

CHAPTER 3

THE CONSUMER DECISION-MAKING PROCESS

3.1 INTRODUCTION

Consumer behaviour from a marketing perspective was discussed in Chapter 2. Different models of human behaviour were briefly discussed, explaining the relevance thereof in consumer behavioural studies. The predominant objective of Chapter 2 was to form an understanding of consumer behaviour by discussing a number of different models of consumer behaviour, detailing different theories on how consumer purchase decisions are formed and influenced by external and internal factors.

Chapter 3 will provide clarity on the consumer decision-making process. The discussion commences by distinguishing different types of decision-making processes that consumers can follow. This will be followed by a detailed discussion on the different stages of the decision-making process together with the environmental influences and individual differences influencing the decision-making process.

The stages of the consumer decision-making process that will be discussed, based on the model of consumer behaviour proposed by Engel , Blackwell & Miniard (EBM)(1995 version), are need recognition, search, pre-purchase alternative evaluation and purchase and its outcomes. Three outcomes of purchase will be discussed, namely consumption, post-purchase alternative evaluation and divestment.

The consumer information-processing process, that considers how external stimuli are processed, retained in and recalled from consumer memory, is

regarded an important component of the consumer decision-making process and will be discussed in Section 3.4 as part of the search-stage.

Finally, Chapter 3 will be concluded by a summary of the main findings on the discussion of the consumer decision-making process together with conclusions that can be derived from the process.

Important to note is that Chapter 3 will focus on theoretical findings on the consumer decision-making process. The influence of the Internet on the consumer decision-making process, with specific reference to the influence on different stages of the process, will be discussed in Chapter 4.

3.2 TYPES OF DECISION-MAKING PROCESSES

The discussion on models of consumer behaviour in Chapter 2, with specific reference to the EBM model (Section 2.4.3.5), identified a number of different decision-making processes that consumers could follow when purchasing a product or service. The Assael model (Appendix 5) identified four different decision-making processes, namely complex decision-making, brand loyalty, limited decision-making and inertia, whereas the EBM model identified extended problem-solving, limited problem-solving and midrange problem-solving. In addition to the three decision-making processes listed in the EBM model, Engel et al. (1995: 155) provide an additional decision-making process, applicable to repeat purchases, namely habitual decision-making.

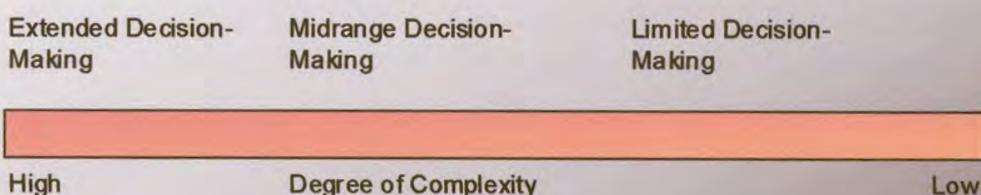
Section 3.2.1 will clarify the different types of decision-making processes by discussing them as a continuum ranging from high to low involvement. It should be noted that although Engel et al. (1995: 155) refer to problem-solving, the researcher decided to refer to decision-making, as used by other authors (including Assael, 1995: 19).

3.2.1 Consumer decision-making continuum

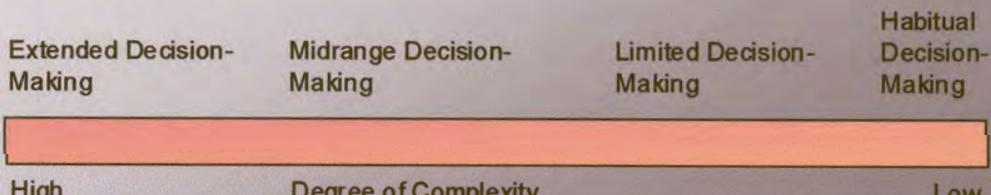
The decision-making continuum suggests that decision-making becomes more complex as consumers move from a very low level of involvement with a purchase situation to a high level of involvement. Hawkins, Best & Coney (2001: 504) note that although a continuum is formed from high to low involvement, where a number of decision-making processes can be identified, the different types of decision-making are not distinct but blend into each other. Hawkins et al. (2001: 504) continue by defining purchase involvement, considered as a key term to distinguish between the processes, as: "... the level of concern for, or interest in, the purchase process triggered by the need to consider a particular purchase".

Engel et al. (1995: 155) view the decision-making (problem-solving) process as being applicable to two situations, namely for initial purchases (comprising extended, midrange and limited decision-making) and repeat purchases (comprising repeat and habitual decision-making). The continuum of consumer decision-making is illustrated in Figure 3.1 below.

FIGURE 3.1: CONSUMER DECISION-MAKING PROCESS CONTINUUM



Decision-Making Processes for Repeat Purchases



Source: Adapted from Engel et al. (1995: 155)

Figure 3.1 depicts the different consumer decision-making processes for initial and repeat purchases. Engel et al. (1995: 158) identify two special decision-making processes that do not fit neatly into the decision continuum, namely impulse buying and variety seeking. These two special categories of decision-making will be discussed in Section 3.2.1.3, following the discussion on initial and repeat purchases in Sections 3.2.1.1 and 3.2.1.2 respectively.

3.2.1.1 Initial purchases

Engel et al. (1995: 155) identify three different decision-making processes with initial purchases, namely extended, midrange and limited decision-making. With initial purchases, consumers often establish enduring buying patterns through extended decision-making. Limited decision-making leads to inertia-based habits where it is easier to purchase the same product than to change to a different brand. The differences between the processes will become clearer from the discussion below, focusing on extended, midrange and limited decision-making.

According to Hawkins et al. (2001: 507), Kotler & Armstrong (2001: 191) and Laroche, Saad, Cleveland & Browne (2000: 500 – 522), **extended decision-making** refers to a very high level of purchase involvement. A characteristic of extended decision-making is an extensive internal and external search for information, followed by a complex evaluation process where multiple alternatives are evaluated. The purchase of a product is likely to be followed by post-purchase doubts and the consumer will, therefore, engage in a thorough evaluation of the purchased product.

Schiffman & Kanuk (1997: 558) add to the above by stating that extended (extensive) decision-making occurs when consumers have no established criteria for evaluating either the product category or specific product brands within the product category. Consumers, therefore, need a great deal of information regarding different products and information that will assist them in establishing a

set of criteria for evaluation purposes. Engel et al. (1995: 155) continue by stating that extended decision-making occurs when the decision-making process followed by the consumer is especially detailed and rigorous. Consumers use an extended decision-making process when purchasing motor vehicles, expensive items and products and services for which the cost and perceived risk is high for making an incorrect purchase decision. Solomon (1996: 271) adds by explaining that extended decision-making is characterised by high risk and involvement by the consumer, resulting in extensive search for information from multiple sources prior to store visits.

Hawkins et al. (2001: 507) note that extended decision-making may also occur without measuring and evaluating attributes, where the criteria being evaluated by consumers are emotions, for example the decision whether or not to embark on a boat cruise for a vacation.

Engel et al. (1995: 156) suggest that all stages of the decision-making process are involved with extended decision-making, although not necessarily in any precise order. In addition to the extensive search for information and evaluation of multiple alternatives, consumers may seek additional information regarding where and how to purchase a product.

Engel et al. (1995: 156) summarise extended decision-making by stating that: “.. thought and evaluation precede the act of purchase and use because of the importance of making the right choice”.

According to Engel et al. (1995: 156), **midrange decision-making** falls somewhere between extended and limited decision-making. Limited information is therefore required and can be easily found. Since a number of alternatives are available, the consumer has to evaluate and choose one option. The process usually requires limited time and deliberation and an alternative can be chosen relatively easily. An example of midrange decision-making is deciding which

movie to see, with a number of alternatives available. The information is easily obtainable in newspapers and the evaluation of the options is usually done quickly, often influenced by the opinion of a friend or an article by a critic.

According to Engel et al. (1995: 156), the final decision-making process on the continuum applicable to initial purchases is **limited decision-making**. This process of decision-making is characterised by little information search and evaluation before purchase and the consumer not having the time, resources or motivation to engage in extended decision-making. The consumer will, therefore, simplify the process by reducing the number and variety of information sources and alternatives as well as the evaluation criteria. Schiffman & Kanuk (1997: 559) add to the above by stating that for limited decision-making, consumers already have established criteria for evaluating both the product category and individual brands within the category.

Consumers will often apply a decision rule when engaging in limited decision-making, for example to purchase a brand that is recognised or alternatively to simply purchase the cheapest option available. The consumer may also decide to purchase a new brand (a “why not try it” response), resulting in brand switching.

Engel et al. (1995: 156) conclude the discussion on initial purchases by stating that for limited decision-making: “... need recognition leads to buying action; extensive search and evaluation are avoided because the purchase does not assume great importance”. A competitive product, regardless how small the difference, can therefore gain temporary advantage when the consumer identifies the product at the point of purchase and decides to change brands as a result of a “why not try it” response.

3.2.1.2 Repeat purchases

Repeated purchases imply purchase decisions made over a period of time and comprise repeated and habitual decision-making.

According to Engel et al. (1995: 158), **repeated decision-making** occurs when the consumer continuously needs to make a decision regarding repeated purchases, often as a result of dissatisfaction with a previously purchased alternative. In addition to the above, repeated decision-making occurs when, for example, the retail outlet usually supported by the consumer is out of stock, or when the situation changes in some other way. The consumer now has to weigh the consequences of investing effort and time in finding another acceptable alternative.

The second decision-making process associated with repeat purchases is **habitual decision-making**, taking many forms depending on the initial decision-making process followed by the consumer (Engel et al., 1995: 158). Habitual decision-making comprises brand or company loyalty and inertia.

It should be noted that habitual decision-making is a process more likely to be followed by consumers for repeat purchases than repeated decision-making, since consumers will engage in repeat purchases on a basis of habits or routines that are formed in an effort to cope more effectively with the pressures of life.

Engel et al. (1995: 158) explain **brand or company loyalty** by stating that if a consumer has been purchasing the same product or service over a period of time due to satisfaction with the purchase and service received, the consumer will reward the organisation selling the product or rendering the service by means of continued support over a period of time. Belch & Belch (2001: 121) support this view by stating that brand loyalty refers to the preference for a particular brand that results in its repeated purchase. An example of brand or company loyalty is

where a motor vehicle owner is satisfied with the maintenance service received from a dealer and will, therefore, reward the dealer through continued support. Brand loyalty, the objective of any marketer, can be extremely difficult to change. Hawkins, Best & Coney (1995: 425) add to the above by stating that competitors to brands that consumers purchase out of habit, based on brand loyalty will battle to convince these consumers to change brands to that of the competitor.

The second decision-making process for repeat purchases listed by Engel et al. (1995: 158) is characterised by limited brand loyalty for the product category. If any brand loyalty does exist, it usually is for a number of different brands that are all considered about equal, for example potato crisps, where a salt and vinegar flavour is preferred regardless of the brand.

Purchasing habits are therefore based on **inertia** and are considered unstable. With this decision-making process there is no incentive to switch brands although it may occur readily when prices are lowered or another brand is offering something new.

3.2.1.3 Special categories of buying behaviour

As mentioned earlier, two special categories of buying behaviour are identified by Engel et al. (1995: 158), namely impulse buying and variety seeking.

Engel et al. (1995: G-7) define **impulse buying** as: "a spur-of-the-moment purchase triggered by product display or point-of-sale promotion". Mowen (1993: 381) adds to the definition by highlighting a specific characteristic of impulse buying, namely the urge to buy something immediately. The main characteristics of impulsive buying, according to Engel et al. (1995: 159), are:

- a sudden and spontaneous desire to act accompanied by urgency;
- a state of psychological disequilibria in which a person can feel temporarily out of control;
- the onset of conflict and struggle that is resolved by an immediate action;
- minimal objective evaluation – where emotional considerations are dominant; and
- a lack of regard for consequences.

As will be noted from the characteristics of impulsive buying above, there is a presence of urgency and a high sense of emotional involvement as well as an absence of careful reasoning when compared with extended decision-making. Mowen (1993: 381) adds to the above by stating that impulsive purchases are prone to occur with diminished regard for the consequences of such purchases.

