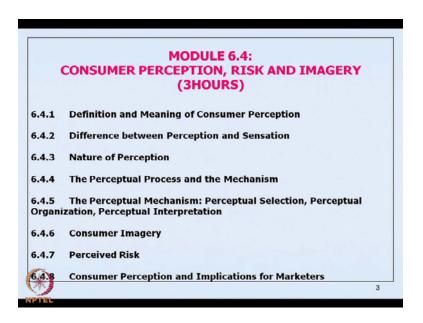
Consumer Behaviour Prof. S. Sahney Department of Vinod Gupta School of Management Indian Institute of Technology, Kharagpur

Lecture - 25 Consumer Perception, Risk and Imagery (Contd.)

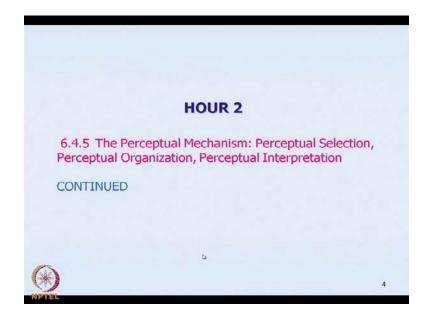
We will continue with our discussion on module 6.4, which is consumer perception, risk and imagery.

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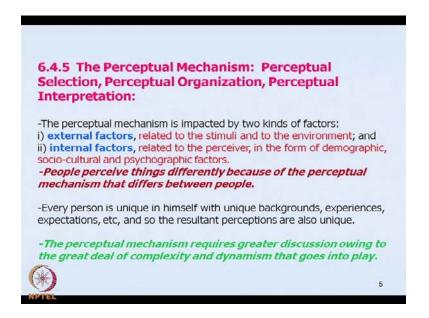
In the previous session, we have discussed the definition and meaning of consumer perception; the difference between perception and sensation; the nature of perception; the perceptual process and the mechanism. And we have started with the perceptual mechanism in detail, where we have discussed perceptual selection. And we shall be discussing perceptual organization and interpretation in today's class.

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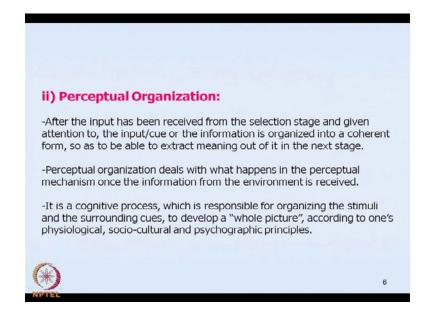


We will basically be talking about and continuing the perceptual mechanism – discussion on a perceptual mechanism. We have discussed yesterday perceptual selection, where we spoke about what is perceptual selectivity; the various factors, which affect the selectivity of a stimuli; which were factors internal and related to the perceiver and factors external and related to the stimuli. As we discussed earlier, the stimuli could be in the form of a product or a brand or anything to do with the 4 Ps. Any and all of these could act as a stimuli. And there are certain characteristics with respect to the stimuli, which affect selectivity of stimuli. And there are also certain factors internal and related to the perceiver, which affect perceptual selectivity. We also discussed a sensory threshold: absolute thresholds and differential thresholds. And we discussed certain concepts of perceptual selectivity like perceptual defense, perceptual attention, response salience and response disposition.

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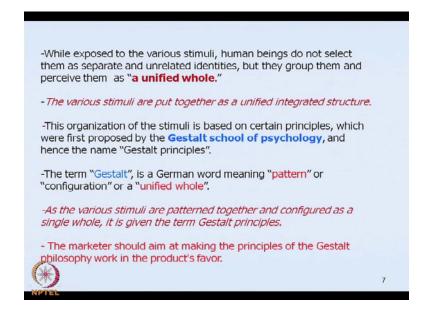
Today, we will continue with our discussion on the perceptual mechanism and we will move to perceptual organization. But before we do that, we just like to repeat here that the perceptual mechanism is affected by two kinds of factors: factors internal and related to the perceiver; and factors external and related to the stimuli. Now, both of these factors not only have an impact on perceptual selection, but they will also have an impact on perceptual organization and interpretation. So, that is the reason why I am repeating that, there are these factors, which have an impact not only on selectivity, but also organization and interpretation as well. People perceive things differently, because their perceptual mechanisms are different and each of us is unique; we are affected by demographic characteristics as well as sociological and psychological influences. And so there is a great deal of subjectivity with respect to the perceptual mechanism and the overall perceptual interpretation.



Let us now move forward and discuss what perceptual organization is. After the inputs have been received in the perceptual selectivity state; after they have been given attention to, the various cues or the various stimuli or information with respect to these cues is organized into a coherent whole. It is organized into a comprehendible structure, a unified form, more coherent form so as to be able to give meaning to it in this particular stage. So, a perceptual organization is what happens in the perceptual mechanism once information from the environment in the form of stimuli and the cues is received.

So, a perceptual organization is a highly cognitive process, which is responsible in organizing the stimuli and the various cues to develop a whole picture or a unified picture or coherent whole. And this is going to happen again according to ones background in terms of demographics, also in terms of the sociological influences and the psychographic factors. So, the process which begins once stimuli is selected is referred to as perceptual organization, where the different cues or the different stimuli are put together as a unified whole, as a coherent picture to derive meaning out of it.

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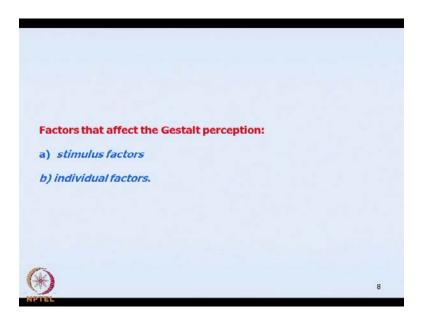
Now, people are exposed to different stimuli; they do not react to them as separate or unrelated identities, but they group them together as a coherent form or a unified whole. This principle or this organization of the stimuli is based on... The organization of the stimuli is based on principles, which were first proposed by the Gestalt school of psychology and thereby these principles have come to be known as the Gestalt principles. The term Gestalt in German basically means pattern or configuration or a unified whole.

So, the various stimuli or the various cues associated with the stimuli; the information is associated with the stimuli; they all put together; they all patterned together and configured as a whole or as a single unit. And this is done with the help of the Gestalt principles. So, the marketer basically should aim that... He should aim at implementing the principles of Gestalt philosophy to work in favor of the product or to work in favor of the brand.

