

**Consumer Psychology**  
**Dr. Naveen Kashyap**  
**Department of Humanities & Social Sciences**  
**Indian Institute of Technology Guwahati**

**Lecture – 09**  
**Post Purchase and Consumption - II**

Hello friends, welcome to this 9th lecture on the course, on Consumer Psychology. Now, this is the last lecture, in this, level or I would say this section or this module, where we will finish off with the last process of consumer decision making. So, for the last 8 lectures, we will looking at how does the consumer actually decide to buy a product. We started our journey by explaining how the, what is consumer behavior? What is products and what is it that the consumer, want when he goes into the market?

So, that was a lecture number 1, we looked at all factors of consumer behavior. Additionally, we also looked at how to do research in consumer behavior. So, basically, we focused on, observed, observation based research experiment based research lab and field based research and so many other things there, we also looked at something called marketing strategies. So, basically, what is market segmentation? How does the market, how does the, manufacturer understands the market and how does he make his product suitable to the consumer?

Then we moved on to the set of, lectures, where we looked at how does the consumer actually go into the market and makes the decision to buy the final product. So, in the first phase, we looked at information search and need arousal. So, two steps of consumer decision making. So, where the first step for any consumer to buy a product is arousal of a need, he has to understand that he has a need of a product and we looked at those factors, which affect this need arousal.

Then we swiftly moved over to something called information search and whenever a need of a particular product is aroused, whenever you want something from, from, the market, whenever you want to buy something and there is a lack of, something in your life, you go into the market to buy that thing, material products and so, we looked at strategies of gaining information.

Now, they pointed out that there are, two ways; there are two kind of products one is called the high involvement product, the other is called the low involvement product and so in high involvement product. The consumer goes through all the steps of the EKB model. Now, the EKB model is the model through which, the consumer makes the decision, of what product to buy and what not to and following one products. It is not necessarily that he goes through all the steps. So, need arousal is there and at times, there is no search. So, there is alternative valuation in the final purchase is made and then there is satisfaction or dissatisfaction.

So, that is what we looked at and so, we also focused on, the type of strategies, the consumer use, uses for getting information. So, we use that something called internal strategy with generally experts tends to use is dependent on memory and something called the external strategy, where consumer actually goes ahead to the market, gets information. We just put on in the market by the marketer processes that in various ways and gets information about the product in the, set of next three lectures. We looked at an important part of this decision making process, which is called alternate evaluation and choice. So, we started up first defining what is alternative valuation right; what is the process of alternate evaluation.

So, given the fact that the market is flooded with so, many products out there because people has to decide between what to buy and what not to buy and so, this decision process of comparing different products and product benefits is, what is called alternate evaluation. So, in the first part of that series of three lectures where, we discuss alternative evaluation and, and choice we looked at how does the consumer decide those parameters, those characteristics on the basis of which he is going to make the, comparison on different products.

So, how does it consumer, it decides the determinant attribute hence, we looked at, market prone factors consumer based factors psychological factors and so many other, information within that paradigm of how the consumer actually, decides the determinant factors determined parameters on the basis of which is going to do the alternate evaluation.

Next, in, series came a lecture, where we explained the models that the consumer uses the mathematical models, the consumer uses for making these decisions, based on the

attributes or based on the parameters that he has decided or determinants that he has decided and so, we looked at something called the compensatory model and non compensatory model and we also looked at something called the decision heuristic model. And so within the compensatory non compensatory you have, the disjunctive, the conjunctive model and, within the, the compensatory you have weighted average a simple average model. The lexicographic elimination by expectancy, this is, these are some of the models, which is the consumer actually uses, to narrow down the products that he is going to buy.

Given the fact that competitive brands are available and all of them offer him the same kind of benefits which, which he is desiring for and then we also looked at something called heuristic model, where price product, promotion or product reputation ease of use time. These kind of factors are also, sometimes used by the consumers for deciding what to buy and what not to buy and towards the end of that lecture we, we looked at, something called, choice of how do you make the final choice.

So, once an alternate evaluation is done, maybe one, maybe a couple of products are available from which you have to make the final choices. So, from the number of products, which are available in the market, which is up or which is offering you computing benefits you, then make a choice. This choice process is what we decided in or what we discuss in the next lecture.

So, we looked at not only, the fact that how products are chosen, we also looked at something called, outlet choice. So,, where you buy the product, that is also important. It is not only the product that you get is important, it is also important where you buy that product and so, the whole shopping experience is what we discussed in the next lecture. We looked at how does the consumer decide an outlet, where he is going to buy a product and then we also looked at how does the consumer do the shopping? What is the methods of shopping and how many types of shoppers are there, that was lecture number 7.

In lecture number 8, which is the previous lecture, what we looked at is something called post purchase elevation. So, once you buy a product and you will consume it, this consumption leads to either satisfaction or dissatisfaction or cognitive dissonance. And so in, in, in the last lecture, we looked at what is consumption right, what is it about?

What is the process of consumption about, what does it entail, what factors affect it and so on and so, forth and so, what is the role of marketer in consumption?

What can the marketer do to improve consumption and towards the end of the lecture, we looked at something called satisfaction and dissatisfaction. So, once you consume a product you, basically are either satisfied with it or dissatisfied with it and we looked at different kinds of satisfaction, the different types of satisfaction which are there. So, on the variables, which are  $f$ , affecting the satisfaction. Now, once you buy a product and through alternate evaluation and choice and after that you use it, you consume it, the product can lead to three things.

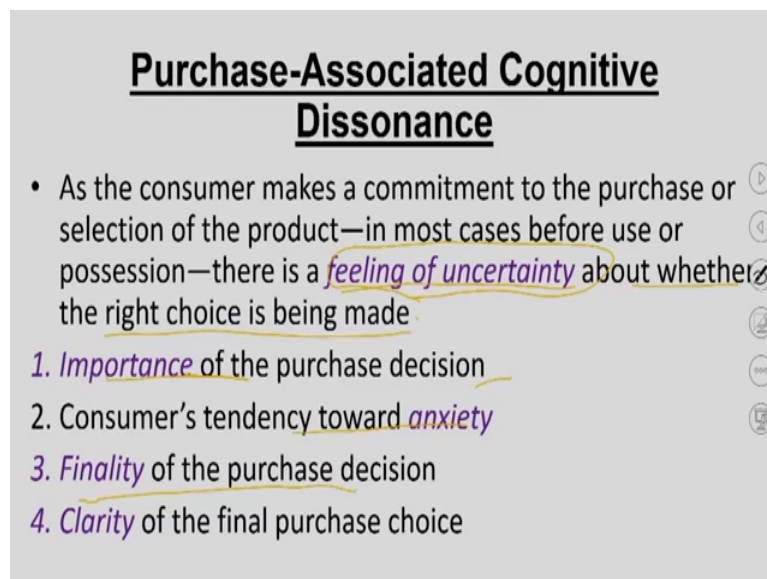
The consumption of the product can lead to three outputs; one is you get satisfied with it, the other is you get dissatisfied with it and the third is you get, feeling of, of feeling of dissonance cognitive dissonance and so, what we will do? In this less present lecture is we look at what is this cognitive dissonance in how do consumers actually handle. This cognitive dissonance, the process of cognitive dissonance and what does the marketer do to handle this cognitive dissonance.