The second special condition of buying behaviour, **variety seeking**, implies that although the consumer expresses satisfaction with a current brand selection, brand switching may occur due to a motive of variety seeking (Kotler & Armstrong, 2001: 193; Engel et al., 1995: 160 and Mowen, 1993: 381). Variety seeking occurs especially for products in product categories with many similar alternatives and high purchase frequencies where the consumer may express a feeling of “tired of the same old thing”.

It is clear from the discussion above that there are multiple decision-making processes leading the consumer to a specific purchase decision, depending on a number of factors influencing the different processes. The factors influencing the extent of decision-making are briefly discussed below.

3.2.2 Factors influencing the extent of decision-making

The extent of decision-making is determined by three factors, namely the degree to which the consumer is involved in the purchase, the differentiation of alternatives and time available for deliberation (Engel et al., 1995: 161).

The **degree of personal involvement** is considered the most important factor influencing the type of decision-making process. The consumer will act with deliberation to maximise the benefits and minimise the risk of a purchase and the use thereof, depending on the extent of involvement.

Involvement is furthermore a function of the person, object and situation. The starting point for involvement is always the person with underlying motives, values and needs, activated by an object that is being perceived as important in satisfying needs, goals and values. Examples of the object include a product, service and promotional message.

The significance of the object in satisfying a need is determined by the situation that differs from time to time, resulting in consideration for all three factors (person, object and situation) when reflecting on involvement. Peter & Olson (1994: 172) add that the degree of decision-making from extensive to routine purchasing behaviour depends to a great extent on the knowledge of the consumer regarding the need identified and the level of involvement with the identified need.

Assael (1995: 72) notes that consumers are most likely to be involved with a product and therefore a purchase decision if one or more of the following applies (the presence of these conditions will most probably lead to extended decision-making):

- the product purchase is important to the consumer;

- the product is of interest to the consumer;
- the purchase entails significant risks;
- the product has some form of emotional appeal; and
- the product can be identified with the norms of a group.

The **extent to which alternatives are perceived to be different**, forms the second factor determining the extent of decision-making. Extended decision-making is therefore the most probable decision-making process when alternatives are perceived as being significantly differentiated and limited and midrange decision-making when alternatives are considered to be similar.

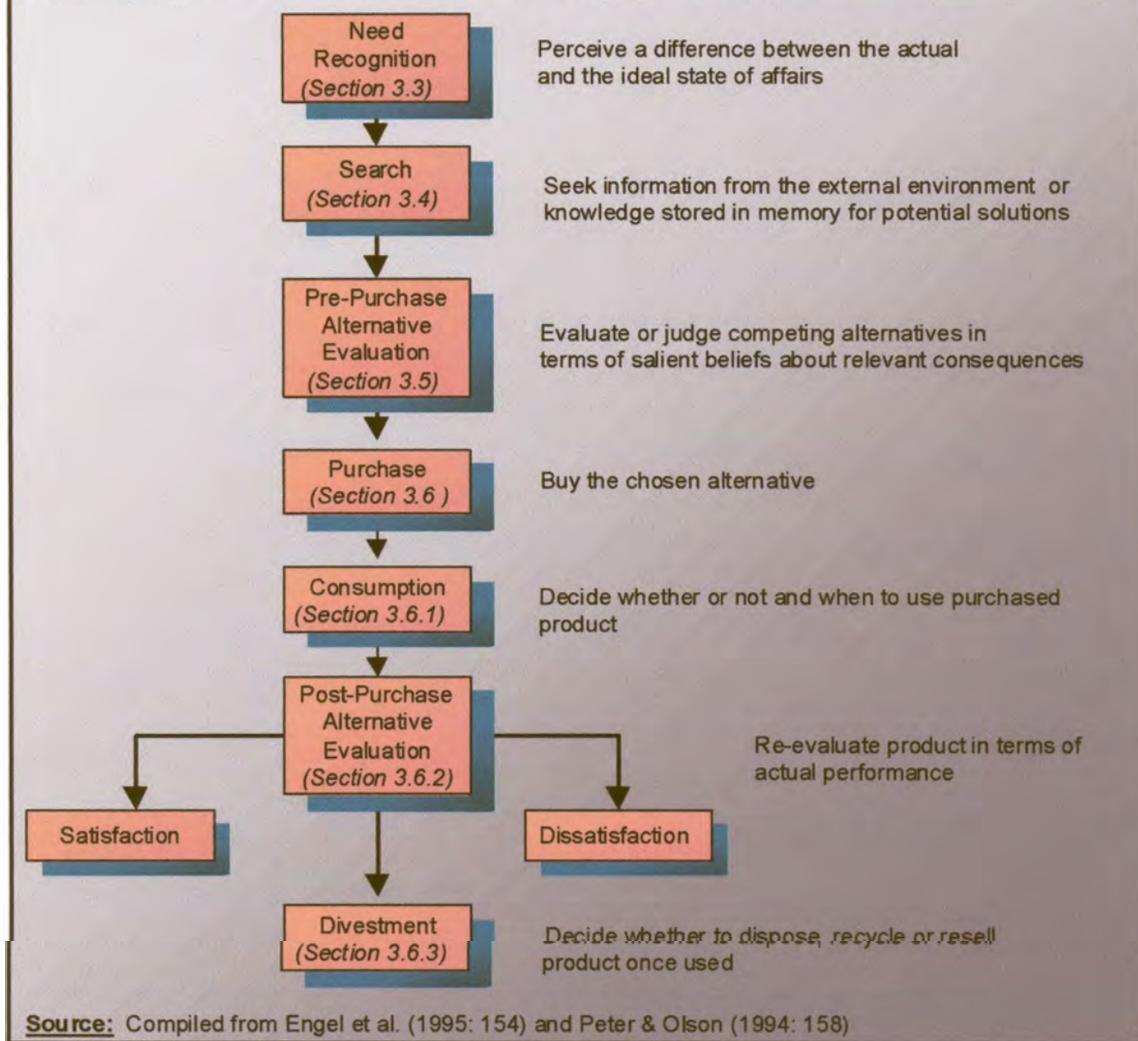
The final factor influencing the extent of decision-making is **time availability**. The more time the consumer has available to make a purchase decision, the greater the chance is of extended decision-making. For example, a consumer deciding to purchase a new television to replace an existing older model may engage in extended decision-making, while for the same example the consumer may engage in midrange or limited decision-making when the current television breaks the day before a major soccer or rugby game.

As was noted in Section 3.2, consumers can follow different consumer decision-making processes when purchasing a product or service. The remaining sections of this chapter will provide a discussion on all the stages of the consumer decision-making process together with the factors influencing each stage in the process.

As mentioned before, the decision-making process proposed by Engel et al. (1995) will be used as the basis for the discussion. The decision-making model

(illustrated in Figure 3.2) suggested by Engel et al. (1995: 146-154), comprises need recognition, search for information, pre-purchase alternative evaluation and purchase and its outcomes. The final stage, purchase and its outcomes, comprise four stages, namely consumption, post-purchase alternative evaluation and divestment. It should be noted that other authors (including Belch & Belch, 2001: 107 and Assael, 1995: 81) view the decision-making process as comprising of five stages, although the terminology ascribed to the stages differ somewhat to that of the process offered by Engel et al. (1995: 146-154).

FIGURE 3.2: THE CONSUMER DECISION-MAKING PROCESS



Source: Compiled from Engel et al. (1995: 154) and Peter & Olson (1994: 158)

Before discussing the four identified stages (although purchase and its outcomes are combined, this combination includes four stages, namely purchase, consumption, post-purchase alternative evaluation and divestment), it should be noted that Engel, Blackwell & Miniard changed the 2001 version to explicitly mention the seven individual stages in the decision-making process. Although the stages have not changed, the 2001 version (Blackwell, Miniard & Engel, 2001: 70-83) uses somewhat different terminology for some stages (for example post-consumption evaluation instead of post-purchase evaluation) and, instead of combining the last four stages under purchase and its outcomes, explicitly mention the seven stages, namely need recognition, search, pre-purchase evaluation of alternatives, purchase, consumption, post-consumption evaluation and divestment. It is important to note that, although identified separately in the 2001 version, the 1995 version comprises of the same stages that are grouped together (under purchase and its outcomes).

3.3. NEED RECOGNITION

The importance of the need recognition stage within consumer decision-making is highlighted by Hawkins et al. (2001: 508), by explaining that without the recognition of a need, there will be no need to make a decision. Engel et al. (1995: 176) provide a formal definition of need recognition by describing it as: "... the perception of a difference between the desired state of affairs and the actual situation sufficient to arouse and activate the decision process".

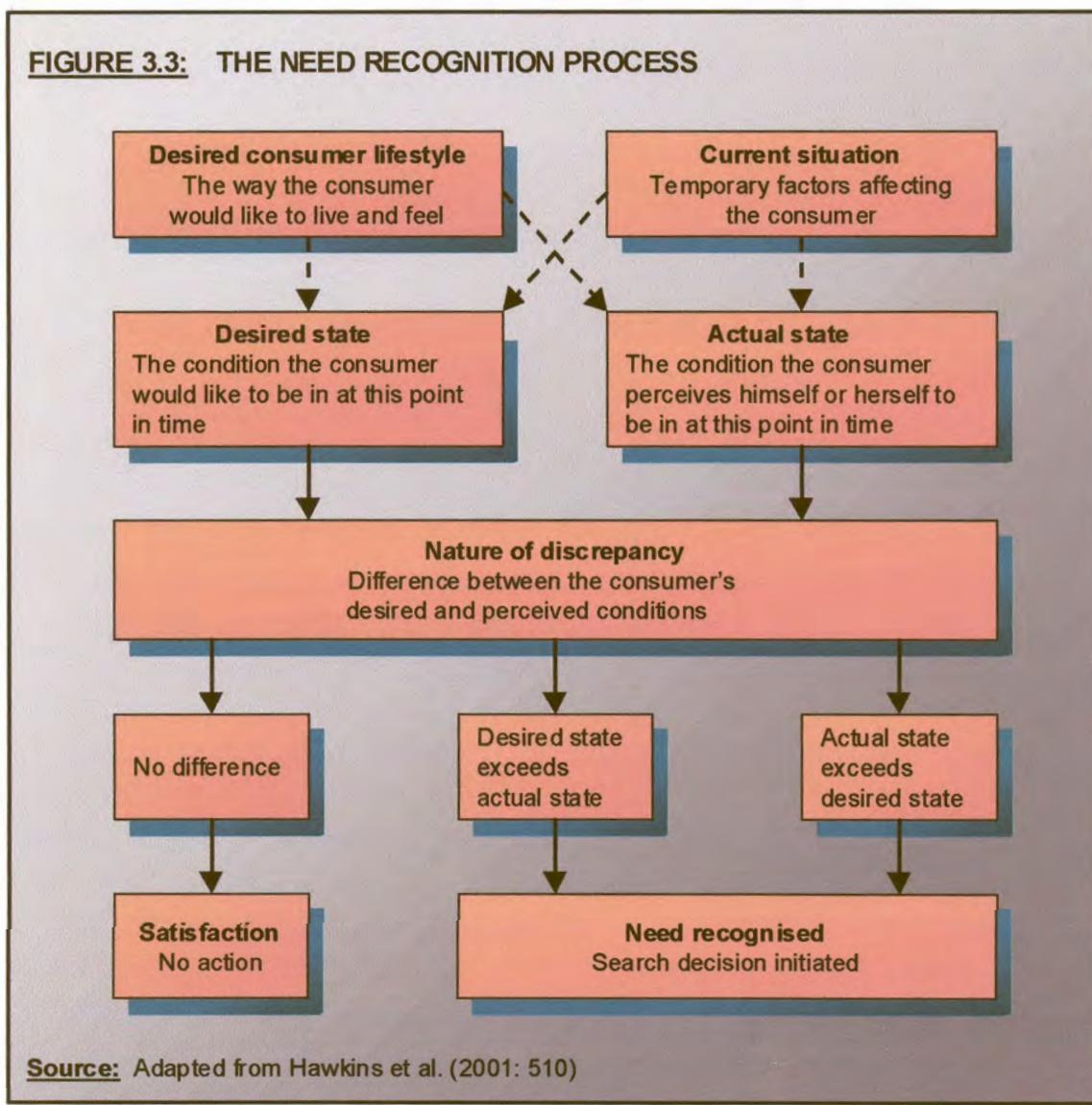
As noticed in the definition, need recognition, also referred to as problem recognition, occurs when consumers perceive a difference between their current state of affairs and some desired or ideal state (Kotler & Armstrong, 2001: 194; Schiffman & Kanuk, 1997: 567; Solomon, 1996: 271; Engel et al., 1995: 176; Hawkins et al., 1995: 427; Peter & Olson, 1994:159).

