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CHAPTER 3
THE DECISION-MAKING PROCESS, BUYER BEHAVIOUR AND BRAND INTERACTION

LEARNING OBJECTIVES
After reading this chapter you should be able to:
• Describe the role of goals in decision-making.
• Explain the importance of being included in the ‘consideration set’.
• Explain some of the limiting factors on information searches.
• Explain how decision rules are established and used.
• Explain the relationship between involvement and information processing.
• Show how involvement relates to end goals and values.
• Describe how dimensions of involvement can be used to segment markets.
• Explain what is meant by unsought goods.
• Describe the significance of loyalty and branding in buyer behaviour.

INTRODUCTION
This chapter is concerned with the ways consumers approach making purchase decisions and what their goals and motivations are. The methods used depend on whether the product is novel or tried and tested; whether the purchase is routine or out of the ordinary; whether the product is a new one, or whether a repeat of a previous purchase.

Any plan of action carries with it a degree of risk, but the lower the risk to consumers, the more likely they are to buy the product and the less likely they are to complain afterwards. If consumers are familiar with the brand, the perceived risk is reduced, and so the chapter also looks at branding as a way of reducing risk for the consumer.
DECISION-MAKING USING GOALS

Sometimes goals will conflict. In these circumstances, the strongly active goal will inhibit competing goals until the stronger goal has been achieved, at which point the weaker or less active goal will re-emerge (Brendl et al. 2002).

Table 3.1 gives some purchase end goals and motivations, with examples. In practice, marketers have little influence over consumers’ main goals, since these often derive from basic values. Marketers can try to influence the less abstract end goals, such as the desired functional or psycho-social consequences, through promotional strategies. For example, although it may be difficult to persuade someone that he or she ought to dress well in order to impress other people, we can much more easily influence those who already believe in dressing to impress, perhaps encouraging them to shop at a specific retailer or buy specific clothing brands. Thus these factors act as drivers for end goals, as shown in Figure 3.1.

Optimising satisfaction to achieve such end goals are common with websites competing for business, as the following examples show:

- www.chillihotchocolate.com – With a new attitude to shopping online, this website works with new designers as well as more established names to find interesting new things. Their ‘no borders’ philosophy might feature fantastic new places to eat, Fairtrade kitchenware, a ‘one-off’ furnishings week, and a preview of new ceramic and jewellery collections.

- www.net-a-porter.com/gb/en/content/about-us – This is another fashion website, but this time at the top end of the market. It provides an information service as well as selling high-end couture (in 2013, it reportedly bought six Dolce & Gabbana red beaded dresses that were subsequently sold online for £32,000 each).

Consumers’ relevant knowledge about the product category (or, if you prefer, the problem category) is obviously important in problem-solving (Crosby and Taylor 1981), so inexperienced purchasers are likely to take a knowledgeable friend with

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<th>Basic purchase motivation</th>
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<td>Optimise satisfaction</td>
<td>Seek maximum positive consequences</td>
<td>Buy dinner at the best restaurant in town rather than risking a cheap diner</td>
</tr>
<tr>
<td>Prevention</td>
<td>Avoid potential unpleasant consequences</td>
<td>Buy weatherproofing for a house so as to maintain the good appearance of the house, and protect its value</td>
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<tr>
<td>Resolve conflict</td>
<td>See satisfactory balance of positive and negative consequences</td>
<td>Buy a moderately expensive car of very good quality so as to avoid high maintenance costs and unreliability, while still keeping within a reasonable expenditure</td>
</tr>
<tr>
<td>Escape</td>
<td>Reduce or escape from current aversive circumstances</td>
<td>Buy an anti-dandruff shampoo, in order to prevent future bouts of dandruff and embarrassment</td>
</tr>
<tr>
<td>Maintenance (satisfy)</td>
<td>Maintain satisfaction of a basic need with minimal effort</td>
<td>Buy bread at a local shop. This satisfies the need for bread without having to go to the out-of-town hypermarket where you do your main weekly shopping</td>
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them when they go to make a major purchase, such as a car. Sometimes relevant knowledge is brought forward from the individual's memory, and some knowledge is acquired during the purchasing process (Biehal and Chakravarty 1983). Any brands that have simply been remembered are part of the evoked set and for regular purchases or familiar product categories these may be the only brands that are considered. The result of the information search process is to create choice alternatives, which are further refined into a consideration set. The consideration set is the group of products that will be actively considered.

In Figure 3.2, the many brands in the evoked set, and the even more numerous brands that might be brought to the individual's attention, are filtered and refined to create the consideration set, which may only comprise a few brands. The individual will then usually select one or possibly two brands to feed into the goal hierarchy as being the desirable brands for solving the need problem.
DECISION-MAKING MODELS

Decision-making models are often complex and involve many stages. The John Dewey model (Dewey 1910), outlined more than 100 years ago, gives the following five stages:

1. A difficulty is felt (need identification).
2. The difficulty is located and defined.
3. Possible solutions are suggested.
4. Consequences are considered.
5. A solution is accepted.

This model of decision-making is probably excessively rational, and is certainly far more complex than most purchase situations warrant. Life is simply too busy to spend much time agonising over which brand of biscuit to buy.

Later, Engel, Kollat and Blackwell developed the EKB model of consumer behaviour, which became the CDP (Consumer Decision Process) model (see Figure 3.3), and which follows seven stages (Blackwell et al. 2005). These are:

1. Need recognition. The individual recognises that something is missing from his or her life.
2. Search for information. This information search may be internal (remembering facts about products, or recalling experiences with them as a result of services) or external (reading about possible products, surfing the Internet or visiting shops, etc.)
3. Pre-purchase evaluation of alternatives. The individual considers which of the possible alternatives might be best for fulfilling the need.
4. Purchase. The act of making the final selection and paying for it.
5. Consumption. Using the product for the purpose of fulfilling the need.
6. Post-consumption evaluation. Considering whether the product actually satisfied the need or not and whether there were any problems arising from its purchase and consumption.
7. Divestment. Disposing of the product, or its packaging, or any residue left from consuming the product (either as a conscientious consumer or as a result of legislation, for instance ‘end of life’ for vehicles).

The similarity between Dewey’s model and the CDP model is obvious, and similar criticisms apply, but both models offer a basic outline of how people make consumption decisions. People do not buy unless they feel they have a need. A need is felt when there is a divergence between the person’s actual state and their desired state. The degree of difference between the two states is what determines the level of motivation the person feels to do something about the problem, and this will in turn depend on a number of external factors.

There are two possible reasons for a divergence between the desired and the actual states: one is that the actual state changes, the other is that the desired state changes. In practice, it is rare for the actual states and the desired states to be the same, since this would imply that the consumer would be perfectly happy and have everything that he or she could possibly want, which is rarely the case in an imperfect world.
Causes of shift of the actual state might be taken from the following list (Onkvisit and Shaw 1994):

- **Assortment depletion.** Consumption, spoilage, or wear and tear on the stock of goods or products within the individual's assortment.

- **Income change.** This can be upwards, through a salary increase or windfall, or downwards through, for example, redundancy.

Causes of shifts in the desired state are often more to do with marketing activities. This is because new information may change the individual's aspirations. If the individual sees a better car, hears a better digital radio or otherwise becomes aware of a better solution to the problem, there is likely to be a shift in the desired state. From a marketing viewpoint, this approach is most effective when consumers are already dissatisfied with their present products.

Changing desire is often brought on by a change in actual state; a windfall might prompt an individual to start up a social enterprise that they always dreamed of. The relationship between these factors is shown in Figure 3.4.

The psychology of complication says that people complicate their lives deliberately by seeking new products, even though they are fairly satisfied with the old one. The
The psychology of complication is the opposite of the psychology of simplification, which says that consumers try to simplify their lives by making repeat purchases of a familiar brand (Hoyer and Ridgway 1984). It is probable that both these mechanisms act on people at different times.

