

ESSENTIALS OF CONSUMER BEHAVIOR

DEBRA L. STEPHENS

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ROUTLEDGE

Essentials of Consumer Behavior

Essentials of Consumer Behavior offers an alternative to traditional textbooks for graduate students. Shorter than competing books, but no less rigorous, it includes unique material on vulnerable consumers and ethics.

Balancing a strong academic foundation with a practical approach, Stephens emphasizes that consumer behavior does not simply equate to buyer behavior. She examines the thoughts, feelings, and behaviors that shape consumers' attitudes and motivations in relation to brands, products, and marketing messages. Providing a concise guide to the discipline, the author covers key themes such as vulnerable consumers, new technologies, and collaborative consumption.

The book is supported by a rich companion website offering links to videos and podcasts, surveys, quizzes, further readings, and more. It will be a valuable text for any graduate student of consumer behavior or marketing, as well as any interested consumers.

Debra L. Stephens is Associate Professor of Marketing at the University of Portland, USA. She has published in leading journals, including the *Journal of Consumer Research*, the *Journal of Public Policy and Marketing*, and the *Journal of Business Ethics*.

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Essentials of Consumer Behavior

Debra L. Stephens

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To Gounguroo, my muse and kindred spirit, and Vimal Kumar Jairath, thank you for telling me it's not rocket science. You have an unfailing ability to make me laugh, pick myself up, and keep slogging.

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Contents

List of Illustrations ix
Acknowledgments xi

PART I
Introduction to Consumer Behavior 1

1 Introduction to Consumer Behavior 3

2 Consumer Research Methods 16

3 Perspectives on Products 29

4 The Consumer's Journey 44

PART II
Consumers Creating Meaning 71

5 Sensory Perception in a Consumption Context 73

6 Memory and Priming 91

7 Sociocultural and Interpersonal Influences on Consumer Behavior 106

PART III
Vulnerable Consumers 121

8 Vulnerability in Adult Consumers 123

9 Children as Consumers 141

https://t.me/PrMaB

10 Nonhuman Animals as Consumers and Consumption Objects 150

PART IV
The Impact of Technology and Value Shifts on Consumer Behavior 179

11 The Rise of Collaborative Consumption and the Sharing Economy 181
WILLIAM BARNES AND GREG HILL

12 Technology's Impact on Consumer Behavior 203

Index 213

https://t.me/PrMaB

Illustrations

Figures

4.1	Consumer Decision Funnel	47
4.2	Considered Pathway to Purchase	48
4.3	Buying Decision Influence	62
4.4	Habitual Pathway to Purchase	64
4.5	Marketers' Moments of Truth (MOTs) and the Consumer Journey	65
5.1	Softness and Enveloping Warmth	78
5.2	Baby Soft, Gentle	79
5.3	Which Glass Contains More Juice?	80
5.4	Consumption Bias	81
7.1, 7.2	Japanese Schoolchildren Bento (Lunch boxes)	111
10.1	AVMA vs. APPA Estimates of Pet Ownership	158
11.1	Drivers of the Collaborative Economy	190

Tables

4.1	Comparison of Prices of LG G Vista and Samsung Galaxy Note 3	56
4.2	Comparison of Specifications of LG G Vista and Samsung Galaxy Note 3	56
4.3	Comparison of Capabilities and Features of LG G Vista and Samsung Galaxy Note 3	56
4.4	Ravi's Comparisons of Three Smartphones	58
4.5	Numbers of Sources We Seek for a Variety of Product Categories	69
7.1	To What Extent Do You Trust the Following Forms of Advertising?	116
8.1	Population and Income Data for PWD and their Friends and Family	136
9.1	Development of Executive Functions	143
10.1	U.S. Pet Ownership Estimates	159

https://t.me/PrMaB

10.2 U.S. Dog Ownership Estimates 159
10.3 U.S. Cat Ownership Estimates 160
10.4 Where Do People Acquire Pets? 163
12.1 How Acceptable Is Data Sharing for Each of the Following Scenarios? 210

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Part I

Introduction to Consumer Behavior

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1 Introduction to Consumer Behavior

Objectives

1. To show how understanding consumer behavior can benefit marketers, public policy makers, consumer advocates, and consumers themselves.
2. To specify the parameters of the study of consumer behavior.
3. To explore the interdisciplinary underpinnings of the study of consumer behavior.

Benefits of Studying Consumer Behavior

What's the first thing you do when you get up in the morning? Jump into the shower, pour a bit of body wash into your hand, and reach for your loofah? Stumble sleepily toward the kitchen to pour your first cup of coffee from the coffeemaker with the timer that ensures that your coffee is wafting its fragrance toward your bedroom when you first open your eyes? Throw on your sweats and start stretching for your morning run? Take the dog for a walk, feed the cat, change your toddler's diaper?

Each of these small, seemingly insignificant actions involves purchased products, every one chosen from a vast array of alternatives. Many mundane actions strung together constitute your morning routine, a scripted performance you've memorized without trying to, the goal of which is to get your day started. The products you use to ease the transition from waking to being ready to face the world are, if they are working right, virtually invisible after so many repeat performances; it's how they help you and those you love that matters. After the novelty wears off, you may stop noticing the fragrance of your shower gel, the aroma of your morning coffee, the stretchy comfort and warmth of your sweats, the environmental friendliness of your toddler's diaper brand.

For marketers of the body wash, the coffee, the yoga pants, the diaper, understanding your routine and the mental processes underlying it means their livelihood. What made you choose one brand of body wash over all the others? Did you research product ingredients or reach for it unthinkingly, by force of habit? If you twisted off the cap to take a little sniff, did the fragrance remind you of something pleasant or make you feel energized, attractive, nostalgic? Or did your sweetheart, who shops for the two of you, select it?

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The highly successful 2010 Old Spice campaign, "The Man Your Man Could Smell Like,"[1] was, according to the 2011 Effie Award Case Study,[2] premised on the consumer insight that women purchased three of every five men's body washes, coupled with the awareness that body washes were "low-involvement," unexciting products that seldom inspired consumer conversation. Based on these insights, advertising agency Wieden+Kennedy created commercials and a social media campaign that appealed to women with its attractive spokesperson, former NFL wide receiver Isaiah Mustafa, and to both genders with its tongue-in-cheek humor. It got people talking, revitalized the Old Spice brand, and, most important, led to a significant increase in sales of Old Spice ("Creative Marketer of the Year: Procter & Gamble," 2010).

Does your morning coffee stream into your mug from a Keurig or other single-serve brewer? While U.S. coffee sales peaked in the 1940s and have remained flat since the 1980s (Hartman, 2014), sales of Keurig K-cups and other single-serve pods rose steadily through 2014. One of four consumers currently owns a single-serve brewer. We are willing to pay a premium for the convenience, personal choice, and variety of flavors (National Coffee Association USA, 2015): coffee pods cost $30 to $50 a pound compared to $15 for a pound of premium coffee beans (*Los Angeles Times*, 2014). How can so many of us convince ourselves to spend that much on coffee, no matter the convenience? The answer, Keurig creator Green Mountain Coffee found, is that we don't calculate our coffee expenditures based on price per pound; Starbucks taught us to calculate cost by the cup, and K-cups are considerably cheaper than the Starbucks coffees they replace. The Great Recession and coffee pod marketers helped us break our habit of grabbing a coffee on the way to work, and we are indeed saving money—just not as much as we could!