Need recognition therefore depends on the discrepancy between the consumer's current situation and the situation in which the consumer wants to be. A need is

recognised when the discrepancy meets or exceeds a certain threshold, although this does not necessarily imply an immediate action.

For example, a consumer feeling hungry (the actual state) would like to eat (the need recognised) to satisfy the hunger (the desired state). The consumer may, however, feel like eating Nando's chicken and decide to wait until leaving for home to purchase Nando's although there are a number of fast-food outlets or café's within a short walking distance from the office (delayed action, although the need was recognised). The need recognition process is illustrated in Figure 3.3.

FIGURE 3.3: THE NEED RECOGNITION PROCESS



Source: Adapted from Hawkins et al. (2001: 510)

According to Engel et al. (1995: 176) two factors influence the desire of consumers to activate action once a need has been identified, namely the need has to be sufficiently important to the consumer and the solution has to be within the consumer's means. For example, if the solution to the need is above the consumer's economic means, action is most probably unlikely. Hawkins et al. (2001: 510) add to the above by stating that the magnitude of the difference between the actual and desired states will also influence the consumer's willingness to respond to the need. For example, a consumer may desire to own a motor vehicle using less than 10 litres of fuel per 100 kilometres, while still meeting certain power and aesthetic requirements. The consumer may not be willing to proceed to the next stage of the decision-making process if the current motor vehicle uses 10.5 litres per 100 kilometres, even though a discrepancy exists.

Two different types of need recognition styles can be identified among consumers (Schiffman & Kanuk, 1997: 567), namely actual state or desired state types. Actual state types refer to need identification as a result of current unsatisfactory product performance, for example a wrist-watch failing to keep accurate time. Desired state types refer to problem and need recognition for something new that may trigger the decision-making process. Hawkins et al. (2001: 511) add to the above by stating that needs can either be active or inactive, where active needs imply that consumers are aware of the need or will become aware thereof in the normal course of events. Inactive needs simply represent needs the consumer is not yet aware of.

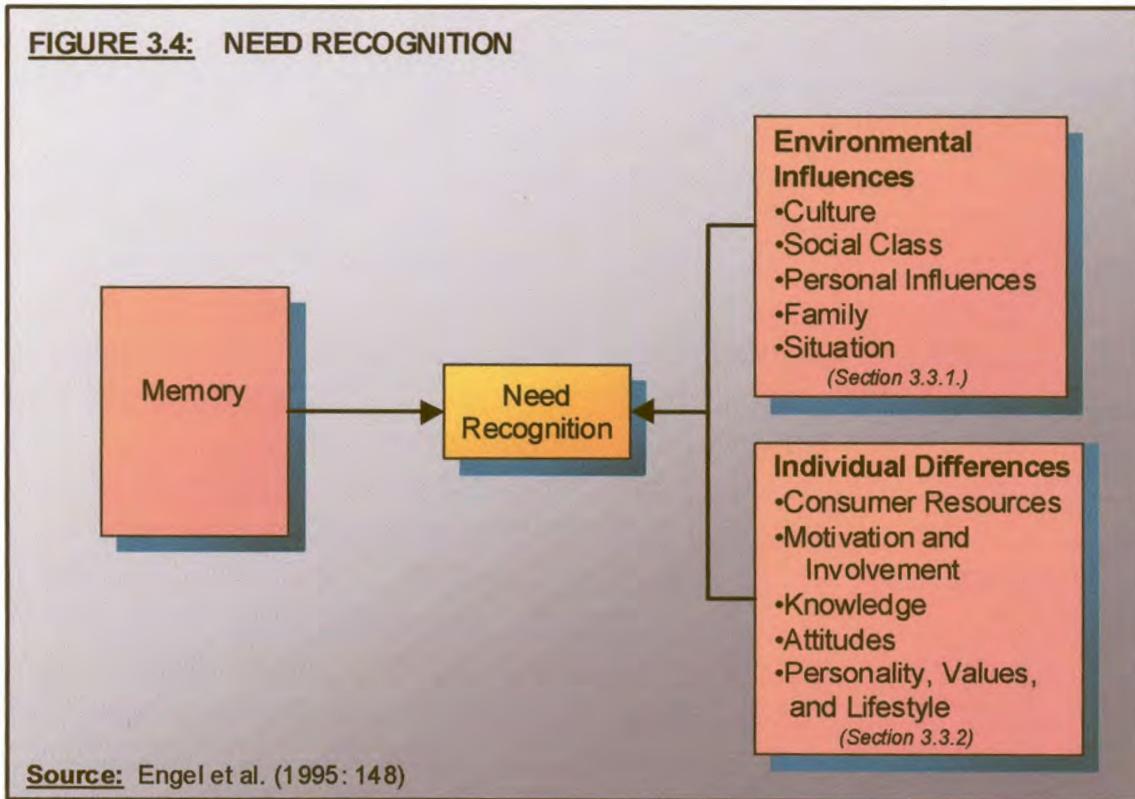
According to Schiffman & Kanuk (1997: 567) need recognition can also be viewed as either simple or complex. Needs occurring frequently and that can be dealt with almost immediately are termed simple need recognition, for example a consumer feeling hungry and purchasing crisps at a café. Where a need develops over a period of time as the actual state and desired state move apart, complex need recognition applies. For example, a wrist-watch failing to keep the

correct time over a certain period, may result in the consumer recognising the need for a new wrist-watch.

Solomon (1996: 271) adds to the above by stating that need recognition can also be viewed as an “opportunity recognition” when the consumer’s ideal state is moved upwards. For example, a consumer who has always been satisfied with the Hi-Fi at home may recognise the need for a better, high-quality Hi-Fi after listening to a better quality system of a friend.

According to Engel et al. (1995: 146-148), two categories of factors influence need recognition, namely environmental influences and individual differences. The factors influencing need recognition are illustrated in Figure 3.4 below.

FIGURE 3.4: NEED RECOGNITION



Belch & Belch (2001: 109), Solomon (1996: 272) and Assael (1995: 83) add to the factors influencing need recognition by stating that it may also be spurred by

the marketing efforts of organisations. Figure 2.6 in Chapter 2 (detailing the EBM model of consumer behaviour) showed the influence of marketing stimuli on memory, once processed. The memory component as influence to need recognition will be discussed under the second stage of the consumer decision-making process, search, when the information-processing process is discussed (Section 3.4.2). This discussion will indicate how marketing stimuli influence consumer behaviour, how they are processed, retained and recalled from memory. The two influences on need recognition will be discussed in Sections 3.3.1 and 3.3.2.

3.3.1 Environmental influences

The relevance of environmental influences in consumer decision-making, according to Engel et al. (1995: 607), is that consumers are shaped by the environments they operate and live in. In addition to the environment shaping consumers, consumers change the environment through their behaviour.

The main environmental influences shaping the consumer decision-making process are culture, social class, personal influences, family and the situation.

3.3.1.1 Culture

According to Engel et al. (1995: 615), culture has a profound impact on why consumers buy, since it affects the individual decision-making process, communication within a society and the specific products consumers purchase. More specifically, culture influences certain attitudes and behaviours, for example food and feeding habits, sense of self and space, dress and appearance, time and time consciousness, mental processes and relationships. From a need recognition perspective, culture influences product meanings through advertising and other marketing-dominated mediums, as well as other ways not influenced by marketing, yet important to the consumer.

Crotts & Erdmann (2000: 410 – 419) add to the above by stating that a consumer's culture can, for example, influence feedback to marketers regarding satisfaction and dissatisfaction. Consumers from cultures where masculine (competitive) values prevail will, for example, evoke behaviours that are assertive and judgmental and have less concern for the feelings for others. On the other hand, consumers from cultures where there is a tendency for more tenderness and sympathy towards others and where assertiveness is not a desirable characteristic, could be overtly moderate as far as providing criticism is concerned. It is therefore important for marketers to understand that culture does not only have an influence on consumer decision-making but also has an impact on the feedback they get.

Schiffman & Kanuk (1997: 406) and Solomon (1996: 539) continue with the discussion on culture by stating that culture may be perceived as the personality of a society, making it difficult to set the boundaries thereof. This view is supported by Peter & Olson (1994: 332) who define culture broadly as: "... the meaning that are shared by (most) people in a social group". Hofstede (2001: 9) provides a different view of culture by defining it as: "... the collective programming of the mind that distinguishes the members of one group or category of people from another".

Schiffman & Kanuk (1997: 406) provide a more applicable definition, considering the influence of culture specifically on consumer behaviour, namely: "... the sum total of learned beliefs, values, and customs that serve to direct the consumer behaviour of members of a particular society".

Schiffman & Kanuk (1997: 406) expand on the definition by explaining that **beliefs and values** are considered accumulated feelings and priorities of consumers regarding possessions and "things". Consumer's mental and verbal statements reflecting their knowledge and assessment of something (for example a person, brand or store) form their beliefs. Values are also seen as beliefs but

differ in a number of ways. They are relatively few, are difficult to change, are not tied to specific situations and objects, offer a guide for appropriate behaviour in accordance with the culture and are widely accepted by the members of society.

Solomon (1996: 541) and Hawkins et al. (1995: 36) clarify values by stating that they are imparted to the members of the culture, forming a widely held belief of what is desirable and preferable. Engel et al. (1995: 612) and Hawkins et al. (2001: 42) add to the above by stating that norms are derived from cultural values, forming the beliefs held by a group concerning behaviour rules for individual members. Norms, therefore, represent the rules that prohibit or specify certain behaviour in specific situations, forming the boundaries set by culture on behaviour.

Hawkins et al. (2001: 42) explain that norms are considered important in culture, since the violation thereof may result in sanctions or penalties that can vary from mild social disapproval to banishment from the group.

Customs, as highlighted in the definition provided by Schiffman & Kanuk (1997: 406), refer to overt modes of behaviour that constitute acceptable or approved behaviour within a specific situation. Customs, therefore, form usual and acceptable ways of behaving, whereas beliefs and values provide guidelines for behaviour. It should also be noted that different cultures can be distinguished through their language, symbols, myths and rituals.

According to Schiffman & Kanuk (1997: 410), language and symbols are important for any culture, since they enable the members of a society to communicate with each other through a common language. A common **language** results in shared meaning that enables true communication within a society. **Symbols**, comprising verbal and non-verbal symbols, always represent something else, for example the word "razor" will undoubtedly provide an image

in relation to the frame of reference of the reader. Verbal symbols, for example, include an announcement on television or a print advertisement in a magazine, whereas non-verbal symbols include, for example, figures, shapes, trademarks and product design. Schiffman & Kanuk (1997: 411) add to the above by stating that symbols can assist consumers in the decision-making process through product offerings and marketing appeals. For example, the price of a product or even the store where it is sold, could be a symbol of the quality a consumer can expect when purchasing a product.

Solomon (1996: 543) explains that every society possesses a set of **myths** that defines that culture. A myth refers to stories that contain symbolic elements expressing the shared emotions and ideals of culture. Four functions of myths within cultures can be distinguished, namely they assist with the explanation of the origins of existence (metaphysical), they emphasise that all components of the universe are a part of a single picture (cosmological), they maintain social order by authorising a social code to be followed by the members of a culture (sociological) and they provide models for personal conduct (psychological).

