



Consumer Perception



Consumer Behavior

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Chapter 4 Learning Objectives



- 4.1 To understand the elements of perception and their role in consumer behavior.
- 4.2 To understand why consumers process only a small amount of the information they receive.
- 4.3 To understand how consumers organize consumption-related information.
- 4.4 To understand why and how consumers “add” biases to stimuli and the implications of this tendency for marketing.

Chapter 4 Learning Objectives



4.5 To understand the elements of consumers' imagery.

4.6 To understand how consumers determine the quality of products and services.

4.7 To understand consumers' perceived risks and how they handle and reduce those risks.

Perception

The process by which individuals select, organize, and interpret stimuli into a meaningful and coherent picture of the world. It can be described as “how we see the world around us.”

Learning Objective 4.1

4.1 To understand the elements of perception and their role in consumer behavior.

Sensation

The immediate and direct response of the sensory organs to **stimuli** (units of input to the senses, as captured by the **sensory receptors**).

Audio Sensory Input

TABLE 4.1 Sensory Audio Input and Product Perception

PRODUCT	SOUND AND ITS CONSUMER MEANING
Snapple	Consumers perceive the sound of the “pop” as an indicator of product safety. When the company came up with the right snap sound, it was able to eliminate the plastic seal around the bottle’s cap.
VW Jetta	The car door’s “thump” is an indication of quality. The company played and mentioned the door thump in ads for a new model.
Mascara	Consumers perceive the sound and duration of the “click” heard when taking the cover off as indicators of quality.
Eye shadow	A more pronounced “click” heard when opening the compact case symbolizes higher quality to consumers.
Tip markers	Consumers like the “screech” because it represents “boldness.”
Tampons	Realizing that women dislike opening tampon packages that omit sound, P & G redesigned the product’s packaging. The plastic’s “crinkle” was carefully balanced and the new adhesive strip makes no sound when opened.
Spray bottle	Method made the nozzle of its spray bottle almost indistinguishable because consumers perceive a quiet nozzle as an indicator of quality.

Discussion Questions

What is the difference between the absolute threshold and the differential threshold (JND)?

Why do marketers care about sensory adaptation?





Ambush Marketing

Placing ads in places where consumers do not expect to see them and cannot readily avoid them.

Experiential Marketing

Allows customers to engage and interact with offerings in sensory ways in order to create emotional bonds between consumers and marketing offerings

Discussion Question

- How might a cereal manufacturer such as Kellogg's use the j.n.d. for Frosted Flakes in terms of:
 - Product decisions
 - Packaging decisions
 - Advertising decisions
 - Sales promotion decisions



Subliminal Perception

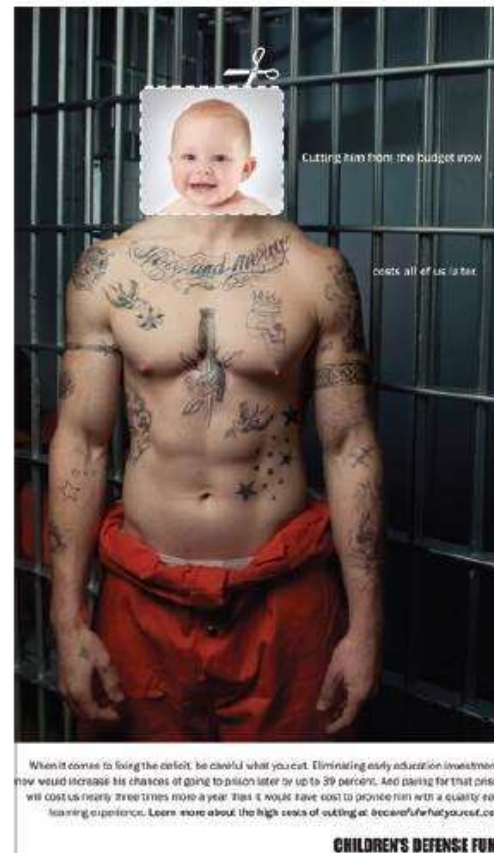
- What is subliminal perception?
- Is it effective?

Learning Objective 4.2

4.2 To understand why consumers process only a small amount of the information they receive.

The Stimulus

- Contrast
- Shocking or unrealistic images



Discussion Questions

- What marketing stimuli do you remember from your day so far?
- Why do you think you selected these stimuli to perceive and remember?

Perceptions are affected by...

