

# Introduction to Consumer Behavior & Research Methods

Professor Seunghee Han

# Outline

- Research:
  - Why do it?
- Types of research questions.
- Types of research methods:
  - Observation
  - Focus Groups
  - Surveys and Interviews
  - Correlational Studies
  - Experiments

# Why try to understand consumers?

- Goal of marketing is to *influence* consumers.
- But, to influence consumers, marketers must understand consumers.
- Marketers are therefore *influenced by* consumers.
  - Must consider not just what consumers prefer, but also consider why consumers prefer it!
  - Reciprocal influence between marketers and consumers.

# What are the responses that marketers can influence (and should therefore understand)?

- Cognitions (thoughts)
  - Product-related knowledge, beliefs, opinions, intentions
- Affect (feelings)
  - Product-related emotions
- (Observable) Behaviors
  - Product-related decisions and actions

# When can marketers influence these responses?

- Pre-acquisition
- Acquisition
  - Whether, what, why, how, when, where, how much, how often, etc.
- Post-acquisition
  - Use
  - Disposal
  - Re-purchase

# What must we understand to influence these responses?

- Basic human abilities, limitations, and tendencies
  - Perception, attention, memory, comprehension, categorization
  - Attitudes, attitude change
  - Decision making
- Individual differences and personal factors
  - Motivation, needs, personality, demographics
- Environment
  - Friends, family, group norms, culture
- These interact to shape thoughts, feelings, and behaviors.

# Whom do we want to influence?

- Purchaser, but also...
- “Influencers”
  - User
  - Information gatherer
  - Decider

# A definition of “Consumer Behavior”

The totality of consumers’ thoughts, feelings, and decisions about the consumption, acquisition, and disposition of goods, services, activities, and ideas.



## ...but who cares?

- Marketing managers
- Policy makers
- Ethicists and consumer advocacy groups
- We do (as consumers!)

**How do we learn how consumers  
behave?**

# The Science of (Consumer) Behavior

- Need to:
  - Understand: “What happened?”
  - Predict: “What will happen?”
    - To predict, must understand WHY something happened.
- Terms that we will encounter
  - Data – classified observations of behavior; your results
  - Hypothesis – a predicted relationship between variables

# Types of research questions

- Applied research
  - Answers questions specific to a given product, market, etc.
  - Ex: Pepsi Raw
- Research conducted:
  - In-house
  - External research firm
  - Watchdog agencies



# Types of research questions

- Basic research
  - Answers questions independent of product specifics
  - Ex:
    - What affects your perception of taste?
    - What makes a spokesperson credible?
    - How can attitudes be changed?
    - How do peer groups exert influence?
  - Research conducted:
    - Universities
    - Government agencies
    - “Think-Tanks”
  - Answers can (hopefully) be applied to many products and situations.



# Research Methods: Observation

- Watching how people interact with some aspect of their environment (e.g., your product).
- Can be quite unobtrusive
  - Watching shoppers in stores
- Can be quite intrusive!
  - Going into someone's home
- Advantages
- Disadvantages

# Research Methods: Focus Groups

- A group gathers, led by a trained moderator, to discuss your product (or your ad, etc.)
- Can be done over the phone or online
  - Frees you from location constraints and gives people more freedom to disagree with the group.
  - But, may lose some data, e.g., body language, non-verbal reactions.
- Advantages
- Disadvantages

# Research Methods: Surveys/Interviews

- Each person responds to a pre-set list of questions.
  - One-on-one, by mail, by phone, by computer
- Might ask:
  - Quantitative questions
    - “Have you tried my product? How often? How long ago?”
  - Qualitative questions
    - “What do you think of my product, my ad, my company?”
- Advantages
- Disadvantages





# Danger of Surveys & Focus Groups

(...and the biggest disadvantages of both)