Schiffman & Kanuk (1997: 411) add by stating that **rituals** can be defined as: "... a type of symbolic activity consisting of a series of steps (multiple behaviours) occurring in a fixed sequence and repeated over time". More practically, rituals extend over a person's life cycle from birth to death and for example include christening of babies, graduations and weddings. Rituals are, therefore, rather formal and can be very public, elaborate or religious. Rituals can also be less formal, for instance painting eggs for Easter, decorating a tree for Christmas or drinking Jack Daniel's only when a favourite rugby or football team is playing. Rituals can, from a consumer decision-making perspective, lead to need recognition, for example purchasing a wedding ring, a suit for a graduation ceremony or a gift for a friend's wedding.

informal and technical learning. Formal learning implies that adults or older siblings teach young family members "how to behave". Informal learning refers to learning through imitating the behaviour of selected others, including family members and television heroes. The final method of learning, technical learning, refers to the educational environment, where teachers instruct children what should be done, how it should be done and why it should be done.

Schiffman & Kanuk (1997: 412 - 414) add to the characteristics of a culture by stating that a particular value, practice or belief has to be **shared** by a significant portion of society. The critical component enabling people to share values, customs and experiences is a common language. As discussed above, referring to cultures being learned, the family and other institutions within society (for example educational institutions and houses of worship) share held beliefs, values and customs with the young.

Schiffman & Kanuk (1997: 414) explain the final characteristic of cultures discussed in this section, namely that cultures are **dynamic**, by stating that cultures need to continually evolve to function in the best interests of a society. Examples of influences changing cultures include new technology, a shift in population, wars and adoption of customs from other cultures. Assael (1995: 456) adds to the above by stating that although cultures change as society changes, it is also permanent since parents continue to share values with their children.

It is clear from the discussion above that culture plays an important part in the purchasing behaviour and decision-making activities of consumers. The discussion showed many examples of how cultural phenomena and influences can lead to consumer need recognition. One aspect that has not been discussed is the influence of subcultures as possible influence to both consumer decision-making and need recognition. The influence of subculture and cross-culture will be discussed in more detail below.

A) Subculture and cross-culture

According to Assael (1995: 484), differences in values among groups in the same country refer to subculture and can be defined as: “.. broad groups of consumers who have similar values that distinguish them from society as a whole”.

Peter & Olson (1994: 360) provide a different perspective by defining subculture as: “... a distinctive group of people in a society who share cultural meaning”. Schiffman & Kanuk (1997: 440) provide clarity on subculture by stating that members of a subculture possess customs, values and beliefs that distinguish them from other members of the same society, while still adhering to the cultural values, beliefs and behavioural patterns of the larger society.

In contrast to subculture, **cross-culture** refers to differences in values, beliefs and behaviour across countries. Schiffman & Kanuk (1997: 474) explain the relevance of viewing cross-cultural influences on consumer behaviour by stating that an analysis of the culture of other nations will provide clarity on the psychological, cultural and social characteristics of foreign consumers. An understanding of commonalities between cultures of different nations (and the differences thereof) will provide marketers with valuable information to sell products to consumers of other countries.

A number of subculture characteristics influencing consumer behaviour can be identified. According to Assael (1995: 500), these characteristics are:

- subcultural distinctiveness, implying that the more a subculture attempts to maintain a separate identity, the greater the potential influence thereof will be;
- subcultural homogeneity, suggesting that a subculture with homogeneous values is more likely to influence its members; and

- subcultural exclusion, referring to exclusion sought from society or being excluded by society, for example the Amish community in the United States.

It can be concluded from the discussion above that subcultures are present in society and that they represent groups of people with similar beliefs, values and behaviour, while still adhering to the customs and values set by the broader culture. Subcultures can, therefore, be identified in the broader society and culture by considering different categories of subculture that define such groups.

Schiffman & Kanuk (1997: 447 – 464), Assael (1995: 501 – 502) and Peter & Olson (1994: 363 –372) identify a number of subcultural categories based on geographic location, race or ethnic group, age, sex or gender, non-traditional subculture and religion.

Subcultures identified by their **geographic location** often have a sense of regional identification. An example from a South African perspective would be when referring to a person living in Cape Town as a Capetonian. Such a label ascribed to people assist with developing a mental picture together with supporting stereotypes of such a person. Considering the same example, when referring to a Capetonian the image of a laid-back, less stressed person comes to mind, especially when comparing it to the image of a Johannesburger. From a consumer behavioural point of view, these differences in subcultures based on geographical location can influence purchase behaviour and need recognition. For example, when considering the area and surrounding recreational possibilities, purchase patterns for boats and hiking equipment will be totally different for people living in Bloemfontein (very little opportunities for boats and hiking equipment), Nelspruit (great opportunities for hiking equipment and relatively small opportunity for boats) and Cape Town (excellent opportunity for boats and hiking equipment).

In South Africa **race and ethnic group** subcultures can be clearly identified, especially when considering the 11 official languages recognised in the country (the 11 languages exclude many other languages, for example Indian, Japanese and other European languages – e.g. Greek, representing other possible subcultures). Need recognition may, therefore, be influenced by different subcultural influences, for example a young working Zulu may recognise the need to purchase clothes for the family (considered appropriate cultural behaviour where the family members provide for each other's needs) whereas a young working White person may purchase clothes for personal use only (considering only personal gratification).

Different **age** subgroups of the total population of a country can form subgroups, since different purchase behaviour can often be distinguished between age groups as the demand for products and services shift during a person's life. For example ages 13 to 19 (recognising the need for a bicycle or motor cycle), ages 20 to 30 (relatively inexpensive small motor vehicle with low running costs), ages 30 to 40 (need recognised for a larger, family motor vehicle), ages 40 to 50 (more expensive, luxury vehicle) and ages 50 and above (recognise the need for a reliable motor vehicle that will last for many years). This over-simplified example shows that subcultures, based on age, can be identified that will influence consumer behaviour in terms of decision-making and purchase behaviour. Reference to consumer age groups, when discussing the influence of the Internet on the consumer decision-making process, will be made in Section 4.2 in Chapter 4.

Peter & Olson (1994: 371) are of the opinion that **sex and gender** differences comprise more than physical characteristics of men and women. Differences in behaviour can often be noticed, significantly enough to distinguish male and female subcultures, which would suggest that gender differences could impact on need recognition and decision-making processes. For example, as a general rule, women appear to be more generous and nurturing and less dominant than men. From a marketing perspective these differences should be considered.

way in which they spend their time. Solomon (1996: 432) expands on this view by stating that social class does not only influence how much money is spent with a particular purchase but also how the money is spent. Assael (1995: 358) adds by stating that the social class influences consumers indirectly and is likely to indicate common values and matching purchasing patterns.

A formal definition will provide greater clarity of what is implied when referring to social class. Schiffman & Kanuk (1997: 376) define social class as: "... the division of members of a society into a hierarchy of distinct status classes, so that members of each class have relatively the same status and members of all other classes have either more or less status". Considering the definition, Assael (1995: 357) provides particular clarity on the hierarchy within social classes by defining it as: "... the ranking of people in a society into a hierarchy of upper, middle, and lower level classes based on their power and prestige". As can be seen from the definitions above, social classes are grouped in a hierarchy ranging from high to low. Important to note is that different levels can be identified within the social class hierarchy (for example the upper-upper, upper-middle, middle, working, lower, lower-lower, etc.)

Engel et al. (1995: 681) add to the above by explaining that status groups also identify social class. **Status groups**, as an integral part of social class, reflects a community's expectations for styles of living for each class as well as the positive or negative social appraisal of honour granted to each class. Schiffman & Kanuk (1997: 376) support this view by stating that status is frequently used in social class research to identify the relevant members of each social class in terms of specific status factors. These factors or variables determining a consumer's position in the social class hierarchy include, amongst others, income, occupation, education, possessions and personal performance.

Income, together with occupation and education, are frequently used to identify and distinguish between different social classes. Hawkins et al. (1995: 130)

explain that income is viewed from a purchasing power and status perspective and can be measured in a number of ways, including individual or family income, before or after tax deductions and salary or total income. Solomon (1996: 438) adds by stating that the identification of income within a social class is very important to marketers, since it identifies the groups with the greatest purchasing power. Although income is often perceived as the single most important factor in identifying social classes, Engel et al. (1995: 683) caution that marketers should not consider to equate social class with income. As an example, although a senior personnel officer may earn a higher income than a professor of history, the professor would most probably be ascribed to a higher social class.

Schiffman & Kanuk (1997: 381), Engel et al. (1995: 683) and Hawkins et al. (1995: 130) suggest that **occupation** is the single most widely used factor in marketing to identify social class. The importance of occupation as an indicator of social class becomes clear when considering how often the question, "what do you do for a living?", is asked when people meet for the first time. The response to this question serves as a guide to infer about the life-style and, therefore, the social class of a person. Engel et al. (1995: 683) add that the work people perform greatly influences their life-styles and is the single most important basis for according honour, prestige and respect. From a marketing perspective, occupation often serves as a tool to define a market for products, for example Waterman pens for professionals or vacation resorts for executives and professionals.

Education is a third indicator of social class, often an indicator of income and occupation. Schiffman & Kanuk (1997: 383-384) explain the relevance of examining education by stating that, generally speaking, the more educated a person is, the higher the probability will be that that person receives a higher income and has a high occupational status. Hawkins et al. (1995: 129) adds by stating that education influences an individual's values, tastes and the manner in which information is processed. Education does, however, not provide a

complete understanding of buying patterns of consumers. For example, a graduate in political science may earn a total salary package of R 180 000 per annum whereas a marketing graduate, studying for the same length of time and with equal year's experience, could earn R 300 000. Although the level of education is the same (both obtaining a three-year degree), the buying power and patterns, status and social classes of the two graduates would most probably be different.

Schiffman & Kanuk (1997: 385) expressed the opinion that **possessions** have been used by sociologists as an index of social class. Engel et al. (1995: 685) support this view by stating that social class can be derived by not only looking at the number of possessions but also the nature thereof. For example, the area in which an individual's house is situated (an upper residential area, for instance a golf estate, versus a block of flats) can give an indication of the social class. In addition to the house itself, the presence of a number of furniture items and accessories in an individual's house could provide an indication of the social class the person belongs to, e.g. wall-to-wall carpets versus Oriental rugs or Defy appliances versus AEG and Siemens appliances. From a consumer purchasing and need recognition point of view, consumers may often aspire to a higher social class by purchasing items perceived to be directed at the more affluent members of society. For example, a consumer in a lower social class will purchase clothes at boutiques and spend as much money as possible on a more expensive motor vehicle to create an image of higher status.

A final factor, but by no means the final determinant, that may indicate social class is personal performance. Engel et al. (1995: 683) explain that the **personal performance** of an individual, when compared to others in the same occupation, may indicate the social class of a person. Examples of personal performance are where a certain medical professor is making the most progress in finding a cure for cancer or AIDS, or a stock-market broker achieving the best returns on investments for a considerable time period. In addition to status

obtained through occupation, a person may be perceived as being in a higher class through involvement with others in society. For example, a person from a low social class may be perceived to be of a higher status because of continued support to other less fortunate members of the same society or creating community programmes to uplift the society the person lives in.

It is clear from the discussion that many factors can influence and indicate the social class to which an individual belongs. From a consumer decision-making and specifically need recognition perspective, it is clear that social class influence can directly influence the recognition of needs and purchase behaviour. For example, an administrative clerk deciding to improve standard of living may recognise the need to obtain a degree in management sciences, resulting in a change in purchasing behaviour (purchasing the Financial Mail instead of the You magazine and purchasing a computer instead of replacing the television set for a newer model). Another example could be a person aspiring to become a professor of marketing who may recognise the need to add a study to the house instead of extending the kitchen.

The examples above indicated aspirations of people to belong to higher social class. The opposite also applies. A financial broker, for example, losing all of the family's wealth through incorrect market forecasts, may have to sell the house in the golf estate and the family's BMW 330i and Mitsubishi Pajero, recognising the need for a smaller house in an average residential area and a Volkswagen Golf as the only family vehicle.

It is clear from the example that consumer need recognition is influenced by social class. Marketers should therefore consider social class when drafting marketing strategies.

3.3.1.3 Personal influences

As can be seen from Figure 3.4, personal influences form the third environmental influence. Personal influences from others, directly or indirectly, are one of the best forms of persuasion on consumer decision-making and purchasing behaviour (Engel et al., 1995: 716). The reason for the strong influence is based on the input from people with whom one can identify and relate to, resulting in a high credibility ascribed to people that consumers receive input from.

Engel et al. (1995: 716) explain that personal influences present two main forms, namely reference groups and word-of-mouth communication.

