Consumer Behaviour
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Module No. #04
Lecture No. #18
Exercise on Attitude Formation and Change

Welcome. We are again back, to the Sessions of Consumer Behaviour. And, in the last Three Sessions, I have talked about, Attitude Formation and Change. And, in this Session, I will go through a small Caselets, to elaborate the theories, little more. And, in this Session, I will start with a small story, and you can take it as an exercise. So, we start with.

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Mr. Ram Singh frequently travels by aircrafts from Kolkata to Delhi. Usually he chooses an airline based on time preference, price, customer support. He prefers meal service from the airlines rather than buying the same during fly. He believes that travelling in a full service airline is prestigious. Most of his friends prefer Jet Airways. So, he can conform to his group's choice if he travels by the same. He feels the brand that advertises more is good.

As a story of Mr Ram Singh, who frequently travels by Aircrafts, from Kolkata to Delhi. Usually, he chooses an Airline, based on his Time Preference, that is the schedule of the Craft. And, the Timeliness. Then, Price of the Ticket. The kind of Customer Support, in Flight, and during his stay in the Airport. Though, he prefers Meal service, from the Airlines, rather than buying the same, during his Flight. He believes that, travelling in the full-service Airline, is Prestigious.

And, most of his friend prefer, Jet Airways. So, he can conform, to his groups choice, if he travels, by the same. And, he feels the brand, that Advertises more, is a better brand. So, these are some of the perception, of Mr Singh. Now, we will like to see, based on the theories, which we have studied, that which Aircraft, Mr Singh is going to choose, for his travel. So,

for that, we have talked to Mr Singh.

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- He was asked to jot down the criteria and put relative importance to them.
- The list of seven most important criteria with their weights looked as follows.

And, we have asked, him to jot down the Criteria, on which basis, he is going to select a Craft, and put some relative importance to them. So, he has listed, Seven most important Criteria, with their Weights.

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Criteria (C_i)	Weights (W_i)
Time preference (C_1)	0.13 (W_1)
Price (C_2)	0.15 (W_2)
Customer support (C_3)	0.17 (W_3)
Meal (C_4)	0.09 (W_4)
Prestige (C_5)	0.11 (W_5)
Group conformity (C_6)	0.3 (W_6)
Advertising (C_7)	0.05 (W_7)

So, it looks like this, now. Time Preference, we have mark Criteria as C, and Weights as WI. So, we have said that, for Time Preference, is Criteria-1. Criteria-2 is Price. Criteria-3 is Customer Support. Criteria-4 is Meal. Criteria-5 is Prestige. Criteria-6 is Group Conformity. And, Criteria-7 is Advertising. Okay. So, now he has been asked, to put the Weightages, and where the total schedule, should be a constant sum. That is, SIGMA of WI, should be equal to 1.

So, he has given the Weights that, he said that, Time Preference is 13% important to me, Price is 15% important to me, Customer Support he has put .17, Meal .09, Prestige .11, Group Conformity .3, Advertisement .05.

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He was asked to rate different airlines on a 5 point Likert Scale where 5 meant the most preferred and 1 the least.
We can see the scorecard in the next slide.

Okay. So now, these are these preferred Criteria. And, we can see that, to him, when he has plotted it, though we see that, Customer support is supposed to be the most important Criteria, followed by Price. Then, the Time Preference. This is how, his relative importance, has been noted. Then, comes is, Meal. So, these Four, we can say that, these are Attitude towards Object-wise Weightage.

And, these other things like, your Prestige parts, Group Conformity, and Advertisement. His subjective norms, that okay, it will increase my Prestige in the Society, if I travel by full-service Craft. A Craft, if I select Jet Airways, then that will make me conforming to my Group's Choice. And, I think, that the Brand, which Advertises more, is better. So, he was asked to rate, different Airlines, on 5-Point Likert Scale, where 5 meant the most preferred, and 1 is the least. So, we can see the Scorecard, which we have obtained.