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**CHALLENGING THE STATUS QUO**

Marketers are often accused of creating needs, indeed marketing academics often define marketing as ‘satisfying the wants and needs of customers’ (Kotler et al. 2013) as a result of meeting the needs of the marketplace by designing products and services and then communicating them (Elliot et al. 2010). There is a view that somehow marketers can persuade people to want things for which they actually have no use – and of course marketers hotly deny this. This of course raises ethical issues (Nantel and Weeks 1996; and for more information on this hot topic see Chapter 14 later in this book). For example how truthful is the advertising that is used to communicate a message? Does it distort reality? Does it create artificial needs? (Takala and Uusitalo 1996).

In practice, of course, marketers have very little influence over the actual state of consumers, but do they have influence over the desired state of consumers? Emphatically yes – otherwise all that advertising is just going to waste. For instance, Harper (2006) noted that marketers are blamed for the obesity epidemic in children in the USA. The intimation was that it is marketers who have negotiated for schools to install vending machines serving unhealthy soft drinks in order to entice children to be desirous of fizzy drinks. So is it all right to seek to change people’s desired state? Is it ethical? Or are we simply continuing the process that all people indulge in – advising each other about ways to make our lives more enjoyable and comfortable?
Since people often make decisions on the basis of immediate gain and emotion, neurological factors often contribute to our understanding of how and why people buy (Foxall 2008).

**Assortment adjustment** is the act of entering the market to replenish or exchange the assortment of products the consumer owns. Assortment adjustment can be *programmed* (habitual) or *non-programmed* (new purchases) (see Figure 3.5). Non-programmed assortment adjustment divides into three categories. *Impulse purchases* are not based on a plan, and usually just happen as the result of a sudden confrontation with a stimulus – for example, in-store promotions might trigger an impulse purchase. People often buy as a result of lowered stimulation levels; in other words, bored shoppers might buy as a result of a stimulating promotion in-store (Sharma et al. 2010).

Assortment adjustment can take the form of either *assortment replenishment*, i.e. replacing worn-out or consumed products, or *assortment extension*, adding to the range of products owned. Assortment replenishment will usually require very little information searching or risk, since the product is already known. Assortment extension is more likely to lead to an extensive problem-solving pattern.

Impulse buying has been further subdivided into four categories (Hawkins 1962): *pure impulse*, based on the novelty of a product; *reminder impulse*, which relates to a product that has been left off the shopping list; *suggestion impulse*, which is about products that fulfil a previously unfelt need; and *planned impulse*, which occurs when the customer has gone out to buy a specific type of product but is prepared to be swayed by special offers.

For example, someone may set out to the supermarket to buy the week’s groceries, plus something for lunch today. On the way round, he sees a jar of almond-stuffed olives and decides to buy some to try (pure impulse). Next he notices the green lasagne, which reminds him he’s out of pasta (reminder impulse) and also on the shelf near it a recipe book for pasta (suggestion impulse). Finally, he notices that the smoked chicken is on special offer, and decides to buy some for lunch (planned impulse). This type of scenario is familiar to most people who shop in supermarkets, and indeed supermarkets will often capitalise on this in the way the shelves are stocked and in the way the store is laid out.
The other two types of non-programmed decision-making involve either limited decision-making or extended decision-making. Of the two, limited decision-making is probably the most common.

Limited decision-making takes place when the customer is already familiar with the product class and merely wants to update his or her information or fill in a few gaps revealed by the internal search. This is typical behaviour for someone who is replacing a car; since this is usually an infrequent activity, consumers often find it necessary to check out what new models are available and renew acquaintance with the price levels being charged, even though (as a driver) the consumer will have considerable knowledge of what a car is and what it can be expected to do.

Limited decision-making also tends to occur when the consumer is not completely satisfied with the existing product and seeks a better alternative. Here the individual is only looking for something that overcomes the perceived problem with the existing product. A trigger for this might be a change of context: someone who moves home will have their usual routines disrupted and may be open to changing his or her purchasing behaviour across a spectrum of goods (Neal et al. 2008).

Extended decision-making occurs when the consumer is unfamiliar with the product class, form and brand. For example, the majority of us are still unaware of consumer drones and the current state of the art in remote-controlled aircraft. This is a new class of product and an interested consumer would have to undertake a fairly extensive information search before committing to a particular model. Extended decision-making is caused by unfamiliarity; consumers who know little about the product category, brands, and so forth will tend to shop around more.

INTERRUPTS

Sometimes the buying process cannot be followed exactly because events occur that force the individual to rethink the situation. These events are called interrupts, and they fall into four categories:

1. Unexpected information that is inconsistent with established beliefs. For example, if the shop that the consumer had expected to buy from has changed hands or closed, the individual has to look for a new supplier.

2. Prominent environmental stimuli. An in-store display might offer an alternative to the original purchase (perhaps by offering a large price discount on a similar product). This may divert the consumer away from his or her usual brand choice, or at the very least cause the consumer to consider switching.

3. Affective states. Hunger, boredom or tiredness during a shopping trip might lead to a change in goal. This may be a change away from looking for a new jacket, and towards looking for the coffee shop.

4. Conflicts. These are the motivational conflicts discussed in Chapter 6. If an individual is confronted with an approach–approach conflict, or an approach–avoidance conflict, there will be a temporary cessation of goal attainment while new goals are formulated and the conflict resolved.

The effect of interrupts will depend on how consumers interpret the interrupting event. On the one hand, the interrupt may activate new end goals (as when the shopping trip turns into a search for a cup of coffee). On the other hand, a choice
heuristic might be activated – for example, if the unexpected information is a friend recommending a brand, this may activate a heuristic about acting on friends’ recommendations. Sometimes the interrupt is severe enough that the individual shelves the problem-solving behaviour indefinitely (for example, if the unexpected information is that the person has lost his or her job, the buying of a new jacket might be postponed indefinitely, or if a prominent environmental stimulus such as a substantial governmental tax increase on diesel fuel is levied, one might think twice about buying a diesel vehicle) (see Figure 3.6).

The strength of the interrupt is also important (see Table 3.2). If the goal is a strong one, and the interrupt weak, the individual is unlikely be diverted. A weak goal and a strong interrupt will clearly result in a break in the problem-solving behaviour (for example, the intention to check the prices online for a possible purchase of a holiday following a windfall is unlikely to take precedence over a desperate need for the toilet). A weak goal and a weak interrupt may or may not result in a divergence from the planned behaviour, and a strong interrupt and a strong goal are likely to lead to considerable stress on the individual.

In most cases people tend to resume an interrupted task fairly quickly. Even though a marketer might be able to distract somebody away from their shopping to have a cup of coffee or a snack, the shopping task will be resumed fairly quickly afterwards.

**RISK AND UNCERTAINTY**

Inexperienced buyers have, by definition, less knowledge of the product category they are trying to buy into. Any action by a consumer could produce unpredictable consequences, some of which might be unpleasant. These consequences form the perceived risk of the transaction. Financial risk is present since the consumer could lose money; for houses, cars and other major purchases the risk is great because the
commitment is long-term. Because the risk is reduced as knowledge increases, greater perceived risk will tend to lead to greater information search efforts, and the benefits of such a search will be correspondingly greater. If the consumer feels certain about the decision already, there will be correspondingly less benefit in carrying out a search for information. Between individuals, a further factor is the degree to which the individual is risk-averse – clearly some people are quite happy to take risks in life, where others are more cautious. This can be a crucial factor in some marketing situations: for example, financial advisers in Britain are required by law to assess the individual’s degree of risk-aversion before making recommendations for investments or borrowing. People tend to become more risk-averse as they grow older, since it would be more difficult to recover from any loss. In recent years, there have been several scandals concerning the mis-selling of financial products (Gilad 2015), in particular high-risk high-return products sold to people who are in fact risk-averse and did not realise that there was a risk of losing part (or even all) of their investment. A recent study of female dentists found that as age increased, the risk-averse behaviour of women declined (McGrath and Rossomando 2015), perhaps due to dentists wanting (or probably ‘needing’) to keep up-to-date with technological advancements, in order to remain competitive.