A) Reference groups

Reference groups serve as a frame of reference for individuals in their purchase and consumption decisions and should therefore be considered as important input to the consumer decision-making process.

Schiffman & Kanuk (1997: 323) define reference groups as: "... any person or group that serves as a point of comparison (or reference) for an individual in forming either general or specific values, attitudes, or behaviour". Reference groups are, furthermore, not limited by group size or membership nor does it require that consumers should identify with a tangible group (for example owners of small businesses or golf professionals).

Peter & Olson (1994: 384) note an interesting characteristic of reference groups by stating that an individual's reference group may be from the same or another culture, subculture or social class. Reference groups are therefore not bound by an individual's normal association groups, for example an Indian lady working with Whites and Blacks may perceive these working colleagues as her reference group.

Assael (1995: 528) clarify the involvement of a person in reference groups by distinguishing between membership and aspiration groups. **Membership groups** imply that the individual forms part of the group, for example the family or a science club. A person who would like to be part of a group, therefore not currently a member of the group, forms part of an **aspiration group**, for example a league rugby or soccer player that would like to be part of the National team.

Assael (1995: 528) continues by stating that a reference group can also be viewed negatively. An individual belonging to a group may reject the values and behaviour of the group and its members, termed a **disclaimant group** for the individual. Secondly, an individual may regard membership to a specific group as something to be avoided, called a **dissociative group**. Peter & Olson (1994: 385) agree with this view by stating that dissociative reference groups embody undesirable meanings and will act as a negative reference group that an individual would avoid dealing with.

Furthermore, primary and secondary reference groups, according to Engel et al. (1995: 717 – 718), as well as formal and informal groups can be distinguished. **Primary groups**, for example the family, refer to small groups that permit and facilitate unrestricted face-to-face interaction. A characteristic of primary groups is cohesiveness and motivated participation, resulting in similar beliefs and behaviour by the members of the group. **Secondary groups**, for example professional associations, are characterised by less comprehensive and more sporadic face-to-face interaction between members, therefore exerting less influences to shape thought and behaviour. Schiffman & Kanuk (1997: 320) explain that primary groups can be distinguished from secondary groups by considering both the perceived importance of the group to the individual and the frequency with which the individual interacts with the group.

Schiffman & Kanuk (1997: 320 – 321) and Engel et al. (1995: 718) explain that **formal reference groups** are characterised by a defined and known

membership list, a defined structure with specific roles and authority levels and specific goals. The influence of formal reference groups on individual behaviour depends on the motivation and willingness of the individual to accept and comply with the group's standards. Examples of formal groups include churches and community service organisations.

Informal reference groups, characterised as being less formal and likely to be based on friendship, can have a strong impact on behaviour if individuals within the group are motivated by social acceptance. The influence is further strengthened by a high degree of intimate and face-to-face interaction between members.

Schiffman & Kanuk (1997: 324) identify another possible reference group, **indirect reference groups**, by explaining them as groups with whom an individual does not have direct face-to-face contact, for example sport heroes, television personalities, politicians and movie stars.

As will be noted from the discussion on different reference groups, individual behaviour and decision-making can be influenced by these groups. According to Engel et al. (1995: 719) three forms of reference group influences on consumer choice can be identified, namely normative compliance, value-expressive influences and informational influences.

Normative compliance refers to the influence exerted by groups on individual behaviour through pressure for conformity and compliance. Schiffman & Kanuk (1997: 323) add by explaining that through normative compliance, general and broadly defined values and behaviour are transferred to members of the reference group. An example of normative compliance is the influence of the family on the behaviour of a child. Peter & Olson (1994: 384) add to the above, referring to utilitarian influences, by stating that changes in individual behaviour can occur when the reference group is perceived to be in charge of reward and punishment. Individuals will, therefore, comply with the guidelines and desires of

a reference group if they believe the group can control rewards and punishment, when behaviour is visible to the group and when they are motivated to receive rewards or avoid punishment.

Engel et al. (1995: 724) explain that **value-expressive influences** imply the need of an individual for psychological association with a group by accepting the norms, values and behaviour of the group, although there may not be any motivation to become a member of the group. The reasons for this can be attributed to the desire to be associated with people who are admired and respected and also to enhance image in the eyes of others.

The final influence on consumer choice exerted by reference groups is information influence. Peter & Olson (1994: 385) state that **informational influences** imply that reference groups transmit information to members about other people or aspects of the environment, including products, services and retail outlets. Information can be shared directly through words or demonstration, for example showing how a specific coffee percolator works.

It should be noted, in conclusion to the discussion on reference groups, that three factors determine the extent to which reference groups influence consumer behaviour. Schiffman & Kanuk (1997: 327) and Assael (1995: 527) list these influences as information and experience (the individual's attitude towards the group), credibility, attractiveness and power of the reference group (nature of the group) and conspicuousness of the product (nature of the product). An individual with firsthand **experience** with products and services or who can easily obtain **information** on it, is less likely to be influenced by the advice of others. On the other hand, a person without the necessary experience or finding it difficult to obtain relevant information will more likely consult others for advice.

A reference group characterised by its **credibility, attractiveness and power** can directly influence individual member attitudes and behaviour, since

individuals are more likely to be persuaded by sources with high credibility. The degree to which a product is visually or verbally **conspicuous** will determine the potential influence of a reference group. A visually conspicuous product refers to items that will be noticed by others, for example luxury and novelty products, and verbally conspicuous products are those that are highly interesting or easily described. Products that are more conspicuous will most probably be status revealing (for example clothing and furniture) and will, therefore, be purchased by considering opinions of others (often for the sake of noting the reactions of others) when seeking an opinion. Less conspicuous products tend to be privately consumed, for example canned fruit, and consumers are therefore less likely to consult a reference group.

B) Word-of-mouth influences

Word-of-mouth is the second personal influence on consumer decision-making and behaviour. The relevance of discussing word-of-mouth is clear when considering how often consumers turn to the opinions of others, especially family and friends, regarding products and services. Word-of-mouth influences in the Web-environment will also be seen from the discussion Section 4.3.1 in Chapter 4.

Assael (1995: 634) adds to the above by stating that friends and relatives are more likely to influence consumer choice than any other source, since consumers regard family and friends as more credible and trustworthy than commercial sources. In addition, reference groups and family can reduce the risks associated with purchase decisions by providing the consumer with information regarding the product, its performance, financial information and guides for socially acceptable product purchases.

When considering word-of-mouth influences, the transmitter of information is termed the influential or opinion leader. Engel et al. (1995: 726) express the opinion that the term opinion leader should be avoided, since with word-of-mouth communication there is no hierarchical pattern of a leader and a follower.

Despite this caution, the term “opinion leader” will be regarded as implying the same meaning as “influential” since other authors (for example Hawkins et al., 2001: 240; Schiffman & Kanuk, 1997: 500; Solomon, 1996: 358; and Assael, 1995: 634 & 652 – 659) refer to the term “opinion leader”. The term “opinion leader” will, therefore, be used in this study when discussing word-of-mouth influences, since the majority of references quoted refer to the term “opinion leader”.

Engel et al. (1995: 726) explain that consumers will accept and respond to word-of-mouth communication when one or more of the situations and conditions listed below are present:

- the consumer is unable to make an adequately informed decision, since sufficient information is not available;
- it is difficult to evaluate a product because of its complexity;
- the person lacks the ability to evaluate a product or service, regardless of the manner in which the information is disseminated and presented;
- the credibility of other sources is perceived to be low;
- an opinion leader is more easily accessible than other sources of information, thereby saving effort and time;
- there is a strong social bond between the transmitter and receiver; and
- a high need for social approval is present.

Schiffman & Kanuk (1997: 500) add to the above by characterising word-of-mouth as interpersonal and informal, occurring between two or more people, where none of them represents a commercial selling source that would gain by selling something.

Word-of-mouth can be described as a communication flow between opinion leaders and followers in either a trickle-down, two-step flow or multistage process.

The **trickle-down process**, according to Engel et al. (1995: 726), is considered the oldest theory of personal influence and implies that lower classes imitate the behaviour of higher classes. Influence is, therefore, transmitted vertically through social classes, for example fashion and style. This process of information flow is rarely seen in economically developed countries, since the influence of the mass media and copying of fashion through mass merchandise place these kinds of items within the reach of the masses in a relatively short period of time. Trickle-down influences are far more likely to occur between peers in modern society, referred to as homophilous influences (referring to information transmission between those who are similar in age, education, social class and other demographic characteristics).

According to the **two-step flow process**, information and new ideas flow through mass media to opinion leaders, who pass the information to others and who in turn are more passive in information seeking through word-of-mouth (Assael, 1995: 636 and Engel et al., 1995: 727). Assael (1995: 636) adds by stating that the opinion leaders can be viewed as the intermediaries between the information source and other consumers, while the followers (those receiving the information from the opinion leaders) are viewed as passive recipients of information.

In contrast to the views of the two-step flow process, **multistage interaction**, referred to by Assael (1995: 637) as multistep flow of communication, suggests that both the opinion leader and the follower are exposed to mass media. Through the information obtained from mass media, the seeker of information can approach someone else, rather than the opinion leader approaching the follower in an attempt to share information. Engel et al. (1995) add that the opinion leader rarely acts as mediator for the flow of information from mass

media as with the two-step approach. Assael (1995: 637 – 638) supports this point of view by stating that, although the two-step flow is important in understanding the process of personal influence, it is not accurate in presenting the flow of information and influence for a number of reasons.

Firstly, followers are not passive, since they may initiate requests for information and obtain the opinions of others. Secondly, opinion leaders are influenced by followers, with word-of-mouth influences being a two-directional flow between the transmitter and receiver. Finally, opinion leaders are not the only receivers of information, since followers are also influenced by advertising. In addition, opinion leaders may not control the flow of information, since others (called “gatekeepers”) may perform the function of introducing ideas and information to the group without influencing the group.

Schiffman & Kanuk (1997: 518) and Assael (1995: 638 – 639) conclude that the recognition in the multistage model, where opinion leaders and followers receive and transmit information, leads to four possibilities, namely a socially integrated consumer (both an opinion leader and an information seeker); a socially independent consumer (more an opinion leader than an information seeker); a socially dependent consumer (less of an opinion leader and more of an information seeker) and a socially isolated consumer (considered neither an opinion leader nor an information seeker).

From the discussion on word-of-mouth influences above, the importance of the opinion leader frequently emerges as the individual most likely to influence others. The function and influence of the opinion leader will briefly be discussed below.

Solomon (1996: 358) explains the opinion leader as a person who is able to frequently influence the attitudes and behaviour of others. Assael (1995: 652) continues by stating that opinion leaders tend to be product-specific, implying

that an opinion leader for one category is unlikely to be influential across unrelated categories with the exception of closely-related categories. For example, an opinion leader with regard to ovens may carry the influence over to microwave ovens and loose-standing stoves.

Assael (1995: 652) notes that although past research studies show that general opinion leaders do not exist, three categories of consumers suggest generalised influence across product categories, namely influentials, market mavens and surrogate consumers.

Influentials refer to individuals that are active in public and community affairs. Assael (1995: 653) suggests that influentials tend to be of higher social class and are well educated. The influence of influentials tends to be important for products and services that depend on word-of-mouth recommendations.

Assael (1995: 654) notes that **market mavens** tend to be closer to general gatekeepers than opinion leaders. Market mavens tend to hold information on many kinds of products, outlets to purchase and other information of markets. Solomon (1996: 361) supports the above by stating that market mavens tend to have a solid overall knowledge of how and where to purchase products. Schiffman & Kanuk (1997: 513) add an additional characteristic of market mavens by stating that they are keen shoppers and they enjoy sharing their purchasing experiences with others. They are, therefore, likely to influence and inform others by responding to requests from consumers regarding market information.

Surrogate consumers assist other consumers by guiding and directing them with marketplace activities, for example tax consultants and financial advisers. Solomon (1996: 361) clarifies the above by stating that surrogate consumers are hired to provide input to purchase decisions. According to Assael (1995: 654) surrogate consumers, although not perceived as general opinion leaders, play an

important role, since they often assume the decision role for consumers (therefore considered opinion leaders in their surrogate role).

