UNIT 5: CONSUMER LEARNING, MEMORY AND INVOLVEMENT

UNIT STRUCTURE

5.1 Learning Objectives

5.2 Introduction

5.3 Components of Learning

5.4 Behavioural Theory

5.5 Cognitive Learning Theory

5.6 Memory System

5.7 Memory Process

5.8 Concept of Involvement

5.9 Dimensions of Involvement

5.10 Involvement and Types of Consumer Behaviour

5.11 Cognitive Response Model

5.12 Elaboration Likelihood Model

5.13 Social Judgment Theory

5.14 Brand Loyalty

5.15 Brand Equity

5.16 Let Us Sum Up

5.17 Further Reading

5.18 Answers to Check Your Progress

5.19 Model Questions

5.1 LEARNING OBJECTIVES

After going through this unit, you will be able to:

- explain the concept ofLearning and its components
- understand various learning theories
- explain the concept of Memory
- describe the Memory System and Process
- explain the concept of Involvement
- understand dimension of involvement

- describe involvement and types of consumer behavior
- explain various models of involvement
- discuss brand loyalty and brand equity

5.2 INTRODUCTION

Learning is one of the basic foundations of human behaviour. Learning takes place everywhere and throughout the very existence of an individual. How individual learns is a matter of deep concern for marketers, in that they are interested in teaching them about product, its attributes and benefits. The closely allied concepts of learning are the memory and the dvolvement.

5.3 COMPONENTS OF LEARNING

Learning isdefined as a relatively permanent change in the behaviour that occurs as a result of experience of self or others. There occurs an enhancement of knowledge, skills and expertise which are relatively permanent. Consumer learning is defined as a process by which people gather and interpret information about products and services and use this information/knowledge in buying patterns and consumption behaviour.

According to Schiffman, "consumer learning can be thought of as the process by which individuals acquire the purchase and consumption knowledge and experience that they apply to future related behaviour".

Mr. Stephen P. Robbin opines, "Learning is any relatively permanent change in behaviour that occurs as a result of experience."

Consumer learning may be intentional, where learning is an outcome of a careful search for information; learning can also be incidental, where learning occurs as a matter of chance, by accident or without much effort.

For instance, an individual is attracted by the fragrance of a perfume (stimuli) and he intends to purchase (drive), and if he is satisfied with the price and other factors (positive reinforcement) he purchase it.

The learning process comprises certain elements/ components, viz., motivation, cues, response and reinforcement. Each of these is explained below:

- **Motivation:** Consumer motives lie at the very heart of consumer behaviour. When a consumer is faced with a need/want situation, there occurs an urge within him to act towards fulfilment of the need/want through the problem solving/decision making process. So, he is motivated to search for information, either internally from his memory or externally through commercial, non commercial and public sources or through experience of self and others. This desire to search for knowledge and information about the product/service gets intensified with the degree of relevance or involvement. The marketer can play an important role by (i) identifying or helping the consumer identify the sub-conscious and hidden motives; (ii) triggering off motives and desires; In both the ways, the consumer would be motivated to search for information, so far as that product/service would help satisfy his/her need/want.
- **Cues:** A cue may be defined as a weak stimulus that gives strength and direction to the motives; All the 4Ps could act as cues and give direction to motives; for example, the packaging of the product (colourful design; easy to carry; reusable containers), price (discounts, sales), place (store display, store layout, window dressing) and promotion (advertisement).
- **Response:** The behaviour of a person constitutes the response; i.e. how a person reacts to a drive or a stimulus, reflects a response. This response could take various forms: - It may be overt and lead to an action; the consumer may decide to purchase the product/brand. Or, - The response may just be learning for the future, i.e. the purchase is postponed for future; he decides to buy at a later date. Or, - A favourable image about the product and the brand may get created; the consumer develops an intention to buy; as and when the consumer decides to make the purchase, he would consider that brand.

- **Reinforcement:** An action always has a reaction; based on the reaction, the behaviour gets reinforced. In other words, if the action (behaviour) is followed by a reaction that is positive or pleasant or rewarding, the action (behaviour) gets positively reinforced; the likelihood of repetition of that action (behaviour) increases. The same holds true vice versa. If the action (behaviour) is followed by a reaction that is negative or unpleasant or unrewarding, the action (behaviour) gets negatively reinforced; and the likelihood of repetition of that action (behaviour) decreases. In terms of consumer learning, if a person buys a particular product/brand, and the purchase leads to satisfaction and delight, and lives up to expectations, the consumer would feel that he has got value for money. Through a positive reinforcement, learning would take place, and the consumer would prefer to buy the same product/brand in future. On the other hand, if he feels dissatisfied, again learning would take place and he would learn not to buy the same product/brand in future. In fact, positive reinforcement could develop brand loyalty.

5.4 BEHAVIOURAL THEORY

Behavioural learning theories are sometimes called stimulus-response theories because they are based on the premise that observable responses to specific external stimuli signal that learning has taken place. When a person responds in a predictable way to a known stimulus, he or she is said to have "learned." Behavioural theories are most concerned with the inputs and outcomes of learning, not the process. Two theories relevant to marketing are classical conditioning and instrumental (or operant) conditioning.

- **Classical Conditioning Theory:** Early classical conditioning theorists regarded all organisms as passive recipients that could be taught certain behaviours through repetition (i.e., conditioning). Conditioning involved building automatic responses to stimuli.Ivan Pavlov was the first to describe conditioning and to propose it as a general model of how learning occurs. a) For Pavlov, conditioned learning results when a

stimulus that is paired with another stimulus elicits a known response and serves to produce the same response when used alone.

- He used dogs to demonstrate his theory.
- The dogs were hungry and highly motivated to eat.
- Pavlov sounded a bell and then immediately presentedmeat to the dogs' tongues, which caused them to salivate.
- After a sufficient number of repetitions of the bell sound, followed almost immediately by the food, the bell alone caused the dogs to salivate.

In a consumer behaviour context, an unconditioned stimulus might consist of a well-known brand symbol. A previously acquired consumer perception of a brand is the unconditioned response. Conditioned stimuli might consist of new products under an existing brand name. The conditioned response would be consumers trying these products because of the belief that they embody the same attributes with which the brand name is associated.

Strategic Applications of Classical Conditioning / Principles of Conditioning Learning

Three basic concepts derive from classical conditioning are - repetition, stimulus generalization, and stimulus discrimination.

- Repetition works by increasing the strength of the association between a conditioned stimulus and an unconditioned stimulus and slows the process of forgetting. After a certain number of repetitions, attention and retention declines. This effect is known as advertising wear-out and can be decreased by varying the advertising messages. Wear-out may be avoided by varying the message through cosmetic variation or substantive variation. Some disagree about how much repetition is needed. The three-hit theory states that the optimum number of exposures to an ad is three.
  - One to make the consumer aware of the product.
  - A second to show consumers the relevance of the product.
  - A third to remind them of its benefits.