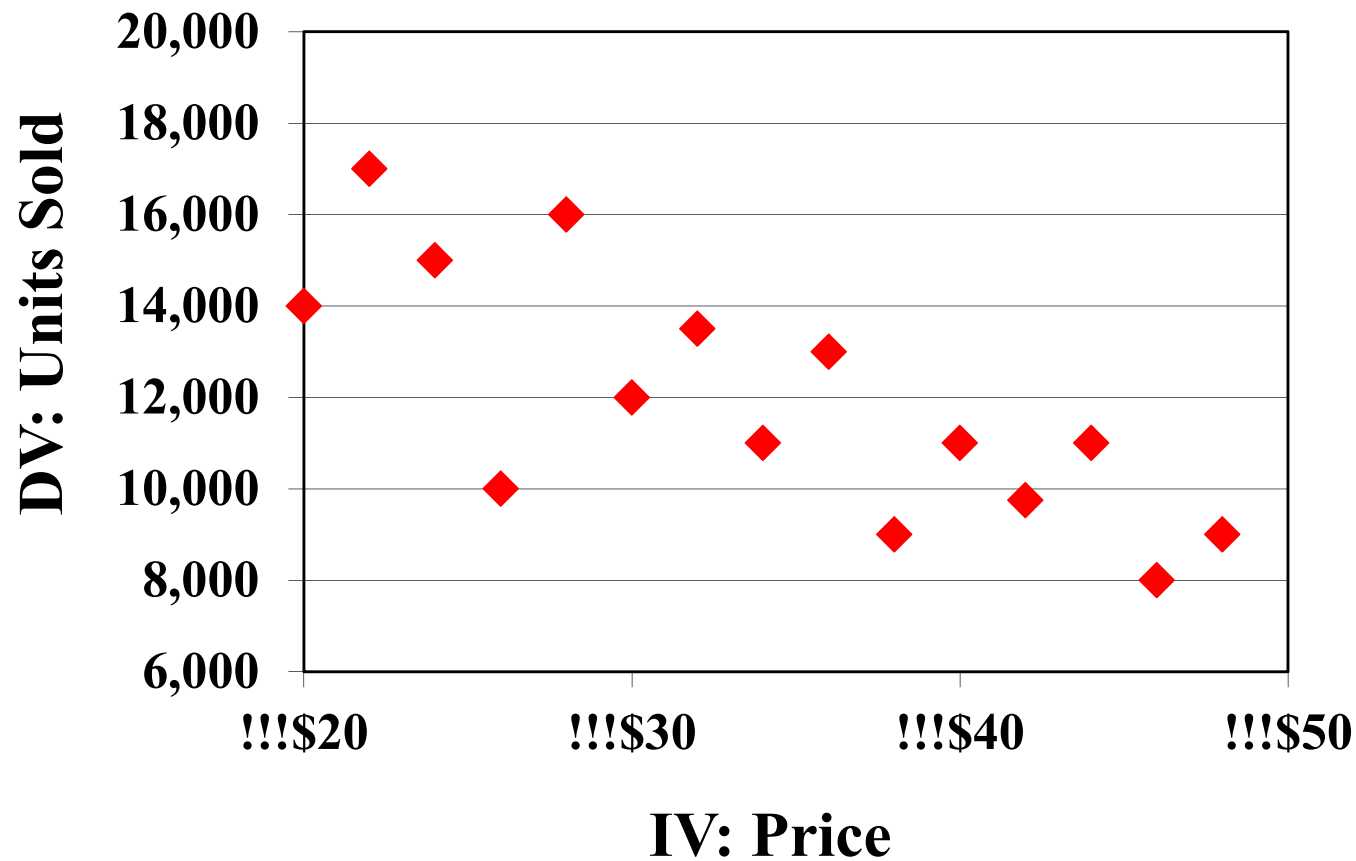
- Introspection cannot always tell us “why.”
  - An example (Nisbett & Wilson):
    - Four identical pairs of stockings, displayed left to right.
    - Stocking on the right was preferred 4X as often as stocking on left.
    - NO ONE mentioned position as having an effect.
  - Experimenters were able to manipulate choices, but people weren't able to report why they made the choices they did.
- Memory is error-prone.
  - Subtle changes in question wording can influence reporting of behaviors (E. Loftus).
    - How many other products have you tried: 1, 5, 10? Answer:
    - How many other products have you tried: 1, 2, 3? Answer:

# Research Methods: Correlations and Experiments

- Asking people *why* may lead you astray.
- Asking them *what* might not be much better.
- “Self-report” may not be enough.
- So, to understand and predict behavior, we must be more systematic:
  - See how changes along a selected dimension (*independent variable*) are associated with changes in behavior (*dependent variable*).

# Example:

## Are sales of a toy related to its price?



# Correlational Research

- In correlational research, changes in the independent variable (IV) are not under the researcher's control.
  - The IV may be controlled by someone else.
  - The IV may vary naturally, historically, etc.
  - Ex: Changes in price over time
- The researcher observes and measures the IV and looks for a relationship with the DV.
- Useful, but correlation is not causation.
- Two big potential pitfalls:
  - Reverse causation problems
  - Third variable problems

# Experiments

- Experiments can help you avoid some of the pitfalls of correlational research.
- Experiments can help you isolate the cause of a change in behavior.
- Experiments require two main things:
  - The researcher controls (or “manipulates”) the independent variable.
  - The researcher “randomly assigns” participants to different levels or versions of the IV.