In conclusion to the discussion on opinion leaders and their influence on consumer decision-making and purchase decision, it should be noted how these individuals can be identified. Engel et al. (1995: 727 – 728) list basic ways to identify opinion leaders through research, namely sociometric, key informant and self-designation. Schiffman & Kanuk (1997: 503 – 509) add, in addition to the three mentioned, the objective method.

The **sociometric** method refers to people being asked to identify other people they consult for advice or information when making a decision. When knowledgeable people are consulted to identify the opinion leaders within the society, the **key informant** method applies. By using a third method, **self-designation**, researchers can determine opinion leaders, since people are asked to what extent they have been consulted for advice. Finally, the **objective method** implies that when new products or new product information is placed with selected individuals, the resulting “web” of interpersonal communication concerning the relevant product or information is tracked.

3.3.1.4 Family

It could be seen from Figure 3.4 earlier in the chapter that the family forms the fourth external influence on need recognition. Engel et al. (1995: 742) commence the discussion on the family by explaining that the importance of studying the influence of the family or household unit, from a consumer decision-making perspective, can be attributed to two reasons. Firstly, many products are purchased by a family unit, for example both spouses (possibly including children) deciding on a new motor vehicle or house. Secondly, other members of the family may influence purchasing decisions of individuals within the family, for example the person buying food from a supermarket may be influenced to

purchase what is preferred by other family members. Martinez & Polo (1999: 461 – 481) add to the above by stating that the family is considered an important decision-making unit due to the large quantity of products and services that form part of a family's everyday life. Marketers should therefore understand family decision-making in order to implement marketing strategies.

It is important to first clarify and explain the difference between the family and a household before considering different roles in family purchases and the influence of the family on individual decision-making.

Schiffman & Kanuk (1997: 346) define the **family** as: "... two or more persons related by blood, or adoption, who reside together". Hawkins et al. (1995: 188) add to the definition by distinguishing between the nuclear and extended family. The nuclear family consists of two adults of the opposite sex living together in a socially acceptable sexual relationship with their own or adopted children. Engel et al. (1995: 742 – 743) narrow down this view by stating that the nuclear family members comprise a father, mother and children. The extended family comprises the nuclear family living together with other relatives, for example grand parents, uncles, aunts and cousins. Schiffman & Kanuk (1997: 347) add a third possible family group, namely married couples, comprising a husband and wife. As a household unit, married couples represent a married couple who has not yet started with a family or older couples who have already raised their children. Schiffman & Kanuk (1997: 347) add to the above by stating that the high rate of divorce, separation and out-of-wedlock births has increased the number of single-parent households, consisting of one parent and at least one child.

From the definition and explanation above it can be derived that the family comprises members that are related to each other by blood or marriage. Engel et al. (1995: 743) distinguish between the two possible ways in which family members are related by terming the family in which a baby is born (related by

blood) as the family of orientation, whereas the family established by marriage is called the family of procreation.

From a marketing perspective it is also important to consider the household and the influence thereof, since many people live together and although they are not married, still function as though they were. Engel et al. (1995: 743) refer to the **household** as people, related or unrelated, who occupy a housing unit. Schiffman & Kanuk (1995: 346) add to the above by stating that households may include individuals who are not related by blood, marriage or adoption and include unmarried couples, friends, room-mates or boarders.

The influence of the family on individual members can be better understood by focusing on the sociological dimensions of families. According to Engel et al. (1995: 744), three variables can be identified that can explain how families function, namely cohesion, adaptability and communication.

The emotional bonding between family members is called **cohesion**. It reflects the sense of connectedness to or separateness from other members of the family. **Adaptability** refers to the ability of the family to change its structure, roles and rules in response to situational changes and developmental stress. The degree of adaptability reflects the manner in which a family can meet challenges presented by changing needs. **Communication** portrays a facilitating dimension and is critical to movement on the other two dimensions. Positive communication skills, for example supportive comments and empathy, enable family members to share their changing needs as they relate to cohesion and adaptability, whereas negative communication skills (for example double messages and criticism) restrict the ability to share feelings and needs.

Schiffman & Kanuk (1997: 347) support the above by adding four functions performed by the family relevant to consumer behaviour, namely economic well-being, emotional support, suitable family life-style and socialisation of family members.

Five different roles can be identified within the family when purchasing products or services (Engel et al., 1995: 744 - 745). Before looking at the individual roles identified, it is important to note that two different kinds of role behaviour of the family can be identified, namely instrumental and expressive role behaviours. Instrumental roles, also termed functional or economic roles, involve performance, financial and functional attributes (for example the condition of purchase), whereas expressive roles imply the support of other family members in the decision-making process by expressing family norms and needs.

As noted above, five individual roles can be identified in family purchases, namely the initiator or gatekeeper, influencer, decider, purchaser (or buyer) and user. Important to note is that although these different roles are distinguished, they can be performed by any member of the family (husband, wife or children) and can be different for every decision. Ward & Sturrock (1998: 327 – 336) add to the above by stating that the nature of the purchase can possibly affect the roles and approaches adopted by partners within a household. The five identified roles are briefly discussed below.

The **initiator or gatekeeper** is the person in the family who thinks about purchasing new products and also gathers information to aid the decision process. The opinion of the **influencer** is sought with respect to the criteria that should be used for evaluation and also which products would most probably fit the criteria. The **decider** is responsible for the financial matters of the family and decides how and on which products or brands the family's money will be spent. The **purchaser (buyer)** is the person responsible for visiting the store, calling suppliers and physically purchasing the product and taking it home. Finally, the **user** is the person or people who consume the product.

It is clear from the discussion above that marketers need to influence all the different role players in the family decision-making process, since different roles and influences can be portrayed by any member of the family at a given time.

Schiffman & Kanuk (1997: 346) support this statement by viewing the family composition and structure as always being in transition. Needs can, therefore, be recognised by any member of the family, who will influence the decision-making process directly or indirectly.

3.3.1.5 Situational influences

Situational influences, as could be seen from Figure 3.4, form the final environmental influence affecting need recognition and the decision-making process and refer to influences that are specific to a time and place and are independent of the consumer and object characteristics (Engel et al., 1995: 794). Three situational influences can be grouped into broad categories, namely communication, purchase and usage situations.

A) Communication situation

The communication situation refers to the setting to which the consumer is exposed, either personal or non-personal communication. Engel et al. (1995: 794) explain personal communication as conversations consumers may have with others, including other consumers and sales people. Non-personal communication refers to a broad spectrum of stimuli, including advertising and consumer-oriented programmes and publications.

In the context of television advertising, for example, many situational influences can affect the effectiveness thereof. Firstly, the presence of other advertisements during message exposure may result in the advertisement receiving little or no attention. Important to note is that consumers often use commercial breaks to interact with others in their immediate surroundings or use the time to quickly get something to eat or drink or go to the toilet. Secondly, the position of the advertisement during the commercial break can also affect the effectiveness, for example the first ad shown when the commercial break

commences may be more effective than ads shown later during the break. Thirdly, the number of ads shown can also have an impact on the effectiveness, since advertising clutter occurs when flighting more, shorter, advertisements.

Situational influences can also be observed in the programme in which an ad is shown. Consumers may be so involved in the program that they become oblivious to anything that is shown during the commercial break, for example watching a rugby test between South Africa and New Zealand. Programmes can also influence consumer's feelings and therefore affect their response to an ad shown during the programme. If the viewers are watching a sad programme, their moods may change and therefore affect the effectiveness of an ad.

Similarly in print advertising, the credibility and content of the magazine or newspaper may influence the advertising effectiveness. For example, advertisements for an outdoor watch placed in National Geographic may prove more effective due to the credibility of the source, than if it were placed in the You magazine or Bona.

From the discussion above can be concluded that the influence of the communication situation on need recognition and the decision-making process is influenced by a number of different situations. Consumers may, therefore, recognise needs while being exposed to advertisements if the surroundings (implying other advertisements, the medium and the programme) are favourable to the consumer.

The effect of advertising, and more specifically marketer-dominated stimuli, will be discussed later in this chapter when discussing search (Section 3.4).

B) Purchase situation

The manner in which the purchase situation can influence need recognition and decision-making will be briefly discussed below. A more in-depth discussion on the actual purchase situation, together with the factors influencing it, will follow in Section 3.6 (purchase). Engel et al. (1995: 798) note that the information environment and the retail environment influence the purchase situation.

The **information environment** refers to all the product-related information available to the consumer and is characterised by the availability of information (externally from the environment or internally contained in memory), information load (the amount of information available), information format (the manner in which the information is presented) and the form of the information (presented numerically or semantically).

The **retail environment** can influence consumer decision-making through the efforts of marketers, since it is in the control of the marketer and happens at the right place, inside the store . Marketers can, therefore, attempt through their retail environments to influence consumer choice and need recognition. Marketers can attempt to influence consumer choice in the retail environment through the use of music, store-layout, colours, point-of-sale material and sales people. Consumers may recognise a need as they visit a store through the efforts of point-of-sale material. For example, a consumer may note point-of-sale material for a new razor and recognise the need for razor-blades.

C) Usage Situation

The usage situation refers to the setting in which consumption of the product occurs. The purchase and usage situation can often be combined, for example eating in a restaurant or watching a movie in a theatre.

Need recognition is often inspired by the usage situation. For example, while eating a curry dish in a restaurant, a consumer may recognise a need for a cold beverage.

Product usage and the factors influencing it will be discussed in Section 3.6.1 (consumption) of this chapter.

3.3.2 Individual differences

Section 3.3.1 considered environmental influences affecting consumer decision-making and specifically need recognition. The objective of this sub-section (individual differences) is to indicate the most important personal influences on consumer behaviour and consumer decision-making.

The importance of considering individual differences from a consumer behaviour perspective is that no two individuals are created the same and will therefore be influenced in the same way. By discussing a number of differences, an understanding will be formed regarding the type of influences that will impact on the consumer choice process.

As could be seen from Figure 3.4, individual differences comprises consumer resources, motivation and involvement, knowledge, attitudes and personality, values and life-style.

3.3.2.1 Consumer resources

Consumers are concerned about their time and money, both resources that have to be considered in any purchase decision. According to Engel et al. (1995: 295) three categories of consumer resources can be identified, namely economic, temporal and cognitive resources.

A) Economic resources

Money most probably represents the most important variable, influencing whether or not people buy and what they buy. The amount of money available to consumers (including credit facilities) will determine which needs can be satisfied and to what extent.

For example, the spending patterns of a person earning R 80 000 per annum versus one who earns R 350 000 will be totally different. The person with a higher income will most probably be able to spend more money on education, security, luxury items and entertainment. Continuing with the example, the two individuals may both recognise the need to purchase a Hi-Fi and washing machine. The influence of more available financial resources to the one consumer will lead to the purchase of an AEG or Siemens washing machine and a Yamaha component Hi-Fi, whereas the consumer with less money available will purchase a Mercury washing machine and an all-in-one Aiwa Hi-Fi.

From the example above can be clearly noted that economic resources (financial means) of the consumer play an extremely important role in decision-making. Once a need has been identified, the consumer first has to determine whether money or credit is available to purchase a product that will satisfy the need. Of equal importance to the consumer is to determine how much money can be spent, since that will determine what quality and brand will be purchased.

From a marketing point of view, considering consumer behaviour, it is important to understand what comprises an individual's economic resources and how it is measured. Engel et al. (1995: 295) note that a criteria for measuring economic resources is that it should define a variable with the same meaning for everyone that will permit comparison over time and market segments. Three economic resources can be identified, namely income, wealth and credit.

Schiffman & Kanuk (1997: 55) explain the importance of considering income as influence in consumer decision-making by stating that income indicates the ability (or inability) to pay for products and services. According to Engel et al. (1995: 296), **income** refers to money earned from salaries and wages, interest earned on investments and welfare payments. Important to note is that income refers to money available and not future available income, for example pension, unless pension payments are a source of income or the only income.

From a consumer behaviour perspective it is important to consider (although the focus is on individual behaviour) the income of the family or household, since economic resources are often shared. For example, the income of one spouse may only be R 80 000. An immediate reaction is that such an individual will not be in a position to purchase luxury items, such as a BMW Z3. The other spouse, however, may earn R 500 000, resulting in the spouse with less income being able to purchase the BMW Z3 if income is shared in the family.