The fear of losing face with friends and associates is the major component of social risk. It is determined in part by product visibility; consumers who buy an inappropriate car can risk ridicule from their friends and colleagues, and might therefore carry out a more extended information search to ensure that the car will not provoke this reaction.

Perceived cost is the extent to which the consumer has to commit resources to the search. People will frequently cut the search down simply because it is taking too much time, money or effort. This is because the potential loss of making a wrong purchase decision is seen as being less than the cost of making a full search.

Risk reduction strategies are shown in Figure 3.7. The main tactic for reducing risk is to increase one’s knowledge about the product category. A prospective aircraft purchaser is likely to seek a great deal of advice from a great many sources, and is likely to have the aircraft thoroughly inspected by a qualified and experienced aeronautical engineer. If the risk is still perceived to be high the consumer will simply not make the purchase. This is why most retailers offer money-back guarantees or no-quibble return policies: such guarantees reduce risk for the consumer, so making purchase more likely. Since most purchases work out reasonably well products seldom need to be returned.

People often spend considerable time looking both online and offline, increasing their knowledge of the product categories before buying and in order to reduce risk of making the wrong decision. It used to be the case that the need to inspect products personally as a way of reducing risk had been identified as a barrier to Internet purchase (Dailey 2003). On the other hand, some aspects of Internet purchase appear to reduce people’s aversion to risk: especially as returns are so easy to process. Sales made by e-tailers (Internet companies such as Amazon, Asos and made.com) which do not have any physical stores surpassed online sales of store-based UK retailers (£21.8 billion versus £21.5 billion) for the first time in 2015, according to a Mintel report.
People will frequently choose the middle-ranked or mid-priced brand as a compromise between buying the worst alternative on the one hand, and risking spending too much by buying the ‘best’ brand on the other. In a two-choice situation, a brand's chances of being bought are helped if a third brand is available which places it in the middle range (Sheng et al. 2003). This implies that a company in second place to a major brand should consider introducing a third, cheaper, brand into the market in order to boost sales of its existing brand.

Other tactics for reducing risk might include seeking help from a competent friend, or taking out insurance against the risk, or hedging the risk by setting aside resources (typically money) to cover against anything going wrong.

Mood can have an effect on risk-taking behaviour: people tend to buy more lottery tickets if the weather is bad, but whether this is a way of making life more exciting in dull weather or whether it is a way of cheering oneself up with the prospect of a big win is debatable (Bruyneel et al. 2006).

**PRE-PURCHASE ACTIVITIES**

Having recognised the need, the consumer will undertake a series of pre-purchase activities.

The information search comes from two sources: an internal search (from memory) and an external search (from outside sources). In both cases most of the information originates from seller-based sources, and is therefore readily available and low-cost. If the internal information search is insufficient, that is to say the individual does not have enough knowledge of the product category to be able to make a choice, an external search will be undertaken.

Sources of information might be marketer-dominated (advertising, blogs, vlogs, brochures, product placements in films and TV shows, websites, salespeople, retail displays, Twitter campaigns, and so forth) or non-marketer dominated (friends, family, influential journalists, opinion leaders, consumer organisations, government and
industry reports, news stories, and so forth) (Figure 3.8). Word of mouth/mouse communications are generally more powerful than any marketer-generated communications, for the following reasons:

- Word of mouth is interactive, because it involves a discussion between two or more parties. This forces those involved to think about the communication.
- It allows for feedback and confirmation of the message in a way that one-way communications like advertising do not.
- Because the source is a friend or family member who has no profit motive (unlike the marketer) the communication is more credible.

‘Peer review’ as seen in the CityFalcon case study in Chapter 13 is now an important consideration for many companies. People often discuss products and services: they like to talk about their own recent purchases, to advise people about purchases and even to discuss recent controversial marketing communications. It should be noted that non-marketer generated sources are themselves influenced by marketers, and also much of the consumer’s memory of the product comes from marketer-generated communications, so that even the internal search is affected by marketers.

From a marketer’s viewpoint, the problem is that people will talk about products and companies whether the firm likes it or not, and may very well discuss products in negative terms. A great deal of word of mouth is negative; bad news seems to travel twice as fast as good news, and there is very little marketers can do about this, apart from be seen to be responsive in some shape or form (Kim et al. 2016; Yin et al. forthcoming).

Sometimes an individual will set out with the belief that he or she has sufficient internal information to make the purchase, but is then presented with new information at the point of purchase. In other cases, people experience ‘choice paralysis’ brought on by having too wide a range of possible products to choose from (Shankar et al. 2006).
Because choosing involves a degree of emotional effort as well as cognitive effort (people often become stressed when faced with a choice between expensive options) the individual may well make a hasty choice (Baumeister 2004). In other words, if the individual is finding it hard to choose, he or she might cut the decision-making process short by just grabbing the nearest product, simply to end the stress of trying to reach a decision.

**THE SEARCH EFFORT**

It is common for people with limited information to base their decisions on price, simply because they lack the necessary understanding to make a judgement based on other features of the product.

Search efforts are not very extensive under most circumstances, even for major purchases such as houses, because of the amount of time and effort that has to be expended. Usually consumers will continue to search until they find something that is adequate to meet the need, and will then not look any further; with comparison websites carving out a niche for themselves. A Financial Conduct Authority (FCA 2014) report stated that most customers use the option of short-listing upper-most quotes on price comparison websites before making decisions.

Information searches such as those carried out on the Internet and price comparison websites can be time-consuming, but as users become more adept, and as website design improves, searching is becoming much more rapid. It is likely that people will become more price-sensitive as the ease of searching becomes greater – the cost of searching is low in terms of both money and time, so it becomes easier to shop around for bargains (Campo and Breugelmans 2015; Melis et al. 2015). Limits on the search are shown in Figure 3.9.

In some cases, consumers will visit websites that carry complaints about companies, for example www.aspokesmansaid.com. This is a public platform that leverages the power of social media to force a response to a consumer complaint about a company. Online product recommendation agents gather information from consumers, then search the web to find products that match the consumer’s needs; there is evidence to show that these agents should offer more than one solution for the consumer to choose from, which of course dilutes the advantage to some extent (Aggarwal and Vaidyanathan 2003). Apart from specialist recommenders like aspokesmansaid.com, there are of course other popular examples such as Twitter and Facebook which both provide a platform for consumer complaints.
FACTORS AFFECTING THE EXTERNAL SEARCH FOR INFORMATION

The extent and nature of the external search for information will depend on a range of factors connected with the consumer’s situation, the value and availability of the information, the nature of the decision being contemplated and the nature of the individual. Figure 3.10 illustrates how these factors interrelate.

The type of problem-solving adopted will depend on the task at hand. A programmed decision pattern will lead almost immediately to purchase; these are the regular, always-buy-the-same-brand type decisions. Non-programmed decisions may still lead immediately to a purchase by impulse, but this type of decision pattern will more likely lead to limited or extensive information search patterns.

FIGURE 3.10 Factors affecting the external search for information
The perceived value of the information is important in terms of how extensive the information search will be. In other words, the extent of the external search depends on how valuable the information is. If there is plenty of information in the ‘internal files’ within the consumer’s mind, the extent of external information seeking will be correspondingly less; consumers who are highly familiar with the product will search less than those who are only moderately familiar (Bettman and Park 1980).