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Criteria	Weights	Air India	Jet Airways	Indigo
Time preference (C_1)	$0.13 (b_1)$	$2(e_{11})$	4	5
Price (C_2)	$0.15(b_2)$	4	3	4
Customer support (C_3)	$0.17(b_3)$	2	5	4
Meal (C_4)	$0.09(b_4)$	4	1	1
Prestige (C_5)	$0.11(b_5)$	4	3	2
Group conformity (C_6)	$0.3(b_6)$	2	5	1
Advertising (C_7)	$0.05(b_7)$	1	5	

So, look at this Table, now. So, in this table, what we are seeing is, the First one, Time Preference. The Weight is .13. They mark it as B1. Air India, that case, 2. Which means, it is 5 is preferred, 1 is less preferred. Which means, 5 is Best, and 1 is Worst. So therefore, 2 is, we can say, Bad, not Worst, but Bad, in terms of Time Preference. Jet Airways is getting 4, which means, it is Good, not Excellent.

Indigo is getting excellent. Similarly, Price, Air India, the Score is 4, Jet Airways 3, Indigo 4. So, it says that, Indigo and Air India is comparatively more cost efficient, than Jet. Then, Customer support wise, his opinion is, Jet and Indigo provides a better Customer care, than Indian Airways. Meal-wise, Air India is a full-service. So therefore, the Meal is provided here. So, it gets a better Score. Jet and Indigo, you have to buy food on the Craft.

So therefore, it is getting lesser Score. Prestige, 4, 3, 2. Group Conformity, 2, 5, 1. Advertising, 1, 5, 4. Now, we will let us see. So therefore, our EIJ'S are, this column values. So, E1-1, E1-2, E2-3, E2-4, like this. This is E2-1, E2-2, E2-3, E2-4, E2-5, like this. And, this is E3-1, E3-2, E3-3, E3-4, and so on. And, this side is the, B side.

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The Multi-Attribute Model

The Attitude Toward Objects (ATO) Model (1972)

Fishbein presented the model with a set of equation. The ATO equation is as follows:

$$ATO = \sum_{n}^{i=1} bie_i$$

where ,
- ATO = attitude towards object
- b_i = the relative importance of attribute i
- e_i = the product's perceived performance on attribute i
- n = number of salient attributes

So now, we knew that, the Multi-Attribute Model, Attitude towards Object, in 1972, which Martin Fishbein has propounded, and we have discussed in the previous Sessions. So, this is the Formula. Attitude towards Object, that is equal to, SIGMA-BIEI, where I running from 1, up to N, where N is the number of selling Attribute. Here, we have seen that, we have Seven Attributes, altogether. And, the Seven Attributes, which we are seeing here. So, therefore here, N is 1 to, up to 7.

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Criteria	Weights	Air India	Jet Airways	Indigo	bie$_{1j}$	bie$_{2j}$	bie$_{3j}$
Time preference (C$_1$)	0.13	2	4	5	0.26	0.52	0.65
Price (C$_2$)	0.15	4	3	4	0.6	0.45	0.6
Customer support (C$_3$)	0.17	2	5	4	0.34	0.85	0.68
Meal (C$_4$)	0.09	4	1	1	0.36	0.09	0.09
Prestige (C$_5$)	0.11	4	3	2	0.44	0.33	0.22
Group conformity (C$_6$)	0.3	2	5	1	0.6	1.5	0.3
Advertising (C$_7$)	0.05	1	5	4	0.05	0.25	0.2
				Σbieij	2.65	3.99	2.74
				i=1,..,7			

So, we get this table, here. So, these are the Weights, which we already have. And, now we have got the multiplied Scores. So, we are talking about, first, we talk about Air India. And, this column number, 1-2-3-4-5-6, columns 6 is talking about the Scores of Air India. In, Time Preference, the Weighted Score of Air India. Which means, multiplication of this Weight, with the Score here. So, that shows that here, it is .26.

Similarly, if you compare this, I mean, .13 and this 4, Jet Airways. And, we multiply this, we get here, .52. Then, we multiply .13, with this 5 of Indigo. So, we get the Weighted Score for Indigo, in the Attribute, Time Preference, as .65. Similarly, for Price, we get the Weightage was .15. So, we have the Score for Air India, is 4. So, the Weighted Score of Air India, in terms of Price, is .15 into 4, that is .6.