Further on, we will also look at how, once a negative, feedback is there, after using a product. How does the consumer react to it and how does, the market a react to it, what can he do to reduce this negative feedback or this negative dissatisfaction that he has after using the product and towards the end of the lecture. We look into, important part of consumption, which is how do we get rid of the product. So, how do we dispose the product that is what we will do. So, starting with cognitive dissonance, when, product is used by a consumer, consumer gets involved with a product or starts using the product and after, the after, the use has been done or even before they use a state comes in where he is very confused right and that is called cognitive dissonance.

Now, in psychology what is cognitive dissonance, the idea of cognitive dissonance comes from the fact that when somebody's belief and somebody's attitude are different then a state exist, which is called cognitive dissonance. So, what is cognitive dissonance suppose, there is a, likingness towards let us say take an example; likingness towards Bjp. Now, the thing is, you are with friends who are all Congress supporters and so. There you although try, try to voice yourself, but you see that most people are, are, are facing or are towards congress.

And, so, what happens is no matter, how believe whatever believes? You are have about BJP, you have to tell negative about that particular party. So, you believe positive about it, but when you start saying negative about it. The destruction that happens, when you believe something and when you say something else, when you act in a different way is what is called cognitive dissonance and so, this cognitive dissonance also happens in brand purchases and brand consume or, or product consumption.

(Refer Slide Time: 10:35)



**Purchase-Associated Cognitive Dissonance**

- As the consumer makes a commitment to the purchase or selection of the product—in most cases before use or possession—there is a *feeling of uncertainty* about whether the right choice is being made

1. *Importance* of the purchase decision
2. Consumer's tendency toward *anxiety*
3. *Finality* of the purchase decision
4. *Clarity* of the final purchase choice

So, let us look into what, really this is all about. So, purchase associated cognitive dissonance, when you make a purchase of a particular part, product or, service. The cognitive dissonance can occur where, what can happen is you can, you could have a negative attitude about a product and still belief is negative, but by using it the attitude becomes positive or it could be the other way around.

You believe that the product is has very good said, it should offer you a very good satisfaction level with the information that you have got, but actually it does not offer you and so this is a state of cognitive dissonance. So, as the consumer makes a commitment to the purchase or selection of the product in most cases, before the use or possession. There is a feeling of uncertainty about whether the choice is right, that he is being, buying the product.

So, before buying a product before a consumer actually buys a product, the feeling of uncertainty, the feeling of uncertainty about whether the right choice is being made or

not is basically, what is called cognitive dissonance? So, it, it happens just before buying the product and so, most of us have that feeling whenever we had decided onto something and so, people are never 100 percent confirm about any products. So, that feeling that lingering feeling before you buy a product or just before you or after you have purchased the product that feeling of whether the right decision has been made or not is what is cognitive dissonance. So, it is a little bit different from what the idea of cognitive dissonance is and this happens, because your beliefs and your attitude, your behavior are entirely different.

So, when is this cognitive dissonance or this feeling of uncertainty, how is it controlled? What are the factors that controls this cognitive dissonance. So, the feeling of uncertainty, when you are buying a product, just before you bought a product or after buying a product immediately, after buying a product is what is called cognitive dissonance. And so, what are the factors which are going to affect this cognitive dissonance, one is the importance of the purchase decision the more important the purchase decision, the more dear a purchases to you, the more amount of cost that you are going to put to, put to that particular product, the more amount of time you have spent on to it, the more important the product is.

So, the more close the product is to you the more the cognitive dissonance is that, that is going to happen and that is quite natural, because the more important it is, the more you fear, that if you do the wrong decision, if you take the wrong decision, failure would result and; so, you will not be satisfied and so, this, cognitive dissonance increases.

The second thing is some consumers are anxious by nature and so, there is something in psychology, which is called the generalized anxiety disorder and so, there are classes of people, who have free floating anxiety. Now, free floating anxiety is a state, where people are anxious, because they do not have a source of this anxiousness and so, there are class of people, who are always anxious.

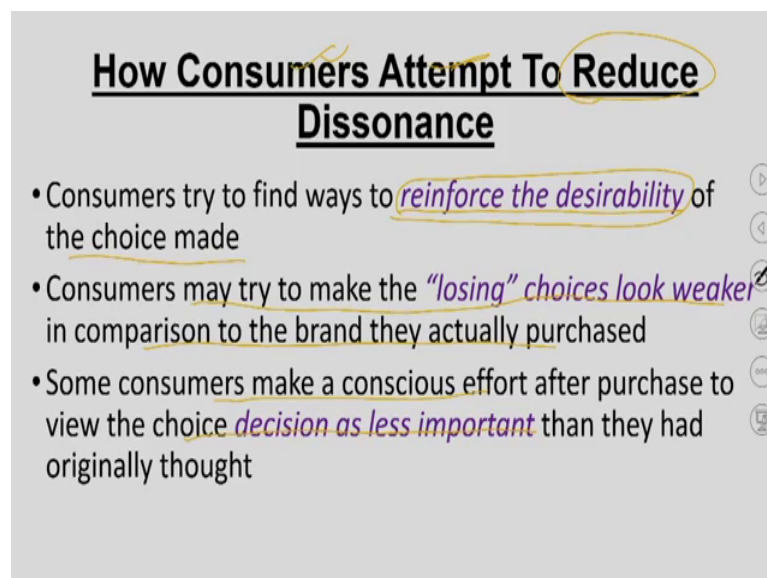
They have this free floating anxiety, there is no source and so, from any situation, which offers them some challenge, which offers them some ambiguity uncertainty, they become anxious and so, for that class of people this cognitive dissonance tends to increase. So, the class of people who has this or class of consumers who have this free floating anxiety, for them this cognitive dissonance is going to be high then finality of purchase,

the more final, purchases the more closer, you come to the purchase, the more the cognitive dissonance. So if, if you come to know or if you, if you know that this is the final step of purchase, you have entered your credit card number and buying something the more closer, you become to acquiring it the more the dissonance happens and so, it happens with most of us and you making a big purchase through Amazon or web or a flipkart or any, any website which is out there.

The last point up, till the time that we are browsing; it is very good, it is appealing, we add it to the cart. We are there finally, the point comes, when we have to put the actual CVV number and the transfer has to go through at that point of time. The more final stages of purchase comes out, the more, the anxiety or more the cognitive dissonance happens and fourth, the clarity of the final purchase, also finality could be if you, if you look at that once, you buy that product.

There is very less scope of reverting this decision that could also lead to higher cognitive dissonance and the clarity of the final purchase, the lesser clarity you have what a, product buying, the higher, the cognitive dissonance. The more clear of what you want to buy or what type of product you want to buy the less and the cognitive dissonance, but the lesser clarity you have about particular purchase, the higher the cognitive dissonance.

(Refer Slide Time: 15:11)



### How Consumers Attempt To Reduce Dissonance

- Consumers try to find ways to reinforce the desirability of the choice made
- Consumers may try to make the "losing" choices look weaker in comparison to the brand they actually purchased
- Some consumers make a conscious effort after purchase to view the choice decision as less important than they had originally thought

So, these are the factors which are actually affect cognitive dissonance. So, how do the consumers, they attempt to reduce this cognitive dissonance. How do consumers reduce,

this cognitive dissonance. There are several factors that can happen; they can find ways to reinforce this the desirability of the choice made. So, once we buy a product, they can what they can do is, they can, find ways that they decide the product. So, let us say I bought a camera or I bought a new cell phone, when I had a, cell phone to start with and I feel cognitive dissonance while buying it, what I can do is, I can give us some reason to it that this was desirable to me.