The relevance of this information is also a factor; if it’s a long time since the last purchase, the stored information may not be relevant any longer. New alternatives may have developed or the product may have improved. If the individual was satisfied with the last product (which may by now have been consumed or has worn out) the internal information will probably be regarded as relevant, and the search will be less extensive or non-existent (Kiel and Layton 1981).

Time is a cost relating to search. It is sometimes measured in opportunity cost, or in terms of what the person could be doing instead of spending time searching. For example, highly paid people may value their time highly because they can earn more money at a desk than they save by shopping around, so they are prepared to spend money in order to save time. Poorer consumers may be more prepared to spend time shopping around in order to save money (Urbany 1986).

Money costs are the out-of-pocket expenses of searching. Clearly a consumer who wants to buy organic virgin olive oil might compare different brands in Waitrose but is unlikely to drive to Sainsbury’s to compare prices, and would certainly not fly to Italy even though olive oil would almost certainly be cheaper there.

The psychological costs of the information search include frustration, driving, visiting different shops, trawling through websites, avoiding pop-ups and re-targeted online advertising, talking to shop assistants and generally giving a lot of thinking time to the search. Often people become overwhelmed with the quantity of information available, and will be unable to reach a decision because of information overload.

Sometimes the reverse happens and the consumer actually enjoys the shopping experience as an entertainment. Ongoing search is different from external search in that consumers go to look for product information to augment stored product knowledge, often just for the fun of it. This can be a more important motivator than a genuine need to buy something (Bloch et al. 1986).

Situational factors will also affect the product information search. The search will be limited, for example, if there is an urgent need for the product. If one’s car has broken down on a motorway, one is unlikely to phone around for the cheapest breakdown service. Other variables might include product scarcity, or lack of available credit.

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**CHALLENGING THE STATUS QUO**

Some people really do seem to enjoy shopping. In fact, most of us do at one time or another – we go to the shops when we are on holiday, we wander round high streets trying on clothes or we wander round car showrooms looking at the cars. Browsing in bookshops, trying out new electronic equipment, even cruising the aisles of the supermarkets all provide entertainment for some people.
So where does that leave Internet shopping? Can consumers enjoy the same tangible thrill while accessing the Internet either from a laptop or a mobile device? How can we try on the dress, or test drive the wheels convincingly when they are only on a screen? Well, our friends in South Korea have a solution. Back in 2011 they created the first successful augmented reality supermarket chains in subways. Called E-Marts, these virtual stores and ‘connected shelves’ are stocked by supermarkets such as European grocery store giant Tesco – but they sell their goods via glowing pictures on subway platforms. Shoppers waiting for a train can simply look at the walls to view potential groceries, scan the respective QR codes with their smartphone, and then have their groceries delivered by the time they reach their homes. But if you add sensors on smart shelves (Microsoft technology developed this for its Kinect gaming tool) you can track the age and gender of passing shoppers so that offers can be instantly displayed to match the assumed needs, wants and desires of that demographic!

And as we’re talking tech here, let’s have a look at some even more recent developments ... very soon we’ll see storefront windows becoming interactive and revolutionising the architecture of high streets. Displaying goods will simply become a thing of the past when these screens will enable shoppers to see entire catalogues, forthcoming offers and new ranges by tapping their fingers on the glass – even when the shop is closed.

Did you think that holograms were only something in Star Wars films? Well very soon we’ll see holograms in changing rooms which will enable shoppers to try on clothes without the need to get undressed using radio-frequency identification technology (having had their body image pre-scanned in 3D).

You may have encountered speed dating, but nothing has really prepared the shopping market for ‘speed shopping’. For those people who still need to physically walk around a supermarket, can you picture a world where you walk into the supermarket, having input your shopping list on a mobile app, which will then link to in-store beacons (technology that can pinpoint your location in-store) and within seconds you’ll be sent a map of the store and the order in which you can pick up your desired goods in as short a time as possible, knowing where the queues are, which aisles are congested and if any products are close to selling out?

And finally, if that’s not personalisation enough, what about personalised pricing? What if stores got rid of public pricing altogether on their products, but used vast in-store data mines which will gather all they can about an individual – where they shop, what they buy, their income and brand loyalty, and then use that profile and purchase history to give the customer a better deal? Safeway supermarket has just begun a trial in the US: the Just For U scheme is an app-based promotion to create individually tailored pricing, making shopping a more meaningful experience.
In terms of product classification, shopping goods are those for which a new solution has to be formulated every time. Non-shopping goods are those for which the person already has a complete preference and specification, and therefore is able to buy the same brand almost all the time (Bucklin 1963). For example, tomato ketchup is usually a non-shopping product, whereas a 55" curved OLED TV is a shopping product.

Consumer characteristics are those features of the consumer that affect the information search. Demographics affect the search in that outshoppers (people who shop outside the area in which they live) have higher incomes, and are mobile. This factor may be product-specific, since outshopping most frequently occurs when buying groceries at an out-of-town shopping centre or buying consumer durables. Outshopping can also occur in the form of a shopping trip to a major city, or even a day trip to another country to take advantage of lower prices there.

People feel varying levels of pain in paying for things. Spendthrifts feel relatively little pain in making purchases, whereas careful savers (tightwads) feel a great deal of pain in making purchases. Tightwads outnumber spendthrifts by a ratio of 3 to 2, so it is important for marketers to understand how and why the pain of paying varies across the population (Rick et al. 2008).

**MAKING THE CHOICE**

Having gone through the procedures of collecting information, whether by a lengthy search or by simply remembering all the necessary facts, people make a choice based on the collected information. The first procedure is to establish a consideration set, which is the group of products from which the final choice is to be made. Option framing means creating a base model for the decision, then adding or subtracting options from it: in most cases people will limit the number of options under consideration, and will tend to delete more than they add (Biswas 2009).

Consumers construct the consideration set from the knowledge obtained in the information search. They will often use cut-offs, or restrictions on the minimum or maximum acceptable values. Typically consumers will have a clear idea of the price range they are willing to pay, for example, and any product priced outside this zone will not be included. Incidentally, this price range may have a minimum as well as a maximum; price is often used as a surrogate for judging quality. Again, marketers need to know what the consumer’s cut-off point is on given specifications; this can be determined by market research.

Signals are important to consumers when judging product quality. A signal could be a brand name, a guarantee and even the retailer the product is bought from. Because it is common for consumers to equate quality with high price, a useful tactic for low-priced manufacturers is to undermine this perception in as many ways as possible. The use of price as a quality signal is somewhat reduced when other signals are present. For example, if the consumer is easily able to judge the quality by inspecting the product, the relationship may not apply.

Finally, consumers will often select a decision rule or heuristic. Consumers develop these rules over a period of time; for example, a rule might be always to buy the best quality one is able to afford at the time. Some consumers have rules about brand names, or shops they know and trust, or people whose preferences they will always respect.
Figure 3.11 shows an example of a decision-making process for a holiday purchase. The consumer begins with a choice of five different holidays, which form the consideration set. The relevant information about each holiday has been included, and now the decision rules need to be applied. First of all, the consumer decides that a long flight would be difficult with children so he or she sets a limit of three hours. This cuts out Greece and Florida. Then there is a cut-off on cost (not to go above £2,500). This cut-off has no relevance, since none of the remaining holidays costs above £2,500, but the consumer also uses price as a signal by which to judge quality, and cuts out the tent in France because it is too cheap. The remaining decision rule is that there must be something for the children to do, and this leaves only the apartment in Spain as the final choice.

Sometimes the consumer will find that applying all the decision rules cuts out all of the alternatives, so that a revision of the rules needs to take place. This can result in establishing a hierarchy of rules according to their relative importance (Bettman 1979). There is also an effect caused by simply thinking about the product group – people often judge the desirability of the options on the basis of their ability to consider the options in advance. In other words, being able to think through and understand the implications of owning a product tends to make the product more desirable (Morewedge and Wegner 2008).