We have the Weighted Score for Jet Airways, in terms of Price, is .15 into 3, that is .45. And, similarly, we have for Indigo, .15 into 4, that is .6. So, this is how, for all the Attributes, we are getting Scores for Indigo, Jet, and Air India. This is the column for Air India. And, this is the column for Jet. And, this is the Weighted Scores for Indigo. Now, here, we get the composite sum of, SIGMA BIJ.

So, we talk about first, SIGMA B1J, where J running from 1 to N. So, here we show that, in this slide, that the Total Score, is the summation of this column, that comes to 2.65. Here, the Total Score comes to 3.99. And here, the Total Score comes to 2.74.

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Therefore, with this formula, the preference for the airlines (ATO scores) are as follows:

ATO for Air India= $\Sigma b_i e_{i1}$; i=1,..,7
　　　　　　= 2.65
ATO for Jet Airways= $\Sigma b_i e_{i2}$; i=1,..,7
　　　　　　= **3.99**
ATO for Indigo= $\Sigma b_i e_{i3}$; i=1,..,7
　　　　　　= 2.74
Clearly Mr. Ram Singh has a strong positive attitude about Jet Airways as compared to other airways.

So therefore, going by this formula, the preference for Airlines following these, first Attitude towards objects model, we get, ATO for Air India 2.65, ATO for Jet Airways 3.99, ATO for Indigo, that is 2.74. So, clearly, the highest is for Jet Airways. So, the most-strong Positive Attitude of Mr Ram Singh, would be for Jet Airways.

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The Multi-Attribute Model

The Ideal Point Multi-Attribute Model

The ideal point multi-attribute attitude model, therefore, can be represented by the following equation:

$$A_P = \sum_{i=1}^{n} W_i \left[I_i - X_i \right]$$

Where

A_p = attitude towards a product
W_i = relative importance of attribute i
I_i = ideal performance of the product on attribute i
X_i = belief about product's actual performance on attribute i
N = number of salient attributes

Now, we go for Ideal Point Multi-Attribute Model, with the same Score. Now, here, as we have said, that WI is the Relative Importance of Attribute I. II is the Ideal Performance of the Product, on Attribute I. And XI is the Belief about the Products Actual Performance, on Attribute I. N is the number of salient Attribute.

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Criteria	Weights	Air India	Jet Airways	Indigo (X)	Ideal Brand (I)
Time preference (C_1)	0.13 (W_1)	2(e_{11})	4	5	5
Price (C_2)	0.15(W_2)	4	3	4	5
Customer support (C_3)	0.17(W_3)	2	5	4	5
Meal (C_4)	0.09(W_4)	4	1	1	5
Prestige (C_5)	0.11(W_5)	4	3	2	5
Group conformity (C_6)	0.3(W_6)	2	5	1	5
Advertising (C_7)	0.05(W_7)	1	5	4	5

So, what we are doing here, we are adding another column, which is an Ideal Brand. So, we are putting the Ideal Score, for all Attributes. So, that is why, we are putting here, 5-5-5-5. Because, that could be the Best Brand. And, these are the other Score Table, which is intact.

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Criteria	Weights (Wi)	Air India	Jet Airways	Indigo (X)	Ideal Brand (I)	Ii-X$_i$	Wi(Ii-Xi)
Time preference (C$_1$)	0.13	2(e$_{11}$)	4	5	5	0	0
Price (C$_2$)	0.15	4	3	4	5	1	0.15
Customer support (C$_3$)	0.17	2	5	4	5	1	0.17
Meal (C$_4$)	0.09	4	1	1	5	4	0.36
Prestige (C$_5$)	0.11	4	3	2	5	3	0.33
Group conformity (C$_6$)	0.3	2	5	1	5	4	1.2
Advertising (C$_7$)	0.05	1	5	4	5	1	0.05
						ΣWi(Ii-Xi)=	2.26

So now, we come to this table. First, we try to see the Score for Indigo, here. The Score for Indigo should be, first, we have to calculate, what is the differential of the Scores, between Indigo and the Ideal Brand. So, in the First Attribute, that is Time Preference, we have to calculate actually, II – XI. So, it is 5 – 5, that is 0. The Second one, we come here, that is 5 – 4, that is coming to 1.