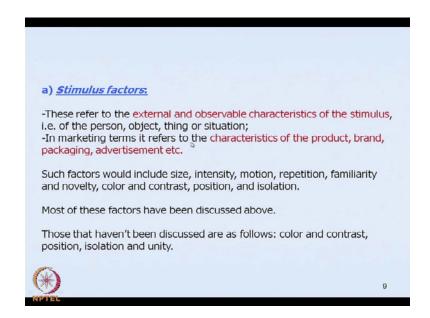
Once people are exposed to stimuli, they do not look at the stimuli as single individual pieces of cues or of information, but they try to look upon them as a unified whole; they try to give them in a coherent form; they try to give it a coherent structure. And these various stimuli or these various cues are given a form, which is more unified, more coherent, and more integrate, because finally the interpretation would actually be based on this unified whole or perception of this integrated whole. Now, the principles on

which this particular perceptual organization is based was contributed by the Gestalt school of philosophy and has come to be known as Gestalt principles; which Gestalt meaning configuration or pattern or a whole. So, the various stimuli or the cues are basically looked upon as a single whole; they are looked upon as a unified whole. And that gives them the meaning; that gives them term; that is, termed as the Gestalt principles. So, we will talk about the Gestalt principles in little detail.

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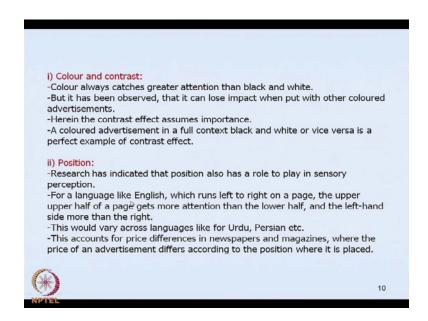


But, before we do that, we must also discuss the factors, which affect the Gestalt perception. Now, there are factors, which are stimulus factors. As said, they relate to the stimulus. And there are also certain factors, which are regarded as the individual factors. So, these pertain basically to the individual or to the person or to the perceiver.



Let us see what these stimuli factors are. You may find reputation in terms of what we spoke yesterday in terms of selectivity, because the same characteristics which affect selectivity will also have an impact on perceptual organization. So, the stimulus factors referred to the characteristics of the stimulus, which are observable or which are more explicit – now, these stimulus as we have discussed could be a person, object or a situation. In marketing terms, it could be a product or brand or the price or the store or the ambience or the advertisement or the packaging and so forth. So, factors related to the stimulus or factors related to product, brand and are the 4 Ps basically would again include the sizes, motion, intensity, familiarity, novelty, contrast, position, and isolation. So, most of these factors we have already discussed yesterday in our session on perceptual selectivity. Those which we have not discussed are color and contrast, position, isolation and unity. So, we will discuss this.

The rest of it of course yesterday, we discussed the size; the larger the letters, the larger the words, the larger the size it is going to be – it is going to be have an impact on selection and organization. Similarly, intensity or force or power of the stimuli, the movement of stimuli or the motion, the reputation of the stimuli, the familiarity of the stimuli in a novel settings or novelty in a familiar setting – all of these will have an impact not only on selectivity, but also organization of the stimulus. So, we will now talk about color and contrast, position, isolation and unity, which also have an impact on perceptual organization.



Talking about color, color always gains attention; it catches greater attention and more organization of cues than black and white. But it has been observed that it can lose its impact when it is used with other colored advertisements or colored material. So, that is where the contrast effect comes into picture. And a colored advertisement in a black and white newspaper or black and white ad on a color TV on a colored channel, which will actually act as a contrast and lead to greater attention and greater organization of stimuli. So, we have color and contrast which acts as an impact on perceptual organization. Position is again something which has a role to play not only in a perceptual selectivity, but organizational as well. In fact, when we spoke about sensory receptors yesterday, we saw how the five sense organs get attracted to certain kind of stimulus.

And, position has a big role to play. So, we our language English, which runs left to right on a page. So, in the case, where we see a language like English, which moves from left to right, the upper half of the page gets more attention than the lower half; and the left-hand side gets more attention than the right-hand side. So, when we look at a page or a book, it is the upper side of the page and the left side of the page or which gets more attention than either the lower half of the page or the right side of the page. This will of course vary with languages; in Urdu, it would be opposite; in Persian, it would be opposite. This basically accounts for price differences in newspapers and magazines, where the price of an advertisement differs according to the place or according to the position of the advertisement or the insert in the newspaper. So, we see that, the different

rates when you have to place an advertisement in the newspaper, there are different rates for different positions on a page or different places on a page. This is even true with respect to any other print media be it magazines or be it journals. So, the upper side of the page or the left side of the page will always receive more attention. And because it receives or get attention, the charges are much higher than the other parts of the page or the other side of the page.

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Isolation – instead of being closer, when a stimulus stands away from others, the chances of it getting perceived are much greater; the chances of it getting organized in the form of different cues is much greater when it is clustered with other stimuli. And of course, unity is also used as a principle. While organizing various stimuli, unity can be achieved through application of the German school of psychology through their principles of proximity, similarity and density. So, talking about proximity, those stimuli, which are placed close to others, form groups. Like for example, in terms of product shelving in stores, product – breakfast cereal will always be stored very close to dried skim milk powder or biscuits or fruit juice, because it is regarded that these product are used together in the morning at the time of breakfast. So, they are placed together to form close groups.

Similarly, there is (()) principle of similarity, where stimuli which is similar is placed together each to form groups. So, you have different kinds of toiletries or different kinds

of soaps put all together one along with the other, because they are similar in terms of product category. Or, you have density that stimuli that have common density units form groups. So, it could be in the form of size and shape – size of package, the shape of package similar. So, they are put together; they are put similarly. So, the principle of proximity, similarity and density – they are going to have an impact when people are going to organize facts around them. So, various facts that juice is kept in a corner also means that breakfast cereal will be put there. People tend to organize these things as facts, because they relate the usage of the products in conjunction or at usage of the product simultaneously or in relation to each other. So, we have these principles, which are external and related to the stimuli; which not only affects perceptual selectivity, but they also affect perceptual organization.