**CATEGORISATION OF DECISION RULES**

**Non-compensatory decision rules** are absolute; if a product does not meet the decision rule for one attribute, this cannot be compensated for by its strength in other areas. In the holiday example in Figure 3.11, despite the fact that the Florida location is near to Disneyland, and is therefore a very strong candidate as far as entertaining the children is concerned, the cost and the flight time rule it out. In the lexicographic approach the consumer establishes a hierarchy of attributes, comparing products first against the most important attribute, then against the second most important, and so forth. Decisions can be made by elimination of aspects whereby the product is examined against other brands according to attributes, but then each attribute is checked against a cut-off.
The **conjunctive rule** is the last of the non-compensatory rules. Here each brand is compared in turn against all the cut-offs; only those brands that survive this winnowing-out will be compared with each other.

Compensatory decision rules allow for trade-offs, so that a weakness in one area can be compensated for in another. The simple additive rule involves a straight tally of the product’s positive aspects, and a comparison of this tally with the tally for other products. The product with the most positive attributes will be the one chosen. A variation of this is the weighted additive approach, which gives greater weight to some attributes than to others. In each case, though, the products do not necessarily have to have all the attributes in common (or, indeed, any of them).

Phased decision strategies may involve using rules in a sequence. For example, the consumer may use a non-compensatory cut-off to eliminate products from the consideration set, then use a weighted additive rule to decide between the remaining products.

Two more special categories of decision rule exist. First, the consumer may need to create a constructive decision rule. This means establishing a rule from scratch when faced with a new situation. If the rule thus created works effectively, the consumer will store it in memory until the next time the situation is encountered, and ‘recycle’ the rule then. Second, affect referral is the process whereby consumers retrieve a ‘standard’ attitude from memory. For example, a consumer may strongly disapprove of a company’s business practices (ZMESCience 2015), which may prevent the inclusion of its products in the consideration set.

If consumers are using a weighted additive rule, it would be useful to know which attributes are given the greatest weightings. If they are using a conjunctive rule with cut-offs at known levels, the product can be designed to fall within the cut-offs. To become part of the consideration set it must pass the cut-offs and signals employed in the decision process.

Several attempts have been made to bring the factors in consumer decision-making together in one model. Most of these models are complex, since there are many factors which interrelate in a number of ways; an example is the Howard–Sheth model shown in Figure 3.12. This is a somewhat simplified version; the original requires one diagram to be superimposed on another. In the diagram the solid arrows show...
the flow of information; the dotted arrows show the feedback effects. Essentially, the diagram deals with the way the inputs are dealt with by perception (see Chapter 8) and by learning (see Chapter 9), and eventually become outputs.

Following on from the purchase, there will be an evaluation of both the product itself and the decision process. The learning process will feed back into the internal search, and new heuristics will be developed.

**INVOLVEMENT**

Involvement is the perceived relevance of the object based on the person's inherent needs, values and interests (Zaichowsky 1985). It is about the degree to which the individual feels attached to the product or brand, and the loyalty felt towards it. Involvement has both cognitive and affective elements: it acts on both the mind and on the emotions.

**CHALLENGING THE STATUS QUO**

Do we really become that emotionally attached to products? Surely we are not so shallow that the most important thing in our lives is a brand of cereal? Well perhaps it is when you’ve three tired and grumpy children sitting at the breakfast table! People are often in the habit of saying, ‘I really love my car!’ but isn’t that just a figure of speech? Saying that we like something a lot is not the same as saying we love it, and saying that we think a product is the best available does not mean that we cannot live effectively without it.

Well let’s take some products that we’re familiar with and add some emotion into the equation …

- iPhone – ‘My phone can do anything’ [hmmmm, it may be true, I can remotely shut my curtains from a 1,000 miles away, and using Hive – a British Gas app – my home heating system recognises when I am 3 miles from home and automatically switches the heating on in winter!].

- Bose noise-reducing headphones – ‘increases my very personal space’ [absolutely, if you put some blinkers on too, you’d be in a world of your own!]

You get the picture … In the course of a long life we fall in love with many people and products – but are we so blinded by our love of particular products that we cannot be aware, at all, ever, of the possibility of change? (When it comes to people, that’s a different textbook!)
Involvement is sometimes seen as the motivation to process information (Mitchell 1979). At a low level of involvement, individuals only engage in simple processing of information: at high levels of involvement, people will link incoming information to their pre-existing knowledge system, in a process called elaboration (Otker 1990). The degree of involvement will lie somewhere on a continuum from complete inertia through to high involvement where we might expect to find an intensity of feeling that borders on the religious. At the extreme, we would expect to find people who worship celebrities, or are fanatical about religious beliefs or who have a brand tattooed onto their skin (Harley-Davidson owners have been known to do this). Such extreme people have often become involved with cult product offerings such as Star Trek memorabilia, Vans shoes or the Volkswagen Beetle.

Figure 3.13 shows the continuum in action. Someone who has no real interest in the product category and makes only routine purchases of generic products (or no purchases at all) exhibits inertia. Someone with a mild interest in the product exhibits a willingness to listen to explanations or advice about the product. Someone who is involved at a medium level would take an interest in anything he or she happens to see concerning the product, and someone who is highly committed would actively seek out information. Finally, someone who is totally committed to the brand identifies with it to the point of obsession.

Figure 3.14 summarises categories of involvement. Involvement is not always confined to products. People can experience message–response involvement or
advertising involvement in which they become eager to process information obtained from advertising (Batra and Ray 1983). In some cases the messages are passive (as in the case of TV advertising) whereas in other cases messages involve more effort on the part of the observer (for example print advertisements) and some marketing communications permit a great deal of interaction (some mail shots and some Internet advertising).

Purchase situation involvement is about the different contexts in which purchase takes place. For example, if one were buying a gift for a new girlfriend or boyfriend, one might be extremely involved in the purchase since there is a high social risk involved if a mistake is made. If, on the other hand, the gift-buying is almost obligatory (e.g. buying a birthday gift for a relative one has little liking for and rarely sees) the involvement level will be considerably lower.

Ego involvement is about the importance of the product to the individual's self-concept. Making a mistake in purchase could lead to a high social risk – the individual's self-concept might be damaged, to embarrassing effect. For example, a committed vegan would be horrified to find that a supposedly vegan product contained animal fat. In some cases, the product purchase is linked to a 'tribe': such communities are supported by social networking sites, celebrity affiliations and self-generated communications (Hamilton and Hewer 2010).

High product involvement is driven by the degree to which the individual feels that the product's attributes are linked to end goals or values. Lower levels of involvement occur if the attributes only link to function, and very low levels of involvement occur if the product attributes are irrelevant to consequences.

In other words, high-involvement products are those that figure strongly in the individual's lifestyle. They involve decisions that are important to get right, preferably first time. In most cases these products are ones the consumer knows a lot about, and about which he or she has strong opinions. This means that high-involvement consumers are hard to persuade: they will not easily be swayed by advertising, or even by persuasive sales pitches. For example, a website developer might favour specific software, but if the software is unavailable he or she is unlikely to be persuaded by a salesperson that a different application is just as good. The discrepant information is ignored or disparaged, so the source of the information (the salesperson) will lose esteem in the eyes of the developer.