Then, we have again, 5 – 4, 1. Then, we have 5 – 1, that is coming to 4. Then, we have 5 – 2, that is coming to 3. Then, we have 5 – 1, that is 4. Again, 5 – 4, that is 1. So, what we try to see here, now, we will multiply this differential, with the Weightage, to get the Score, which we have mentioned here. That is, the SIGMA of WI x II – XI. So, we get the Score here, that is, 2.26 for Indigo. So now, if you replace Indigo, with Jet Airways, and now we put X as Jet Airways. Similarly, you can find out IIXI. And, we can also find out, WI x IIXI.

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Following the ideal point multi-attribute attitude model we could say, the attitude score of Indigo airlines is = 2.26.

In a similar way, the attitude score of Air India is = 2.35 .

In a similar way, the attitude score of Jet Airways is = 1.01

Hence, the most favourable attitude was found for Jet Airways as it is closest to the ideal brand

So, following this, the Ideal Point Multi-Attribute Model, we could say that, the Attitude Score of Indigo Airlines, as we have found is, 2.26. Similarly, if you calculate for Air India, we get 2.35. In a similar way, if you go for Jet Airways, we get 1.01. But here, our question is, how close we should be, towards the Ideal Brand, or the Expected Feature of the Product.

So, that is why, the lesser the Score is, the better it is. So, in this case, Jet Airways is the closest to the Ideal Brand. So therefore, we say, by following these Ideal Point Multi-Attribute Model, Jet Airways is preferred. So, now we talk about a different part, that this is the Attitude Formation, which we are talking about. Now, if you try to see, how the Attitude could be changed.

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Now....

According to Metro (Thursday 6 Oct 2016) **IndiGo Has Just Announced Child-Free Zones** for its premium seats, meaning that children under the age of 12 aren't allowed to sit in those areas.

This may add another attribute for evaluating the airlines. And hence, let us ask Mr. Ram Singh to fill up the table again..

Now, let us assume we got the following table...

So, for that, we have seen, according to Metro, Thursday, 6th October 2016, that Indigo has

just announced, Child-Free Zones, for its Premium Seats. Meaning, where the Children under the age of 12, are not allowed to sit, in those areas. Now, here I am adding another Attribute, to that Scorecard. And see, Mr Ram Singh is a frequent Traveller. So, I assume that, he is a Business Traveller. So, he will definitely prefer, a Child-Free Zone. And, this will supersede the other Criteria. And, that is quite expected.

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Criteria	Weights	Air India	Jet Airways	Indigo
Time preference (C_1)	0.08	$2(e_{11})$	4	5
Price (C_2)	0.15	4	3	4
Customer support (C_3)	0.05	2	5	4
Meal (C_4)	0.09	4	1	1
Prestige (C_5)	0.03	4	3	2
Group conformity (C_6)	0.1	2	5	1
Advertising (C_7)	0.1	1	5	4
Child free zone (C_7)	0.4	1	1	5

And, when he was surveyed, we have seen that, what we have got is, the Total Weighted Score Card has changed. I mean, Relative Weightages, have changed. This Child-Free Zone, we can see, we have made it, Bold. Because, here, this is Criteria Number 8 actually, which we are seeing here. This Criteria Number 8 is actually, we are seeing the Highest Score here, that is .4, in terms of Weightage.

And, this is Criteria number 8, whereas, the others have also changed. Now, we see the next important Attribute is Price, followed by Group Conformity and Advertising. Then, we are seeing, Meal and the other Criteria. And, we again get the, Scorecard.