So, I can increase the desirability by reinforcing mean, some way saying that what would happen is this phone would break or it is not working in some way or I have to give gift it to someone or so on and so forth and so, I can reinforce myself in some way. And; so, what I can do is find ways to reinforce this desirability or the fact, that it, this phone is very good, what would happen is in some time, this is norm no more available and so, so many causes.

The other reason or the other, way in which the consumer can reduce this, dissonance is that consumers may try to make the losing choice, look weaker in comparison to the brand, that they actually purchase and so, what can happen here is that, if there are two brands that you are looking forward for that you are buying and one of these brands is you, you brought the second brand is also appealing, but you did not buy. And so, as soon as the purchase is over you realize that there is some kind of cognitive dissonance about the second product.

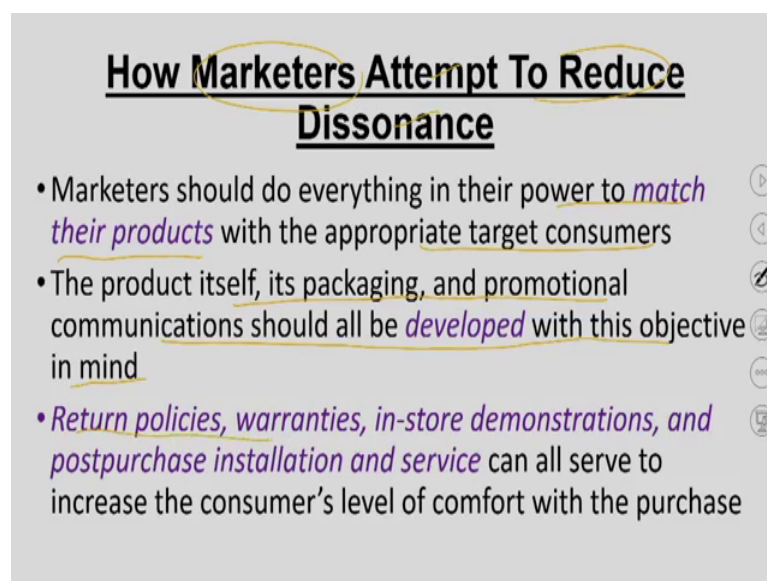
What you can do is, find out negatives over the second product, make it look weaker. So, find out those loopholes that can reinforce you on your product buying right. So, as buying,, say One plus six is attempting to buy One plus six and the Vivo phone and suddenly, I may, I brought the Vivo phone and now, One plus six looks more desirable to me. Now, I will find out ways in which it is not equal to Vivo. For example, its camera is not that good Vivo is a good company about camera phones and so that could be the reason and so, I can make the other choice look weaker.

So, one strategy is making the choice look weaker, but there are losing choice look weaker and sometimes consumers make conscious efforts after purchasing, to view the choice decision is less important and sometimes what consumers tend to do is when none of these strategy is working or the consumer tends to do is that he wants, he makes the choice that he is, that has happened in the product, buying look weaker. So, you will say



that this phone I have bought or say out, out of non desirability, out of impulse purchase and. So, it is not that important right. Money is nothing and that kind of, statements, where you say that phone buying is nothing it is not that important, but since I, still I have bought it and so on and so forth. So, that kind of reasoning, where you can make the decision as less important of buying the product that you bought and not buying the one that you wanted to or the, because of which the authority design is happening. What you can do is make that, make it believe as the decision that you have taken is less important and so that one that is one way to use cognitive dissonance.

(Refer Slide Time: 18:21)



### How Marketers Attempt To Reduce Dissonance

- Marketers should do everything in their power to *match their products* with the appropriate target consumers
- The product itself, its packaging, and promotional communications should all be *developed* with this objective in mind
- *Return policies, warranties, in-store demonstrations, and postpurchase installation and service* can all serve to increase the consumer's level of comfort with the purchase

Now, there are certain things that the marketer can also do to reduce dissonance. So, what can the marketer do to reduce dissonance? First of all, they should match the products, with the appropriate target consumers. So, whatever the consumer is, wanting, they should understand whatever the consumer is wanting, what are the benefits is wanting and match the product accordingly, they should not give false hope right. So, as close the, the self image, of the person is with the product image and as close the match, that the target consumer and the product is the better the, the cognitive dissonance is going to be the lesser, the cognitive dissonance to be.

So, never give for. So, for marketer can do is find those ways through, which he can find a or marketer can find a close match between the consumer and his product. What else can he do the product itself? It's packaging and promotional communication should also

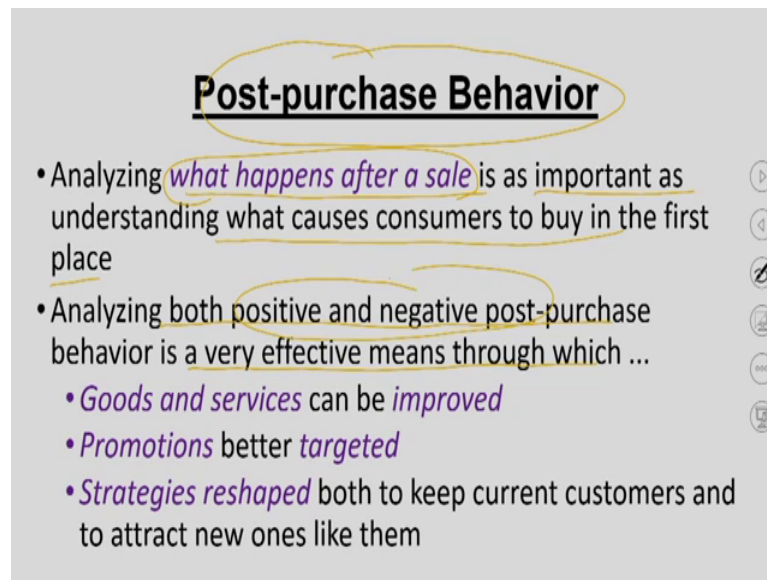
be developed within this objective in mind and so, the development of the product should be done in such a way.

So, that it matches the consumers liking right. So, if there is a consumer is young, the it should be fall flashy, it should be the, the or more, bright and vibrant colors, the packaging should be good, but if it is for people who are old, it should be subtle color, should be used more decency, less of style and that kind of a thing. Let us take an example of jeans for example, the jean company.

So, if you are looking for older people or, say above 30, the jean should be advertised in such a way that it is offering you much comfort, it is less of a style more of a comfort thing, but if you are offering the same product for younger generation, for younger people what could happen is, you can, care about styling, think about packaging in certain way, advertise in that way and so on and so forth. And so, if you do that what is going to happen is less cognitive dissonance is going to be there in the consumers mind and what else can be done? The marketers can think about return policies, warranties in store, demonstrations and post purchase installations and services.

So, you can, think about, no question, ask return policies can give warranties on their products, if it fails or somehow cover the idea that if the product fails, then it would be taken back and that is why you have this 30 days return, policy or 7 days return policy, the no question ask kind of a thing. So, these, these factors actually help the consumer in deciding the product or basically, lowering the cognitive dissonance out of it or you can give product demonstrations and offer post purchase installation services and so on and so forth. So, range of factors in the marketer can actually take care of and that will reduce the cognitive dissonance in people.