So what's the lesson? It's our perceptions and beliefs rather than a fully informed rational analysis that shape many of our purchase decisions. Marketers can't assume they know what we think or feel; they have to ask us repeatedly, over time and in different ways, to deeply understand our decisions to buy their brand or another, or an entirely different product, or nothing at all.

But marketers are not the only ones who benefit from understanding our motives for buying and our ways of using and disposing of products. So do the government agencies charged with ensuring product safety, fair business practices, truth in advertising, clear labeling—all concerned with our remaining safe from defective products, free from discriminatory business practices, and well informed about our choices in the marketplace. U.S. agencies concerned with consumer protection include:

Consumer Product Safety Commission
Bureau of Alcohol, Tobacco, and Firearms
Federal Trade Commission (FTC)
Food and Drug Administration (FDA).

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European directives concerned with consumer protection are listed on the General Product Safety Directive website.[3]

Insights into how consumers make choices could and should shape agency directives aimed at ensuring our safety and our access to the information we need in order to choose wisely. The U.S. Food and Drug Administration mandates nutritional labeling on most packaged foods, but ingredients potentially harmful to increasingly large consumer segments have many legal disguises. For diabetics, it is critically important to evaluate sugar content and this is difficult without knowledge of the many words for sugar commonly used by marketers. While our health concerns motivate us to consult these labels, few of us have the time or knowledge of chemistry to interpret them accurately.

The Federal Trade Commission mandates that marketing communications (advertisements, company websites, etc.) be truthful as interpreted by a "reasonable" person. The agency developed many of its directives based on consumer research. For example, the FTC may argue that a marketing communication is misleading even if it does not contain a blatant falsehood, but rather is likely to mislead by implication. The excerpt in the box is from a blog post on the FTC website describing such a case.[4]

Ad for Gerber Baby Formula: Deceptively Cute

October 30, 2014
by Aditi Jhaveri
Consumer Education Specialist, FTC

You want the best for your baby. So when you see an ad for formula that claims to help reduce the risk of your child developing allergies, you might be willing to give it a try. Well, hang on to your wallet.

In its ads for Gerber Good Start Gentle, the company states, "*You want your baby to have your smile, your eyes . . . not your allergies. Gerber Good Start Gentle [is] easy to digest and may also provide protective benefits for your baby.*"

Does that mean that by using Good Start Gentle you can reduce the risk that your baby will develop the same allergies you may suffer from? Not quite, says the FTC.

In fact, an investigation by the agency concluded that Good Start Gentle hasn't been shown to reduce the risk of developing most allergies; it may lower the risk of developing *one* specific condition, atopic dermatitis due to milk allergy—sometimes known as baby eczema. So the FTC filed a complaint, saying Gerber's Good Start Gentle ads were deceptive because they made general allergy claims.

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Understanding consumer perceptions and motives informs the actions of consumer advocacy organizations as well. The Center for Science in the Public Interest together with the Berkeley Media Studies Group convened the Food Marketing Workgroup, "a network of more than 225 organizations and academic experts . . . dedicated to eliminating harmful food marketing—particularly marketing aimed at those who are most vulnerable to obesity and other nutrition-related diseases—by actively identifying, investigating, and advocating changes to marketing practices that undermine health."[5] In response to the widespread practice of greenwashing (deceptively promoting a product or organization as "environmentally friendly") the Consumer Union, nonprofit publisher of *Consumer Reports*, launched GreenerChoices.org, a web-based initiative "to inform, engage, and empower consumers about environmentally-friendly products and practices."[6]

As important as it is for marketers, policy makers, and consumer advocates to delve into our motives to find our purchase "triggers," and understand our quandaries about what to buy, it is essential for us as consumers to know what drives us, to develop the ability and then habit of observing our own foibles and vulnerabilities, honoring our future selves while relishing the compelling, playful, hedonistic marketplace experience.

What Is Consumer Behavior?

The American Marketing Association defines consumer behavior as follows:

> 1. . . . The dynamic interaction of affect and cognition, behavior, and the environment by which human beings conduct the exchange aspects of their lives. 2. The overt actions of consumers. 3. . . . The behavior of the consumer or decision maker in the market place of products and services.
>
> (American Marketing Association Dictionary)[7]

Notice that the first definition specifies the three aspects of consumer processes: cognitions or thoughts, affect or feelings, and behaviors. But cognitions and affect are not directly observable, so we must rely on people to articulate their thoughts and feelings. As we'll see in Chapter 2, researchers have developed methods for obtaining accurate self-reports from consumers, as well as very clever experiments from which they can infer what participants are thinking or feeling.

Behavior, on the other hand, is directly observable; we can watch consumers as they shop, make purchases, use products, and share experiences with other consumers both online and offline. Consumers' interactions with one another are as important to understand as consumers' responses to marketing; increasingly we rely on user reviews to make purchase decisions, and on user advice to resolve product malfunctions.

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Notice also that the phrase "exchange aspects" encompasses not only product acquisition, purchase, and usage, but also product disposition, i.e., disposal. What we do with things we're done using is of increasing concern as our landfills overflow, our oceans become choked with human detritus, and the recyclers who disassemble our electronic discards are sickened by the toxic materials inside them.

The last thing to notice about the definition of consumer behavior is its reference to products and services. We can claim ownership of any object, physical or metaphorical, and we can objectify anything including other sentient beings. In its broad sense, "products" may include goods, people, nonhuman animals, and even ideas. And while we cannot own services, we can and do consume them.

We see that consumer behavior encompasses many if not most of our daily activities. Even when we sleep we are using beds and bed linens, and increasing numbers of people are using sleep tracking devices. While products and brands are usually not protagonists in our life narratives, they are part of the context, some, like the tablet on which this book is being written, facilitating our daily work; others, like the suit you might wear to a job interview, identifying your role to all concerned; still others, like a long-anticipated trip abroad, lending exotic color, fun, and adventure to our stories.

Which Disciplines Inform the Study of Consumer Behavior?

As an area of study, consumer behavior draws from several decades of research in social sciences, including economics, psychology, sociology, and anthropology. More recent advances in neuroscience knowledge and methods of study have also attracted consumer behavior researchers seeking ever more concrete and definitive ways of modifying marketing stimuli to elicit predictably positive responses from consumers. Each of these disciplines provides a lens through which a different aspect of consumer behavior becomes visible.

The traditional economist views consumer behavior as a reason-driven quest to maximize utility, i.e., value for the money, with each purchase. While that perspective has fallen out of favor from time to time, it has merit in a world of skeptical consumers who have ready access to ever more product and company information. It also captures the goal-oriented nature of our cognitive processes and consequent behaviors. In the book *Absolute Value: What Really Influences Customers in the Age of (Nearly) Perfect Information* (2014), authors Itamar Simonson and Emanuel Rosen argue that consumers can now choose brands based on their objective attributes rather than having to rely on marketing hyperbole. We will explore these authors' framework later. For now, though, we return to our chronology of social science influences on consumer behavior.