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Criteria	Weights	Air India	Jet Airways	Indigo	bie$_{1j}$	bie$_{2j}$	bie$_{3j}$
Time preference (C$_1$)	0.08	2	4	5	0.16	0.32	0.4
Price (C$_2$)	0.15	4	3	4	0.6	0.45	0.6
Customer support (C$_3$)	0.05	2	5	4	0.1	0.25	0.2
Meal (C$_4$)	0.09	4	1	1	0.36	0.09	0.09
Prestige (C$_5$)	0.03	4	3	2	0.12	0.09	0.06
Group conformity (C$_6$)	0.1	2	5	1	0.2	0.5	0.1
Advertising (C$_7$)	0.1	1	5	4	0.1	0.5	0.4
Child free zone	0.4	1	1	5	0.4	0.4	2
				Σbieij	2.04	2.6	3.85
				i=1,..,7			

Now, we have the Scorecard like this. So, in this Scorecard, after C7, we have added another Criteria, as we have said, Child-Free Zone, which is having a Weight of .4. So now, what we are doing, by ATO model if you go, in ATO model, now all the Scores have changed. You can clearly say, because, this has changed. So naturally, this into this, has also changed. Now, this multiplied by this, has also changed. This is also changed.

So, all the Scores have got changed. Right. And, that is why, we are getting a Total Score now, 2.04 for Air India. We are getting 2.6, for Jet. Whereas, Indigo is getting a Score of 3.85. So, which means, earlier, we will just see the first table here, where Jet Airways was getting the highest Score. Because, that time, this Attribute was not there, this Child-Free Zone.

So, that is how, our most important Attributes were, almost like, Time, Price, Customer Support, all were getting very High Preference. But, as soon as, we have added an another Attribute, which is Child-Free Zone, and as because, he is the frequent Traveller, and particularly a Business Traveller, he is more inclined, and he is very elated to see, this kind of Attribute. So, that is why, he has placed huge importance, to this particular Attribute.

If you see here, in this table, that it is .4, which is 40% importance. So clearly, all other relative Weightages, have got changed. And, we are seeing now, his preference is now towards the Airlines, which is providing this particular Attribute. So therefore, as we are saying that, the preference for Airlines is now, ATO Score for Air India is 2.04.

ATO Score for Jet Airways is 2.6. ATO Score for Indigo is now 3.85. So clearly, now Mr Ram

Singh, has strongly favourable Attitude towards Indigo, as compared to any other Airways. So hence, the Attitude could be altered, by changing the relative importance of the Attribute, in the mind of the Customer, as well as, you can add a new Attribute, and change.

Some Airways could have said here that; we are extremely good, in terms of Time. Indigo, one point, they are actually said this also, that they are very good, in terms of Time. So, as they are also said, there is a no-frills Airline. So, Price could be one very important Criteria. So, they can change the, say, the Customer was preferring full-service Airline.

But, as because, I have given these two Criteria like, Timeliness and Price, and I am saying that, I am very good at this, so Customer may start placing more importance, to these two Criteria, you know, later on. So, this may help in changing, the Relative Weightages. If the Relative Weightages changes, actually this Weighted Scores will gets changed. And, as a result, these Summations will also get changed.

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Therefore, with this formula, the preference for the airlines (ATO scores) are as follows:

ATO for Air India = $\Sigma b_i e_{i1}$; i = 1,..,7
        = 2.04
ATO for Jet Airways = $\Sigma b_i e_{i2}$; i = 1,..,7
        = 2.6
ATO for Indigo = $\Sigma b_i e_{i3}$; i = 1,..,7
        = 3.85

Clearly Mr. Ram Singh has a strong positive attitude about Indigo as compared to other airways.

Hence, attitude could be altered by changing the relative importance of the attributes in the mind of the customers as well as introducing new attributes.

And, in this case, we have added an Attribute, and which is actually changed the Relative Weightages. And, we are seeing that, Indigo is clearly preferred than, any other Airways. So, this is how, by adding an Attribute, altering an Attribute, and changing the Brand Beliefs, and doing several other things, you can actually, alter the Relative Importance of the Attributes, and also, you can change the Scorecard.