(Refer Slide Time: 20:57)



### Post-purchase Behavior

- Analyzing *what happens after a sale* is as important as understanding what causes consumers to buy in the first place
- Analyzing both positive and negative post-purchase behavior is a very effective means through which ...
  - *Goods and services* can be *improved*
  - *Promotions* better *targeted*
  - *Strategies reshaped* both to keep current customers and to attract new ones like them

So, let us now, focus on to something called post purchase behavior, what is post. So, once a product has been used and, and the consumer is either satisfied, dissatisfied, how does this post purchase behavior, go about? So, analyzing what happens after sale is as important as understanding what causes consumers to buy it in the first place.

Now, making consumers, understanding consumers and understanding their needs and understanding why they buy a product is as important or is have a whole similar value as finding out about what happens after the sale, once the consumer buys a product what happens after that?

Why is this important; because with studying what a consumer wants and why you should come to you, you will only be studying the intent, you will not be studying the behavior, but once you understand, once you study post purchase behavior, once you study after sale how the consumer is utilizing that product or what is he doing with the product? How is indeed interacting? What are the factors, which are affecting? What are the outputs of it? Then, what would happen is you will have a certain consumer with you and more loyal consumers or consumers who actually stick with you and this will also help you in gaining newer consumers.

The game here is that brand loyal consumers will always stick with you, the game here is to get new consumers, to eat up in some other, marketers, consumer base and make them loyal towards your product and that can only happen, when you once, you understand

what is happening after the sale. Once you buy your product, what is happening after that and that is an important fact.

So, analyzing both positive and negative post purchase behavior is a very effective means through which; so, why do we analyze both positive and negative behavior? Positive behavior is very good, we analyze positive behavior, because that tells us what is good about a product and how to, how does, in what kind of messaging should I use what kind of advertisement should I use or what impact that it had in the consumer and how they get attracted to it, but why starting negative purchase behavior.

So, negative post purchase behavior studying that we will make it sure that you lesson whatever is not working for your product. Those, dissatisfactions or those features of your product, which is not working, which is making the consumers go away, you can actually improve upon them and attract more consumers and so, more important than studying, the, positive post purchase behavior is studying negative post purchase behavior. Now, why should we do it; because goods and services can be improved.

Once we do that, once we understand both or study both negative and positive post purchase behaviors, what do we, what marketers can do is improve the goods and services, what else can happen, promotion are better targeted. So, they can have advertisements, which are dedicated, which are meant for or which appeals to the actual, segment of consumers that he is targeting to. So, promotions can be then very directed in nature it could be for, meant for those people and it could directly appeal to the consumer.

So, I can have that kind of promotions once I do that, once I study both positive and negative post purchase behavior and the third thing is strategy is, re-shaped both to keep current customers and attract new ones and the last thing that can happen is I can improve upon my strategies of, bringing in more customers and so, once I study this negative post purchase behavior and positive post purchase behavior, I will come to know what is going wrong, what is going right and sometimes, it is not the product, it is the consumer itself.

So, something goes wrong into the consumer or environmental factors that may go wrong and so, once I do this post purchase evaluation, I will come to know how to keep

my consumers with me my people with me and eat into other peoples market. So, it is an important thing for understanding, this post purchase behavior pattern.

(Refer Slide Time: 24:51)

**Positive Post-purchase Behavior:**  
**Customer Loyalty**

- **Loyalty** is a feeling of commitment to a product, brand, marketer, or outlet that results in high levels of repeat purchasing or outlet visiting
- Consumers might always buy a particular brand, but unless there is commitment, they are not considered loyal
- The satisfaction trap: just because a customer is satisfied does not make him or her loyal

So, positive post purchase, what happens after positive post purchase; obviously, the first thing that can happen after a positive post purchase is, high level of satisfaction and so, what will have happen is consumers will become loyal to them and so, the first fact that happens is consumer loyalty. So, what is loyalty? It is a feeling of commitment to a product brand marketer or an outlet that results in higher levels of repeated purchasing and, and, and outlet visiting. So, if a consumer is highly satisfied, it has a positive post purchase experience, if he buys the product is highly satisfied, he has a positive post purchase experience, he becomes loyal to the particular brand and what is loyalty? A loyalty is the commitment to a product brand market and outlet.

So,, a good example of loyalty is Apple users or people who use Harley Davidson. Now, people who use Apple products or an Apple iphone, no matter how hard you try, they are brand loyal. They are not going to switch their product which basically means, that they worship the product, they become committed to it in such a way so, in terms of relationships they become committed to the product. And so, nomad and in this case is what happens is the weakness of the products is offset by its strength. So, it is more of a, compensatory method of, of decision making, compensated decision making for doing the alternate evaluation.

So, whenever a brand competes with Apple now, the consumers do compensatory method the, the weakness is offset by its strengths and, that kind of method basically, makes the consumers brand loyal. The brand loyal is the commitment to the product, they believe that the product has all the, a necessary benefits that is going to offer and if something is not there then they believe that is not desirable, that factor, that parameter, that the product does not have is not desirable and that is the reason, why it is, I am going put too and so, that is what is called loyalty right.

So, once a consumer or once consumers have positive post purchase behavior, they are satisfied with the product, they turn out to be loyal. Now, consumer might always buy a particular brand, but unless there is commitment, they is not considered loyal. So, the key word for brand loyalty is commitment, the commitment has to be basically, visiting you and buying your product and using it again and again. Now, it could be that a particular person or a group of people are using a product and so, just using a product is not being committed.

One good example is the Indian railways website. So, people have to use it and so, there is nothing else to do, nowhere else to go and so, they buy and they use it, but then since, even if more people are buying tickets from it, they are not loyal. If you ask them whether they like this, what is the attitude towards the Indian railways, it is not a very good attitude and so, they are not brand loyal, but they use it and so, more usage of a product or more buying of a product does not guarantee or even satisfaction, does not guarantee a brand loyalty, brand loyalty only comes from a commitment, which you have towards the product.

There is also something called a satisfaction trap just, because a customer is satisfied, does not make him or her loyal and as I was speaking their satisfaction does not guarantee brand loyalty a person could be very satisfied with a product, but he would not be brand loyal right. So, loyalty and satisfaction are two different things satisfaction is that you use a product you get good feelings about it, but then you may not be loyal.

On the other hand loyalty is all about commitment, if you are commitment to a product no matter what happens, you are not, you are not going to, move yourself away, that is called, loyalty and so, satisfaction trap is the fact that you might be using a product, you

feel good about it, you feel satisfied with it, but you are not loyal and so, that is why I, loyalty is been explained through certain phase.

So, how does, how do you explain loyalty then? Loyalty is explained through three or four phases and so, these phases are similar to attitude in social psychology. So, in an attitude also the similar phases, which are there in attitude similar to that, there are phases in loyalty.

(Refer Slide Time: 28:32)



### Loyalty Phases

1. **Cognitive loyalty** is based on *beliefs about the brand (outlet) only*
2. **Affective loyalty**, a liking or *positive attitude toward the brand*, is developed on the basis of repeated satisfying use
3. **Conative loyalty** may be thought of as *"a good intention"* based on repeated episodes where positive affect toward the brand is experienced
4. **Action loyalty** occurs when *motivation is converted to readiness to act*, with the additional desire to overcome the obstacles that might prevent the act

So, let us keep to the loyalty phases, what is the loyalty phase? The first phase of loyalty is called cognitive loyalty. So, there are some consumers who have cognitive loyalty and so, what are those consumers, based on the believes about the band outlet and only. So, these consumers has extensive information collected about a particular product and extensive, visits to the outlet of the product and they believe the product is going to work and so, these people are said to have cognitive loyalty right.