In the 1950s, as Freudian psychoanalysis gained greater acceptance in the U.S. and Europe, branding and sheer numbers of brands also rose. These two

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apparently unrelated trends enabled marketers to wonder, perhaps for the first time ever, whether we choose brands based on powerful unconscious motives rather than rational analysis. Fueling this argument were some puzzling consumer behaviors that economists couldn't readily explain in terms of utility maximization. New and more convenient food products like cake mix, instant coffee, and pie filling mixes were not generating the excitement or sales that marketers had predicted based on the considerable time and effort they saved purchasers. Marketing researchers employing projective techniques, adapted from psychoanalysis and hence especially effective for uncovering unconscious motives and biases, discovered that the target consumers, married women with children, associated these time-saving products with laziness and neglect of home and family. After the marketers of these brands changed their ad campaigns to show how homemakers could use the time saved to care for their families in other ways, these new brand forms flew off the shelves. (See Steinman, 2009, for more details.)

The traditional economic view of the rational consumer stands in stark contrast to the motivational researcher's portrayal of a consumer beset by unresolved fears and unfulfilled yearnings. Enter social psychologists. Like economists, they posited that our overt behaviors are driven by mental processes we can readily report if asked. But they went on to deconstruct these mental processes in order to determine their role in shaping behavior. Martin Fishbein and Icek Ajzen, in their seminal 1975 book *Belief, Attitude, Intention, and Behavior*, theorized that in order to explain or predict behavior, researchers must measure not only our attitudes toward the action in question, but also our perceptions of what others will think of us if we act as we are inclined. In a consumer context, our attitude (beliefs, feelings, evaluation) toward a brand plays a major role in our decision whether to purchase it, but social norms may either put the brakes on or support our choice. Most of us adults have learned to temper our impulses to please people significant to us. For example, your favorite pizza may be Domino's, but if a friend you respect seems appalled at your "bad taste" ("If you must eat pizza, at least buy gourmet!"), you may begin purchasing a brand less tasty to you but more acceptable in your friend's eyes. In other words, we do not always buy the brand we prefer, even if we can afford it, because of powerful social influences.

Social psychology reigned supreme in our study of consumer behavior until the 1980s, when computer models of the brain became popular. The field of cognitive psychology emerged, dramatically enriching our approach to studying consumer behavior. The computational model of brain function enabled consumer behavior researchers to investigate how we make sense of, or process, information we encounter in the marketplace. Cognitive research revealed that our memories are vast networks of concepts connected in many different ways, not all rational. Our memories of familiar brands include many associative links to factual information, feelings, and experiences we have had while using the brand. And new information may reinforce or dramatically alter those associations.

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For example, when a favorite brand has a crisis, how do consumers integrate the new and negative information into their positive mental representation of the brand? The company's response to the crisis largely determines the long-term effects on consumer memory and brand attitude. Chipotle Mexican Grill restaurant chain, known for its fresh locally sourced food, was associated with an outbreak of E. coli in the Pacific Northwest in October 2015. While none of the food analyzed was found to be tainted, the restaurant was the only common link among the people who became ill. Public relations experts generally agreed that Chipotle handled the crisis well ("Chipotle's E. Coli Crisis," 2015), by voluntarily closing their restaurants in Oregon and Washington, hiring independent food safety experts to evaluate their food handling and preparation, and adhering to their "People before profits" brand positioning.

Complementing the internal individual focus of cognitive psychology, sociologists have contributed much to the study of consumer behavior by specifying the ways in which groups and individuals important to us influence our purchase decisions. In addition, using network analysis they can trace the path of an innovative product or idea from the individual(s) who first adopt or purchase it and tell others about it, to the very last people to adopt it. With the speed of digital communication and the multiplicity of social networking media, it is essential for marketers to understand and capitalize upon these patterns of influence that crisscross the globe but may be strong and lasting nonetheless.

Sociologists also brought to consumer behavior the concept of homophily, i.e., we associate with others who are similar in some meaningful way. Geodemographic market segmentation is based on this important premise. Further, as information studies and social media scholar Jennifer Golbeck notes, this phenomenon leads to the "curly fry conundrum"; data miners have learned that people who "like" curly fries on Facebook are in general smart. How can this be? The relationship probably emerged from a smart individual's "liking" of curly fries, some of her friends, also smart, following her lead, and several of their friends, smart as well, following in turn.[8] In other words, such unexpected findings are explained by network analysis and homophily.

As brands continued to proliferate up to and well beyond the turn of the century, marketers seeking an edge turned to anthropologists for insights into how their products fit into consumers' daily lives. Retail anthropologist Paco Underhill characterized the current jostling for consumers' attention in a marketplace teeming with competition as a "bar brawl," requiring a deep and detailed analysis of how we navigate retail settings and interact with brands after we get them home. Other anthropologists who study consumer behavior explore the roles of products and brands in our holiday rituals, rites of passage (weddings, birthdays, retirement, etc.), and rituals focusing on products themselves. For example, an anthropologist might attend a Harley-Davidson motorcyclists' rally to learn more about how groups of Harley owners form a

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collective identity based on their shared love of riding and aspiration to emulate the Hollywood-created archetypal rebel. From consumer anthropologists, we have learned that people often form such brand communities—online and offline—some so cohesive and distinct from mainstream culture as to be considered subcultures. Even Nutella, beloved by many from childhood, has a passionate following on Facebook and other social media sites.

We started this section by describing the classical economist's view of the consumer as a rational being whose goal is to maximize utility. We end it with a discussion of how *behavioral economists* have deepened our understanding of consumer behavior by exploring the systematic biases in our thinking that result in judgments and choices that are *not* rational. Three of the most influential scholars in this area are Dan Ariely, who described how biases affect consumer behavior in his popular book *Predictably Irrational* (2008); Richard Thaler and Cass R. Sunstein, whose book *Nudge* (2008) took a prescriptive approach showing how we can improve our decisions; and Daniel Kahneman, author of *Thinking, Fast and Slow* (2011), an eloquent and highly readable treatise on the nature, pervasiveness, and effects of our perceptual and cognitive biases on many aspects of our lives. An experiment reported in the American Medical Association journal (Waber et al., 2008) demonstrates how profoundly bias may affect consumer experience. Given a choice of two "pain relievers" (actually placebos), one costing $2.50 per pill and the other "discounted" to $0.10 per pill, participants who received the more expensive one reported significantly less pain from mild electric shocks than those given the "discount" tablet. The conviction that the more expensive tablet had greater efficacy actually affected consumers' experiences of pain!

To get a clearer idea how this broad array of disciplines helps interested stakeholders understand consumer behavior, let's explore an example.

Elizabeth and Debra Forage for Fascinators

Elizabeth and Debra are friends of many years. They are also highly trained observers of marketing and consumer behavior. They live across the country from each other now, so don't get to visit very often. When Debra had a chance to attend a work-related conference in New Orleans, she texted her friend right away: "If you'd like to fly in from Baltimore, I'll come down early from Portland." To Debra's surprise and delight, Elizabeth texted "YES!" within five minutes, whereupon they eagerly begin planning their three-day adventure.