# How do you design an experiment?

1. Determine your IV and DV.
  - Which “levels” of your IV will you examine?
2. Randomly assign your participants to groups.
  - Doing this should create groups that are roughly equal.
3. Manipulate the groups’ experiences.
  - Each group sees one “level” (or “version”) of your IV.
  - Doing this allows you to manipulate the IV-level that participants are exposed to.
    - You (the researcher) control the IV.
    - (In a correlational study, the researcher can only observe and measure the IV.)
4. Measure participants’ behavior (the DV) after they have been exposed to the IV.

# How do you interpret an experiment?

- Compare the behavior (the DV) between your randomly-assigned groups.
- Let's say the groups are different!
  - Random assignment suggests that the groups should not have differed systematically at the start.
  - The IV was the only systematic difference between groups.
  - Any differences now observed between the groups must be due to the difference in the IV-level.
    - You have isolated the cause of the difference.
- Random assignment and manipulation of the IV allow you to infer that the IV causes a change.

# Characteristics of Experimentation

- Main advantage: Only way to establish the cause of a change in behavior.
- Answers basic and applied questions.
- Can be done on a small scale (in the lab) or on a larger scale (in the field).
  - Less control in the field.
  - Random assignment may be harder in the field.
- Disadvantage: Sometimes experimentation (namely, random assignment) isn't possible.
  - Ex: Can't assign people to ages, genders, etc.
  - Ex: Can't assign people to smoke or not.



# Ethics in research

- Need to protect participants
  - Obtain informed consent
    - May pose a dilemma – how much to tell?
  - Protect privacy
- “Mere-measurement” effect: Innocuous questions may themselves shape behavior!
  - Half of households in sample were surveyed and were asked: “When will the next new car be purchased in your household?”
  - Other half not surveyed at all.
  - All contacted 6 months later.

# Things to watch out for...

- Temptation to resist research results
  - May clash with intuition.
  - “I know (or I am) an exception”
    - Most results are general trends... not every person every time!!
- Yet, must be a critical consumer of research
  - Don't believe every result you read:
    - Look for leading questions.
    - Look for good experimental design and random assignment.

# In Summary...

- Research is vital – intuition can't always be trusted.
- Consumer research:
  - Arises from many disciplines
  - Involves basic or applied questions
- Observations, focus groups, and surveys may be useful, but they rely on people's (potentially incorrect) assessments of "why."
- Correlational studies and experiments systematically associate changes in marketing strategy with changes in behavior.
  - But only an experiment can truly isolate the CAUSE of those changes.

# **Examples of faulty intuition...**

# The confirmation bias & the discounting problem

We tend to seek out information that is consistent with our expectations and discount information that is inconsistent with those expectations.

## Arthritis study (Redelmeier & Tversky, 1996)

- Common belief: Arthritis is associated with changes in weather
- Study showed zero correlation! Yet, patients still believed it. Why?
- Paid special attention to those times when great pain coincides with weather changes.
- Did not notice when great pain did not coincide with weather changes

# The limited data problem

- We tend to make inferences on the basis of very little information
- Problematic since behavior is *probabilistic and multidetermined*
- E.g., If a friend tells us a particular restaurant is terrible, we tend to believe it.

# The baserate/comparison group problem

- We tend to overlook the fact that inferences about contingencies require some kind of comparison standard



# Chicken soup

- Does eating chicken soup decrease cold severity?
- It is not enough to know that, for example, 7 out of 10 people with a cold who had chicken soup started to feel better after 5 days.
- Why not? Maybe 7 out of 10 people with a cold who didn't have chicken soup started to feel better after 5 days too.

# Chicken soup

No

Yes

Feel better

7

Feel same  
or worse

3

# Chicken soup

No

Yes

Feel better

7

7

Feel same  
or worse

3

3

# Chicken soup

No

Yes

Feel better

5

7

Feel same  
or worse

5

3

# The pleasant truth problem

- We tend to believe things that make us feel good or *seem* right.

## How do these propositions “feel” to you?

- As a parent, how you rear your children plays virtually no role in whether your children grow up to become criminals or law-abiding citizens.

# Temptation to dismiss research results

- May clash with intuition or expectation
  - Counterexamples: “Not me” problem
    - Most results are trends...not every person every time!
- Sometimes results seem obvious but beware of 20-20 hindsight