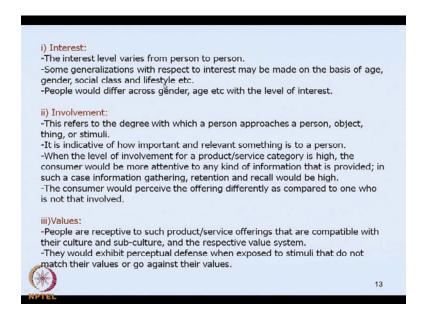
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Apart from that, we have the individual factors, which actually relate to the perceiver. We again have discussed this in the previous session and there may be little reputation. But for the sake of understanding perceptual organization, I will again repeat some of these again. These relate to the individual; these relate to the perceiver and actually characteristic of the consumer. So, the consumer motivation need pattern; his wants, his learnings, experiences, personality and the self-image are all going to have an impact on how he is going to organize facts around stimuli or organize the various cues on the stimuli to give them a meaningful whole. So, these characteristics have a role to play in the selectivity, organization and interpretation. And they will differ from person to

person. And so they will be very subjective in nature; they will be less measurable and quantifiable. We have already discussed motivation, learning and personality yesterday in the previous session. What we have not discussed is interests, involvement and values. So, we will have a small discussion here on how interests, values and involvement also have an impact on perceptual organization.

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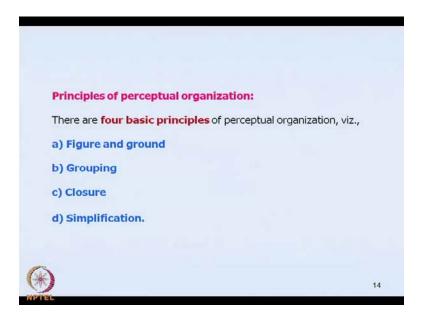


Now, the interest levels as we know vary from person to person. And some generalization with respect to interest will be made on the basis of demographic factors like age or gender or social class and lifestyle. And people will vary across gender in age with respect to the level of interest that they for products or for brands or for any kind of activities and general interest. Involvement is the degree, which a person approaches – a person or an object or stimuli. So, it is basically reflective of how important and relevant something is to a person; there is something could be a product or a brand or price. So, the when the level of involvement is high, the consumer will be more attentive to any kind of information that is provided and he will try to figure out or try to create meaningful picture of whatever he is been exposed to. And in that case, information gathering, processing, retention and recall will be very high. So, he will perceive the offerings as differently as compared to one who is not that involved.

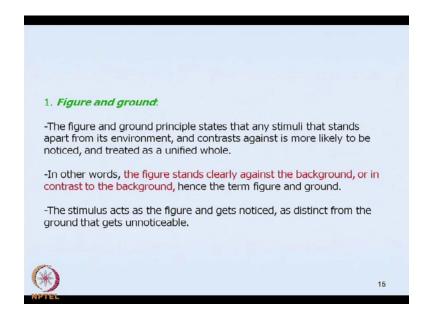
Values also have a role to play. People are receptive to such product or service offerings that are more in tune, that are more in congruence with their culture, with their sub-

culture and their values system. And there will be a perceptual defense when they are exposed to stimuli, which does not match their values or goes against their value system or their opinions or their attitudes. So, these are factors, which are internal and related to a perceiver, which will have an impact on not only on selection, but also on organization and interpretation. Motivation need patterns; the learning experiences, personalities, self-image, values, interests, level of involvement – all of these will have an impact on how well a person gives coherent form or how well does he give a unified form to the various cues and the stimuli that he has been exposed to.

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Now, we will move further to discuss some principles of perceptual organization. Talking about the basic principles of perceptual organization we have, four of these principles which we talk of: the figure and ground, grouping, closure, and simplification. So, there are four basic principles of perceptual organization: figure and ground, grouping, closure, and simplification.



We will start with figure and ground. Now, when we talk about figure and ground, we are basically saying that, any stimuli that stands apart from the environment tends to get more noticed; anything that comes out, anything that strikes out, anything that contrasts out from a background or from an environment is more likely to be noticed and it is treated as a unified whole. It is not only going to... It going to something; it is going to stand out and we interpret it as something different to the background or to the whole. So, it stands apart from the environment and contrasts again. And it is looked up as a unified whole.

So, the figure basically stands clearly against the background or in contrast to the background. And this particular stimulus – it acts as a figure and gets noticed; and the background acts as the ground. So, the stimulus acts as a figure as against the background, which again stands as the ground. So, anything which strikes out from the environment or from a background, is going to be given a form, is going to be organized much better in terms of this principle called the figure and background principle. So, the figure has to clearly stand out.

Now, how is this relevant to a marketer? It is very, very relevant. While placing your brands in the store, always make sure that, your brands should stand out against the whole bunch of brands which are placed there. So, the whole variety of different brands that are placed, there your brands should strike out; your brand should come out; it

should be such that it stands apart from the rest of the brands which are placed there. So, this could happen when you have a good packaging. So, packaging decisions are always taken with this in mind that the product should stand out; it should stand against the environment. So, you have different kinds of flashy colors beings used in packages, larger font size, bigger letters and a very attractive packaging, so that the other brands erode to the background, they recede to the background; and your background strikes out or comes out or shines out. So, while placing the brands, the packages should be such that the brand stands out.

While designing advertisements also, we must see that the brand or the product must be the figure and the message context the scenery, the picture or the endorser or the celebrity is the background. So, focus here has to be on the packaging, on the brand name or on the contents of the package, rather than anything else in terms of the music or the jingle or the celebrity or the scenery or the beauty. So, it is essential that footage is basically given to the product and to the brand, rather than to the model or the celebrity. Now, we know very well, the model or the celebrity should not be ignored as well, because going by principle of stimulus generalization and going by the level of credibility that these spokespersons have or the source has, it could translate into greater credibility or greater reliability with respect to the product or service that these people are endorsing, because they themselves are reputed, have some level of credibility.

So, we cannot negate the impact of the principles of stimulus generalization when it comes to endorser or celebrity, his reputation, his credibility and the reputation and credibility being translated into the brand. We cannot ignore that. Nevertheless, we must not give so much of importance, so much of footage to them that our brand recedes into the background or our product recedes into the background and they shine out; rather it is our brand, which should stand out, which should shine out. So, it is essential that footages given to the product and to the brand rather than to the spokesperson. So, the marketing stimulus whether it is the product or the image or the message should stand out.