So, they are not brought the product remember, they have extensive knowledge about the product. They believe that the product is going to work and they have something called cognitive loyalty, because the thought process suggests that the product is good, the product that you are going to give, that they are going to buy will offer them satisfaction.

The next kind of loyalty is basically, effective loyalty and so, what is effective loyalty? It is a positive attitude towards the brand and that is developed on the basis of repeated

satisfying use. When you feel positive towards a brand, when you buy a particular brand and you have good feeling about it, you have a positive feeling about it, you feel alighted by using it that is called effective loyalty.

And so, effective loyalty can happen only when you have bought the product again and again and you have used it. The third part of loyalty, your third type of loyalty is called conative loyalty and what does it mean? It may be thought of as a good intention based on repeated episodes, where positive affect towards the brand is experienced and so, in conative loyalty what happens is it is behavior related loyalty and so, what happens is when or an intention related loyalty and so, what happens in this case is that, if a product offers you good satisfaction and you feel positive towards it, your intention, your intent towards buying it increases.

So, you not only believe that it is going to work your intention, your, readiness to buy it also increases in that way and that is called, the, conative conative loyalty. Effective loyalty and cognitive loyalty is not customer loyalty as such until unless you a person has something called action loyalty, he is not a true, the product loyal or brand loyal person and so, what is action loyalty? It occurs when the motivation is converted to readiness to act. So, when you are satisfied with the product, you have good feeling about it, you have good intention about it and when you are motivated enough to buy the product, no matter what happens, travel space is send, spend money take risk and buy the product that is what is called action loyalty.

So, with the additional desire to overcome all the obstacles, that you might have, that might prevent you to actually buy the product. So, no matter what happens, you travel to places to buy that particular product and that is what we see in Apple products when a, when a Apple product is advertised, people actually wait for hours outside the shop and that is called the action loyalty right. A new videogame is, is advertiser, a new movie comes in right.

So, people wait outside, theaters, like the recent, movie Infinity war, when it came in, people actually waited for the movie in the first day itself. It, actually, got so much money it earned so, much money and that was called action loyalty, because people overcome all hurdles to buy their product and that is called commitment and then we have this brand loyalty, four phases of loyalty to be discussed.



(Refer Slide Time: 32:28)

### **Factors Influencing Brand Loyalty**

1. Number of brands available
2. Frequency of purchase
3. Perceived differences among brands
4. Level of involvement
5. Level of perceived risk
6. Brand benefits

So, what factors are going to increase this brand loyalty, a number of factors actually in, improves this brand loyalty, the number of brands available, the fewer number of brands are available, the more consumer is loyalty towards a brand, the more number of brands are available. The consumer is not loyal to any brand frequency of purchase, the less of the frequency of purchase, the lesser the loyalty, the more the frequency of purchase, the more the loyalty, more frequently you buy a product, more you, interact with it. The more loyal you become, the lesser you buy it, for example, articles for marriages or things for, the ritualistic consumption, there you will not become brand loyal, that kind of a thing.

Perceived differences among brand, the more the perceived differences among brand, the more the loyalty, the lesser the perceive difference profound brand, the lesser the royalty, because if you believe that all brands are similar, that you will not be loyal to any brand as such, but if you believe that there are differences between your brand and the other brand and the more satisfaction is given to you by the, your brand, the more loyal you will become.

Level of involvement, the more involved you are with a product, the more the loyalty, the lesser you involved, you are with a product, the lesser the loyalty is going to be, because the, as you become more and more involved with a product. You start understanding it, you start showing commitment towards it, you start interacting with in

a way and so, this commitment, gets established right, no matter what you want to buy it and you start seeing it through, through and using it, through difficulties and so that leads to this, commitment and that brand loyalty.

Level of perceive risk; the lesser the risk that a product is going to, through offer, the more the loyalty will, will be there, the higher risk, a product is going to offer to you, the lower the loyalty will be and brand benefits, the more the brand benefits that you are going to buy that. A brand has to offer to you, the higher the, the loyalty will be consumer loyalty, will be the number of brand benefits, if it is less, the brand loyalty with that particular brand will not be that much high. So, another interesting thing to be looked at.

(Refer Slide Time: 34:31)

**Brand-Loyal Consumers**

- Tend to be *self-confident*
- Feel capable of making *good brand choices* in the marketplace and will stay with the choices they make
- Tend to *perceive quite high levels of risk* involved in product purchase and therefore stand by accepted brands to reduce that risk
- Tend to be *outlet loyal*

So, what are the characteristics of brand loyal consumers? The first is brand loyal consumers are self confident; brand loyal consumers are the same people, who are high self confidence. They believe that the brand that they are buying is actually going to help them in whatever needs that they have is going to allayed them both in, functional attributes as well as social attributes, as well as they believe that they are an expert into that brand and whatever the company decides for them is for their best and so, they are very self confident. They believe that they are an expert, they have all the knowledge and so, brand loyal customers are self confidence higher, self confidence.

Now, feeling capable of making good brand choices in the marketplace and will stay with the choices, they make. So, brand loyal, people actually are much read right and so they, they are capable of making good brand choices. They, through the expertise, they make good brand choices and once the choice has been made, they do not shift from the choice, they stick with the choice and that choice actually offers them a lot of satisfaction and so, one, characteristic of brand loyal consumers is that they can have good brand choices.

They tend to perceive quite high levels of risk, they can perceive these high levels of risk right, involved with product purchases and therefore, stand by accepted brands to reduce that risk.

So, they believe that they are more risk prone people and so, they believe that higher risk are there and in shifting between two brands or you in buying two brands and the number of alternatives improve or increases the more, the risk is and so, why they stick to their brand? Why they are brand loyal is, because that will reduce the risk, they are not risk taking people, they are risk averse people and so, because customers are risk averse, they stick to a particular brand, because that reduces the risk of experimenting into the marketplace. And so, brand loyal people are always risk averse in nature and they tend to be outlet loyal also.

Generally seen that people who are brand loyal are also outlet loyal, the reason why a brand loyal person is an out loyal or outlet loyal person is, because people who prefer a particular brand also prefer an outlet from where they are going to buy, that particular brand and that may be one of the reason, why people, who are brand loyal are also outlet loyal.

(Refer Slide Time: 36:50)

### Loyalty to Multiple Brands, Product Benefits, Product Form, and Use Occasion

- Many consumers are *loyal to a group of brands* that are essentially equal in their eyes
- The consumer makes a *decision based on what is happening in the marketplace*
- Brand advertising should not star the brand alone, but should also *emphasize key product-class benefits, characteristics, and situations of consumption*

Now, there are some consumers, who actually or there are some, situations, where loyalty to multiple brands are shown. Now, when does that happen, many consumers are loyal to a group of brands then that are essentially equal in their eyes. So, sometimes what happens is, you have people, who are not loyal to one brand, but a group of brand and so, what happens? When that happens is make, they are loyal to a group of brands, because they believe that all brands offer them equal choices and so, if one brand is not available, they will switch to another brand and that happens, because they have in the consideration set, that we discussed in, in terms of information search, the consideration set has a number of brands which are all equal right and so, when that happens, you have a situation in the market where people are loyal to many brands.