They arrive in New Orleans without incident, and trundle their rolling bags chock-full of Chico's apparel and accessories to the airport taxi stand where they quickly get a cab and travel to the New Orleans Marriott in the city's French Quarter. This very old and colorful heart of New Orleans is famous for its chic boutiques and cheap souvenir shops, its fine seafood and hearty Cajun fare, and, most of all, its talented and ubiquitous

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jazz and blues musicians who grace the streets, bars, and concert halls with their rich voices and sonorous chords. The bellman quickly shows the two adventurous women to their well-appointed room overlooking the Mighty Mississippi River. They happily unpack together, exclaiming over each other's clothes and jewelry; without going into soporific detail, suffice to say almost everything had come from their favorite—make that FAVORITE—retailer, and most of it was sparkly. Yes, even some of the pants. (Debra bought new luggage for this trip after extensive research online and she began her post-purchase evaluation as she was packing for her trip. Feeling dubious about her choice of very lightweight but unstructured bags, she went back online to reassure herself by finding positive reviews of the item. This was a high-involvement decision process with significant cognitive dissonance she has not yet resolved.)

We fast forward to the last day of the conference. While Debra dutifully attends workshops, listens keenly to the keynote speaker at the luncheon, and vets a software vendor, Elizabeth takes a walking tour of the historic French Quarter and then wanders into a succession of inviting and well-stocked stores she happens upon as she meanders back to the hotel. By the time she returns to the room, she is a proud owner of a lovely purple fleece jacket, a pretty but practical raincoat, an attractive broad-brimmed navy blue hat, and a fascinator. What, you may be wondering, is a fascinator? It is a headband adorned with decorations ranging from feathers to froufrou flowers, from sparkly buttons to brightly colored bows; some fascinators even sport little hats with feathers, bows, flowers, and sparkles all their own.

When she sees Elizabeth's fun fascinator with its little cap covered with golden colored sparkles, Debra insists vehemently, "We must find a fascinator for me too!" Why such passion and urgency? The two friends have a history involving hat shopping expeditions that did not unearth even one hat that looked good on Debra, but yielded several that looked lovely on Elizabeth's head. After the last such failed foray, Elizabeth suggested to her hatless friend that she might look fetching in a fascinator. "What's a fascinator?" Debra chuckled at the name, which sounded to her like its creators had made a positive judgment of the product on the consumer's behalf, and how silly was that? Milliner and fascinator purveyor Laura Whitlock, the long-time observer of women's decorative headgear, regards the fascinator as the "gateway drug of hat-wearing," observing that a woman who has never worn hats (e.g., Debra) will readily don a fascinator.[9]

Now, eyeing her friend wearing the charming ornament, Debra becomes convinced that a fascinator is in her immediate future. So the friends quickly dress for dinner and hurry to the shop where Elizabeth found hers. Disappointing for Debra, not one fascinator she tries on looks the least bit fetching on her; most are a rather bedraggled black, making her look

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a little like a witch wannabe. As they leave the shop empty-handed, she regains some equanimity and reluctantly admits that she doesn't really *need* a fascinator, she just thinks it would be a fun accessory.

But as the friends stroll toward their dining destination, they happen upon a lovely little boutique. Despite the fact that she is just about to close the shop for the evening, the kind and customer-centric proprietor welcomes the two women and shows them the few fascinators she has in stock at the moment. While these are not at all bedraggled like those at the other shop, they are no more becoming on Debra. The proprietor, by now involved in the friends' quest for just the right fascinator for Debra, suggests that they go next door to the boutique's sister shop, a charming and quite expensive shoe store named Shoe Be Do.

"We have a fascinator emergency!" exclaims the proprietor to the salesman at Shoe Be Do. The salesman willingly stops sweeping up in preparation for closing, so that he can fetch the shop's one remaining fascinator. It is a silky cream-colored headband on the right side of which perches a charming little hat in a muted leopard print with a bow of the same print and lovely creamy feathers standing up proudly above it. Debra carefully eases it onto her head, hesitantly looks in the mirror, and beams at her reflection. "This is it!" she exclaims, both delighted and relieved. Elizabeth and the two proprietors agree wholeheartedly that Debra looks quite fetching in the fascinator. Debra has to restrain herself in order to ask the price. Even when she learns that it costs a whopping USD76, she says without hesitation, "I'll take it!"

This story contains a conundrum for every discipline we discussed. To wit:

- A traditional economist might inquire whether Debra became ever more willing to pay a high price for the right fascinator as the object proved more elusive than she had anticipated.
- A motivational psychologist would wonder why finding attractive headgear mattered so much to Debra.
- A social psychologist might ask Debra to describe the nature of Elizabeth's influence on her shopping and fashion choices. S/he might go on to inquire how hats fit into Portland's norms of dress, and whether, when, and where any of her colleagues or friends wear hats or other hair decorations.
- A cognitive psychologist would likely first ask Debra to verbalize her thoughts and feelings before, during, and after the purchase; then ask her to specify and assign importance weights to her criteria for choosing from among the alternatives. Further, s/he might inquire whether the immediate sensory context of the boutiques and the broader context of the neighborhood helped shape Debra's thoughts and feelings about the fascinators.

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- A sociologist might delve into the demographics of consumers of hats and fascinators. Regional, age, and social class variations in usage would likely be of particular interest.
- An anthropologist would want to learn more about the occasions (rites and rituals) during which it is appropriate for women of a specific age or social stature to wear hair adornments of various kinds.
- A behavioral economist might inquire whether Debra's decision was influenced by the way the fascinators were presented, several simultaneously followed by the lone item in the last boutique.

A marketer would have an interest in the answers to all of these questions. As a luxury good with a niche market and numerous small competitors, a fascinator may fetch a higher price if its exclusivity is emphasized by its retailers and e-tailers. The reasons why finding attractive headgear matters so much to Debra would inform a salesperson's interactions with her as she tries on fascinators, as would understanding Elizabeth's influence on her decisions. Knowing the regional, social, and cultural contexts in which Debra might wear one or another type of fascinator would enable retailers in different regions to choose appropriate styles and quantities of fascinators to stock for different social occasions. Knowledge of Debra's decision process and the many sensory factors that helped shape it could inform store design and location, merchandise presentation, and salesperson behavior.

Organization of Book

This book takes an interdisciplinary approach to exploring the many important facets of consumer behavior. It is organized as follows. In Chapter 2, Consumer Research Methods, we explain the major consumer research methods and the contexts in which each is most appropriate; we also point readers to the best sources of secondary consumer research. We distinguish between self-report and direct observation and discuss the differences between qualitative and quantitative research methods, emphasizing that they are complementary, each uncovering insights the other cannot.

Chapter 3, Perspectives on Products, examines how our product purchases are related to our goals and core values. We describe the research method that may be used to reveal and further analyze these connections between products and goals or values. The chapter also discusses our varying levels and types of cognitive and emotional involvement with different products and brands.

