s) to buy
4. The outlet at which to purchase
5. When to complete the transaction
6. How to pay
7. Other decisions

So, consumer decision during shopping process when your shopping, what is the decision that the consumer is actually going to make, a number of decision the consumer use makes for exam example which product type to buy. So, one of the first things that

the consumer does while shopping is what products to buy; so, through this alternate evaluation and choice here decided the products. And so one decision the first decision have consumer has to make once he has decided the outlet and the product is what product that he is going to buy.

The second decision he has to make is how many to buy, how much product to buy whether it has to buy one product, just the single one or multiple of it or 3 or 4 of it and so and so forth; which brands that he is going to buy. So, out of the number of brands, what kind of brand he is going to buy. So, these are the decisions that the consumer take while shopping.

The outlet at which is going to purchase. So, another decisions that the consumer has to do is what outlet is going to go based on a the store image, based on the outlet preferences, based on the attributes of the outlet and so on and so forth he has to decide where to buy. Now when to complete the transaction also he has to decide, how should we complete the transaction and when should you complete the transaction? If you should you liberate more should you complete it a mechanistic shopper, should he enjoy more and complete the transaction and so on and so forth.

Also another decision that he has to decide is how to pay? Should you pay by credit card store credits through you should you pay by currency cash or what kind of payment is he going to may that is another reason, because that decides whether we can pay. So, if it is a big purchase for example, can he pay by EMI right. So, how do you does he pay that is important. So, if a big product is there and if the store offers some credit policies, where he can convert the buying into an EMI; in those cases, the purchase will be where will be more and the consumer will like the outlet more and the more buying will be there.

And that is one reason why these e retailers like amazon dot com and flipkart dot com are offering you this whole convenience of converting the purchase into an EMI, with low rates that you have to pay a 0 percent EMI. And so, when the offer you something like that in the same concept that I have explain to you in my introductory video, one of the ways to attract consumer is penny a day.

So, what they do is by this product now enjoy it a over a 12 th months period, no price to or no extra price that you have to give, and revive the whole price of the product into small pits and pieces. So, a 12,000 product over a period of 12 months become just one

thousand per month. And that is easier for you to perceive and so, how this paying policies, how much paying policy is there that another decision was the consumer has to decide. And then there are other decisions.

For example, how convenient it is, what kind of things it is offering for other members, or what is the convenience that you are going to get there; not kind of benefits that you are going to get there. And so, so many number of other things the decision has to made. So, these are the number of decisions that the consumer has to make through or it has to go through while doing the shopping process.

So, in this set of lectures that that way that I concluded in this whole lecture number 5 6 and 7, what we looked at is how does consumer do the alternate evaluation. So, once the information is there once a need is arrive arrived at, once the consumer recognize that he has to buy something and from that need the process of information search has been completed, and he has the search or he has enough information he goes into the market to do alternate evaluation. And so, in these 3 lectures what we saw is how does this alternate evaluation actually takes place.

How does the consumer determined those factors on which is going to make the purchase and what is the process of determining those factors. Now once decided, the next lecture looked at what the rules that he is going to make what heuristics is going to may and use and make the purchase, and also how does this planned and unplanned purchase go about or where does do they fit into his decision rules. And in this next lecture we looked at another important factor of this whole buying process that is outlet selection.

How does consumers actually select the outlet and what rule does outlet selection has in terms of buying a particular product. So, if you selecting an outlet x over y, y is he doing it and, if is doing it then what percentage of or what effects does it has into the shopping process. And lastly we saw what is stopping all about.

So, as I said shopping is not just the thing of buying a product in and enjoying it is the whole experience that is there. And so, how do consumers why we looked at 4 or 5 6 different type of consumers which is their, how does the process go about and what are the kind of decisions that you actually have to make while shopping. In the lecture that

you are going to do, we will look into the third part of the series which is the post purchase evaluation and satisfaction.

So, that is where the consumer has already brought the product and use the product and consume the product, and after that what happens is what you are going to see in the next upcoming 2 lectures. We look into the whole process of how does the post purchase happened, post purchase evaluation happened and when it leads to satisfaction or dissatisfaction.

So, where it leads to satisfaction what happens when it leads to dissatisfaction when a consumer is not satisfied by a particular product, what does he do? And how kind the marketer takes this point and influence consumer buying? So, the basic idea in this whole story is that what can the marketer do? What can we learn?

And also the since the courses on consumer psychology we are focusing more on to those consumer variables, or those psychological variables in the consumer which helps him make the shopping process or this whole ideas of shopping. Now next after the after the post purchase consumption, we look into those specific variables psychological variables which actually help the consumer or which decides behave the consumer into the actual marketplace.

Thank you.