  Others think it may take 11 to 12 repetitions to achieve the three

objectives. The effectiveness of repetition is somewhat dependent upon the amount of competitive advertising to which the consumer is exposed. As exposure increases, the potential for interference increases. According to classical conditioning theorists, learning depends not only on repetition, but also on the ability of individuals to generalize.

- Making the same response to slightly different stimuli is called stimulus generalization. Stimulus generation explains why imitative "me too" products succeed in the marketplace: consumers confuse them with the original product they have seen advertised. It also explains why manufacturers of private label brands try to make their packaging closely resemble the national brand leaders. The principle of stimulus generalization is applied by marketers to product line, form, and category extensions. In product line extensions, the marketer adds related products to an already established brand, knowing that the new product is more likely to be adopted when it is associated with a known and trusted brand name. Marketers offer product form extensions that include different sizes, different colors, and even different flavors. Product category extensions generally target new market segments. The success of this strategy depends on a number of factors. For example, if the image of the parent brand is one of quality, consumers are more likely to bring positive associations to the new category extensions. In family branding, the practice of marketing a whole line of company products underthe same brand name, is another strategy that capitalizes on the consumer's ability to generalize favorable brand associations from one product to the next. Retail private branding often achieves the same effect as family branding. For example, Wal-Mart used to advertise that its stores carried only "brands you trust." Now, the name Wal-Mart itself has become a "brand" that consumers have confidence in, and the name confers brand value on Wal-Mart's store brands.Licensing, whereby allowing a well-known brand name to be affixed to products of another manufacturer-is a marketing strategy that operates on the principle of stimulus generalization. Corporations also license their

names and trademarks, usually for some form of brand extension, where the name of the corporation is licensed to the maker of a related product and thereby enters a new product category. The increase in licensing has made counterfeiting a booming business, as counterfeiters add well-known licensor names to a variety, of products without benefit of control or quality control.

- Stimulus discrimination is the opposite of stimulus generalization and results in the selection of specific stimulus from among similar stimuli. The consumer's ability to discriminate among similar stimuli is the basis of positioning strategy, which seeks to establish a unique image for a brand in the consumer's mind.The key to stimulus discrimination is effective positioning, a major competitive advantage. The image, or position, that a product or service has in the mind of the consumer is critical to its success. Unlike the imitator who hopes consumers will generalize their perceptions and attribute special characteristics of the market leader's products to their own products, market leaders want the consumer to discriminate among similar stimuli. Most product differentiation strategies are designed to distinguish a product or brand from that of competitors on the basis of an attribute that is relevant, meaningful, and valuable to consumers. . It often is quite difficult to unseat a brand leader once stimulus discrimination has occurred. In general, the longer the period of learning of associating a brand name with a specific product, the more likely the consumer is to discriminate, and the less likely to generalize the stimulus.
- **Operant (Instrumental) Conditioning Theory:** Like classical conditioning, instrumental conditioning requires a link between a stimulus and a response. However, in instrumental conditioning, the stimulus that results in the most satisfactory response is the one that is learned. Instrumental learning theorists believe that learning occurs through a trial-and-error process, with habits formed as a result of rewards received for certain responses or behaviours. According to American psychologist, B. F. Skinner, most individual learning occurs in a controlled environment in which individuals are "rewarded" for choosing an appropriate behaviour.

In consumer behaviour terms, instrumental conditioning suggests that consumers learn by means of a trial-and-error process in which some purchase behaviours result in more favourable outcomes (i.e., rewards) than other purchase behaviours. A favourable experience is instrumental in teaching the individual to repeat a specific behaviour. Like Pavlov, Skinner developed his model of learning by working with animals. In a marketing context, the consumer who tries several brands and styles of jeans before finding a style that fits his/her figure (positive reinforcement) has engaged in instrumental learning.Skinner distinguished two types of reinforcement (or reward) influence, which provided that the likelihood for a response would be repeated. The first type, positive reinforcement, consists of events that strengthen the likelihood of a specific response. Negative reinforcement is an unpleasant or negative outcome that also serves to encourage a specific behaviour. Fear appeals in ad messages are examples of negative reinforcement. Either positive or negative reinforcement can be used to elicit a desired response. Negative reinforcement should not be confused with punishment, which is designed to discourage behaviour. When a learned response is no longer reinforced, it diminishes to the point of extinction; that is, to the point at which the link between the stimulus and the expected reward is eliminated. Forgetting is often related to the passage of time; this is known as the process of decay. Marketers can overcome forgetting through repetition and can combat extinction through the deliberate enhancement of consumer satisfaction.

Marketers effectively utilize the concepts of consumer instrumental learning when they provide positive reinforcement by assuring customer satisfaction with the product, the service, and the total buying experience. The objective of all marketing efforts should be to maximize customer satisfaction. Besides the experience of using the product itself, consumers can receive reinforcement from other elements in the purchase situation, such as the environment in which the transaction or service takes place, the attention and service provided by employees, and the amenities provided. Some hotels provide reinforcement to

guests in the form of small amenities. Companies that create personal connections with customers, and offer diverse product lines and competitive prices, are the ones providing the best reinforcement, resulting in satisfaction and repeat patronage. Most frequent shopper programs are based on enhancing positive reinforcement and encouraging continued patronage. Relationship marketing, developing a close personalized relationship with customers is another form of non-product reinforcement. In 'Reinforcement schedules', marketers have found that product quality must be consistently high and provide customer satisfaction with each use for desired consumer behaviour to continue. Marketers have identified three types of reinforcement schedules: total (or continuous) reinforcement, systematic (fixed ratio) reinforcement, and random (variable ratio) reinforcement. The reinforcement of behaviours that must be performed by consumers before the desired behaviour can be performed, called shaping. Shaping increases the probabilities that certain desired consumer behaviour will occur.