Levels of involvement are influenced by two sources: personal sources and situational sources. Personal sources (also called intrinsic self-relevance) are derived from the means–end knowledge stored in the individual's memory, and are influenced both by the person and by the product. People who believe that the attributes of the product link to important end goals are likely to be more heavily involved with the product because the importance of the end goal means that it is more important to be right first time. Even products such as snacks can have personal involvement issues – pre-teen girls have been shown to have very specific requirements for snacks, based on what friends find acceptable (Dibley and Baker 2001). Involvement does not necessarily depend on the outcome being positive; sometimes involvement might be greater if the possible outcomes are negative, since the consumer will take care to choose products which will avoid negative outcomes.
CONSUMER BEHAVIOUR IN ACTION:
HORMAZD NARIELWALLA

Consumer wants and needs find a way of weaving into all avenues of society, and art is no exception. When wealthy collectors such as Saatchi take an interest in a particular artist, there are many art lovers who are likely to follow suit. Indeed, one such artist has been identified as using his art to develop wants among fashion and design-led consumers by creating collages made out of unwanted tailoring patterns; they are ahead of their time, anthropomorphic in origin and beautifully abstract in isolation.

Hormazd Narielwalla is a London-based artist who works in collage. Narielwalla uses bespoke Savile Row tailoring patterns, and their antiquarian and contemporary trade counterparts, to create artworks exploring the body in abstract form (www.narielwalla.com). His practice began in the workrooms of the tailoring firm Dege & Skinner in London’s Savile Row with an artist’s book, *Dead Man’s Patterns* (2008), which reflects on the bespoke suit patterns of deceased customers.

In an interview with Hormazd, he indicates how he uses ‘intrinsic self-relevance’ to entice consumers to his work:

‘Tailoring patterns are a means to an end. These technical mathematical drafts have been developed since the late 1500s, drawn on various kinds of paper, and used to create structured clothing. They carry with them the outline of the garment, and also a representation of the body. Every artwork or series begins with a response to the patterns as the fundamental focus bringing to light their qualities as shapes in themselves. Tailors construct them in order to understand the interface between 3D (the body) and flat drawings (the pattern) before returning to 3D forms (the garment). This interaction between the dimensions is considered and articulated whilst creating artworks. The role of the ‘body’ has played a recurring theme in artworks since *Dead Man’s Patterns* (2008) an artist’s book inspired by the bespoke suit patterns of a deceased customer, cut by the eminent Savile Row tailors Dege & Skinner. The tailors would ceremoniously shred the patterns of former clients, since there is no value in the parchment without the body. The photographic sequence depicting the making of the garment is charged and ghost-like within the context of the title *Dead Man’s Patterns*; where the patterns make the absent figure tangible. Each section of the book suggests different physical states of the ‘man’ with a sense of formal preparation for burial. The physical man is never there; the book’s pages gesture towards intimacy even though they are merely paper. Subsequently I responded to lingerie tailoring patterns sourced from a London designer (c. 1970), by making the series Love Gardens by layering them...
with coloured paper to create abstract representations of female anatomy referencing the work of Georgia O'Keefe. To complement this series I used Savile Row shirt collar tailoring patterns and newspaper clippings, with spray paint mounted on inkjet prints to create phallic collages. Suits are the predominant international uniform of men in positions of power. Does Sir dress left or right? This charming tailoring euphemism has a fascinating equivalent in radiology. The John Thomas sign refers to the orientation of a penis in an anteroposterior x-ray. I take the discarded Savile Row menswear tailoring patterns and make their masculinity shockingly explicit. Does the viewer see them as proud or ridiculous? Perhaps, like the x-ray, John Thomas exposes the vulnerability a suit conceals. In 2013 I was commissioned by Crafts Council, England to exhibit five sculptures at the Saatchi Gallery for Collect. The works were intimate, fragile structures created from quarter-scale military patterns of uniforms from the British Raj (1850–1947). The works epitomised a romantic memory of falling in love with a fictional character – a handsome English officer from the TV mini-series The Far Pavilions (1984). Inspired by the construction of Anthony Caro's work, the structures were created from the negative space around the patterns to narrate the absent body. The body and its story is no more but my memory and patterns live on. My work proposes a new interpretation of tailoring patterns as interesting abstracted drawings of the human form which have an inherent aesthetic quality that can be used innovatively to develop a contemporary art practice. Freed from function they are drawings ahead of their time, anthropomorphic in origin and beautifully abstract in isolation.

Reprinted by Kind Permission of the artist, Hormazd Narielwalla

DIMENSIONS OF INVOLVEMENT

It is possible to use these dimensions of involvement (see Figure 3.15) to segment the market for a given product. For example, for some people an Apple Watch might have a strong sign value, while for others it has a strong pleasure value: the approach to each of these groups would be different in terms of marketing communication. There are, of course other factors at play here too – a high status sign can give pleasure to an individual, not to mention the possible hedonistic and functional values that could also be derived from owning such products.

Laurent and Kapferer (1985) whose seminal paper initially showcased this five-factor model for assessing the dimensions of involvement, described the factors as follows:

1. The personal interest a person has in the product category, its personal meaning or importance. For example, people often become very involved in art galleries or orchestras (Camic et al. 2015).
2. The perceived importance of the potential negative consequences associated with a poor choice of product (risk importance).
3. The probability of making a bad purchase.
4. The pleasure value of the product category.
5. The sign value of the product category (how closely it relates to the self).

Chocolate scores high in terms of pleasure, but low on sign value and risk value. The evidence is, therefore, that different products may be high involvement for different reasons.
IN VolvEMENT WITH BRANDS

People often develop relationships with brands. Typical examples might be favourite perfumes, jeans, cars, cigarettes, coffee, and so forth. Research by Brann Consulting showed that people are more likely to think of their brand of coffee as a friend than they are to think of their bank this way: banks are acquaintances at best, enemies at worst. This may seem surprising considering that banks are composed of people, whereas coffee is inanimate, but it is perhaps due to the fact that coffee is consumed at home or with friends whereas bank services are often regarded as an unpleasant necessity.

The relationship that the individual has with both the brand and the product is very closely intertwined. Drivers often develop affectionate relationships with their cars, personalising them with stickers and accessories, and not infrequently giving them a name. Drivers even talk to their cars (sometimes in less than flattering terms). And recently a lot of us have been talking to our voice activated personal assistant, Siri! But how many of us would switch loyalties and employ the services of either Alexa (from Amazon Echo) or Cortana (from Microsoft)? Involvement also has an influence on decision-making styles (Bauer et al. 2006). Even when the product itself might be considered to have few differences, people are prepared to pay more for the branded product – research in the United States showed that people would pay more for branded pork than for unbranded pork (Ubilava et al. 2011).

Involvement can also be considered in terms of attachment theory, specifically avoidance and anxiety factors. Avoidance factors are those that make people shun relationships due to a fear of intimacy while anxiety factors are those that make people fear loss, anxiety or rejection. People who are low or high on both dimensions report high satisfaction with brands, whereas people who are high on one dimension and low on the other report low satisfaction rates (Thompson and Johnson 2002). This means that people with a fear of becoming dependent, and a fear of loss, will be less likely to form relationships with brands and will therefore have no problems with them, whereas people who have no fear of becoming dependent and also no fear of loss
will have many favourite brands. There are gender differences in brand relationship formation: when considering the two propositions, ‘I understand the brand’ and ‘The brand understands me’, women use both dimensions to judge their closeness to the brand, whereas men judge only by their own actions towards the brand (Monga 2002).

For any given product category, people can be classified according to their level of involvement, as shown in Table 3.3. The relationship between these factors is shown in Figure 3.16. Even when the product has other products associated with it, the involvement may only apply to one of the products: for example, someone might be staunchly loyal to a brand of gin (say Hendrick’s) without caring much which brand of tonic water (Fentiman’s, Canada Dry or Schweppes) goes in with it. While it is true that some people may be heavily involved in several brands, there is no evidence that high involvement in one brand will lead to high involvement in another brand from a different product category.

Involvement does not always equate to price. A high-involvement product is not necessarily a high-priced one, nor is a low-involvement product always a cheap one. Beer drinkers can be heavily committed to their brand of beer, costing only a few pounds a pint, whereas other people might not care what make of car they drive as long as it gets them from point A to B. High involvement always has a strong affective component, and this does not necessarily mean a high cost commitment – people also fall in love with cheap (or rather more cost-effective) products.