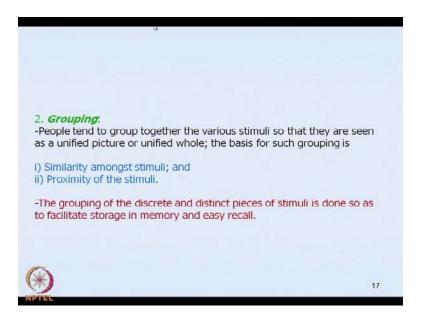
Advertisement should not be so entertaining or so visually appealing or engrossing that the people are so emotionally appealing that people get involved in the ad or in the message rather than being involved with the brand or with the product. So, the target audience should be able to basically differentiate very clearly between the product image

and the message as the figure. And other things are scenery or the model, which acts as the ground or that which acts as the contrast. So, the focus here should be the product; that the product here should be the figure.

And, the spokesperson should recede to the background. So, it is very important that while making decisions with respect to packaging or while making decisions with respect to advertisements, you keep the figure in ground principle in mind, because what is more relevant is that the product should stand out. What is more relevant is that package should be good, so that it stands out; it is recognizes well much more against the background or against the other brands. The celebrity is good; fine; but the product has to stand out. It is not the celebrity who has to stand out, but the product has to stand out, has to be recalled, has to be remembrance.

So, it is very important that your product or the brand remains the figure and not the ground. Rest of it should be the ground. Message context, scenery, the music, the jingle – they ought to be the context and not the... They ought to be the background; they ought to be the ground and not the figure. The figure has to be the product or the brand.

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Now, let us come to the second principle, which is grouping. Now, people basically tend to a group stimuli together. And they tend to group together the various stimuli, so that they are seen as a unified whole. And the basis of such stimuli is two: one is the similarity of stimuli, which we just discussed a little while ago; and the second is the

proximity of the stimuli. So, the grouping of the discrete and distinct pieces of stimuli is done basically to facilitate a learning process, to facilitate the storage in the memory, and easy retrieval and recall as and when they are required. So, people tend to put together various stimuli, so that they are given a unified whole.

And, the basis of such is the similarity amongst stimuli or the proximity amongst stimuli, because this grouping is going to have an impact on our learning; it is going to have an impact on our storage in memory and easy recall. That is one of the reasons when we remember or when we try to memorize phone numbers of people or mobile numbers of people, we try to form a pattern between them for easier recall, for easier remembrance. So, some patterns we try to arrange between those numbers, so that we can recall them easily. So, that is actually a part of the grouping.

Let us first talk about the similarity amongst stimuli. And the stimuli or the elements that are similar should be grouped together. As they look similar to one another people feel that, they can be grouped as a unified whole or they can be grouped (()) the people perceive them as a group or a pattern. For example, in an international conference, people and their nationalities are often identified on the dress that they are wearing. All those dresses similarly are perceived to belong to a particular country or a particular nation. So, if you look at it or if you talk of it in terms of marketing, people rushing to a store that announces a discount can be grouped together as price-sensitive consumers or deal-prone consumers. Similarly, products with the similar packaging are perceived as the same. So, this account for the success of the me-too or imitation products or stimulus generalization as we spoken of earlier. So, who have various stimuli or the various elements in the stimuli are regarded as similar to each other, because they are regarded as similar to each other and they are grouped together. So, any and all stimuli, which is similar, is grouped together and is regarded as a single whole.

People are recognized by their dress, by their mannerisms and said to belong to a particular country or a community or a culture or a social class. Products are put together, so that again, to give... As I just told you, those products – breakfast cereal will be kept with skimmed milk powder or with fruit juice, because they are going to be used in conjunction with each other and they have some similarity with respect to the usage situation. Also, people who behave similarly or perceived as one group; Like for example, people who run after discounts or deals would be put together as deal-prone

consumers. Products which also finally has... As I just said, products which packaging appears to be similar are regarded as the same. And we have this principle of stimulus generalization where imitation or me-too products again a lot just because of owing to similarity in their packaging. So, that is with respect to similarity amongst stimuli.

Another principle which we talk of is the proximity of the stimuli. The stimuli or elements that stand close together in some way are grouped together. Because they stand close to each other, people perceive them as a group or a pattern. For example, people walking together or sitting together are generally perceived to be forming a friends circle or a friendship group. So, just because the stimuli placed together or close to each other, they are perceived as a single whole. In marketing terms, we have display of soaps in a shelf space giving us the impression that all the other FMCGs whether it is soaps, shampoos and other toiletries will be placed together; and all of the various soaps will be stored there or will be stocked there.

Because they are similar to each other in terms of usage and because they are placed together, we will believe that, they are supposed to be serving the same need pattern or the same need. So, it is not all soaps will be placed together on a single self; different brands put together. And this could also be related to other FMCGs, which are also placed closed to them. So, they are all perceived as being stored in one section, which is toiletries. So, just because of being placed together, because of they being put together, we perceive them as a single whole. So, we say, all soaps put together on a shelf or all toiletries put together in a particular shelf.

Again, a stimulus in the advertisement, for example, comprises a number of things. You have an example, where people in the show having coffee on a winter evening with a fired place, with the fire burning; you can even see wood burning in the fire place or charcoal burning in the fire place; and people sitting near the fire place with a cup of coffee in their hands and maybe wearing a jersey or a cap or something like that. This gives a feeling of warmth; this gives a feeling of togetherness especially with respect to winter season. So, these various stimuli are placed together or (()) together to interpret some level of interpretation that, yes, as a drink, coffee is something which people prefer in the winter season. Hot coffee in the evening especially when they want to sit with their near and dear ones, when they want to be with people together; there is a feeling of warmth and togetherness.

Again, we can have another example here, for example, the advertisement for Raymond – the complete man. The stimuli comprises a party or a celebration and there is a couple, a luxurious ambience; the man wearing a suit. He has depicted as being very handsome, very caring, very loving, very special. And the proximity of a man in a suit to his surrounding environment impacts consumer perception in a manner that assumes some kind of an association or relationship between the usage of the product, that is, the suiting and shirting; and a similar reaction in outcome in terms of looking handsome or feeling handsome or looking special or caring or loving and affectionate.

So, basically put together all of these stimuli give meaning. And all of these stimuli can be put together closely related to each other to give an identifiable or unified whole. So, talking about perceptual, grouping as a principle, the implications that marketers need to draw is that, consumers perceive that products are similar to each other in appearance and use and are related to one another. So, that is why, the marketers of me-too products try to copy the packaging of original brands.