5.5 COGNITIVE LEARNING THEORY

Cognitive theorists believe that a person's learning is a complex mental process. It takes place as a result of a conscious and deliberate information processing and storage activity that takes place within living beings. Living beings make active use of creativity, insight, and information processing to solve issues and problems. The focus of cognitive theorist is on the "thinking" rather than the "doing" of the behavioural scientists. One of the main proponents of this theory is Edward Tolman, who conducted a series of experiments on rats, and finally came up with his findings. In terms ofconsumer learning, any kind of extensive problem solving, on the part of the consumer, is cognitive and would be included under this approach. This would include gathering, processing and interpreting information; storing it in memory; and final retrieval when required. According to the cognitive theorists, response towards stimuli are not always reflexive

and automatic, or out of pure conditioning; there is much beyond pure reflex or conditioning. A living being, animal/human being perceives a stimulus (object/situation/person./event) in a particular manner; on the basis of his perception, he assigns meanings and corresponding responses to the stimulus; a set of expectations about the outcome are also generated. The living entity begins to associate a cue with an expectation and memorizes this relationship; this leads to learning. A cognitive structure of this relationship is formed in the memory and is preserved until it needs to be retrieved in future; learning based on this mental activity is called cognitive learning. Tolman established this relationship between environmental cues and expectations, based on the experiments that he conducted on white rats. A special T-maze was designed, and the white rats were taught to obtain food in the maze. To start with, Tolman kept food in the right corner of the T maze; a white rat was put in the maze, and was trained to turn right to obtain the food. A relationship between the cue (food: smell of food) and the expectation (appropriate movement would lead to the food) was established. Thereafter, Tolman changed the position of the art and started him from the opposite part of the maze. According to the past conditioning (instrumental conditioning, R?S), the rat should have turned right, but instead it moved in the direction where the food was kept. The rat has learnt to move through the maze with a motive and direction, towards the food (goal), and a connection was built between the stimulus and the stimulus (S?S). The rat had not only learnt to form an association between the cue and the expectation, (i.e., the smell of the food acted as the cue; and the right movement across the maze to obtain it, was the response), but he had also memorized this association.As the association between the cue and the expectancy was strengthened, learning occurred. So, Tolman's approach to learning could be explained as: - stimulus leads to another stimulus (or S-S) - the association between the cue and the expectancy leads to learning; behaviour is goal directed. Cognitive learning focuses on the gathering and processing of information, storage in memory and final retrieval of knowledge from a person's memory. A person first gathers information and then processes it. This information gathering and processing depends on the

complexity of information as well a person's cognitive ability. Cognitive ability differs from person to person, so does imagery. Imagery is a perceptual process that enables formation of mental images within a person; these images relate to a stimulus and influence a person's ability to recall information. Once the information has been processed, a person organizes it by associating it with various other cues, and creates mental images, and finally stores it in his memory. Memory involves the process of gathering, processing and storing information over time so that it will be available when required. As and when required to solve problems, he retrieves this information from his memory. The process is continuous; on a regular basis, the person is confronted with new inputs that he integrates with the existing knowledge that he already has in his memory; this may require addition/ deletion/modification of existing information. In terms of consumer behaviour, consumers are exposed to information about new product/services or changes in existing products/services on a day to day basis; marketers also constantly update them about their brands like the attributes, features, price, and comparison with other brands etc. In fact, consumers are informed about any change that is bought about in any of the elements of the 4Ps; viz., product attributes, benefits, features, price, discounts, availability etc. The consumer also forms mental images about the various brands through imagery, which leads toeasy recall later on. Once the consumer receives this information, he integrates this information with the existing knowledge that he has stored in his memory, and would retrieve this information as and when he wants to solve a problem or satisfy a need through purchase and usage of a product/service.

5.6 MEMORY SYSTEM

Memory involves a process of acquiring information and storing it over time so that it will be available when needed.Contemporary approaches to the study of memory employ an information-processing approach. Memory is important because what we remember can have profound impact on our consumption decision. Consumers are more likely to consider buying

and using certain brands if they can remember the brand name and something about its benefits. It is desirable for a marketer to examine the nature of consumer memory and it processing one must know how memory affects search and decision making processes. Memory leads to retrieval and identifies different retrieval process because understanding retrieval is important because of its critical role in communication, objective marketing strategy and consumer choice. Memory processes are important to the understanding of consumers. It is a matter of concern that in learning how the information gets stored in memory, how it is retained and how consumer retrieve the stored information during brand evaluation. Consumers stores information(experience) and have the capacity to remember old products which have been disposed of, for example, one's old car or a dinner enjoyed in a good restaurant. What reside in our memory and what we can remember depend on our motivation, ability and opportunity to process the information to which we have been exposed.

There are three distinct memory systems:

- Sensory memory permits storage of the information we receive from our senses. This storage is very temporary (it only lasts a couple of seconds). All data comes to us through our senses, however, our senses do not transmit information as whole images. The separate pieces of information are synchronized as a single image. This sensory store holds the image of a sensory input for just a second or two. This suggests that it's easy for marketers to get information into the consumer's sensory store, but hard to make a lasting impression.
- If information is retained for further processing, it passes through an attentional gate and is transferred to short-term memory (STM). STM also stores information for a limited period of time, and its capacity is limited. Think of it as working memory since it holds information we are currently processing. The information can be stored either acoustically (in terms of how it sounds) or semantically (in terms of what it means.) Memory generally stores information by combining small pieces into larger ones in a process known as chunking.A chunk is a configuration

that is familiar to the person and can be manipulated as a unit. An example would be a brand name, which summarizes a great deal of detailed information.If rehearsal (the silent, mental repetition of material) takes place, then the data is transferred to the long-term store. If data is not rehearsed and transferred, it is lost in a few seconds.

- Long-term memory is the system that allows us to retain information for a long period of time. Catchy slogans or jingles often help in this area. A cognitive process called elaborative rehearsal allows information to move from short-term memory to long-term memory. Transferred data to the long-term store can last for days, weeks, or even years. Under this, information is organised and is updated as new information are added.

5.7 MEMORY PROCESS

As per Paul W. Flagg people never forget anything that has just reached long term memory. There are four processes to understand memory.

- Rehearsal
- Encoding
- Storage
- Retrieval

Let us understand these elements one by one.

- **Rehearsal:** It is the salient mental repetition of material information available for delivery from short term store to long term store depends on the amount of rehearsal an individual gives to it. In fact we need rehearsal to amplify the weak signal that comes from sensory store to memory. At the same time rehearsal is that involves relating new data to old to make the material meaningful. In this connection marketers must be certain that the information they convey to consumer is simple enough to be absorbed with ease, for example, simple slogans, names and advertisements.
- **Encoding:** As the name suggest encoding is the process by which we select and assign a word or visual image to represent a perceived object.

In fact marketers help consumer to encode brands by using brand symbol. Because learning a symbol takes less time than learning a verbal information. Information overload takes place when the consumer is presented with too much information. The result of overload is frustration and confusion, resulting in poor purchase decisions. Both visual and verbal inputs are important in forming a complete mental image. A scheme occurs when a specific node i.e. brand evokes a cluster of other nodes. In fact scheme in marketing context represents the image of a brand or company the consumer hold.