### INCREASING INVOLVEMENT LEVELS

From a marketer’s viewpoint, increasing consumers’ involvement levels is clearly a priority. Marketers will try to increase consumer involvement with the products whenever it is possible to do so, since this will make communications easier and loyalty levels higher. As Figure 3.17 summarises, there are various techniques available to marketers for encouraging consumers to process relevant information, as follows (Stewart and Furse 1984):

### TABLE 3.3 Categorising consumers according to involvement

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand loyalists</td>
<td>These are people who buy what they think is the &quot;best&quot; brand in the category. This is because they tend to have strong views about the relevance of the brand to their daily lives - the brand itself has personally-relevant consequences for them, and they are highly involved with it.</td>
</tr>
<tr>
<td>Routine brand buyers</td>
<td>These people have a favourite brand, but don’t necessarily feel involved with it at a personal level. Typically, they will buy the same brand on a regular basis, but would not have a big problem in buying a substitute brand if their usual brand were unavailable. In other words, they have a low level of involvement with the brand.</td>
</tr>
<tr>
<td>Information seekers</td>
<td>These people feel strongly about the product category, but do not identify one brand as superior. They have positive means-end information about the category, and spend time and effort choosing the final brand within the category, but have low involvement in the actual brand.</td>
</tr>
<tr>
<td>Brand switchers</td>
<td>These people do not have a strong view about the brands on offer, and will choose whichever happens to be the most convenient at the time of purchase. They have low involvement with the brand, even if they have high involvement with the product category.</td>
</tr>
</tbody>
</table>

Source: adapted from Peter and Olson (1994)
Appeal to hedonic needs. Advertising that appeals to the senses generates higher levels of attention (Holbrook and Hirschman 1982). There is evidence that the pleasure of shopping tends to increase involvement with clothing (Michaelidou and Dibb 2006).

Use unusual stimuli to attract attention. Using 5D technology to further involve the participant and inculcate a real experience, including elements such as rainwater, aroma and smoke.

Use celebrity endorsement. The viewer’s involvement with the celebrity is likely to transfer to the product, although there are dangers with this approach.

Use prominent stimuli, such as fast action or loud music. This will help to capture the viewer’s attention.

Develop an ongoing relationship with the customer. This can often be done by using a well-designed interactive website to generate involvement.

Ultimately, of course, consumers develop their own ideas about involvement, and will only become involved in products which appeal to their innermost selves. Marketers can only facilitate a process which would have happened (at least to some extent) in any case.

LOYALTY IN BUYER BEHAVIOUR

Involvement with a brand should, in the vast majority of cases, lead to feelings of loyalty. In recent years, marketers have taken the view that it is better to generate loyalty and therefore retain customers than it is to keep recruiting new customers. This view has been expressed most clearly by Ehrenberg, who proposed the 'leaky bucket' theory. In the past, most companies have operated on a 'leaky
bucket’ basis, seeking to refill the bucket with new customers while ignoring the ones leaking away. According to research by Gupta et al. (2004) a 1% improvement in customer retention will lead to a 5% improvement in the firm’s value. In other words customer retention is five times as effective as cutting costs, especially as a 1% improvement in customer acquisition cost only generates a 1% increase in firm value. Ehrenberg (2000) noted that loyalty differs far less between brands in a category than does the number of buyers for each brand. Recent work by Dawes et al. (2015) has succinctly encapsulated some of the areas used to measure behavioural loyalty towards brands:

- Repeat-purchase rate (Fader and Schmittlein 1993; Colombo et al. 2000).
- Tenure (Length of time a buyer remains a buyer) (Reichheld and Teal 1996; East et al. 2001).
- Share of category requirements (Bhattacharya et al. 1996; Jung et al. 2010; Pare and Dawes 2011).
- Repertoire size (Uncles and Ehrenberg 1990; Banelis et al. 2013).
- Purchase frequency (Morrison 1966; Sharp and Sharp 1997).
- Proportion of buyers who are solely loyal (Raj 1985).

Satisfaction is not necessarily enough to generate loyalty, however. East et al. (2006) found no evidence that satisfaction breeds loyalty, but have found evidence that satisfaction leads to personal recommendations and therefore to recruitment of new customers. In fact, in many ways people are not loyal, and their loyalty cannot be bought: only a small percentage of loyalty card holders actually are loyal (Allaway et al. 2006), because most people carry several cards (Meyer-Waarden and Benavent 2006). Loyalty to the store tends to be higher in the case of online suppliers, which may be a function of trust (Buttner and Goritz 2008). Trust lends itself to purchase incidence meaning that heavy buyers of a category buy more brands, and are consequently less loyal to any particular brand (Banelis et al. 2013). There are also those who only make one-off purchases and should therefore not count as 100% loyal (Uncles and Lee 2006).

The importance of the purchase has an effect on satisfaction and also on loyalty: the more important the purchase, the more disastrous a failure in performance will be and the greater the effect on satisfaction and loyalty. Perhaps surprisingly, if the purchase importance is low, perceived performance has a stronger influence on satisfaction (Tam 2011).

If loyalty can be generated, though, it does increase profitability (Helgesen 2006). Since companies are often not good at acquiring new customers, loyalty becomes important (Ang and Buttle 2006). It also has the effect of reducing the evaluation of brand extensions – people tend to assume that the extension will be as good as the original brand (Hem and Iversen 2003). When a brand grows, therefore, it is the change in penetration which is generally larger than the change in loyalty (Baldinger et al. 2002; Dawes 2009).

**UNSOUGHT GOODS**

So far, we have looked at consumer behaviour when seeking out goods to meet a specific, recognised need. While most products fall into the category of being sought
out as a way of meeting a need, there is a category of unsought goods that consumers do not look for.

Unsought goods are those goods for which consumers will recognise a need, but which they nevertheless tend to avoid buying. Examples are life insurance, wills and funeral plans (because people prefer not to contemplate their own deaths), and some home improvements (because major capital expenditures can always be postponed).

The possible reasons for not seeking out the products, summarised in Figure 3.18, are as follows:

- People do not like to think about the reasons for needing the products. Because people do not like to think about old age and death, they prefer not to think about pensions and insurance.
- Given the vast number of stories in the press (for instance the Payment Protection Insurance or PPI scandal), the consumer has come to perhaps mistrust marketers of such products.
- The products are expensive or require a long-term commitment, and people do not like to risk making a mistake.
- There is no urgency about seeking a solution. Retirement may be a long way off, or the roof may last another year or two.
- The consumer may not see any immediate benefit. In the case of life insurance, the insured person never benefits directly, since the policy only pays out on proof of death.
- Some unsought goods are new on the market, so the level of knowledge about them is low and the individual automatically rejects any marketing approach because the benefits are not obvious. Trust in both the product and the brand needs to be established first before information can be transferred.

![Figure 3.18 Reasons for postponing purchase of unsought goods](image-url)
Marketers can overcome these problems with a series of tactics, but the main one is to use salespeople to explain the benefits of the product and close the sale. These salespeople usually have to overcome an initial resistance to the idea of spending time listening to a presentation, since the consumer of unsought goods is not engaged in an information search and is therefore unlikely to want to spend time and resources on a sales presentation. The salesperson will therefore need to employ a tactical device to gain the customer's attention for long enough to activate the need for the product. Table 3.4 shows how a salesperson can contribute to each stage of decision-making for this type of purchase. Admittedly, not all companies use the high pressure selling techniques illustrated in Table 3.4. Some organisations will seek to highlight the positive aspects of their own service and will draw attention to some of the negatives that are avoided.