Chapter 4, The Consumer's Journey, incorporates moments of truth (MOTs) and journey mapping into a discussion of the consumer's progression from brand awareness to brand advocacy. The chapter explores how the journey changes depending on how the consumer thinks and feels (i.e., forms attitudes) about the product, brand, and purchase itself, e.g., whether it is carefully considered or routine.

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Part II (Chapters 5 through 7) explores how consumers create meaning from a chaotic bombardment of information, ranging from persuasive pleas to dire warnings, from arcane technical specifications to fun factoids.

Chapter 5, Sensory Perception in a Consumption Context, investigates sensory perception with an emphasis on the retail context, one of the richest and most complex consumer environments. We describe how consumers respond cognitively, emotionally, and behaviorally to a variety of marketer-created sensory stimuli.

Chapter 6, Memory and Priming, describes how we form, organize, and retrieve brand- and product-related memories, both cognitive and emotional, whether semantic or episodic. The chapter explains how incidental brand exposure may prime related memories and behaviors.

In Chapter 7, Sociocultural and Interpersonal Influences on Consumer Behavior, we explore how others influence our consumption goals, desires, and practices, collectively and anonymously through cultural and subcultural prescriptions and constraints; and individually, through our relationships with family, peers, and aspirational role models. The chapter examines how others help shape our brand perceptions and choices, and discusses the power and mechanisms of word-of-mouth influence on our consumer behavior.

Part III (Chapters 8 through 10) focuses on consumers not typically given prominence in a consumer behavior text, those who are especially vulnerable to influence attempts that do not serve their best interests, or to outright exploitation by unscrupulous marketers or other consumers.

Chapter 8 examines vulnerability in adult consumers, both situationally imposed by hardship or loss, and chronic due to disability or societal constraints. Chronic vulnerabilities are increasingly common as Baby Boomers age and veterans and accident victims survive severe injuries. Physical and mental impairments may impede independent acquisition of information and exploration of the environment, and result in reduced consumer autonomy.

Chapter 9, Children as Consumers, focuses on their vulnerability which arises from developmentally associated limitations in cognition, judgment, and impulse control. The chapter discusses the latest research in these areas and its implications for marketing to young consumers.

Chapter 10 focuses on how and why consumers acquire nonhuman animals and proposes best practices for animal adoption agencies and for consumers considering acquiring a pet. What makes companion animals especially vulnerable to us consumers is our ability to control the quality of their lives and their inability to give informed consent.

In Part IV (Chapters 11 and 12) we discuss how consumption practices are changing in response to technology and shifting societal values.

Chapter 11 focuses on the rise of collaborative consumption, fueled by near-ubiquitous digital media, a do-it-yourself mindset, and economic challenges. We explore similarities and differences between traditional consumer–brand relationships and collaborative consumption communities like Airbnb and Etsy.

Chapter 12 explores how we use technology devices, the rise of context-aware computing, and our concerns about privacy as data mining becomes ever more sophisticated.

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The author wrote this book to educate, but also to engage and intrigue readers so that they will continue to learn about this fascinating and important area, and about their own consumer behavior, wise and unwise, considered and impulsive, but never mundane or trivial.

Notes

1 www.oldspice.com/en-US/videos.aspx?id=owGykVbfgUE&page=3
2 http://current.effie.org/downloads/2011_Grand_NA_OldSpice.pdf
3 http://ec.europa.eu/consumers/consumers_safety/index_en.htm
4 www.consumer.ftc.gov/blog/ad-gerber-baby-formula-deceptively-cute
5 www.foodmarketing.org/about/
6 www.greenerchoices.org/aboutgreenerchoices.cfm
7 https://www.ama.org/resources/Pages/Dictionary.aspx?dLetter=C
8 TED talk based on 2013 article in *Proceedings of the National Academy of Science* (Michal Kosinski, David Stillwell, and Thore Graepel, 2013, "Private Traits and Attributes Are Predictable from Digital Records of Human Behavior," *PNAS* 110(15): 5802–5805).
9 Quoted in a Britannica blog post by Debra Mancoff, 2011, "Fascinating Fascinators: What's in a Name?" May 17 (http://blogs.britannica.com/2011/05/fascinating-fascinators/), which also outlines a history and definition of the modern fascinator.

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2 Consumer Research Methods

Objectives

1. To explore a range of methods of investigating consumers' cognitions (thoughts), affects (feelings), and behaviors.
2. To clarify what we can and cannot conclude based on different research methods.
3. To describe how to construct a clear and answerable research question.

Introduction

The scene is a busy street in Manhattan. A well-dressed 30-something man is hurrying down the sidewalk, jostling the pedestrians around him. He has a mobile phone—an early, brick-like model—plastered to his ear and wears a smug smile as he shouts into the phone, "You're fired!" As he is putting the phone away in his coat pocket, an enormous truck grille appears right in front of him. He shouts as the scene fades. The next scene looks like a lot of us would envision heaven: fluffy white clouds drifting around our protagonist, angelic voices singing—and a plate of gigantic cookies. "Mmmm, heaven!" he says, very smugly indeed now that he has, he assumes, been accepted into paradise, where his every want will be anticipated. After eagerly munching a delicious-looking cookie, he opens an enormous refrigerator filled with cartons of milk. Eagerly the thirsty cookie consumer grabs a carton and tilts it toward his mouth, expecting the cold, refreshing milk as a welcome contrast to those rich, sweet chocolate chips. Feeling how light the carton is, he shakes it to make sure it is empty and tosses it aside. He grabs carton after carton, hurling each away as he finds it empty. Very thirsty and frustrated, he shouts, "arghhh!" Then, as the terrible truth dawns on him, "Wait a minute; where am I?" The scene fades into the words "Got Milk?" Flames lick at the letters as a sinister voice asks the question.[1]

The foregoing describes a television commercial in the long-running "Got Milk?" marketing campaign, which Goodby Silverstein created for the California Milk Fluid Processors' Board to reverse a decade-long decline in U.S. milk consumption. Throughout the 1980s milk consumption was

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on the decline for several reasons. First, scientists had discovered what they thought was clear evidence of the perils of fat consumption, and many milk drinkers preferred to forgo milk entirely rather than resort to drinking the nonfat version (then called "skim" milk). Second, new beverage brands and flavors of established brands were flooding the marketplace. So-called "New Age" beverages abounded, including ready-to-drink cold teas Snapple and Arizona, and bottled water brands ranging from expensive European imports such as Perrier and Pellegrino to lower-priced American brands like Coca-Cola's Dasani and PepsiCo's Aquafina. The third reason for milk's popularity decline was that as more women entered the workplace, busy dual-income families consumed more meals on the go and menus featured soft drinks more prominently than milk.

In short, Goodby Silverstein faced a daunting task. How could any marketing campaign possibly reverse a sales decline driven by such significant social and market trends? The first thing they did was take a look at milk advertising worldwide. They quickly discovered that almost all of these ads focused on the purported health benefits of drinking milk. Since that appeal was clearly no longer effective, the agency needed a new perspective on milk consumption. They sought insights from an innovative research paradigm called "gluttony deprivation." Focus group participants were recruited from among regular consumers of milk. They were instructed not to have any milk in the refrigerator for one whole week prior to the focus group interview, and to keep a journal during that week, recording everything they ate and drank, along with accompanying feelings.