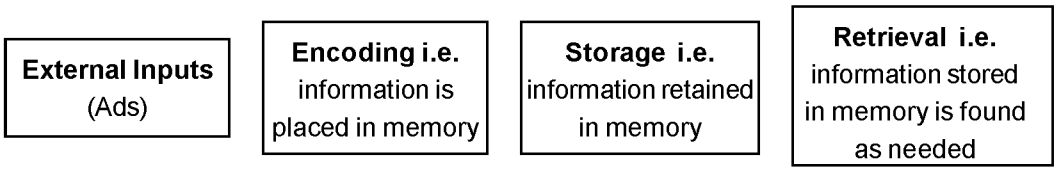


Figure: Process of Memory

- **Storage:** Storage means a process by which one organize and reorganize the information in long term memory received from the short term store. In fact storage is consist of two steps- first one in which information is organized by in order in which it is acquired and secondly in which the information is stored semantically i.e., according to the concept of significant. For instance, information about a new brand of toothpaste to enter our memory we would have to relate it to our previous experience with toothpaste in terms of taste, cavity prevention, etc.
- **Retrieval:** It is the process by which we recover information from long-term storage. a) Retrieval is most often triggered by situational cues. Research findings suggest that incongruent (e.g. unexpected) elements pierce consumers' perceptual screens and improve the retention of an ad when these elements are relevant to the advertising message. Interference effects are caused by confusion with competing ads and result in a failure to retrieve. Advertisements can act as retrieval cues for a competitive brand. There are actually two kinds of interference: a) New learning can interfere with the retrieval of previously stored material. b) Old learning can interfere with the recall of recently learned material.

5.8 CONCEPT OF INVOLVEMENT

Another component that closely relates to motivation is involvement. Involvement is defined as a psychological state that motivates people to be more aware and careful about persons/objects/situations. It also indicates a level of personal importance that the person attaches to such persons/ objects/situations.Consumer involvement is defined as a state of mind that motivates consumers to identify with product/service offerings, their consumption patterns and consumption behaviour. Involvement creates within consumers an urge to look for and think about the product/service category and the varying options before making decisions on brand preferences and the final act of purchase.It is the amount of physical and mental effort that a consumer puts into a purchase decision. It creates within a person a level of relevance or personal importance to the product/ service offering and this leads to an urge within the former to collect and interpret information for present/future decision making and use. Involvement affects the consumer decision process and the sub processes of information search, information processing, and information transmission.

As Schiffman has put it ,"Involvement is a heightened state of awareness that motivates consumers to seek out, attend to, and think about product information prior to purchase". It is the perceived interest and importance that a consumer attaches to the acquisition and consumption of a product/service offering.

Herbert Krugman, a researcher is credited with his contribution to the concept of consumer involvement. According to him, consumers approach the marketplace and the corresponding product/service offerings with varying levels and intensity of interest and personal importance. This is referred to as consumer involvement.

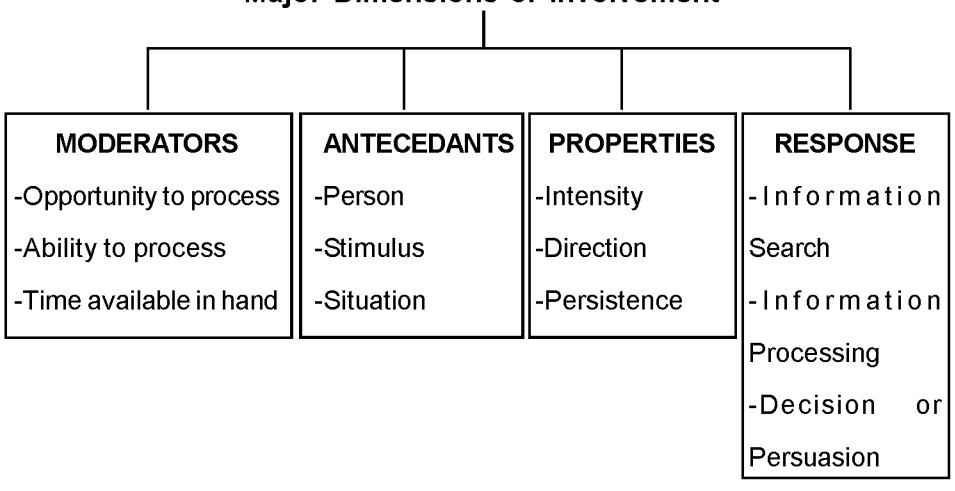
Involvement of consumers while makes purchase decisions varies across persons, across product/service offerings in question as well as purchase situations and time at hand. Some consumers are more involved in purchase processes than others. For example, a person who has a high level of interest in a product category would expend a lot of time making a

decision with regard to the product and the brand. He would compare brands across features, prices etc. Another example is a person who is risk aversive; he would also take a longer time making a decision. Involvement also varies across product/service offerings. Some products are high involvement products; these are products that are high in value and expensive, possess sufficient amount of risk, are purchased infrequently, and once purchased, the action is irrevocable, i.e. they cannot be returned and/or exchanged. On the other hand, there are low involvement products, which are moderately expensive or generally inexpensive, possess little risk and arepurchased regularly on a routine basis. Further, such consumer involvement based on their personal traits or on the nature of product/service offering are also impacted by the buying situation and time in hand for making purchase decisions. Very often, due to time constraints or emergency situations, a consumer may expend very little time on the purchase decision and buying activity in spite of the fact that the consumer is highly involved or risk aversive or the product is a high involvement one.

5.9 DIMENSIONS OF INVOLVEMENT

A mechanism underlies the very process of involvement. As a process, involvement is impacted by certain "antecedents" that get restrained by "moderating factors," and finally affect its "properties" (degree of intensity, level of persistence) and the "response factors".

Major Dimensions of Involvement



- **Moderating factors:** The factors that can restrain the impact of antecedents so as to impact the level of involvement include i) the opportunity available to the person to collect and collate facts and information; ii) his cognitive ability to process information and draw conclusions; iii) time available in hand. For example, a consumer planning to purchase a mobile phone and watching commercials would be of interest for him. Suddenly somebody knocks on thedoor and distracts his attention from the ad and the consumer may not possess much knowledge about a particular productand fails to understand some of the information contained in the ad. So, this would limit evaluation of alternative brand in a satisfactory manner.
- **Antecedent factors:** There are certain factors that precede and lead to involvement; these are referred to as 'antecedents'; Antecedents to consumer involvement include the following:
  - The person himself and the individual determinants like motives/ needs; learning/experiences; interests; attitudes; personality; lifestyle/ social class/interests/values; etc, have a bearing upon consumer involvement. Products which relate to self image and personality lead to high involvements. Similarly, products that have a bearing on social class and lifestyle. For example, a person interested in computers is likely to have personal interest in computer related magazines to learn about new development.
  - The object, stimuli or the product/service offering also affects involvement. The greater the product differentiation, the greater would be the level of involvement. Varying yet comparable brand alternatives also impact the level of involvement. Involvement would also be impacted by features, benefits and associated value of various brand offerings; brand image and equity; and very importantly the associated risk levels. Products which possess high levels of risk increase the level of consumer involvement. For example, in case of computers, one should not expect same level of involvement for all consumers.