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MARKETING IMPLICATIONS OF ATTITUDE

Area(s)	Inference(s)	Action(s)
Market segmentation	Divide the market into suitable clusters on the basis of product/brand beliefs, relative importance of attributes to different segments of customers, identifying the right segment to target, etc.	Select the appropriate marketing strategy based on lifestyle and benefit segmentation
Competitive analysis	Possibility of benefit, beliefs, and promoting the USP of the company's brand as compared to the competitors	Alter the product's positioning, if required. Company may go for product differentiation or brand line extension
Designing marketing mix	Developing ideas about new products, communication mix, developing proper distribution channel, and pricing strategy	Setting price in line with the consumers' perception, developing proper distribution channel, and identifying the most impact-making promotional message, media and brand ambassadors
Marketing opportunity analysis	Constant monitoring of attitudinal change due to demographic or psychographic change	Cater new markets based on the newly found upward or downward marketing opportunities
Altering the consumer's attitude	Proper understanding of consumer's changing perceptions about the product and the brand due to the change in their demographics and external marketing environment	Develop positioning and particularly the repositioning strategy by the company

So, this is how, you know, Attitude could be formed and changed. So, to conclude about the Chapter of Attitude Formation and Change, we talk about the Marketing Implication of the same. In Marketing Implication, first area is the Market Segmentation, in which, we have an inference like, we say that, we divide the Market into suitable cluster, based on the Products, and Brands Beliefs. Customers Beliefs about that.

The Relative Importance of the Attribute, for different segments. For some segment, may be, Price is the most important Criteria. Some segment may be, the technical Attribute may be, the most important Criteria. That is how, Godrej is having Double Door Refrigerator, for the Upper-Income segment. Whereas, they are having Chotookool, maybe, for the Lower Income segment. So, that is how, it is used in Segmentation.

And, the action is of course, select the appropriate Marketing Strategy, based on the Lifestyle and Benefits Segmentation. Also, Demographic Segmentation. Competitive Analysis. So, possibility of Benefit, Beliefs, and Promoting the USP of the Company's Brand, as compared to the Competitors. So, as right now, I have shown in Indigo case that, how just this Child-Free Zone, has changed the Relative Evaluation of different Brands, in the mind of Mr Ram Singh.

So similarly, we can actually, you know, alter the Products Positioning, if required. Company may go for Products Differentiation, or the Brand Line Extension. I have also discussed in the previous Session, how Tanishq has going for Subham Collection, to show that, they are also for Festive Brand. Designing the Marketing Mix. Yes. The Attitude is very important, in this

case also.

The importance is, that developing ideas about new products, Communication Mix, developing proper Distribution Channel, and Pricing Strategy. Action of course, setting the Price in line, with the Customer's Perception and Attitude. Developing proper Distribution Channel. Identifying the most impact making Promotional Message. Media and Brand Ambassadors. Again, Market Opportunity Analysis. Also, Attitude is an important Parameter.

So, the inference is, constant monitoring of Attitudinal change, to the Demographic, Psychographic, Benefit Segments. And then, the action is scatter to new Markets, based on newly found, upward or downward Marketing opportunities. If I find that, there is, say, Godrej Chotookool is sold to the Upper-Income Customers, as a Cooler, when they are going for travel, or they are going for parties, they can carry it, in their Car.

On the other hand, for the Lower Income Population, it is used as a Refrigerator itself. I mean, a Household Refrigerator. As the, normally a Big Refrigerator is used. They are also using in the same way, for the same purpose. So, like this, upward and downward stage. Otherwise, say for Surf excel, is for Hindustan Lever is, we can see, Surf Excel, they are having for the Upper or Upper Middle-Income Segment.

Whereas, for the Lower Income Segment, they also have Wheel, and Wheel Active. Then altering the Customer's Attitude. The inference is, proper understanding of Consumers changing Perception about the Product, and the Brand, due to the change in the Demographics, and external Marketing Environment. And, the action would be, develop, Positioning, and particularly, the Repositioning Strategy by the Company.

So, this is the overall Marketing Implications of Attitude, where study of Attitude could be used, and what are the actions could be taken. So, this completes our, added Module of Attitude. We started with, Attitude Formation. Then, we have talked about, several models, in the previous Sessions. Then, we have talked about, how to change their Attitude. And then, a small exercise, and Case-study, which Today, in this Module, we have turned.

So, Thank you so much. We will meet in the Next Session, with Values and Lifestyle. Till then, Thank you, and Goodbye