So, if they do not have the product, or the brand, which they want to buy in the market, what they will do is, they will switch the two different brands, which offers them competing, prices or competing benefits. Now, the consumer makes a decision based on what is happening into the marketplace and these are the same people, who actually are marketplace dependent. So, they look at which brand is, given the fact that the concentration set has a number of brands and all of them are or equal in terms of delivering benefits to them. They look at the marketplace in terms of what is happening, which brand is giving them which kind of a benefit and they compare that and based on them, they make a choice of which brand to take and which not to. So, there are market dependent people. So, given the fact that they have a number of brands, which offer them

all kind of benefits they make the choice according to the marketplace situations rather than the brand loyalty.

So, brand advertising should not star the brand alone, but also emphasize key product class benefits, characteristics and situations of consumptions and so, in this case what the marketers can do. If they want more power people to be brand loyal is that when emphasizing the brand alone, they should also emphasize key product, class benefits characteristics and situation of consumption. So, not only telling what their brand is going to do that brand alone is going to do, but that class of brand, what it can offer to you?

How should you consume that particular brand characteristics, class benefit characteristics. All those things, if you, if you go, put forward in front of the consumer, it give information about these factors to the consumer. Now, more they will be brand loyal to you and they will not be loyal to multiple brands. So, one of these are some of the things that happened, when a consumer is brand loyal to multiple products.

So, once a consumer is brand loyal to a particular product, what happens? After that he buys the product, gets satisfied and after that, after that there is something called positive word of mouth. So, the positive feeling that he has about a particular brand is spread to this positive word of mouth, kind of situation.

(Refer Slide Time: 39:41)

**Positive Word-of-Mouth**

- If consumers have a positive experience with a product or service, they may *spread the word to friends and others*

1. Consumers are *satisfied* with the experience
2. Consumers are *committed* to the product, brand, or outlet
3. There is *strong identification* on the part of the consumer with the product, brand, or outlet

So, if consumers have a positive experience with a product or service, they may spread the word to friends and others. So, if a consumer has positive feelings about a particular brand, if you, if he satisfied with a particular brand, if he feels good about a particular brand, he becomes brand loyal and so, what he does is, the first thing that he does is he spreads the word to friends and others, all people that he know, he will always be going gaga about the product. He will be always telling the benefits of the product to others and make sure that other people also buy that particular, benefit that he is getting from the product and the same product that he has brought.

So, he will be spreading good words about the product from his mouth and when does that happen? When the consumer is satisfied with the experience, if a consumer is satisfied with the experience he spreads the positive word or positive feelings about the product, positive information about the product, positive, consumption, information about the product, experience about the product through other peoples, when he satisfied with the experience, that he has with the product and this experience is not just dealing with the actual product itself, but the situation with it, the post purchase, consumption the post purchase process and so on and so forth.

When consumers are committed to the product brand or outlet, then they spread this positive word of mouth. So, this positive word of mouth is actually high in those consumers, who are committed to a particular product which basically translates to the fact that they are brand loyal. So, the more committed you are to a product, the more satisfied you feel with the product, the more, effective connective and, cognitive loyalty and motivational loyalty, action loyalty you have to a product, then the more you like that product. The more commitment you have with that product and the more positive word of mouth you will spread about the product.

And there is a strong identification on the part of the consumer with the product brand and outland and so, consumers personality matches with the brand. So, he sure sees himself as a part of the brand, there is much to share between his personality in the brand personality and so, he sees a strong identification. For example, those riders who ride Harley Davidson, if you look at them their personality matches with the bikes personality, you never seen a linear thin guy actually riding a, Harley Davidson does not look good. So, people who, who, who actually ride Harley Davidson are they look like it, they, they look like they deserve it. And so, people who spread positive word of mouth

are the same who feels that their identification is shared by the product, the product identification.

(Refer Slide Time: 42:09)

### Negative Postpurchase Behavior

- **Recovery expectations** are tied to customer beliefs about the level of "reparation" that is appropriate after a failure
- **Negative word-of-mouth** (*Friends and Family*)
- **Rumor** (*Maggi, Gillette, Procter & Gamble*) *satank 666*
- **Consumer grudge-holding** (*exit, voice dissatisfaction, terminate loyalty*)
- **Complaint behavior**

So, on cases when a positive satisfaction happens several things, several thing occurs, but when, customer or, consumer is not satisfied with the product, what happens a negative post purchase behavior is taken care by something. So, when does a negative post purchase behavior happen, when the recovery expectations are tied to customers belief about the level of reparation that is appropriate for his failure. So, whenever a product is actually not, benefiting a consumer, it fails in benefiting a consumer, a negative post purchase happens and so, that is tied to the beliefs about the level of reparation dependent on the level of reparation, that the consumer feels appropriate after the failure is going to happen and what can happen? So, negative post purchase behavior how does it happen or what can happen? The first thing is that negative word of mouth.

So, if a particular product actually does not offer you the kind of benefit that you are looking for or somehow it fails you in certain way in, in terms of views or in terms of any, any other factor, what happens is there is negative word, word of mouth. So, friends and family and your known people, you will start saying negative words of product you will start, spreading things about them, not spreading actually here, you start saying negative or the product, product attributes, why you do not like the product? Why they should not buy the product and so on and so forth. So, negative information or those

factors, which did not work through the asymmetric effect that is highlighted and that is what is, basically, through the contrast effect, that is highlighted and that is sent in to the consumers to other people that you know. So, you will do a negative word of mouth kind of a negative information, flow about the product and those, features which does not work and that, that happens the first thing.

What else can happen when a negative, post purchase, experience is experienced by a consumer or a consumer goes through a negative post purchase feeling, consumer, some consumers tend to spreading rumors. So, rumors are very bad for any, any product manufacturer. So, rumors are those statements, which are spread into the market, which has no truth behind it and so, rumors actually have a product in many way and so, one way of actually dealing with, negative post purchase is spreading rumor, spreading unfalse information, spreading information which is fake, which has no basis on all and that hurts a company a lot and so, I have some good examples here.

For example, Maggie now, recently in India, this Maggie company had this rumor that it contains bones or human bones or sometimes it was, things which are not, eatable iron content, potassium content and so, many other things were there and so, that was one thing, which hurt Maggie in a lot of way and Maggie actually went away from the market for some time.

But it came back that is another thing, I think in 2015 it happened and it came back, but then that was what the rumor was all about or for example, Gillette, this company also faced, lot of rumors where it was believed that their, shave the, the shavers have asbestos in them and that was quite a something where which hurt the company in a certain way and the most popular is the procter and gamble logo.

Now, if you have seen the procter and gamble logo, there is this old man, which is there with stars on the side and so, it was believed that, procter and gamble it is a satanic company and so, if you turn the logo you will see 6 6 6, which is the number for satan, the road way to hell and so, if you turn the logo in a way, it turns out to be satanic. Also it was believed that a part of the company actually promotes satanic churches and so that kind of a thing was there and so, these are the rumors and it hurt the company in a major way.