- The occasion/situation/reason of purchase also have a bearing on the level of consumer involvement; for example, while gifting to a person special to oneself, we are careful about the product or the brand. Also, for gifting to self or to near and dear ones on special occasions, we are extremely conscious of the kinds of products and the brands we buy, as opposed to routine or regular purchases. Further, social pressure (shopping alone versus shopping with friends), also impacts the level of involvement. When alone we may eat at any place or shop at any outlet, but when we are with peers and friends, we are more conscious of the brands we buy and the places we shop in. Social visibility also impacts the level of involvement; the level of consumer involvement increases in case of social visibility of both the product category as well as the purchase activity. Finally, the time commitment to purchase (leisure versus time constraint), also affects ourlevel of involvement. Irrespective of the factthat the product is of a high involvement type or that the person bears personality traits making him a high involving consumer, he may not be able to spend much time on a purchase activity, due to time constraints and need to make quick decisions. This is referred to as decision imminence.

- **Involvement Properties:** It consists of three elements of involvements which affects its properties:
  - **Intensity:** It refers to the degree of involvement, high or low. It is the severity of involvement as experienced by the consumer.
  - **Direction:** It refers to the focus or the target in which one is involved. The focus could be product, service, ad or purchase decision. Hence, it could be cars or perfume. The involvement target may have been advertised in various media.
  - **Persistence:** It is the length of time the consumer remain involved. Some get out of the involvement and loose interest. One may be very interested in 'Fast food or Junk food' up to the age of 40 and then lose all interest.

- **Response factors:** It is how a consumer behaves under different involvement conditions. These can be to undertake greater research,more information may be processed for buying decisions. Decision may be taken to buy or not to buy, the consumer can also be persuaded to buy by providing incentives and other methods of persuasion. Following are the stages of consumer decision making:
  - **Information search:** Highly involved consumers or consumers involved with a product category would actively search for information about the product category and the various alternatives, in contrast to consumers who are low on involvement. While the former, would be active seekers of information, the latter would be passive recipients. Active seekers would look out to various sources of information and would put in deliberate efforts towards information gathering.
  - **Information processing:** The information processing activity would vary across high involvement consumers viz a viz low involvement consumers. Highly involved consumers would process product information with greater depth; they would make conclusions about brand preferences based on arguments and counterarguments; they would tend to get emotional charged either favourably because of likeability of the brand or unfavourably because of dislikeability of the brand. They would also evaluate more alternatives.
  - **Information transmission:** Highly involved consumers talk about the product/service category and the various brands available with great ease and level of interest, as compared to consumers who are low on involvement in the product category. Information transmission takes place via word-of-mouth, positive when the brand seems favourable, and negative, when it seems unfavourable.
  - **The purchase decision:** The purchase decision, i.e. to buy or not to buy, or to buy brand X over Y, is complex for a high involvement consumer than for one on low involvement.
  - **Post purchase behaviour:** Consumers who are high on involvement make post-purchase evaluations about product usage

more critically than those on low involvement. It is noteworthy that high involvement consumers are more difficult to please and satisfy; and the marketers need to put in a lot of effort to satisfy them. This is because they not only have a bearing on their future purchase, but also on purchase of others who are opinion seekers.

5.10 INVOLVEMENT AND TYPES OF CONSUMER BEHAVIOUR

Involvement of consumers can be induced by external sources and agencies. Involvement is the embodiment of time, effort, consideration given and the enjoyment that is derived by consumer while choosing a product or service. The involvement theory holds that there are low and high involvement purchases. Consumers' involvement depends on the degree of involvement of purchase to a consumer. For example, while buying a loaf of bread, the consumer does not feel very much involved. It is because the life of the product is very short. Once it is consumed, it gets exhausted. If the consumer is not satisfied with the particular bread brand, he will purchase some other brand next time. In the case of purchase of consumer durable (Laptop, refrigerator, household furniture, two wheeler etc), the involvement of the consumer in making the purchase decision is high. Consumers take a decision after much deliberation. These products have long-term consequences. Consumers make lot of inquiries before they purchase the products which have a high degree of involvement. The following table shows various degrees of involvement depending upon the nature of the product or service.

Degree	Productor Service	Examples
Low involvement	Short life	Fast moving consumer goods.
Medium involvement	Medium life	Furniture, crockery, ordinary medical treatment
High involvement	Long life	Automobiles, surgery, purchase of immovable assets, insurance policy etc.

Certain factors affect the degree of involvement of buyers in making purchase decisions. These include their level of knowledge, information,

psychology, culture, lifestyle, social system, etc. Even for the same product or service the degree of involvement of an individual may vary depending upon the circumstances. There are five types of involvement.

- **Ego involvement:** Ego involvement is intended to satisfy one's ego. For example, all the members of the family involve themselves in purchasing a product for a single memberbelonging to that family. Wife involves herself in the purchaseof garments for her husband and husband involves himself in the purchase of cosmetics for his wife. Sons and daughters of the family significantly influence the purchase of laptop, TV, car, household furniture, etc. The ego of each family member is satisfied by consulting him/her before the purchase.
- **Commitment:** Commitment is another important form of involvement. When a member of the family falls sick, the other family members are committed to arrange medical treatment for the suffering members. Similarly, functions like marriages entail the commitment of the entire family.
- **Communication in involvement:** Communication involvement signifies sharing the available information with others in the family or organization. If one member has some information on the subject matter of decision, he should communicate it with the other members before arriving at a decision.
- **Purchase importance:** Involvement of individuals depends upon the degree of importance of purchase. Suppose a flat costing lakhs of rupees is purchased, then the purchase decision assumes a great deal of importance in respect of location and area of the flat. The title deed should be free from encumbrance.
- **Extent of information:** Once the consumer recognizes the need, he then engages in a search process. Search means acquisition of information from the environment. The extent of information search is part of purchase importance. When the purchase is important, information is sought from all possible sources. But in the case of routine purchase of products and services, information search will be rather minimum.

However, depending on whether the involvement is short term or long term, consumer involvement could be of two types, viz., situational and enduring.