By the time these milk-deprived individuals made it to their research appointments, they were frustrated and ready to talk about the trials of going without milk. Focus group interviews revealed the insight that shaped the "Got Milk?" campaign: We view milk as an accompaniment to the food we choose to eat. We elect to have cereal for breakfast, not cereal and milk. We ask for coffee, not milk and coffee. We cannot resist those fragrant cookies fresh out of the oven, with which we drink milk. We choose the food and assume the milk will be there. Milk, while secondary to the food, completes the consumption experience. During that week without milk, the participants could not enjoy their morning bowl of crunchy cornflakes or Cheerios, or get re-energized by that coffee laced with half and half, or even guiltily guzzle a glass of cold milk to wash down those late-night Oreos.

In addition to finding that consumers choose what to eat and then get milk if it "goes with" the food, Goodby Silverstein's research revealed that people don't usually even think about milk until, cereal in the bowl or cookie in hand, they open the refrigerator and find an almost empty carton or none at all.

In terms of the consumer responses we seek to understand, measure, and ultimately influence, the research behind the "Got Milk?" campaign unearthed valuable insights into all three types, i.e., thoughts, feelings, and behaviors related to milk. It showed that people don't usually have

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any thoughts about milk until they want to eat a food that "requires" it. Not thinking about milk can result in running out of it and not noticing until the food it complements is already on the table. Then, finding no milk in the refrigerator leads to feelings of frustration and disappointment. If there is enough milk to accompany the food in question, the consumer still doesn't so much think about the milk itself as feel pleasure in the behavior of consuming the food that milk makes even more delicious, or in some instances merely palatable.

The very successful and long-lived "Got Milk?" marketing campaign arose from this innovative research. The campaign objective was to change consumers' behavior, i.e., to motivate them to buy more milk, in part by increasing consumption of foods that need milk, and in part by reminding people to pick up some milk while they were out doing other things. The agency developed a series of television commercials (including "Heaven" described above) using humor to show the frustration consumers experience when they are deprived of milk and have just eaten—or are about to eat—something that requires it. To jog memory at the point of purchase, the agency developed in-store deals offering discounts on milk purchased along with well-known brands of dry cereal, peanut butter, cookies, and other foods that "need" milk. As added reminders to pick up milk on the way home from work, billboards showing delicious cupcakes and cookies, thirsty children and eager kittens clamoring for milk, were placed near access roads to supermarkets.

The result? The "Got Milk?" campaign was the first in many years to do more than enhance consumers' attitudes toward milk; it dramatically increased sales as well. We'll return to Goodby Silverstein's landmark research later in the chapter, when we discuss qualitative methods.

Methods of Investigating Consumer Cognitions, Affect, and Behavior

There are two broad categories of research methods—qualitative and quantitative—and which one we choose depends on the questions we want to answer. In brief, qualitative research is excellent for delving into the "why's" of consumer behavior, while quantitative research is well-suited to answering the "who, what, and how much" questions. Below are examples that will further clarify what we can learn using each of these methods.

Quantitative Research

Quantitative research is so named because it is used to quantify aspects of the object of study; this means it requires data that is either numerical or may be coded as such. Examples include frequencies and rates of occurrence (e.g., numbers of ice cream purchases during summer versus winter), ratings and rankings (e.g., online consumer ratings, top ten lists), magnitudes or counts

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(e.g., sales, number of people who click on an ad), answers to questions with specific alternatives (e.g., yes–no and multiple-choice questions). The following list, though not exhaustive, gives an idea how extensively quantitative methods are used, and the kinds of questions they enable us to answer.

Consumer Demographics and Lifestyles

Demographic data such as that collected in the decennial U.S. Census can answer many questions of interest to marketers, public policy makers, and consumer advocates. One of the thousands of questions Census data may be used to answer is: What is the average household size and composition and how will it change over the next two, five, ten years?

The answers are important to marketers of a variety of products ranging from groceries to real estate to lawn care and home repair. The Häagen-Dazs lover who is one of the growing number of consumers who live alone can now enjoy a perfectly sized one-half cup serving of her favorite flavor without worry about succumbing to the temptation of finishing the entire carton (Schrager, 2014). The more nutritionally vigilant consumer can now buy a personal-size watermelon or a single gluten- and preservative-free black bean burrito made by Amy's Kitchen.

While one-person households are on the increase, so are multigenerational ones: our lengthening life expectancy is swelling the numbers of Baby Boomers taking care of elderly parents, and increasing numbers of "boomerang kids," underemployed or unemployed 25–34 year olds live with their parents (Fry and Passel, 2014). Homebuilders have seized the opportunity to market houses built with additions or even separate structures for elderly parents, who may wish to retain their privacy and some measure of independence while enjoying the safety and intimacy close proximity affords them. For their adult children, the close but separate quarters for their parents give them peace of mind, relative convenience should the elders need help, and the tranquility their own privacy provides.[2]

Compared to our demographic identities, our lifestyles shape many more of our product and brand preferences. For example, Portland, Oregon, with its natural beauty and proximity to the beach, mountains, and even desert is a haven for outdoor enthusiasts who spend much of their free time hiking, running, or rock climbing; skateboarding, skiing, or snowboarding; surfing, kayaking, or rafting; and those who embrace this lifestyle will happily pay premium prices for high-performance sports apparel and equipment. The metro area can thus sustain several topnotch outdoor products brands and retailers, including Columbia Sportswear, North Face, Patagonia, REI, and Nike. Many of these retailers' customers are not particularly fond of outdoor pursuits, but purchase the apparel because it represents an aspirational lifestyle of adventure, closeness to nature, and, for some, physical prowess.

Lifestyle research involves compiling data from a variety of sources, including consumer surveys, ad networks, and traditional media companies

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that track, respectively, consumers' online and offline media usage, loyalty cards, and public records. All this data is combined in statistical analyses to create categories or segments of consumers based on their geographical locations; demographics such as age, income, education, and occupation; their leisure activities and interests, media choices, and purchase patterns. Nielsen, a leading lifestyle research provider market, has identified more than 60 distinct lifestyle segments in the U.S.,[3] enabling its client companies to identify, describe, locate, and communicate with current and potential customers. It also has a "zip code look-up" which offers "snapshot" profiles of the top five segments on a given zip code. Clients can obtain custom reports; Nielsen explains: "We might not have ready-made data on motorcycle moms from Georgia who jet ski, but if that's who you need to reach, we'll find the best way."

Consumers' Self-Reported Thoughts, Feelings, and Behaviors

Large-scale regularly occurring surveys track a wide variety of trends (social, economic, technology, etc.), many of interest to marketers and consumer advocates and policy makers. For example, those who market to children would find it useful to know how much money their young consumers get to decide how to spend. Harris Interactive's 2014 survey on the weekly allowances parents give their children provides a partial answer to this question.[4] Six in ten parents report that they give an allowance. On the whole, parents believe that older children should get a larger one; on average, they report, children in three age ranges—4–9, 10–13, and 14–17—should receive respective weekly allowances of $4.10, $8.70, and $16.00. Parental age and gender also correlate with amounts considered appropriate: The older the parents, the lower the allowances, and men report larger amounts than women. Most parents believe that children should earn their allowances by doing extra chores.