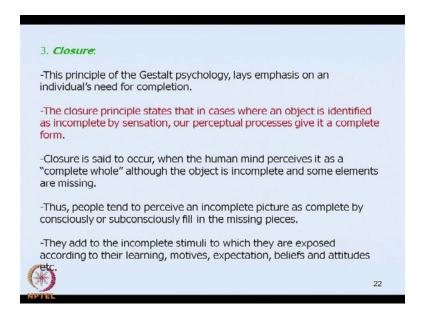
Also, when marketers launch new brands, they should try and brand it as the blanket family name or going for a corporate name combined with the individual product name and also have their brand logo. So, consumers perceive the new brand to be related to the old one in terms of the benefits that they share the same logo. So, the benefits associated with the original product also gets translated into the new products, which are launched. Also, marketers should design their promotion messages in a manner that the various cues and stimuli in close proximity with the product. So, it is the tendency on the part of people to associate cues with the product and see them in totality.

So, the result is positive emotions or feelings generated by one or few stimuli can be translated to the rest of the stimuli in totality so as to create a positive output or a positive outcome. Also, we see consumers relate the various stimuli that the line proximity to one another. So, a product is perceived in the same way as the stimuli perceived in the hearing environment or the proximate surroundings. If a mood generated by the surrounding stimuli is regal and royal, the product tends to get related to sophistication and style. So, marketers must be very careful in using stimuli that bends perfectly with the product. So, that is how we see how the principle of grouping whether in terms of similarity whether in terms of grouping has an impact on trying to organize the cues or the stimuli into a unified whole in order to be able to finally give meaning to it.

Now, let us come to the next principle, which is the principle of closure. This particular principle states, always, there is a need amongst individuals to complete incomplete pieces of information; whatever is incomplete or whatever is missing, there is a tendency on the part of people to fill in the gaps or fill in the empty spaces. So, closure principles states that, when an object is identifiable, it is identified as incomplete or something which is not a complete whole and have senses basically sense this incompleteness. The perceptual process comes into play, and give it a complete form.

So, wherever and whenever there is a gap or there is an incomplete stimuli as sensed by our sense organs, the perceptual mechanisms come into play and they try to give it a meaning; they try to fill in the gaps; they try to fill in the incomplete parts so as to give it a complete form. So, a closure is said to happen when human mind perceives it as complete whole rather than looking at it as incomplete, where some of the elements or some of the stimuli are missing. So, these are tendencies basically to plug in the gaps or to fill in the hole and we call it this principle of closure.

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People tend to perceive this incomplete picture by consciously or unconsciously filling in the gaps or filling in the missing pieces. So, according to their learnings, according to their motives, according to their backgrounds, according to their customs, traditions or sociological influences, they basically try to fill in the missing stimuli or fill in the pieces to wish they are exposes; whatever incomplete stimuli they are exposed to, they try to fill in the gap; they to fill in the complete (()) so as to give it a complete information based on their own demographic characteristics or based on their sociological influences or their psychographic factors. So, where ever there is a gap, people will try to fill in the missing pieces or people will try to fill in the gaps. So, the principle or the implication that marketers need to draw out is that, when marketer for example, consumers watch an advertisement on TV; when they hear audio on TV and hear the jingle; in the need for completion, they can form mental images and replay the advertisement as shown on TV.

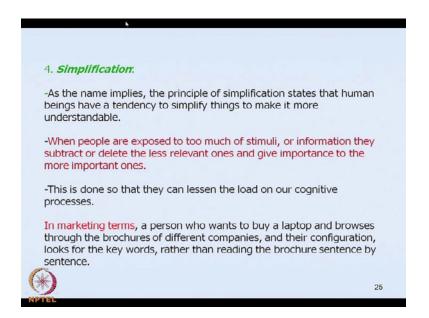
For example, when consumer watches an ad on TV and when they hear the audio on TV and hear the jingle, they immediately conform mental images and replay the ads. So, the very fact that they have seen an ad once; but now they are not seeing it, but only hearing it; they will have a tendency to have a mental image or a mental picture of whatever they added. And that mental image can basically replay in their minds. So, the stimuli is incomplete, because they cannot watch it; they are just hearing it. But because they have watched it in the past; because of their past learning, they are able to... Even at the sound of a jingle, they are able to put in pieces together and say yes, this jingle is for that brand. So, if there is an ad for alpenliebe, where they show how alpenliebe is said. So, the moment a person even if he or she is and if there is a jingle just without the word alpenliebe, just the sound of the jingle people will able to recall that, yes, this is for alpenliebe and that is how...

Similarly, for Titan and for Tanishq, where they have a beautiful jingle; the very fact that people just hear the jingle, they are able to immediately fill in the gap and say, yes, this jingle is a jingle from Titan raga or from Tanshiq. And so they are able to fill in the gaps. So, implications for a marketer are that, even if the information is incomplete, people have a tendency to put in or fill in the pieces. So, in cases of incomplete information as well, people will draw out their own inferences; people will draw out their own... They organize the facts on their own and draw out their inferences. So, this particular principle of closure can also be used by a marketer to generate audience participation. Many a times, the marketer asks you to fill in a story line for example; they write 10 or say 3 or 4 sentences on a product or on a brand or on the usage of a product or a brand and then they ask you to complete it. Or, there are elements like say I like Maggi because... So, write in 10 words. So, something like this they try. It is through this which is actually the application on the principles of closure. They want to bring about or they want to seek

audience participation of how audience reacts or how audience thinks and how does audience fill in the stimuli. So, that will fill in this missing stimuli. So, this will give the marketer an idea about what the consumer feels like or what people feel about the brand or how is the brand kind of viewed or perceived in the target segment are amongst consumers.

Similarly, there are teaser elements, which are put in. And the consumers may be asked to fill in the gaps. It could also happen in the form of cartoon pictures, where one cartoon says something and you are asked to fill in the response of the other cartoon characters. That is how that the marketers basically try to create consumer interest, consumer attention, involvement and site to see to bring about some kind of attention. So, in order to encourage audience participation or say consumer attention or consumer involvement and consumer excitement, many times, the marketers very successfully use this principle of closure.

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Now, we will come to the principle – fourth principle, which is principle of simplification. As the name suggests, the principle of simplification states that, human being have a tendency to simplify things; they want to make things less complex; they want to make things more simple. So, they have a tendency to make things more simple so as to be able to understand them better or to understand them quicker. So, when people are exposed to large sets of information, they have a tendency to subtract or to the

less important ones or not to give importance to the less important or the less relevant ones. And they give more importance to such stimuli or to such information, which they consider to be more important, more relevant and more wanted by them. So, anything which they feel is unwanted or irrelevant or not very important or not very significant is shunned away or is deleted or modified or not given attention to at all or it is not given. It basically subtracts all that, delete all that and give more importance to anything which they consider important or substantial or more relevant. So, this is basically done to give some reliefs to our cognitive processes.