- **Situational involvement:** This is a state of arousal directed towards attaching relevance to a person/object/situation for a short term. As an affective state, it creates a level of involvement when a person thinks about a particular person/object/situation. It is specific to a situation and is thus temporary in nature. It could vary from low to high, depending upon the situational factors.For example, a middle aged lady suddenly decides to gift a laptop to her son on his birthday. She is not techno savvy and has little interest with the product category. She goes to the electronics mall and visits the various stores that sell computers and laptops. She collects information on the product features, prices, etc and finally takes the help of her middle aged neighbour to reach a final decision. Her involvement with the purchase activity would be regarded as a situational involvement.
- **Enduring involvement:** When the level of involvement towards the product/service category extends over a period of time across situations, it is referred to as enduring involvement. The person shows a high-level of interest in the product category and spends time collecting and processing information and integrating it within his memory. For example, a person desires to buy a laptop for his son to be gifted to him when he goes to college, which would be three years later. The father plans well in advance, tries to collect information through advertisements, brochures, trade journals, visits to dealers, and word of mouth from peers and colleagues. Within this period he gets involved with the product category and after three years is in a position to take a decision based on the facts that he has collected. This is referred to as enduring involvement.

5.11 COGNITIVE RESPONSE MODEL

Chung K. Kim and Kenneth R. Lord have recognized that the

purchase decision of a single product can be dominated by both cognitive and affective factors. They identified that people can use both effectiveness and cognition together when it comes to people making purchasing decisions but there are different levels or degrees of such kind of involvement. The concept that they try to explain through this model is that an advertising marketing strategy involves both how a customer feels about the product and what he thinks.Usually, the change in consumer's perception and belief is a result of learning through the advertisements. Cognitive response refers to the response in individuals generated on seeing an ad which is evaluated in the light of past experiences, knowledge and attitudes. The consumers are asked to either write down or verbally express their cognitive responses to an ad message through exposure. It is through these cognitive processes and reactions that help marketers to know if the advertisement has been accepted or rejected by consumers. The focus of this approach has been to determine the types of responses elicited by an advertising message and how these responses associate to attitudes towards the advertisement, the brand and purchase intention. The three basic cognitive responses the research has identified are,

- Product/Message Thoughts
- Source Oriented Thoughts
- Advertisement Execution Thoughts

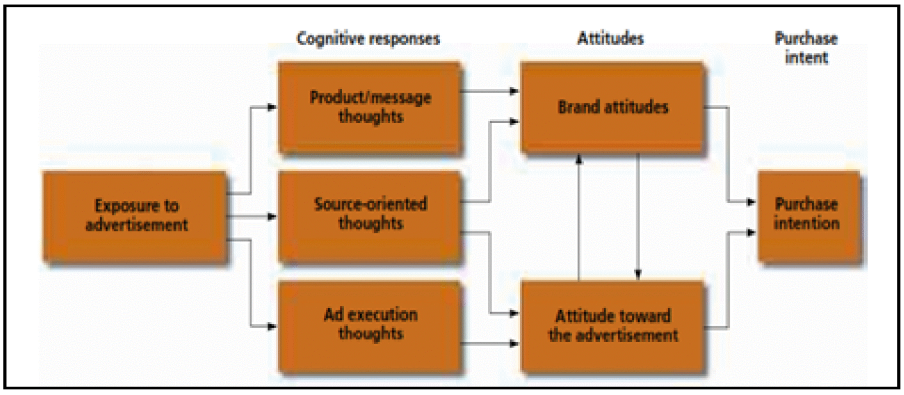


Figure: Cognitive Response Model

- **Product/ Message Thoughts:** It refers to all the pertinent information given to the target segment or a set of consumers about the product. Such messages can be of two types- Support Arguments and Counter

Arguments. While Support Arguments provide all positive details about the product in a highlighted manner. Counter Arguments generally tend to put down the product/ brand in bad light in front of the customers.

- **Source Oriented Thoughts:** It refers to the basic source trough which a consumer gets information about a product/ brand. When negative impressions prevail about the source person/ company, selling the product becomes difficult. However, when the information about products and brands come from a reliable source it is considered as a genuine one and acts as a positive influence over advertising and selling of the product r brand. It is a good idea to hire a reputed personality as a spokesperson or brand ambassador to exert positive influence about product or brand.
- **Advertisement Execution Thoughts:** Tis model substantiates how a live advertisement can make or break the good impression of a consumer in a short time. Even those customers who do not have the intention of buying a particular product may get an idea to go in for the product if advertisement impacts them in a positive manner and vice - versa. Hence, all the attributes of an advertisement like ad copy, ad message, colour, graphics etc. are very crucial to make an impact on the consumer.

Consumer decision to purchase a product depends on mix and match of various factors. Cognitive Response Model also called as Kim Lord Grid Model is shown in the figure below:

R a t i o n a l	High Involvement		E m o t i o n a l
	Quadrant 1High Importance (expensive) Rational Decision , Eg.: New Car	Quadrant 2 High Importance (expensiv) Emotional Decision , Eg.:Design er clothes	
	Quadrant 3 Low Importance (lessexpensiv) Rational Decision , Eg.: Detergent	Quadrant 4 Low Importance (less expensive) Emotional Decision , Eg.: Candy bar	
	Low Involvement		

5.12 ELABORATION LIKELIHOOD MODEL

Elaboration Likelihood Model is developed by Richard E. Petty and John T. Cacioppo in 1980s. Persuasion is very much associated with our daily life. Persuasion occurs when readers, listeners or viewers learns a message from what they read, listen or watch. We remember the message as ideas and we will be persuaded by it. That is how we remember them. If we did not learn something, it is not possible to remember it and we will not be persuaded by it. However learning may not be always combined with persuasion. For example there might be some advertisements that we hate, we don't want to learn or remember the message from the advertisement and we are not being persuaded by it. The Elaboration Likelihood Model (ELM) explains how persuasion message works in changing the attitude of reader or viewer. It is very much important for corporations and advertisement agencies, in designing their market strategies and understanding the attitudes of peoples.Persuasion is referred as the action by which, convincing or causing someone to do something through reasoning or argument. The Elaboration Likelihood model proposes that each and every message is undergoing the process of persuasion in two different ways. They are called Central route and peripheral route. Both of them are effective persuasion techniques,but each of them has its own guiding techniques to make them more operative.

Central Route

The process of persuasion through Central route is straight to the point and complete. The central route needs a thoughtful consideration of arguments which contains in the message. It requires more involvement from the part of reader or viewer. The receiver of the message carefully analyze the message and think of it in every possible angle. When the receiver processes the message through the central route, his active participation is vital also his motivation and ability to think. In simple it can be said that the receiver should care about the message and subject matter. The central route is strong. A person who is distracted or having some problem with understanding the message may not be able to do the central

processing. The disadvantage of this technique is that, if the receiver is not directly affected by the message he or she will ignore it.For example, a woman who is very much interested in platinum jewellery will be closely watching the advertisements of platinum jewelleries. She is fascinated with the new trends and tends to collect them. Here she has the motivation for the subject matter and she care about it. She carefully processes the message and thinks about it. And her husband may not be interested in jewelleries so he will be totally ignoring the message from advertisements about the jewels. Here the woman processes the message in her central route and not her husband.