Advocates against marketing to children, such as the Campaign for a Commercial-Free Childhood, could use this information about parents' attitudes toward allowances to encourage family discussions and activities focused on teaching children the value and meaning of money, and the anticipation and ultimate satisfaction that comes from saving for something chosen with care and forethought, rather than acquiescing unquestioningly to marketing messages and peer pressure to own the latest, most popular sneakers or video game.

Surveys may also address topics of interest to specific industries or organizations; an example is the annual J. D. Power survey of customer satisfaction and its determinants across many industries and brands. Marketers need to track not only overall satisfaction with their industry and brands, but also customers' ratings of their performance on factors that determine satisfaction. For example, the 2015 survey revealed that despite increases in airfare and added fees, airline industry customer satisfaction ratings are at an

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all-time high.[5] The seven factors that drive satisfaction with airlines are, in order of importance to customers: cost and fees, in-flight services, boarding/deplaning/baggage, flight crew, aircraft, check-in, and reservation process. It may be that travelers have become inured to rising costs and fees, and that many appreciate not being charged for optional services they do not use, e.g., checked baggage, preferred seating, and expedited security clearance. Airline satisfaction still trails behind many industries including hotels, rental cars, and mortgage lenders.

Alaska Airlines and JetBlue ranked highest in their respective segments of traditional and low-cost carriers. Southwest Airlines, which yielded the top spot to JetBlue nine years ago, shows a need for improvement in its check-in and boarding/deplaning/baggage processes. JetBlue passengers show especially high satisfaction with the carrier's in-flight services and aircraft.

Consumer Behaviors Directly Measured

We want to measure actual behavior like purchases and media usage because self-reports of some behaviors may not be accurate. Can you list the items you bought on your most recent trip to the grocery store, or recite the list of websites you visited in the past seven days? Your lists might be mostly accurate if you just write down your habitual purchases or favorite websites. But could you recall package sizes and prices, or the pages you explored on a website? While tracking actual behavior may be more expensive or time-consuming than having consumers complete a retrospective survey, the added knowledge and tactical improvements it leads to may be well worth the investment.

Product and brand purchases may be tracked using retail scanner data. Nielsen and SymphonyIRI are market research firms that provide their marketer clients such "store data," which includes store-level brand and product sales volume, pricing, promotions at the point of sale, and distribution across individual store locations. These data enable a marketer to determine whether price changes, special promotions, and/or locations of stores carrying their brands are correlated with changes in sales volume. SymphonyIRI and Nielsen obtain longitudinal household-level sales data by incentivizing participants in an ongoing National Consumer Panel to use a handheld in-home scanner to track all of their purchases that are identified with a Universal Product Code. This type of data is especially useful for tracking brand loyalty and switching in response to the client's own and competitors' promotions (e.g., coupons, contests, special end-of-aisle displays), packaging or product modifications, price changes, and other marketing tactics. For example, when the price of sugar rises a candy bar marketer has two choices for keeping its costs constant: pass the price increase on to consumers or sell a smaller bar for the same price. The only way to determine which strategy works better is to try both and track sales or units (bars) sold. An ongoing consumer panel enables the sugary treat seller to do just that. Note, however,

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that these portable scanners do not work for unpackaged fresh produce or bulk items.

In addition to tracking purchases, marketers must stay current with consumers' media choices and habits because they need to know where to place their advertising and other communications so as to reach those most likely to purchase their products, i.e., their target market. Two major trends make ad placement decisions especially challenging: first, our media choices are growing exponentially, and second, we are adept at and able to avoid marketing messages. Google Analytics makes it easy for marketers large and small to track online consumer behaviors including product, brand, and other keyword searches; visits to company sites; and clicks on ads. Facebook, Twitter, and other social media sites enable marketers to target and track responses of specific consumer groups defined by demographics, interests, and online presence. Thanks to these tracking capabilities and automated marketer responses, you may feel at times as if someone is looking over your shoulder, either a virtual nosy neighbor or a helpful friend, depending on your perspective on privacy. If you shop on one site for a baby car seat, your screen will immediately and for some time thereafter carry ads for car seats, cribs and bassinets, and other baby paraphernalia, all a click away.

A marketer like iTunes or Amazon compiles data over time and many consumer searches and purchases to arrive at recommended lists of songs, movies, books, and other products for you based on your searches and purchases. The algorithms used are complex and proprietary, but the basic idea is that these marketers can use data amassed from millions of consumers to estimate how likely you are to buy, say, the Twilight or Harry Potter series, given your book purchases and searches up to now. The algorithms developed recognize patterns of purchases and searches, and make predictions about yours by finding other consumers with the same patterns and identifying their additional purchases as the ones most likely to interest you. Hence the Amazon recommendations: People who browsed (purchased) these books also browsed (purchased) the following titles. With every bit of new data, the algorithm learns to make more accurate predictions.

Finely honed online marketing research and consumer message targeting are exciting new business capabilities, but make many consumers uncomfortable with this new world in which every keystroke and click communicates an aspect of identity. What causes more consternation among consumers and privacy advocates is that large data brokers like Acxiom regularly collect and sell every morsel of data they can find, without consumers' knowledge or permission. The Federal Trade Commission's May, 2014, investigative report reveals the magnitude of this "big data" brokering and its potential impact on consumers.[6]

Among the report's findings:

- Data brokers collect consumer data from extensive online and offline sources, largely without consumers' knowledge, including consumer

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purchase data, social media activity, warranty registrations, magazine subscriptions, religious and political affiliations, and other details of consumers' everyday lives.

- Consumer data often pass through multiple layers of data brokers sharing data with each other. In fact, seven of the nine data brokers in the FTC study had shared information with another data broker in the study.
- Data brokers combine online and offline data to market to consumers online.
- Data brokers combine and analyze data about consumers to make inferences about them, including potentially sensitive inferences such as those related to ethnicity, income, religion, political leanings, age, and health conditions. Potentially sensitive categories from the study are "Urban Scramble" and "Mobile Mixers," both of which include a high concentration of Latinos and African-Americans with low incomes. The category "Rural Everlasting" includes single men and women over age 66 with "low educational attainment and low net worths." Other potentially sensitive categories include health-related topics or conditions, such as pregnancy, diabetes, and high cholesterol.
- Many of the purposes for which data brokers collect and use data pose risks to consumers, such as unanticipated uses of the data. For example, a category like "Biker Enthusiasts" could be used to offer discounts on motorcycles to a consumer, but could also be used by an insurance provider as a sign of risky behavior.
- Some data brokers unnecessarily store data about consumers indefinitely, which may create security risks.
- To the extent data brokers currently offer consumers choices about their data, the choices are largely invisible and incomplete.