- Expectations
- Motives
- Selective Perception
 - Selective Exposure
 - Selective Attention
 - Perceptual Defense
 - Perceptual Blocking

Learning Objective 4.3

4.3 To understand how consumers organize consumption-related information.

Perceptual Organization

- Gestalt psychology
- Figure and ground
- Grouping
- Closure



FIGURE 4.10 Consumers Will Seek Closure in This Clorox Ad

Perceptual Organization Application



What Element of
Perceptual Organization
Is Featured in This Ad?

Learning Objective 4.4

4.4 To understand why and how consumers “add” biases to stimuli and the implications of this tendency for marketing.

Perceptual Interpretation

- Stereotyping
- Triggers
 - Physical appearance
 - Descriptive terms
 - First impressions
 - Halo Effect

How Does This Ad Depict Perceptual Interpretation?

DODGE DURANGO. Why drive some pathetic excuse for an SUV when you can wrap your hands around Dodge Durango? The most affordable SUV with a V-8. Durango's maximum available towing capacity is almost four tons*. In other words, this baby comes around chunks of those wimpy wannabes in its tail pipe. For more info, call 800-4-A-DODGE.

GRAB LIFE BY THE HORNS  **DODGE**



IT'S A BIG FAT JUICY CHEESEBURGER IN A LAND OF TOFU.

*When properly equipped

Learning Objective 4.5

4.5 To understand the elements of consumers' imagery.

Brand Image

- Positioning
- Brand image updates
- Package image
- Service image

TABLE 4.2 Benefit Claims of Detergent Brands

BRAND	BENEFIT	BENEFIT CLAIM
Ecos	Environmentally friendly	Made <i>Earth Friendly Products</i> in three scents, provides better price performance than the competition, and has soy fabric softener and cellulose-based optical brightener.
Caldrea	Sweet Pea Detergent	Mild but highly effective in removing stains and especially formulated for babies and children. Tested by dermatologists and includes oils and surfactants derived from plants.
Cheer	Protects against wear and tear	One of the numerous detergent brands made by P & G. Protects against fading, color transfer, and fabric wear. Comes in powder or liquid and with or without bleach.
Ivory Snow	Mild and pure	Also a P&G brand. Provides mild cleansing and purity for a simple clean.
Tide	“Fabric cleaning and care at its best” (an umbrella positioning claim)	The best-selling detergent in the United States and also a P & G brand. The benefit offered is an “umbrella position” (see Chapter 2) within which P&G developed more than 30 versions of Tide, each with a unique benefit: e.g., Ultra Tide with Bleach (an alternative to chlorine bleach), Tide Downy (with a touch of softness and freshness), and Tide Free (“No dyes. No perfumes. No worries”).

Perceived Price

TABLE 4.4 Consumer Reactions to Unexpected Prices

CONSUMER ENCOUNTERS WITH UNEXPECTED PRICES

↓ CONSUMERS REDUCE DISSONANCE USING ONE OF THE FOLLOWING MODES

SEEKING CONSONANT INFORMATION

↓
Evaluate alternative suppliers
Evaluate substitute products
Plan to search for additional information

↓
Seek consonant information from another retailer or a substitute product (or) remain dissonant

↓
Change attitude, trivialize or remain dissonant

CHANGING ATTITUDE

↓
Update Price Expectations

↓
Attribute higher prices to:
1. product quality
2. updated product information
3. product attributes
4. general rising prices

↓
Dissonance is reduced

TRIVIALIZING

↓
Reduce the importance of:

1. money
2. shop around savings
3. saving money
4. a good deal
5. fair pricing
6. value

↓
Dissonance is reduced

Source: Joan Lindsey-Mullikin, "Beyond Reference Price: Understanding Consumers' Encounters with Unexpected Prices," *Journal of Product and Brand Management*, 12, nos. 2/3 (2003): 141. Copyright © 2003, MCB UP Ltd.

Learning Objective 4.6

4.6 To understand how consumers determine the quality of products and services.

Quality

- Product quality
 - Intrinsic cues
 - Extrinsic cues
- Service quality
- Price/quality relationship
- Store image
- Manufacturer image

Discussion Question

Provide an example where a viral message impacted consumer perceptions of a company's image. In your opinion, how did the viral message affect consumer perceptions of the quality of the product or service provided by the company?