Engel et al. (1995: 311) explain that **wealth**, measured by net worth or assets, correlates with income. Wealthy individuals and families may recognise different needs (for example services, travel and investments) than people that are not considered wealthy. Schiffman & Kanuk (1997: 384) support this view by stating that the way in which consumers spend their money is often influenced by their values.

Credit, the final economic resource category, extends the income resource for at least a short period of time. Engel et al. (1995: 312) list an important aspect of credit by stating that the use of credit actually reduces the ability to purchase products and services in the long run, since the cost of credit in the form of interest has to be subtracted from the consumer's income. Credit, however, forms an important influence in decision-making because it enables consumers to satisfy recognised needs without having the necessary funds readily available to pay for such purchases. Schiffman & Kanuk (1997: 399) support this view by

stating that consumers with less income will probably use their credit facilities (credit cards) with a “buy now and pay later” attitude, spending money on items they may not have purchased otherwise, while consumers with higher incomes may use their credit facilities as a convenient substitute for cash.

B) Temporal resources

Engel et al. (1995: 313) explain that consumer resources comprise two budget constraints, namely money and time. Unlike money that has theoretically no limits, time has an ultimate constraint. Considering the time constraints, consumers increasingly view their time as important as money due to the increasing lack thereof. Solomon (1996: 309) agrees with the above by stating the well-known phrase: “Time is money”.

Engel et al. (1995: 313) continue by stating that consumer time can be divided into three different components, namely income-producing time, committed (obligated and non-obligated) time and uncommitted (planned and unplanned) time. Only uncommitted time, whether planned or unplanned, is considered to be leisure time.

The influence of time on consumer behaviour can be viewed from two perspectives. Firstly, consumers may alter purchase patterns to accommodate the decrease in available time. For example, a young professional may recognise the need to purchase more fast foods and pre-prepared meals from Woolworths rather than spending time preparing food after a busy day at work. As another example, consumers with less time available may recognise the need to spend more money on better-quality vacations rather than on luxury item goods. Secondly, since the consumer decision-making process may require a substantial amount of time, the consumer may not be willing to spend available time searching for alternatives, comparing prices and considering different retail outlets. The consumer may, on the other hand, enjoy shopping and spend more

time looking for alternatives and visiting many stores before choosing what and where to buy. Solomon (1995: 309) adds to the above by stating that more careful information search and deliberation occurs when consumers have more time available.

C) Cognitive resources

The last category of consumer resources, according to Engel et al. (1995: 322), is cognitive resources, referring to information processing. A formal definition of cognitive resources by Engel et al. (1995: 323) provides a better understanding of the concept: "... the mental capacity available for undertaking various information-processing activities".

In addition to money and time of consumers, marketers compete for information processing by attempting to get the attention of consumers. This statement is true, considering that the capacity of consumers to process information is limited.

As mentioned above, marketers need to get consumers to pay attention to their messages and efforts. Although attention will be discussed in greater detail in Section 3.4 (when search is discussed), it should be mentioned under this section that attention comprises two dimensions, namely direction and intensity. Direction implies the focus of attention, whereas intensity refers to the amount of capacity focused in a specific direction.

It can be concluded from the discussion above that marketers need to be aware of the limited cognitive capacity of consumers when attending to a specific message or concept. From a decision-making perspective, consumers may not recognise a need when giving attention to a particular message because of their limited processing capacity.

3.3.2.2 Motivation and involvement

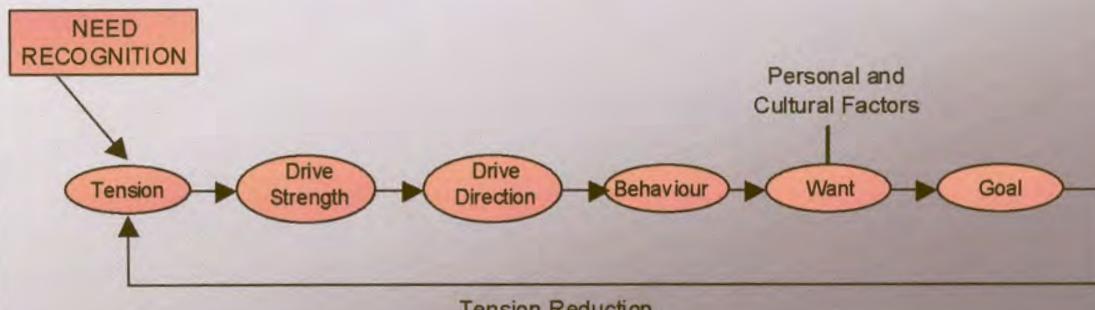
Engel et al. (1995: 404) explain that motivation occurs when an individual's system is activated or aroused with behaviour directed towards a desired goal.

Engel et al. (1995: 404) continue by stating that motivation starts with need activation. As discussed with need recognition before, a need is activated when there is a discrepancy between the consumer's current state and some desired or preferred state. As the discrepancy increases, the outcome is activation of a condition of arousal referred to as drive. The urgency to respond increases as the drive gets stronger. Overt time, certain behaviour patterns prove more effective than others to satisfy needs, becoming wants.

Solomon (1996: 126) clarifies motivation by explaining it as a process that causes people to behave the way they do. The motivation process therefore commences when a need is aroused that the consumer would like to satisfy. According to the motivation process, there is a state of tension that drives the consumer to attempt to eliminate the need once a need has been activated. The desired end state represents the goals of the consumer.

From the discussion a number of concepts, such as tension, drive and need emerged that should be briefly described to form a better understanding of the relevance thereof in the motivation process. The working of these concepts in the motivation process can most probably best be shown graphically (see Figure 3.5).

FIGURE 3.5: THE MOTIVATION PROCESS



Source: Solomon (1996: 126)

As can be seen in Figure 3.5, the motivation process always commences with need recognition and ends with a goal, representing the consumer's desired end state. Solomon (1996: 126) distinguishes between two different categories of needs, namely utilitarian and hedonic needs. Utilitarian needs refer to functional or practical benefits, whereas hedonic needs imply experiential needs that involve emotional responses.

When needs are recognised, the discrepancy between the consumer's actual and desired states creates tension. The urgency of the consumer to reduce the tension is determined by the magnitude of the tension, called "drive".

Solomon (1996: 126) continues by stating that consumer needs can be satisfied in a number of ways, influenced by amongst others the consumer's culture and experience. When all these factors are combined, a manifestation of a need is formed, called a "want". The motivation process is completed when the goal is achieved, leading to reduced tension.

Schiffman & Kanuk (1997: 83) define motivation as: "... the driving force within individuals that impels them to action". This so-called driving force is a result of an unfulfilled need. Also, the specific course of action that consumers pursue

together with the special goals are selected on the basis of cognition (their thinking process) and previous learning.

Two terms used in the discussion above, needs and goals, need to be discussed briefly to provide a better understanding of their role in motivation.

According to Schiffman & Kanuk (1997: 84) every individual has needs, comprising either innate or acquired needs. Innate needs refer to physiological or biogenic needs and include the need for air, food, water, shelter and sex. Since these needs are considered essential to sustain biological life, the biogenic needs are considered primary needs or motives. Acquired needs are learned in response to the individual's culture and environment, for example the need for power, prestige and self-esteem.

Acquired needs are, therefore, generally psychological or psychogenic and are considered secondary needs or motives, resulting from the individual's subjective psychological state and from relationships with others. For example, an executive being transferred needs accommodation (a need for shelter - a primary need). The residence selected may, however, fulfil secondary needs when a residence is selected in a golf estate (need for prestige) with a large entertainment area (to fulfil social needs).

Schiffman & Kanuk (1997: 84) describe goals as the sought-after results of motivated behaviour. It is therefore important to note that all behaviour is goal-orientated. Two different kinds of goals are identified, namely generic and product-specific goals. Generic goals refer to the general categories of goals that consumers select to satisfy needs and product-specific goals imply specific labelled or branded products that can fulfil needs.

Schiffman & Kanuk (1997: 85) continue by stating that for any need there are a number of different appropriate goals. The goals selected by consumers,

therefore, depend on their personal experience, cultural norms and values as well as the goals' accessibility in their physical and social environments.

From the discussion above can be concluded that needs and goals are interdependent where neither exists without the other. Consumers may, however, not always be as aware of their needs as of their goals. For example, a person may not recognise the need for achievement but will still strive to become the best divorce lawyer in town.

It should be noted that consumers are usually more aware of physical needs than psychological needs (Schiffman & Kanuk, 1997: 85). People know when they are thirsty or hungry and will take action to satisfy these needs. The same people may not be aware of their needs for power, self-esteem and status and will, therefore, subconsciously engage in behaviour that will satisfy these psychological needs.

Schiffman & Kanuk (1997: 86) continue by stating that motivation can be positive or negative in direction. Positive motivation refers to a driving force towards an object or condition, for example a person motivated to visit a certain restaurant to satisfy hunger needs. Positive drives are often referred to as needs, wants and desires. Negative motivation, often viewed as fears and aversions, implies a driving force away from an object or condition, for example a person impelled to stay away from motorcycle transportation to fulfil a safety need.

In addition to the above, Schiffman & Kanuk (1997: 86) distinguish between rational and emotional motives. Rational motives imply that consumers will elect goals based on totally objective criteria (for example, size, price, weight and litres per kilometre), whereas emotional motives suggest that consumers will select goals based on personal or subjective criteria (for example, fear, pride, affection and status).

Schiffman & Kanuk (1997: 87) provide clarity on the dynamic nature of motivation by stating that it is always changing as a result of changes in response to the individual's physical condition, environment, interactions with others and experiences. The constant changes in needs and goals can be attributed to a number of reasons. Firstly, needs are never completely or permanently satisfied. For example, hunger needs have to be satisfied or being a director in a company may only be temporarily satisfying a need for power, since a more senior position (with greater power) may be aspired to.

Secondly, as needs are met, new higher-ordered needs become apparent. For example, when the need for a house is met by purchasing a residential unit in a security complex, another need may emerge to gain acceptance from the new neighbours or gain recognition by serving on the Board of Trustees of the complex. The hierarchy of needs was discussed in greater detail in Chapter 2 (Section 2.3.5) when the theory of Maslow's hierarchy of needs was discussed as an influence to human behaviour.

Thirdly, success and failure influence goals. As consumers successfully achieve their goals, new and higher goals are set in an attempt to raise levels of aspiration. The successful achievement of goals, therefore, inspires consumers and gives them confidence in their ability to achieve higher goals. Finally, if the consumer is not able to achieve a specific goal or type of goal that will satisfy a need, behaviour may be altered in an attempt to achieve a substitute goal. A substitute goal, although not as satisfactory as the primary goal, may prove sufficient to prevent uncomfortable tension to the consumer.

Engel et al. (1995: 405) note in conclusion to motivation that utilitarian needs lead to consideration of objective, functional product attributes or benefits, whereas hedonic needs encompass subjective responses, pleasures, day dreams and aesthetic considerations.

3.3.2.3 Knowledge

An understanding of consumer knowledge is important from a consumer decision-making point of view, since the consumer's knowledge determines what products are bought, how much will be spent on the purchase and where and when it will be purchased.

It is important to define knowledge and distinguish between knowledge and consumer knowledge before discussing the content thereof. Engel et al. (1995: 337) define knowledge as: "... the information stored within memory", whereas consumer knowledge, derived from knowledge, can be defined as: "the subset of total information relevant to consumers functioning in the marketplace ..." (Engel et al. 1995: 337). Assael (1995: 310) adds to the above by stating that knowledge as a function organises and classifies information, therefore facilitating the consumer information-processing task.

It can therefore be derived from the definitions above that, from a consumer behaviour point of view, knowledge can be applied to specific purchase decisions.

Engel et al. (1995: 338) suggest that there are two basic types of knowledge, namely declarative and procedural knowledge. **Declarative knowledge** refers to known subjective facts, for example, eggs, water and flour are ingredients for making a cake. Peter & Olson (1994: 71) add to the above by stating that general knowledge (declarative knowledge) is concerned with consumer's interpretations of the environment, for example knowledge regarding a product category (compact discs and fast-food hamburger franchises), particular behaviour (ordering at restaurants and shopping in malls), other people (a friend or a sales person) or oneself (shy and honest).