We discussed in the previous session also that our cognitive capabilities and cognitive capacities are limited. So, in order to not to put too much of pressure on the human mind or into our cognitive capacities and capabilities, there is a tendency on the part of individuals to delete or to give less importance to stimuli or information, which is irrelevant and give more importance or give more relevance to something which is more important and relevant to us. So, for example, if there a need is a laptop or a person who wants to buy a laptop, he would browse through brochures of different companies; look for different configurations; look for the keywords rather than reading the brochures sentence by sentence.

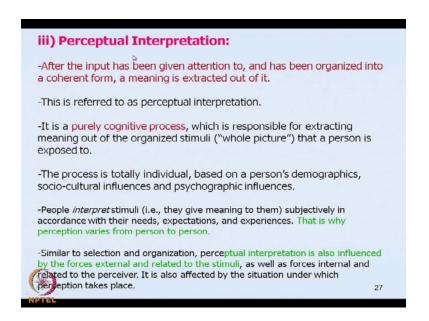
So, if a person is wanting to buy a laptop, what he does is, he just wants to search and get keywords on what evaluative criteria that the laptop should possess. So, these evaluative criteria could be in terms of speed, memory or the configuration, etcetera. And so instead of reading a brochure sentence by sentence or line by line, this particular person would look for the keywords. So, that is what he does basically to... We all have a tendency to do this when very often we highlight anything important with a highlighter or with a flashy pen, so that it (()) strikes out and regarded as important; the other information can be left behind and regarded as irrelevant. So, how is this relevant to a marketer?

Marketers should basically draw attention from these principles that they must avoid any kind of clutter of information; too much of information is something which a consumer will like to ignore; they would like to avoid. They will not give any attention to it at all. So, it is very important that marketers identify what is relevant to the consumer and they present only that; they present that kind of an information specially in print media, where people will not write to read too much or in audio-visual media, where everything has to

be said very quickly in say 30-40 seconds. It is very important that you highlight and you say what is more important than what is less important.

So, whatever information you want to provide should be short, should be crisp, should be very precise. And yes, in (()) of print media, you could use basically you could play on the characteristics of stimuli like you could use color or font or alphabets or size of alphabets, which could strikes out, so that what is relevant, what is important has to come ahead, has to come forth, come forward and other things can be left behind, because people, consumers do not prefer any kind of a clutter; they want information which is less and much more worthy, much more precise, much more crisp than having too much of information, which is regarded as a clutter or as an information overload. So, with this, we basically come to a discussion; we come to close on perceptual organization.

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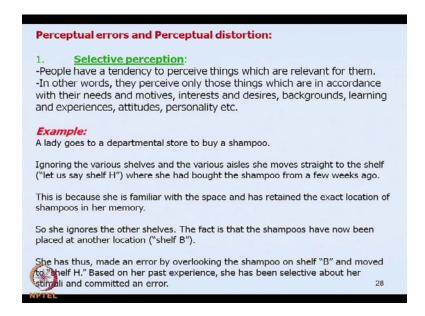
Now, let us come further to perceptual interpretation. After the input has been given attention to and after it has been organized, the next thing what happens is perceptual interpretation, where we extract meaning out of this unified whole or out of this coherent whole. So, this is called as perceptual interpretation. It is a purely cognitive process, which is basically responsible for extracting relevant information from the stimuli or from the whole picture or from the coherent, which one has been exposed to and one has organized. This particular process is totally subjective based; it is different from

individual to individual. In fact, it is this which leads to differences in perception amongst people. People may be exposed to same stimuli, but they perceive it differently majorly because of this particular component in perceptual mechanism process.

People will interpret stimuli subjectively in accordance with their needs, their wants, their expectations. So, that is why, we say, the perception will differ from person to person. And again, similar to perceptual selection and organization, perception is also affected by characteristics internal to the perceiver and external to the stimuli. So, it is also very much affected by the kind of situation that is in question. The time availability, their location, etcetera will also have an impact ultimately on the process of perceptual interpretation. While we say that the perceptual mechanism may be similar, ultimately, we perceive things totally different. It is a very subjective process; we perceive things very differently from each other. Even the same person may think and perceive things differently at different times.

Now, why does this happen? This basically happens because of certain errors and distorting influences. So, these errors and distorting influences basically impact are perceptual mechanism process making the interpretation often faulty. So, why do people make errors in perceptual interpretation? Why do they make faults while interpreting the particular stimuli? Or, why do they incorrectly perceive stimuli? This is because of certain elements, which we refer to or certain phenomenon, which we refer to as perceptual errors and distortions. So, let us talk about these errors and perceptual distortion.

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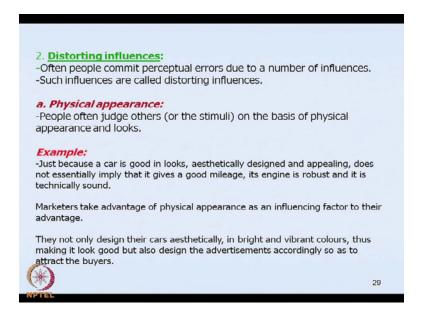


The first is selective perception. People have a tendency to select stimuli, which is more relevant for them. So, they perceive things, which are more relevant; which are more important; or, which are more valuable to them. They perceive these things according to their demographic characteristics, their needs, their wants, their motives, their interests, their desires, their backgrounds, their learning experiences, attitudes. Apart from this, we have already discussed that, they are also influenced by the sociological influences in terms of their customs or their culture or their traditions and so forth. So, let us take an example. People have a tendency to perceive things, which are relevant and they would put aside things, which they consider is irrelevant. So, we can have an example here.

A lady goes to a departmental store to buy shampoo. Ignoring the various other shelves or various aisles, she goes to aisle-H, where she had bought a shampoo a few weeks ago. Now, this is because she feels that she is familiar with the space and she has retained the exact location of these shampoos in her memory. So, she absolutely ignores other shelves; she is totally... She does not give any attention to look through other shelves and she just goes to shelf H without realizing that the shampoo are now being removed from the shelf H and have been placed on shelf B. So, she made an error by overlooking the shampoos on the shelve B and moved straight away to shelf H, because she wants to look at things as per her familiarity, as per her relevance.