Peripheral Route

The peripheral route is weak and the involvement of the receiver will be low. The message sent through peripheral route is not analyzed cognitively. Here the receiver of the message is not sure whether to agree with the message or to disagree. The person may not be able to elaborate the message extensively, so in the end he will be persuaded by the factors which are nothing to do with the message. And this is where packaging, marketing, advertising and public relation does their job. Sometimes people may not be in a position to think about the message carefullyso he or she will look around for the next best option to be persuaded. For example, Zuby, a high school student in a book store to buy a note book for doing her homework. She sees many designs in front cover of the notebook from various companies. She became confused, and then she saw a notebook with her favourite pop singer's picture in front cover. Without thinking much about it, she bought that notebook.

5.13 SOCIAL JUDGMENT MODEL

The social judgment theoryis a persuasion theory proposed by Carolyn Sherif, Muzafer Sherif, and Carl Hovland, defined by Sherif and Sherif as the perception and evaluation of an idea by comparing it with current attitudes. According to this theory, an individual weighs every new idea, comparing it with the individual's present point of view to determine

where it should be placed on the attitude scale in an individual's mind. This theory is the subconscious sorting out of ideas that occurs at the instant of perception. The perspective that people assimilate new information about attitude objects in light of what they already know or feel; the initial attitude acts as a frame of reference, and new information is categorized in terms of this standard. This theory establishes three zones of attitudes.

- **The latitude of acceptance:** The range of ideas a person sees as reasonable or worthy of consideration.
- **The latitude of rejection:** The range of ideas a person sees as unreasonable or objectionable.
- **The latitude of non-commitment:** The range of ideas a person sees that they neither accept nor reject.

A description of a person's attitude structure must include the location and width of each interrelated latitude. People differ in terms of the information they will find acceptable or unacceptable. They form latitudes of acceptance and rejection around an attitude standard. Ideas that fall within latitude will be favourably received, but those falling outside of this zone will not. Ego-involvement refers to the importance of an issue to an individual. The favoured position anchors all other thoughts about the topic. High ego-involvement can be defined as membership in a group with a known stand. Three features are typical of high ego-involvement - i)The latitude of non-commitment is nearly nonexistent. ii) The latitude of rejection is wide. iii) People who hold extreme views care deeply. Moving from the cognitive structure of a person's attitude, attention shifts to the judgment part of the theory. Social judgment-involvement describes the linkage between ego-involvement and perception in judging a message. Contrast occurs when one perceives a message within the latitude of rejection as being more discrepant than it actually is from the anchor point.This perceptual distortion leads to polarization of ideas. Assimilation, the opposite of contrast, occurs when one perceives a message within the latitude of acceptance as being less discrepant than it actually is from the anchor point. If individuals judge a new message to fall within their latitude of

acceptance, they adjust their attitude to accommodate it. The persuasive effect will be positive but partial. The greater the discrepancy, the more individuals adjust their attitudes. The most persuasive message is the one that is most discrepant from the listener's position, yet still falls within his or her latitude of acceptance or latitude of non-commitment. If individuals judge a new message to be within their latitude of rejection, they may adjust their attitude away from it. For individuals with high ego-involvement and broad latitudes of rejection, most messages that are aimed to persuade them and that fall within their latitudes of rejection have an effect opposite of what the communicator intended. This boomerang effect suggests that individuals are often driven, rather than drawn, to the positions they occupy.

The social judgment theory principles and the consumer behavior on pricing model:

- We have categories of judgment by which we evaluate persuasive positions: There are three categories referred to as latitudes: the latitude of acceptance, the latitude of non-commitment, and the latitude of rejection. As the issue at hand is what should be done if price of certain goods lies within the range of anchored or reference price of consumer, with pricing ranging from the less to high deviation from anchored price. We can see how customers view each of these deviations by their respective latitudes.
- When we receive persuasive information, we locate it on our categories of judgment: This is referred to as our anchor point, or our most preferred position on an issue. Say, the anchor point of branded Dell Laptop for Customer X is Rs. 70000-80000 and Customer Y is Rs. 70000-75000. As you can see, while the latitudes of acceptance differ among the two individuals, their preferred pricing is the same i.e. Rs. 70000-75000.
- Our level of ego-involvement affects the size of our latitudes: Ego-involvement refers to the importance an issue is to our self-identity. It can be said that Customer X is more ego-involved on the subject of what should be done with increase in laptop price than Customer Y is, since his latitude of acceptance is smaller. Because of this, he would

be harder to persuade than Customer Y since the price increment is more important to him than it is to Customer Y. The smaller the latitude of acceptance, the more ego-involved the person is.

- We tend to distort incoming information to fit our categories of judgment: If Customer X were being persuaded to accept the price of Rs. 70000 is what should be price of Dell Laptop, the price that it is so close to his anchor position will make him think it is closer than it really is. In other words, because Rs. 70000 lands inside his latitude of acceptance, he will distort the information by assimilating it, or making it seem more acceptable than it really is. By contrast, if Customer X were being persuaded that the price Rs. 80000 is what should be price of the Dell Laptop, the fact that it is so far from his anchor position will make him think it is farther away than it really is. This is the opposite of assimilation, and it is called contrast effect.
- Small to moderate discrepancies between our anchor position and the one advocated will cause us to change; large discrepancies will not: Because of the effect that distorting information has by way of assimilation and contrast effect, we will either accept a price when it is not realistically that acceptable to us, or we will reject it because we perceive it as being farther away from our preferred price than it really is. The most effective persuasion occurs when a position falls within a healthy range of our latitudes, i.e. not too close and not too far from our anchor position.

The attitude change (persuasion) is outcome of the judgmental processes and effects. Persuasion occurs at end of the process where individual understand a message, comparing with its current position on that issue, depending upon position of anchor point, latitudes of acceptance, rejection and non-commitment with level of ego-involvement.

5.14 BRAND LOYALTY

Brand loyaltyis the ultimate desired outcome of consumer learning.