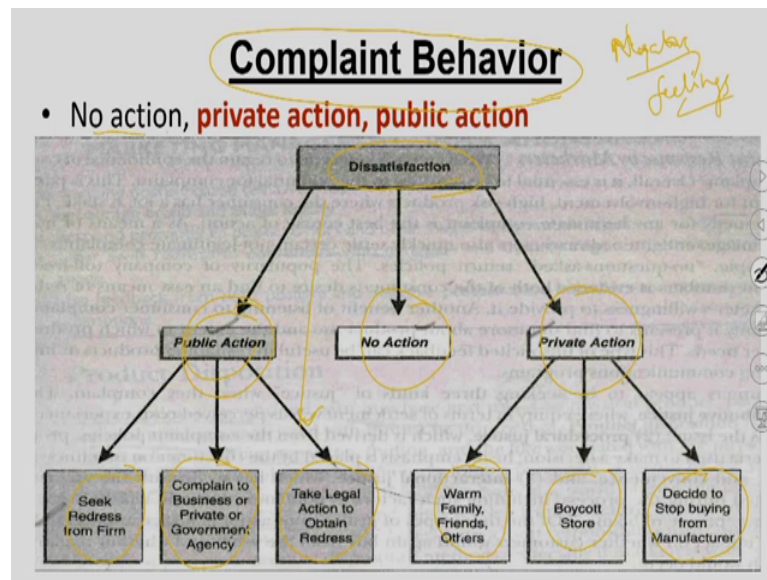


So, one of the things that can happen from negative post purchase behavior is spreading of rumors, what else can happen? Consumers can actually hold grudge right. So, they will not do something, but they may hold grudge about, the particular company, if a particular product fails, they may, hold this grudge about this external, company or this, this, particular company, because the product has not worked the way they wanted and so, what all can happen?

Three things can happen; still the consumer has not gone public, it is still in a private place. So, what, what it can do is the consumer can exit, which basically means that stop buying that product at all and the commitment and the relationship and so on and so forth. He can voice his dissatisfaction, he can write letters to management, write letters to the company and why is the dissatisfaction saying, that I am not happy with this product, take it back, give me benefits or so, so on and so forth or he can terminate his loyalty.

So, exit means is not ending the loyalty, but terminating loyalty is another thing, he will not become loyal to that product. So, and all commitments to it exit means not buying it anymore. Terminating loyalty means that in all future endeavors, he will not actually think of the product. So, this is one way in which a negative post purchase, this is an, can actually harm a product or brand marketer and the fourth is complaint behavior. So, this is the most important or interesting thing to look at what the consumer can do beside, beside recover negative word of mouth rumor and, and grudge holding is he can do complaints. So, this complaint behavior is another important thing, which is to be looked here.

(Refer Slide Time: 47:30)



So, basically this complaint behavior, if a product has negative post purchase. So, if you buy a product and it is negative, negative feelings are generated on to you, the consumers can have indulge in something called complaint behavior.

So, this dissatisfaction that I was talking about that can, have three ways of, going this complaint behavior as three ways of, going. So, consumer can take a public action, the consumer can take no action or the consumer can take a private action. Now, in private action, what can happen is the consumer can want family and friends about the others.

So, that is positive word of mouth, he can boycott the store at all. So, these are private actions, where the consumer is not complained, this part is the public action is there as a complaint behavior is all about. So, we will focus into that, but briefly this is private action or he can decide to shop buying from, stop buying from that manufacturer and so, he can quit exit that is what he can do or the consumer can take no action at all.

So, he is dissatisfied he does not take any action, but what majorly can happen is the consumer can take a public action and what is the public action he can seek redress from the firm? So, he can go to, the firm ask a redressal, write them a letter, write them some kind of a complaint and ask for redressal.

Complaints to business or private or government agencies, you can talk to, consumer, agencies or, consumer, pride protection agencies or other private groups, which are they,

which protect the benefits of the consumer and that way you can, get, whatever is due to you from the manufacturer, because the product did not perform the way it was supposed to work or you can take a legal action to obtain redressal. You can go to consumer court, file a case against them and can get, money or whatever in kind, whatever way you are looking at that kind of, redressal will be done to you.

So, three things, no action, private action and public action.

(Refer Slide Time: 49:29)

**Complaint Behavior** (Negative post purchase)

- Why some consumers complain?
  1. The purchase is **important** to the consumer
  2. The consumer's level of **knowledge** of and **experience** with the product purchased are **significant**
  3. The time, energy, and financial **costs** of making a complaint
  4. Consumers perceive that complaining will lead to a **positive outcome**

So, which come consumers complain, why some consumers complain, because it is important to them either decision of buying the, the product. The purchase decision is very important, the consumer he is going to complain about or lodge a complaint if so, this complaint behavior is went, negative post purchase happen right. And so, when it is important to the consumer, these consumers actually go ahead and complaint.

Then consumers have level knowledge, level of knowledge and experience with the product are significant, if the consumer is an expert in the product, he has enough knowledge and he has enough experience with the products, in the product fails, in those cases he is going to complaint, because it believes that he is an expert in the product and he has enough experience and so, looking at the product he believes that the, failure is not due to him. It is due to the product and so, he goes ahead and complains what else is that, if the time energy and financial cost of making the complaint is very less, only those consumers complains.

So, if it is very high as the marketer makes it very high or cost to complaint the consumers will not complaint. So, if the cost that he believes for complaining is less than the consumer actually complaints about the particular product and also if the consumers believe that by complaining a positive outcome can happen.

For example, look at Indian railways, no matter how much complaint you do they are not going to do anything and so, most consumers do not complaint right. They book a different ticket, that kind of a thing is that. So, when you know something is going to happen when you complaint and you know that something good is going to happen out of it or some kind of positive outcome will happen out of the complaint, consumers tend to complaining for the dissatisfaction that they have, but then when they understand that nothing good is going to come out of it, the consumers do not complaint.

(Refer Slide Time: 51:21)

**Complaint Response by Marketers**

- **Distributive justice**, where *equity in terms of settlement* versus *perceived costs experienced* by the person is the issue
- **Procedural justice**, which is derived from the *complaint policies, procedures, and criteria used to make a decision*
- **Interactional justice**, which has to do with the *way customers are treated during the process*

So, how is, or what can the marketer do to or how does the marketer take care of this complaint? What the consumer wants is three kinds of justice and this is what the marketer can do. One is called the distributive justice, where equity in terms of settlement versus perceived costs experienced by the person, in the issue. So, what the marketer can do is establish distributive justice or, maintain distributive justice in which the equity in terms of settlement. So, whatever amount of, costs that the consumer has experienced in, in buying that product and seeing it failed, that is reimbursed through settlement for that amount of things. So, it is not only the product price, it is also the

other cost, which is there and, kind of, price is paid back to the consumer or money is paid back to the consumer or a settlement is done in some way. So, the consumer has distributive justice, the amount of effort that he has done in getting the product and the, the failure has led to him that kind of effort, that kind of cost is, is actually reimbursed by the manufacturer and that is called distributive justice.

Then you have procedural justice and so, what is procedural justice is derived, when the complaint policies, procedures and criteria used to make a decision and it is fair. So, when, procedural justice is done, when a company shows you that these are the policies of how you make the complaint, the procedures of making the complaint or how they are, they are, hearing the complaint and the criteria used for making the decision that they have made on your complaint, if that is worthwhile or that is something that they can show to you. They can show to you that this is worthy, this is called procedural justice. So, sometimes consumers just one procedural justice and at times there is something called interaction justice.

What is that which, which has to do with the way consumers are treated. So, if you can show that whatever decision the company has come to, because you have complained and the way of reaching that, come, that decision, if you can show that it is, non biased in some way that you have demonstrated something called procedural justice, but if there is something called interactional justice, sometimes a consumer just feels that he should be handled in a very nice manner. When he is addressing a complaint, it the, it should be treated right and the whole complaint process very smooth offering that also is kind of a justice as a, as the market I can do.