Learning Objective 4.7

4.7 To understand consumers' perceived risks and how they handle and reduce those risks.

Perceived Risk

The degree of uncertainty perceived by the consumer as to the consequences (outcome) of a specific purchase decision

TABLE 4.5 The Elements of Perceived Risk

TYPE OF PERCEIVED RISK	DEFINITION	EXAMPLE
Functional risk	Product will not perform as expected.	Can the e-reader operate a whole day without having to be recharged?
Physical risk	Product can harm self and others; risk to self and others.	Is organic unpasteurized milk safe to drink? (Many states do not permit unpasteurized milk, but many greenmarkets carry it because it is organic.)
Financial risk	Product will not be worth its cost.	Will a new and cheaper model of an LED TV monitor become available six months from now?
Psychological risk	Poor product choice will bruise the consumer's ego.	Will I be embarrassed when my friends see me with a mobile phone that is not a smartphone?
Time risk	Time spent in product search may be wasted if the product does not perform as expected.	Will I be forced to compare all the different carriers' calling plans again if I experience a lot of "dropped calls" with the one I selected?

How Consumers Handle Risk

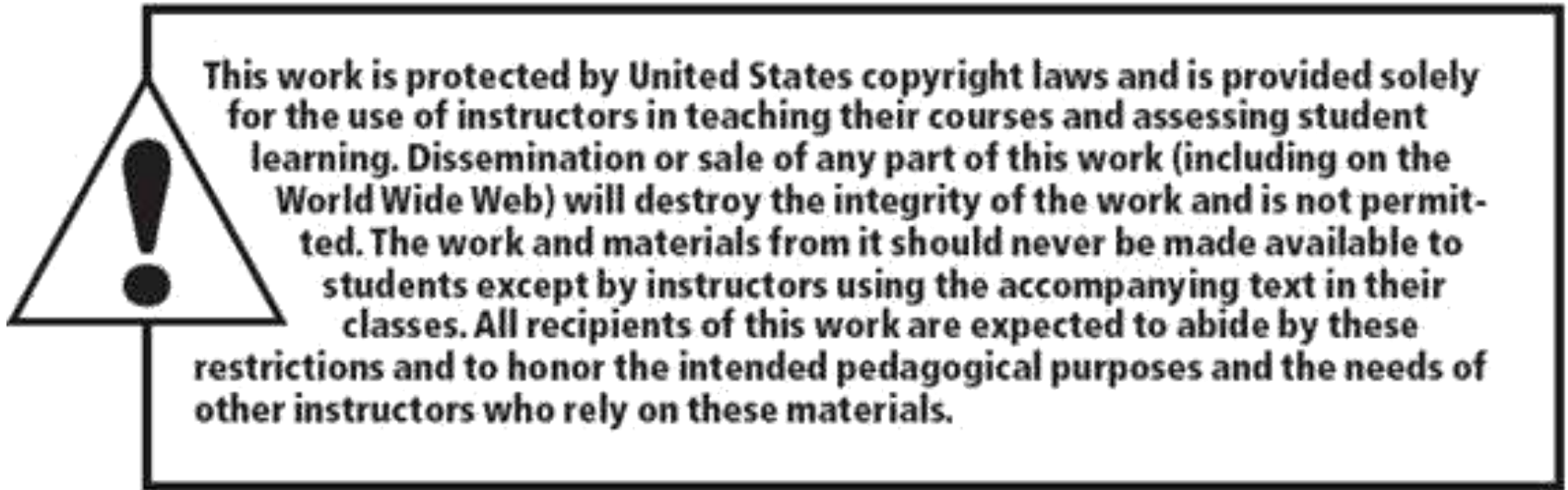
TABLE 4.6 Consumers Can Reduce Perceived Risk

METHOD	DESCRIPTION
Seek information	Consumers seek information about the product and product category through word-of-mouth communication (from friends and family and from other people whose opinions they value), from salespeople, and from the general media. They spend more time thinking about their choice and search for more information about the product alternatives when they associate a high degree of risk with the purchase.
Remain brand loyal	Consumers avoid risk by remaining loyal to a brand with which they have been satisfied instead of purchasing new or untried brands. High-risk perceivers are more likely to be loyal to their old brands and less likely to purchase newly introduced products.
Rely on brand image	When consumers have had no experience with a product, they tend to “trust” a favored or well-known brand name. They often think well-known brands are better and are worth buying for the implied assurance of quality, dependability, performance, and service.
Rely on store image	If consumers have no other information about a product, they often trust the judgment of the merchandise buyers of a reputable store and depend on them to have made careful decisions in selecting products for sale. Store image also provides assurance of return privileges and adjustment in case of dissatisfaction.
Buy the most expensive model or brand	As indicated in the discussion of price/quality relationship, consumers often feel that the most expensive model is probably the best in terms of quality.

Discussion Question

Think of a recent purchase that you considered risky. What type(s) of risk was (were) involved? How did you handle the risk? Explain.





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