The selling techniques used for unsought goods have attracted a great deal of adverse publicity, but it is worth bearing in mind that the vast majority of double-glazing owners are perfectly happy with the product, as are the vast majority of timeshare owners. Generally speaking, while some vulnerable people are often targeted, most people are not naive enough to commit large sums of money to products they do not want and do not see a need for.

**SUMMARY**

This chapter has been about consumer decision-making processes. The processes often happen largely below the conscious level, and people often fall in love with a product without having much real knowledge of it, but the processes nevertheless occur, even if only at the subconscious level.

Decision-making flows from both needs and from attitudes. People need to be able to justify their decisions, both in terms of cost and of the usefulness of the products they buy; marketers need to be able to influence the decision by influencing attitudes, cost and utility as well as understanding the mental processes people go through both before and after making purchases.
KEY POINTS

• Needs become activated when there is a divergence between the actual and the desired states.
• Any information search is likely to be limited, since there is a cost attached as well as a risk reduction aspect.
• Heuristics are decision rules intended to reduce cognitive effort and risk.
• Interrupts usually only delay problem-solving behaviour, but the delay depends on the strength of the interrupt and the strength of the goal.
• The type of problem-solving undertaken will depend in part on whether the consumer is replenishing the assortment or extending it.
• The consideration set doesn’t include every possible solution.
• Most decisions involve decision rules, either pre-programmed or invented on the spot.
• Involvement is the motivation to process information.
• High involvement is linked to end goals and values.
• Dimensions of involvement can be used to segment markets.
• Word of mouth is a strong factor in high-tech purchases.
• Unsought goods are those for which people recognise a need, but still avoid buying.

HOW TO IMPRESS YOUR EXAMINER

You are likely to be asked to compare various decision-making models. If so, remember that they are not necessarily mutually exclusive: some are simpler than others, but the more complex ones still only add extra stages or influences to the basic models. Also bear in mind that decision-making is not necessarily linear, and it certainly isn’t necessarily rational: emotions play a large part.

Candidates sometimes forget that goals go in hierarchies, both in terms of which goals are more important than others and in terms of which sub-goals need to be achieved if the main goal is to come to fruition. If you can remember Huffman’s model, it will certainly help you avoid this error. A further common error is to forget the role of heuristics in enabling people both to set goals and to achieve them – so make it a rule never to forget about heuristics!

REVIEW QUESTIONS

1. What type of information search would you expect someone to undertake when buying a new type of television?
2. How might a marketer seek to make an interrupt more effective?
3. How might a compensatory decision rule operate when buying an expensive item such as a new car?
4. What factors cause people to become involved in products or brands?
5. How might a marketer increase involvement?
6. How can marketers reconcile the sale of unsought goods with the marketing concept?
7. What causes a product to move from being an unsought good to being a sought good?
8. Why might someone become involved with a brand, rather than with the benefits of the product itself?

CASE STUDY: UNDER ARMOUR, INC

When decisions are made with a degree of creativity and ingenuity, even small businesses can and have built strong branded businesses going up against much larger competitors with infinitely higher resources. One such example is a company called Under Armour.

Under Armour today is a major American sports clothing and accessory company founded by Kevin Plank in 1996, just after he graduated from college at the age of 23. The company specialises in sportswear and casual apparel. In particular, Under Armour focuses on hi-tech sportswear for professional athletes and thus has come to be known as a brand that specialises in professional sports.

The origins of the brand go back to the time when, as a high school and college level athlete, Plank got tired of the way his sport attire felt as sweat accumulated, as a result of his physical activities. To remedy this problem, he set out to design and manufacture sportswear that would not be weighed down by sweat. He believed that this would be appealing to professional athletes. The vision was there, the product was there and the quality was there. What were still missing were the awareness and the legitimacy of the brand.

Plank knew that he had limited resources and could not compete head on with the marketing power of the major players such as Nike, Adidas and Reebok in the sportswear industry. Instead of advertising through mainstream channels such as TV, billboards and magazines, as the major players did, Plank turned to his network: he took his brand to his friends in the locker room. By giving the clothing he had designed to his college friends who had now been drafted into professional football, he was able to get his clothing line into the locker rooms of a dozen or more professional football teams, as some of his friends who really liked what Under Armour had to offer started to use his line of clothing in practice sessions and after games.
Other sport celebrities who were introduced to the product by word of mouth in locker rooms also started to wear Under Armour clothing, becoming de facto free endorsers for the brand. As the Under Armour brand awareness and popularity grew among professional players, it also became apparent to the broader consumer market for athletic apparel, establishing the brand firmly in this broader market, both in terms of awareness and credibility. The company has since been invited by Warner Brothers to provide outfits for major films as well as having expanded into numerous other sports (for instance speedskating teams in the 2014 Winter Olympics). If this wasn’t enough, they made a strategic decision to buy popular digital apps in the sports market. ‘MapMyFitness’, ‘MyFitnessPal’ and ‘Endomondo’ are now all wholly owned by Under Armour. Thus, aligning a good product with a well-thought-out brand communication strategy can transform a small business into a successful branded business, even in a category dominated by global majors.

QUESTIONS
1. How was the need for the product activated?
2. What is the relevance of the information search process to Under Armour?
3. How does involvement figure in the promotional process for the product?
4. Why would someone recommend Under Armour to a friend?
5. Why is the brand name important?

FURTHER READING
For an indication of some of the surrogates people use when deciding on whether to buy a new product, see Roger Bennett and Helen Gabriel (2000) Charity affiliation as a determinant of product purchase decisions. Journal of Brand and Product Marketing 9 (4/5): 255–68. It turns out that people’s perception of the value for money aspects of products sold by charities affects their view of other products that may be entirely unrelated to the first products.

For a much deeper account of loyalty programmes and involvement, take a look at Wan Jou-Wen’s book The Effect of the Reward Programme Scheme: The Effect of Timing of Reward, Business Longevity and Involvement on Consumers’ Perception and Behavioural Intention Toward the Reward Programme (Saarbrücken: VDM Verlag, 2009). The title is almost as long as the book, but it does offer a very deep (and academic) insight into the interrelationship between loyalty programmes, involvement and timing.

Many models of consumer behaviour seem to assume that people think about what they are doing when making decisions. Gerd Gigerenzer disagrees – and his book Gut Feelings: Short Cuts to Better Decision Making (Harmondsworth: Penguin, 2008) outlines the idea that we make our best decisions based on gut instinct rather than conscious thought. This is a book for people who enjoy some controversy!

Involvement, and especially involvement in luxury brands, is alive and well and lives in Japan. The Cult of the Luxury Brand: Inside Asia’s Love Affair with Luxury by Radha Chadha and Paul Husband (London: Nicholas Brealey International, 2006) tells the whole story of how Asian countries have discovered consumerism – and gone for it in a big way.
An aspect of decision-making which is often ignored is the decision to say ‘enough is enough’. John Naish’s book *Enough: Breaking Free from the World of Excess* (London: Hodder Paperbacks, 2009) offers as its main premise the idea that human beings are hard-wired to grab as much as they can of anything they like, when in fact there is a point at which further acquisitions simply become tiresome. It’s an interesting read for those who have doubts about the consumerist society in which we live.

Jonathan Fields’ *Uncertainty: Turning Fear and Doubt into Fuel for Brilliance* (New York: Portfolio Hardcover, 2011) is a self-help book. The author talks about ways of reducing the fear that arises from uncertainty – and he certainly experienced the downside of uncertainty, having opened a new business in Manhattan the day before the 11 September terrorist attacks.

**REFERENCES**


THE DECISION-MAKING PROCESS, BUYER BEHAVIOUR AND BRAND INTERACTION


CONSUMER BEHAVIOUR IN CONTEXT


THE DECISION-MAKING PROCESS, BUYER BEHAVIOUR AND BRAND INTERACTION