So, what you can think of what marketers can think of is how to address this complaint. So, people who can listen to them call centers or in sales marketing people, who can listen to them and provide them a feeling of justice or they are treated well when they are complaining in those cases the marketer has and in fact, in fact, demonstrated in interactional justice.

(Refer Slide Time: 54:03)

### Marketer Actions Increase the Probability of Customer Satisfaction

1. Build *realistic expectations* about product or service performance
2. *Demonstrate or explain* product use
3. *Stand behind* the product
4. *Encourage* customer feedback
5. Periodically make *contact* with customers

So, marketer action increases the probability of customer satisfaction, what can the marketer do to increase this, customer satisfaction realistic expectation? He can put in, information so that the consumer has very realistic expectation, what the product is going to offer to him, whatever he wants and what the product is going to offer to him also demonstrate and explain. The, the marketer can demonstrate and explain how to use a product.

So, if you have a negative post purchase behavior, if you, your product fill in one way, what you could do is that you could make your messages in such a way, provide information in such a way that the reality, a realistic expectation is demonstrated, not to the consumer. You can demonstrate and, and explain how the product really works, you can stand behind the product saying that my product is good and, it is maybe one of a fault or maybe some other reason that can they environmental fault, some other fault or they can encourage customer feedback. And so, this is very important if you cannot if you encourage customer feedback, more customers tend to be brand loyal.

So, you will, even if they have our dissatisfaction, they start to interact with you or in future to think about working with you and then another thing is context. So, if periodically you can do contact with your customers, that can also increase the chances of or lower the dissatisfaction.

(Refer Slide Time: 55:14)

## **Product Disposition**

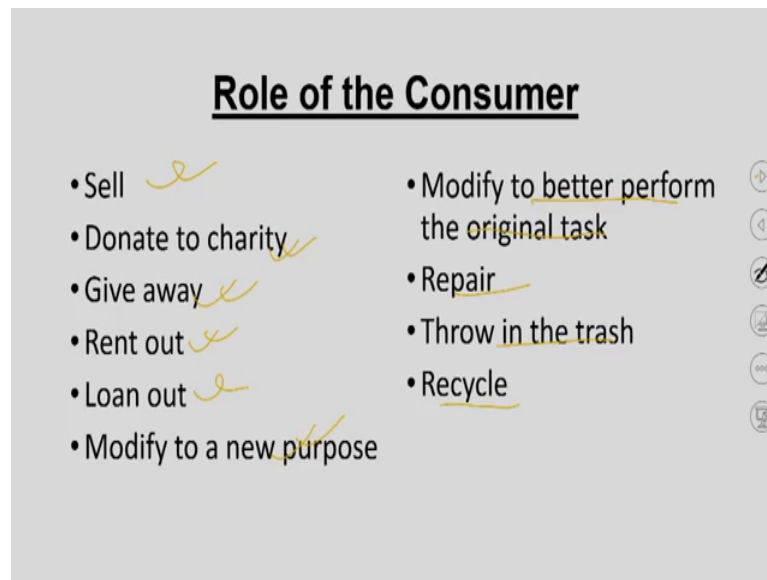
- The process of reselling, recycling, trashing, repairing, trading, and the like associated with the physical product, packaging, and its promotional materials
- Marketers have a joint responsibility with consumers to find and/or provide appropriate product disposition methods

And the last part of it is how the disposition happens or how the disposal happens? So, the process of reselling, recycling, trashing, repairing, trading and the like associated with the physical product packaging and its promotional materials that is called product disposition. So, once you have used the product, what do you do with? It is basically called product disposition and is an important part of consumer behavior.

So, what, what is, so in terms of recycling or reselling of product or trashing it, trading it, how do you throw it? How do you get disposed of the product once you have used it, that is what is basically product disposition. So, marketers have a joint responsibility with consumers to find, and to provide appropriate product disposition.

So, if both the, the consumer as well as the, as the marketer, both are responsible for this product disposition. So, what can a consumer do? The role of the consumer.

(Refer Slide Time: 56:07)



So, in terms of product disposition, if a product that he has used and he is, he is with it and then you do not want to use it, he wants to dispose it, he can sell it off. The consumers can sell it off, he can donate it or give it to charity, he can give away to someone, rent free, he can rent it out, he can loan it out. Consumers can load their products or modify a product for a particular purpose and modification can be, seen some people modifying their old cameras for, cctv or old mobile phone. Sorry to, for a cctv camera and so, that is modifying a product or using it a product for a different use altogether from which it was actually purchased.

So, these are the steps that kind a, the consumer can do modify to better perform, the original task, he can repair the product, throw it in the trash or recycle. So, these are some of the things that the customer can do to dispose off a particular product, when a product has been used and what can the marketer do. So, government regulations lead directly to environmentally responsible product development and marketing measures.

So, one thing that the marketer can do is demarketing, it occurs when sellers attempt to reduce the demand for their goods and services as a result of environmental sensitivity or under supply of their products and services.



(Refer Slide Time: 57:14)



**Role of the Marketer**

- Government regulations lead directly to environmentally responsible product development and marketing measures
- **Demarketing** occurs when sellers attempt to reduce the demand for their goods and services as a result of environmental sensitivity and/or undersupply of their products or services
- **Green marketers** send the message that their products are environmentally friendly

So, they can do this demarketing for disposition or they can offer this something called green marketing also right. So, green marketer send the messages that their products as are environmental friendly.

So, one of the ways in which you can look for dispossession is for example, the what the what is Hp doing. So, it is taking back everything that the, the use cartridge and read in refilling it and or whatever they do with it. So this, this kind of offer from the marketer side, where, where they can take care of your product or exchange your older product, for newer product kind of a thing or they can promote this green marketer, saying that the number of stars on your, electrical appliances, reduces the power consumption. That kind of green thing or this product is made from natural products or natural, things or naturally available materials that kind of promotional messages, they can put forward and that messages can actually help in the disposal of a product.

So, basically in the present lecture, what we did was we, we looked at, we looked at how consumers actually, go through this post purchase experiences. So, starting consumer loyalty to how to mocking the dissatisfaction is and what are the characteristics of consumers, who has a dissatisfaction and, what are the, methods of product disposal and so, all those things, all those factors which are related to, purchase of a, the post purchase behavior of the product and, talking about brand, brand loyalty, loyalty.

Customer loyalty types of loyalty, how does this satisfaction happen and also talking about cognitive dissonances that can happen and how to handle this cognitive dissonance. So, this 9th lecture basically, breaks our course into or, ends the first section of a course, where we dealt with what is consumer behavior and what is the consumer decision process.

From the 10th lecture onward, we will be moving on to those consumer factors. For example, perceptions attitudes, memory and learning and things like attitude change things like, mood involved, mood and emotions and all those consumer related factors, which actually make a consumer behave in a market or how does consume. These factors actually, moderate the interaction with the consumer has in the market or shapes the behavior of the consumer, when he is in the, through the market.

So, from the 10th lecture onwards, we will start with perception then move on to some other cognitive factors and so, they we will generally deal four or five factors, which are important in, in consumer behavior and we look into how these factors, what role these factors play in shaping the behavior of the consumer into the market and getting the best benefit from any product and services. So, up till now, whatever we have done was only looking at the consumer, the process or the consumer decision process. So, that is all for now.

Thank you.