There is no single definition of this concept. According to George S. Day, brand loyalty can be defined as consisting of repeated purchases prompted by strong internal disposition (favourable attitude). In the above definition, internal disposition refers to the attitude which is expressed in terms of overall liking and predisposition. Here exists a close relationship between learning, habit and brand loyalty. Consumers learn that a particular brand can satisfy their needs which results in brand loyalty. It indicates a positive attitude towards brand resulting in consistent purchase of a brand over time. Attitudinal measures are concerned with consumers' overall feelings (i.e., evaluation) about the product and the brand, and their purchase intentions. Behavioural measures are based on observable responses to promotional stimuli-purchase behaviour, rather than attitude toward the product or brand. A basic issue among researchers is whether to define brand loyalty in terms of consumer behaviour or consumer attitudes. a) Behavioural scientists who favour the theory of instrumental conditioning believe that brand loyalty results from an initial product trial that is reinforced through satisfaction, leading to repeat purchase. Cognitive researchers, on the other hand, emphasize the role of mental processes in building brand loyalty. They believe that consumers engage in extensive problem-solving behaviour involving brand and attribute comparisons, leading to a strong brand preference and repeat purchase behaviour. To cognitive learning theorists, behavioural definitions (e.g., frequency of purchase or proportion of total purchases) lack precision, because they do not distinguish the "real" brand-loyal buyer. Often consumers buy from a mix of brands within their acceptable range (i.e., their evoked set). An integrated conceptual framework views consumer loyalty as the function of three groups of influences: (1) personal degree of risk aversion or variety seeing; (2) the brand's reputation and availability of substitute brands; and (3) social group influences and peers' recommendations. Their influences produce four types of loyalty: (1) no loyalty, (2) covetous loyalty, (3) inertia loyalty, and (4) premium loyalty. This framework also reflects a correlation among consumer involvement and the cognitive and behavioural dimensions of brand loyalty. Loyalty programs are generally designed with the intention of forming and

maintaining brand loyalty. In marketing services, the potential for losing customer is greater than in selling products. Understanding why customers stay is important to service providers.

5.15 BRAND EQUITY

Brand equity refers to the value inherent in a well-known brand name. This value stems from the consumer's perception of the brand's superiority, the social esteem that using it provides, and the customer's trust and identification with the brand. For many companies, their most valuable assets are their brand names. Well known brand names are known as megabrands. Because a brand that has been promoted heavily in the past retains a cumulative level of name recognition, companies buy, sell, and rent (i.e., license) their brand names, knowing that it is easier to buy than to create a brand name with enduring strength. Brand equity enables companies to charge a price premium-an additional amount over and above the price of an identical store brand. A relatively new strategy among some marketers is co-branding (also called double branding). a) In co-branding, two brand names are featured on a single product. It uses another product's brand equity to enhance the primary brand's equity. Brand equity reflects brand loyalty, which is a learned construct. Brand loyalty and brand equity lead to increased market share and greater profits. To marketers, the major function of learning theory is to teach consumers that their product is best, to encourage repeat purchase, and, to develop loyalty to the brand name.

Brand Equity Versus Brand Loyalty

Brand equity is the value of the brand to the consumer when compared to other brands. Brand equity reflects the greater confidence that consumers have in a brand, which translates into customer preference, resulting in brand loyalty and even a willingness to pay a premium. The concept of brand loyalty and brand equity are relate and are also distinct. Brand loyalty is a consistent repurchase of the brand due to a favourable brand attitude. While, customers who perceive a higher brand in a brand (a mental concept of the superiority of the brand) should logically purchase

the brand. Brand equity is based more on specific brand association and the value it generates.



CHECK YOUR PROGRESS

1. The behavioral theorists believe that learning takes place as a result of a person's conscious and deliberate information processing and storage activity. (True or False)
2. As per the operant conditioning theory, people learn by trial and error.(True or False)
3. According to Pavlov, learning occurs as a repeated connection/ association between _____ ? _____. (Fill up)
4. Stimulus _____is the ability to differentiate a particular stimulus from among similar stimuli. (Fill up)
5. Heavily used reinforcements lose effect, and lead to what is called the _____effect.(Fill up)
6. High involvement consumers are more difficult to please and satisfy. (True or False)
7. _____is defined as a psychological state that motivates people to be more aware and careful about persons/ objects/situations. (Fill up)



5.16 LET US SUM UP

- Consumer learning is defined as a process by which people gather and interpret information about products and services and use this information/knowledge in buying patterns and consumption behaviour.
- The learning process comprises certain elements/ components, viz., motivation, cues, response and reinforcement.
- Behavioural learning theories are sometimes called stimulus-response theories because they are based on the premise that observable responses to specific external stimuli signal that learning has taken place. When a person responds in a predictable way to a known

stimulus, he or she is said to have "learned". Two theories relevant to marketing are classical conditioning and instrumental (or operant) conditioning.

- Cognitive theorists believe that a person's learning is a complex mental process. It takes place as a result of a conscious and deliberate information processing and storage activity that takes place within living beings.
- Memory involves a process of acquiring information and storing it over time so that it will be available when needed. Contemporary approaches to the study of memory employ an information-processing approach.
- There are three distinct memory systems- sensory memory, short term memory and long term memory.
- There are four processes to understand memory - Rehearsal, Encoding, Storage and Retrieval.
- Consumer involvement is defined as a state of mind that motivates consumers to identify with product/service offerings, their consumption patterns and consumption behaviour.
- As a process, involvement is impacted by certain "antecedents" that get restrained by "moderating factors," and finally affect its "properties" (degree of intensity, level of persistence) and the "response factors".
- There are five types of involvement- Ego involvement, Commitment, Communication in Involvement, Purchase Importance and Extent of Information.
- The three basic cognitive responses the research has identified are- Product/Message Thoughts, Source Oriented Thoughts and Advertisement Execution Thoughts.
- The Elaboration Likelihood Model (ELM) explains how persuasion message works in changing the attitude of reader or viewer. It is very much important for corporations and advertisement agencies, in designing their market strategies and understanding the attitudes of peoples.
- Social Judgment Theory is the perception and evaluation of an idea by comparing it with current attitude by an individual.

- Brand loyalty indicates a positive attitude towards brand resulting in consistent purchase of a brand over time.
- Brand equity is the value of the brand to the consumer when compared to other brands.



5.17 FURTHER READING

1) Schiffman, L.G. and Kanuk, L.L., Consumer Behavior, Eight Edition, 2004, Prentice Hall, India.
2) Loudon, D.L. and Bitta A.J. Della, Consumer Behavior, Fourth Edition, 2002, Tata McGraw-Hill, New Delhi.
3) Kotler P., and Keller K.L., Marketing Management, Thirteenth edition, 2009, Pearson.



5.18 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: False

Ans to Q No 2: True

Ans to Q No 3: Stimulus Response

Ans to Q No 4: Discrimination

Ans to Q No 5: Satiation

Ans to Q No 6: True

Ans to Q No 7: Involvement



5.19 MODEL QUESTIONS

Q 1: What is learning? Discuss the behavioural theories of learning.

Q 2: Explain the process of learning.

Q 3: Describe the cognitive learning theory with marketing implications.

Q 4: Explain the memory system with special reference to consumer behavioUr.

Q 5: Describe the memory process with relevant examples.

Q 6: What are the different types of consumer involvement? Discuss with examples.

Q 7: Discuss the dimensions of consumer involvement with examples.

Q 8: Explain the Elaboration Likelihood Model and Social Judgment Theory in terms of consumer behaviour.

Q 9: What is Brand Loyalty and Brand Equity? Bring out the basic difference in them.

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