So, based on her past experience, she has learnt to be selective about the stimuli and so commits an error. Here she is wanting to perceive things according to her relevance or according to her familiarity with the stimuli. She absolutely ignores the other shelves; she puts them in over sides; she does not look at them at all; she just moves to a particular shelf where things were placed earlier. So, this is one error, which she makes. So, selection of stimuli and organization of stimuli has been faulty resulting in total distortion in terms of perceptual interpretation.

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We also have other influences, which are distorting influences. People often make errors due to distorting influences, for example, physical appearance. People often judge others or people judge others stimuli, products, brands, etcetera on the basis of physical appearance. So, just because a car, which looks beautiful or which is designed very aesthetically, very appealing, does not mean actually that it is robust enough for it will give good mileage or it is technically sound. But people often feel that is because something is looking good or something is appealing good or aesthetically; it must be good. So, this is what we call as an error based on physical appearance. Marketers of course take advantage of these error, which we all generally have a tendency to commit. And so they basically not only do they design their cars aesthetically in very vibrant colors or bright colors; but they also design very beautiful ads where they show the interiors of the car, the exteriors of the car. And they show an appeal, which is a social appeal – family traveling together and enjoying themselves just to attract the buyers. So,

this is one error, which we all make; which is a physical appearance. Just because something is looking good, we will feel it is going to be technically good as well. But manufacturers or marketers often take advantage of this particular error that we generally have a tendency to make.

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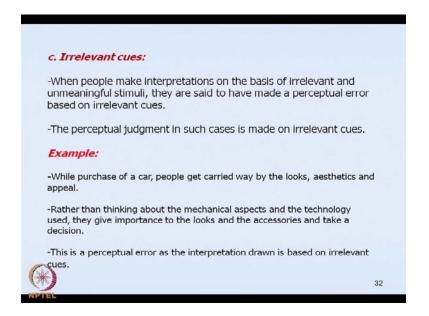


Also, another example can be marketers often use attractive models. So, attractive models are generally seemed to be more persuasive than other average looking models. And the good looks of the models actually relate with the pleasurable outcomes with the usage of the product.

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-People judge another person (or the stimuli) on the basis of the characteristics of the group to which he belongs. -It is a tendency to perceive another as belonging to the same group or category as the former. -However, in reality, each individual is different and unique. Example: -Chinese goods are regarded as low in price and inferior in quality. -However, not all goods may be inferior in quality. -Yet they are stereotyped as cheap and inferior. Another example: -Sony is a reputed electronics company. Even before a person has heard fully about a new product from Sony, he or she concludes that the product would be good because it is a Sony product.

Another error which we make is the stereotyping. People often judge other people on the basis of the characteristic of the group to which they belong. So, it is tendency to perceive a person based on his peers or based on the other members in the group. So, this of course may not always be correct. For example, Chinese products – they are always regarded as low in price and inferior. However, not all products may be inferior in quality; yet they are stereotype as being cheap. Sony is a good company; it is a good brand. Somebody has a product about Sony. He or she always concludes that any and everything is good about... Any and other models, which come from Sony will also be good. So, we as stereotyping this which may or may not always be correct.



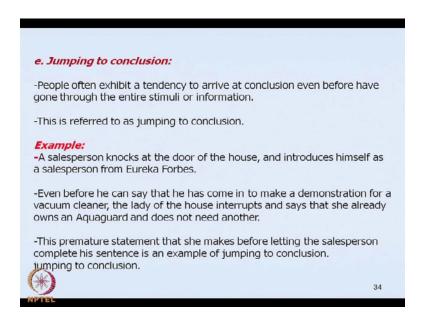
Irrelevant cues – irrelevant cues are when people make interpretations based on unmeaningful stimuli or irrelevant cues. We say that error has been made because of irrelevant cues. So, again, if we take the example of the car, we often get carried away by the design of the car or the looks of the car or by the appeal. Rather than giving importance to mileage, the technology, the engine, etcetera, we basically give more importance to the accessories and take a decision. So, this is making decisions on irrelevant cues.

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d. First impression: -People often make judgments on the basis of the first impression; This may not always be true and could be erroneous. -If erroneous, it would be known as a perceptual error based on first impression. -First impression as a principle has implications for a marketer. -A new product should never be introduced in the market before it has been market tested. -In case it is not tested and launched, and subsequently fails, it could be disastrous for the company. -All subsequent attempts to satisfy the customer would fail as first impression is long lasting. Example: Companies recruit salespeople who have a good pleasing personality, can converse well and have the power to convince. This is because they want their salespersons to carve a good impression the first time they meet the customers.

First impressions – people often make judgments on the basis of first impression. This may not always be true; it can be erroneous. But first impression has an implication for a marketer – very, very important. A new product that is introduced to the market should be well-tested (()) There should be a proper market test before introducing it, because in case you have not tested it and it is launched and it fails, it is going to disastrous for the company. Also, even if you tested it, in case it fails in a market, you are never going to be accepted as a credible company or a credible product again, because people have made judgment based on their first impressions. So, we have seen that people often... Companies recruit sales persons, who have a good personality. That is again because they want to create a good impression about their sales people when they first meet the customer.

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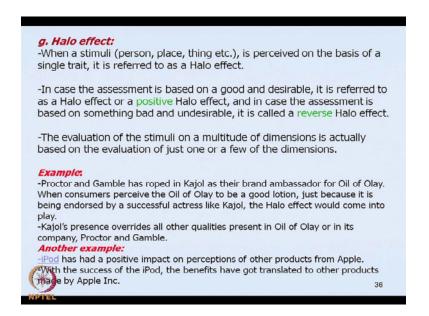
Jumping to conclusion – people also make errors by basically arriving at a conclusion, even before having gone through the entire stimuli. A person knocks at your door and introduces himself as a person from Eureka Forbes. Even before he says that, he has come to make a demo for a vacuum cleaner, you immediately say, we do not need a filter; we already have Aquaguard filter. So, this is a premature statement that is made even before he has completed his sentence. So, we call it jumping to conclusion.

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Inference is making a conclusion based on missing or incomplete information. When a person assesses the quality of a product to be good just because it is priced very high, it is actually he is drawing an inference.