Two categories of declarative knowledge are distinguished, namely episodic and semantic knowledge. Episodic knowledge refers to information that is bound by the passage of time, whereas semantic knowledge refers to generalised knowledge that provides meaning to a person's world and would be used, as an example, to describe a video machine.

The understanding of how subjective facts can be used is called **procedural knowledge**, for example knowing how eggs, water and flour are combined in making a cake. Peter & Olson (2002: 56) clarify procedural knowledge by describing it as knowledge about how to do things. Important to note is that facts are seen as being subjective, since the knowledge held by consumers need not correspond to objective reality. For example, a consumer may consider price as an indicator for quality although it may not necessarily be related.

Consumer knowledge can typically be viewed from three perspectives when considering consumer behaviour and decision-making, namely product, purchase and usage knowledge.

According to Engel et al. (1995: 338), **product knowledge** includes a variety of different types of information, including awareness of the product category and brands within the category, product terminology, product attributes as well as features and beliefs regarding the product category and specific brands. Peter & Olson (1995: 82) add by noting four different levels of product knowledge, namely product class, product form, brands and models.

In addition to the above, knowledge regarding price plays an important role in product knowledge, since marketers may be forced to reduce prices for their service offerings if consumers are price conscious and knowledgeable about prices charged in the market for competitive products. If consumers, however, are uninformed about relative price differences, marketers may exploit the ignorance by charging more for their products.

Purchase knowledge includes information consumers have that is necessary to obtain products and includes knowledge of where and when to purchase. A major issue that needs to be addressed during decision-making is where to purchase products. Knowledge regarding where products can be purchased directly impacts on the decision-making process. A consumer typically has to choose between different stores that will sell the selected brand.

For example, a consumer who has decided to purchase Revlon lipstick has to decide at which of the following competing stores the lipstick has to be purchased: Edgars or Red Square, Truworts, Clicks or Link Pharmacy. Once a store has been selected, the consumer needs to decide at which branch of the selected retail outlet should the lipstick be purchased. For example, the Edgars store in the local shopping mall may have a greater variety and friendlier shop assistants than the Edgars store in the centre of town. In addition to the store selection, purchase knowledge also includes information regarding where in the specific store the selected product can be found.

The decision when to purchase forms part of purchase knowledge, since consumers may decide to prolong a purchase decision based on the expectation of a future sale of the chosen product. The decision when to purchase may also be a factor when new products are launched since some consumers may not purchase new products until the prices thereof have dropped. For example, a consumer may decide to purchase a DVD player but decides to wait until more competitors enter the market, most likely resulting in price reductions.

The final perspective on consumer knowledge is that of **usage knowledge**, involving information regarding how to use a product and what is required to actually use the product. For example, a consumer may know what a welding machine is used for but lacks the knowledge to actually operate it. The importance of considering consumer knowledge regarding the usage of a product is two-fold. Firstly, consumers will be less likely to purchase a product that they

don't know how to use or what to use it for and secondly, consumers may not be aware of different ways and situations in which a product can be used.

From the discussion above it can be derived that knowledge held by consumers could influence need recognition and the decision-making process. For example, a consumer may recognise the need for Q-20 when noting an advertisement that shows other uses for the product (including removing grease and tar from a motorcycle or removing stickers from glassware), although the consumer knew that Q-20 can be used to lubricate locks and moving parts of machinery but was unaware of the other uses of the product. During the decision-making process, the consumer (who knows about all the uses of Q-20) may decide to purchase this product (because of knowledge of the usage situations) although only a lubricant for locks is required.

3.3.2.4 Attitudes

Attitudes perform an important role in consumer behaviour and decision-making, since they represent consumer likes and dislikes (Engel et al., 1995: 362). Attitudes are therefore dominant when selecting a brand and store when purchasing products, since consumers will select what is perceived as the most favourable alternatives.

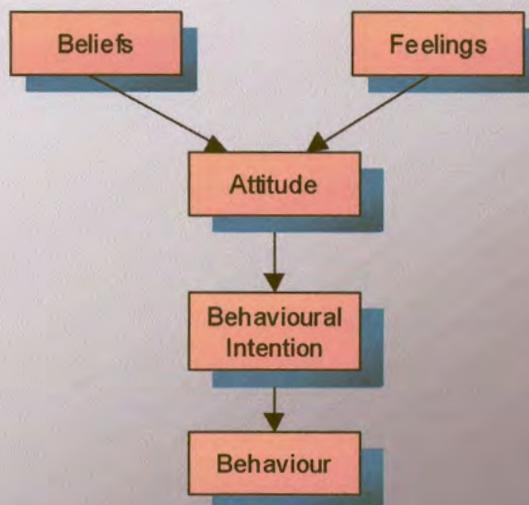
Hawkins et al. (2001: 394) define attitudes as: "... an enduring organization of motivational, emotional, perceptual, and cognitive processes with respect to some aspect of our environment". Schiffman & Kanuk (1997: 235 - 236) provide a definition more applicable to consumer behaviour by defining attitudes as: "... a learned predisposition to behave in a consistently favourable or unfavourable way with respect to a given object".

Assael (1995: 266) adds to the definition above by providing greater clarity on the influence of attitudes on consumer behaviour: "Attitudes towards brands are

consumers' learned tendencies to evaluate brands in a consistently favourable or unfavourable way; i.e., consumers' evaluation of a particular brand on an overall basis from poor to excellent". The definitions above should prove sufficient to form an understanding of attitudes and the way in which they are interpreted in consumer behaviour.

Assael (1995: 267) continues the discussion on attitudes by stating that brand beliefs, brand evaluations and intention to purchase define three components of attitudes. Brand beliefs represent the cognitive or thinking component of attitudes. Brand evaluations refer to the affective or feeling component and intention to purchase implies the conative or action component. The manner in which these three components influence attitudes are illustrated in Figure 3.6.

FIGURE 3.6: THE RELATIONSHIP AMONG BELIEFS, FEELINGS, ATTITUDES, BEHAVIOURAL INTENTION AND BEHAVIOUR



Source: Engel et al. (1995: 365)

The three components forming the so-called ABC model of attitudes – affect, behaviour and cognition - (Solomon, 1996: 160) or the tricomponent attitude

model (Schiffman & Kanuk, 1997: 239), will be briefly discussed below to form a better understanding of their influence on consumer behaviour and the way they influence consumer-decision making.

Hawkins et al. (2001: 395) explain that the **cognitive component** consists of consumer beliefs about an object. Schiffman & Kanuk (1997: 236) clarify the term “object” by stating that it should be interpreted broadly to include specific consumption and marketing-related concepts, for example product, product category, brand, possessions, product use, advertisements, people, price and retailer.

Consumers, therefore, have a number of beliefs regarding attitude objects. A consumer may have the following beliefs of a BMW 330i for example. It has a powerful engine, it is competitively priced to similar products, it is relatively heavy on fuel and is manufactured by a world-class company.

Schiffman & Kanuk (1997: 240) explain the **affective component** as comprising emotions and feelings of consumers regarding a particular product or brand. Assael (1995: 268) adds that the affective component can be viewed as one-dimensional (as opposed to beliefs being multi-dimensional), where consumer evaluations of a brand can be measured by rating a brand as either “good” or “bad” or “most preferred” to “least preferred”. For example, a consumer who states, “I like Coke”, is expressing the result of an emotional or affective evaluation of the product.

Hawkins et al. (2001: 398) note that since products are evaluated in the context of a specific situation, the affective reaction to a product (as well as the beliefs about a product) may change as the situation changes. For example, a consumer may believe that Coke has caffeine and that caffeine keeps one awake. Such beliefs may have a positive affective response when the consumer needs to stay awake while working on night duty. They may also have a

negative response when the consumer would like something to drink at night that won't result in staying awake.

Assael (1995: 268) continues by explaining that the **conative component** represents the consumers' tendency to act towards an object, generally measured in terms of intention to purchase. Hawkins et al. (2001: 399) explain the conative (behavioural) component by stating that a series of decisions to purchase, or not to purchase, a particular brand or to recommend that brand or other brands to others (for example family, friends and colleagues) would reflect the behavioural component of attitudes. From a marketing research point of view, the intention of consumers to purchase can, for example, be derived from some of the following statements portraying intentions: "I probably will purchase one", "I am uncertain whether I will buy one" and "I definitely will not buy one". Intention to purchase can also be established by posing a question to which consumers could respond. For example: "How likely are you to purchase a new cellular phone during the next month?" with consumers responding to one of the following measurements: "very likely", "likely", "unlikely" or "very unlikely".

It is important to understand the way in which attitudes are formed (referred to as attitude formation). Schiffman & Kanuk (1997: 258) explain that attitude formation, from having no attitude towards an object (for example a notebook computer) to having some form of attitude towards an object (for example a notebook is useful when travelling), is a result of learning. Schiffman & Kanuk (1997: 258 – 259) note three possible learning theories relating to attitude formation, namely classical conditioning, instrumental conditioning and cognitive learning theory.

Classical conditioning: Consumers often purchase new products that are associated with a brand name that is perceived to be favourable based on repeated satisfaction with other products produced by the same manufacturer. The brand name, therefore, represents the unconditioned stimulus that results in

a favourable attitude (the unconditioned response) due to repetitive purchases and a positive reinforcement from purchasing the brand. Marketers often attempt to create a stimulus generalisation from the brand name to the new product, resulting in the consumer purchasing the new product based on a positive attitude towards the brand.

The same principle is also followed by marketers whose products are endorsed by celebrities, where they attempt to create a positive attitude for the product based on the existing positive attitude towards the celebrity. For example, young tennis players may have a positive attitude towards André Agassi. Marketers may attempt to create the same positive attitude for a new tennis racquet by letting André Agassi endorse it.

Instrumental conditioning: Attitudes sometimes follow only after purchase and consumption. For example, a consumer may purchase a product without having a prior attitude towards it (for example the only brand of toothpaste sold at a holiday resort). Consumers also purchase new products from product categories in which they have little involvement, for example a consumer starting a new hobby building and painting model aircraft may purchase a brand of paints without having an attitude towards the brand. If the consumer is satisfied with the performance of the purchased brand, a favourable attitude is likely to be developed for it.

Cognitive learning theory: Consumers are likely to form attitudes (positive or negative) when solving a problem or satisfying a need on the basis of information exposure and their own knowledge and beliefs. For example, a consumer experiencing hay fever may learn that Bioforce AG sells a product that reduces the symptoms (without the accustomed drowsiness and side-effects of similar remedies), thereby creating a positive attitude towards Bioforce Echinaforce, especially if the consumer had a positive experience with other products sold by Bioforce AG.

In closure to the discussion on attitudes it should be mentioned that the formation of consumer attitudes is strongly influenced by personal experiences, influences of family and friends and direct marketing as well as mass media (Schiffman & Kanuk, 1997: 260). Consumer attitudes towards products and services are primarily formed by their **direct experience** in using and evaluating them. Marketers who recognise the importance of consumer experience in forming attitudes may offer consumers discount coupons and free samples to encourage the usage of products. Satisfaction with the usage of the product could possibly result in a positive attitude towards the product and repurchase thereof.

Family and friends could directly influence attitude formation, since many values and beliefs are learned from friends and family. For example, a child that is “rewarded” with sweets for good behaviour often retains a taste for (and positive attitude towards) sweets as an adult. **Direct marketing** efforts can favourably influence consumer attitudes through promoting products and services to niche markets by addressing very specific needs and concerns. Through market segmentation, marketers can identify groups of individuals with similar profiles and offer them highly personalised product offerings, possibly resulting in a favourable attitude towards the brand or marketer. Finally, consumer attitudes can be influenced by the **mass media** through exposure to information regarding new products, ideas, options and advertisements.

From the discussion above can be concluded that consumer attitudes are affected by a number of influences. Need recognition and decision-making can, therefore, be directly influenced by a consumer’s attitude towards a product, service, brand, advertisement, seller or friends and family. For example, a consumer who receives personalised information through a direct mail campaign, may form a positive attitude towards the advertised brand, recognising it as fulfilling an unfulfilled need and purchase the advertised product.