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Halo effect – when a product or a person or a stimuli or anything is based when it is perceived on the basis of a single trait, we call it halo effect. In case the assessment is based on a good and desirable, it is called positive halo effect. In case it is based on something bad and undesirable, it is called a reverse halo effect. So, we have Proctor and

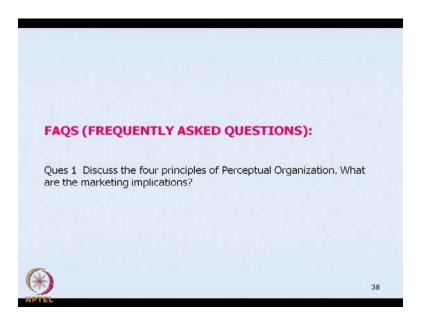
Gamble, which has roped in Kajol as their brand ambassador for Oil of Olay. When people perceive Oil of Olay to be a good lotion just because it is being endorsed by a successful actress like Kajol. So, halo effect would come into play. And Kajol's presence overrides all other qualities present in halo effect or in a company called Procter and Gamble. Similarly, iPod has a positive impact on the perceptions of other products from apple. With the success of iPod, other benefits have got translated to other products as well. So, we call it the halo effect. So, these are the different kinds of perceptual errors or distorting influences that we often get carried away with and we make in our judgments or in our perception – overall perception about stimuli whether they be products or whether they be brands or the 4 Ps. With this, we come to a conclusion of this particular session.

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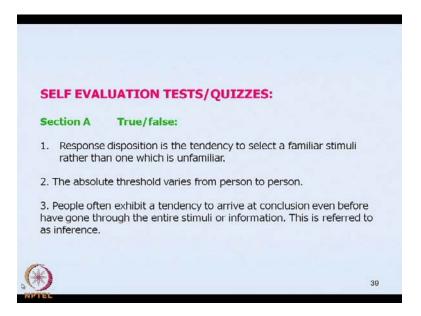
The references – Assael, Consumer Behavior and Marketing Action, Fourth Edition; Loudon and Della Bitta, Consumer Behavior, Fourth Edition, Tata McGraw-Hill; Kotler and Keller, Marketing Management, Thirteenth edition, Pearson; Peter and Olson, Consumer Behavior, McGraw-Hill, Seventh Edition; Schiffman and Kanuk, Consumer Behavior, Eighth Edition, Prentice Hall; and Wells and Prensky, Consumer Behavior, John Wiley, 1996.

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Frequently asked questions – discuss the four principles of perceptual organization. What are its marketing implications? We ask this question.

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Coming to a short quiz – true/false – response disposition is the tendency to select a familiar stimuli rather than one which is unfamiliar. The answer to this is true. Second – absolute threshold varies from person to person. Again, this is true. Third – people often exhibit a tendency to arrive at conclusion even before having gone through the entire

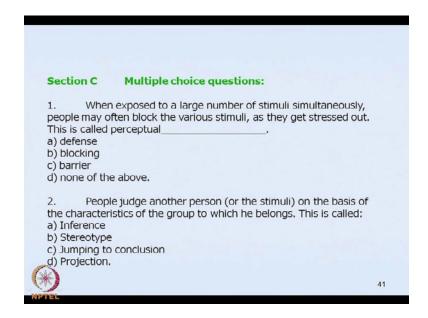
stimuli or information. This is referred to as inference. Now, this is referred to as inferences. This is a false statement. This is this is referred to as jumping to conclusion.

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Section B Fill up the blanks:
The organization of the stimuli is based on the
principles.
2. Theprinciple states that any stimuli that stands
apart from its environment, and contrasts against is more likely to be
noticed, and treated as a unified whole.
2 When apply interpretations on the back of involvement and
3. When people make interpretations on the basis of irrelevant and unmeaningful stimuli, they are said to have made a perceptual error
based on
4. When a stimuli (person, place, thing etc.), is perceived on the basis
of a single trait, it is referred to as a
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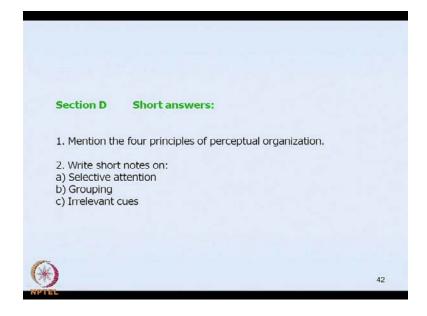
Fill in the blanks. The organization of the stimuli is based on the dash principles; based on the Gestalt principles. 2 – the dash principle states that any stimuli that stands apart from the environment and contrasts against is more likely to be noticed, and is treated as a unified whole. So, the figure and ground principle; that is the answer. Question 3 – when people make interpretation on the basis of irrelevant and unmeaningful stimuli, they are said to have made a perceptual error based on dash. They are said to have made a perceptual error based on irrelevant cues. So, the answer is irrelevant cues. When a stimuli, is perceived on the basis of a single trait, it is called a dash. It is called a halo effect.

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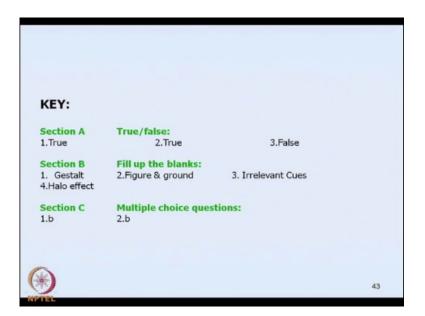
Multiple choice questions – when you expose to a large number of stimuli simultaneously, people may block the various stimuli as they get stressed out. This is called dash – defense, blocking, barrier or none of the above. So, this is called perceptual blocking. People judge another person on the basis of the characteristics of the groups to which he belongs. This is called a – inference; b – stereotype; c – jumping to conclusion; d – projection. This is called b, which is stereotype; b – stereotype.

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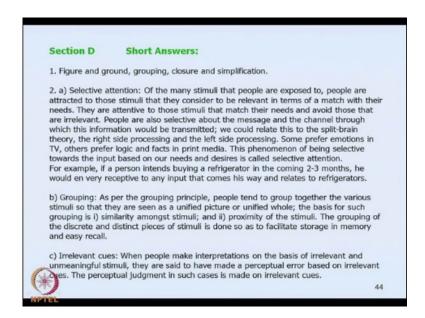


Finally, short answers – mention the four principles of perceptual organization. So, figure and ground, grouping, closure, and simplification. And then write short notes on selective attention, grouping and irrelevant cues.

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This brings us to a conclusion on this particular session on perceptual mechanisms. And we are done with discussing perception. We shall be discussing risk and imagery in the next session.

Thank you.