Another source of quantitative data is direct observations and videos of consumer behavior in retail, home, and other settings of interest. For example, retail anthropologist Paco Underhill reports that his firm Envirosell has used over a thousand measures of behavior in studies to enlighten brand clients regarding why their product is not moving off the supermarket shelves, or how to sell more of a successful brand. From observations of millions of shoppers over the years, Underhill learned that when consumers first enter a store, they need a "transition zone"—an uncluttered space in which they can pause and let their eyes adjust to the change in lighting, then do an initial navigational scan. He also found that if a retailer places baskets throughout the store, sales will rise because those who did not snatch one up first thing will no longer be physically limited by what they can carry in their hands. These kinds of research typically take many hours of painstaking coding and analysis of behavior sequences observed on video (see Underhill's book *Why We Buy* [1999]).

If a study has a large enough sample to permit proper statistical analysis, the researcher can be comfortable assuming the findings are generalizable to

https://t.me/PrMaB

the entire population of people similar to the respondents in ways that matter in the research. One long-standing debate in testing of new pharmaceuticals is whether results found in the many all-male samples in clinical trials can be generalized to females, who until very recently were much less frequently included. For marketing research firms like Nielsen and SymphonyIRI, the ability to generalize findings to an entire consumer market segment is essential; hence the large, well-incentivized consumer panels.

Qualitative Research Methods

In contrast to quantitative research, qualitative studies are well-suited to questions when too little is known about the potential answers to construct closed-ended survey questions sporting lists of well-specified alternatives; or when the object of study is not readily quantifiable. Examples include complex, emotionally fraught topics such as how we think and feel about the idea of luxury, the nature of our relationships with our animal companions, and how we go about planning a significant cultural rite like a wedding or christening.

Goodby Silverstein researchers gleaned their insights into consumers' milk-related thoughts, feelings, and behaviors from qualitative (as opposed to quantitative) self-reported (rather than directly observed) data which they collected from consumers' journals and subsequent focus group interviews. Unlike quantitative research, which must be designed to meet the stringent requirements for meaningful statistical analysis, qualitative research must meet a different but equally rigorous set of standards for thematic analysis. Other examples of qualitative investigations of consumer behavior include one-on-one in-depth interviews, ethnographic research in which the researcher simultaneously participates in and observes people using brands in their daily lives (recall the Harley Owners Group described in Chapter 1), and "netnography," which is the study of online consumer communities that have sprung up as people who deeply appreciate and enjoy a particular brand, product, or lifestyle find one another.

Focus Groups

When a marketer needs to find out how target consumers feel about a product, service, or advertising message, focus groups may be appropriate. These are typically small group sessions lasting one to two hours, during which a moderator hired by the brand client or ad agency facilitates an extended discussion of a topic among a small group (usually about 8–12) of consumers recruited based on client-specified characteristics for their demographics, interests, product experiences, etc., and paid for their time. Before ultrabooks were launched in 2012, one maker, seeking ideas for advertising and other marketing messages, recruited early adopters of technology to participate in focus groups in which they discussed why, where, and when

https://t.me/PrMaB

they used their electronic devices; and the features that they most wanted in their next device purchases. In addition, participants were encouraged to try out and share their initial impressions of ultrabook prototypes provided in the sessions.

In-depth Interviews

If the research topic is sensitive or private, or requires a deep understanding of a personal narrative or account of an experience, one-on-one interviews may be the method of choice. A luxury automaker wanted to gain fresh insights into its customers' experiences in which the flagship vehicle played a role, for the purpose of creating more compelling advertising messages. To that end, the automaker's ad agency conducted in-depth interviews with a number of the car owners, each of whom was instructed to create a collage beforehand consisting of anything—pictures from magazines, personal photos, even objects—that reflected his or her feelings about the car. The idea behind having participants make collages is that many people find it difficult to put their feelings into words, but can readily point to pictorial or other concrete metaphors that capture the feelings. The interviewer uses the collage to draw out the interviewee; in explaining the collage, s/he expresses and reflects on his/her feelings about the topic of focus. One female participant attached a sparkly, expensive stiletto-heeled shoe to her collage, describing it as representing the freedom and hedonism she felt when driving the car.

Ethnography

Ethnography is premised on the assumption that in order to access and understand an experience, whether it is a lifestyle or a discrete occurrence, online or offline, the researcher must simultaneously participate in and observe her own and other participants' responses as the experience unfolds. While ethnographic research is time-consuming, it may yield rich insights into consumer behavior. In one ethnographic study Jennifer Chang Coupland (2005) wanted to investigate how consumers interact with brands in the supermarket on their regular shopping excursions, and at home, storing, preparing, and serving the food. One of her more surprising findings was that some shoppers strip the food of its packaging as they are putting it away in the cupboards and refrigerator, in essence "unbranding" it. While the function of this unpackaging may be to save space, the result is that in a household with children, there are no brands for which they can develop early and strong brand loyalty. This is good or bad depending on whether you are a marketer trying to reach young consumers, a parent who wants to teach his or her offspring to be wise consumers through exposure to and reflection on marketing tactics, or a parent or advocate who believes children should not be targets of marketers' efforts to persuade and that there is too much branding of children's products already. However we look at the findings, an

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ethnographic approach is ideal for getting to this level of intimate knowledge of consumer behavior.

Netnography

Netnography is research using participant observation to gain insights into online communities that are formed in the normal course of consumers sharing their interests in specific brands, products, and activities. Brands that have given rise to such communities range from Mini Coopers to Nutella, from Apple's Newton (a long-defunct early forerunner of the BlackBerry) to Nike+, a very popular system integrating an iPod-type data collection device into Nike running shoes that enables runners to monitor their performance over time. To conduct netnographic research, the investigator must become a participant observer in the community, and in offline gatherings or encounters as well. These multiple sources of data deepen and enrich the researcher's experience and understanding of the brand's meaning to the community, and inform her perspective on how the community itself functions and the value individual members derive from it. A study of a thriving online Mini Cooper community revealed that "newbies," the proud Mini purchasers who were awaiting production and delivery of their models, are welcomed warmly and their new vehicles anticipated eagerly by established community members. Owners name and customize their vehicles, wave at other Mini drivers they encounter on the road, and take immense pleasure in discussing the car (Schau et al., 2009). The insights netnography can uncover fascinate academic researchers and inform branding and marketing practitioners as they create campaigns and sponsored events that will capture the hearts and minds of current and aspiring Mini owners.

In qualitative research, sample sizes tend to be small for two reasons: (a) These methods are costly in time and labor, and (b) the philosophy underlying them is that when new themes stop emerging with each additional informant, there is no need for further sampling. The themes uncovered are not assumed to be generalizable beyond the sample informants; a follow-up quantitative study with an appropriately large sample would be required to generalize findings.

Should We Use Qualitative or Quantitative Methods?

How do we go about deciding whether to use quantitative or qualitative methods? In general, quantitative methods require that we know precisely the content and order of the questions we want to ask, as well as most if not all possible answers. If we do not have this knowledge, or if we are looking for rich insights that may be difficult to articulate, qualitative research is the better choice.

For example, most of us do not spend much time reflecting on what our pets mean to us and how their presence affects our lives and even our

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relationships with other humans. And depending on our immediate cultural milieu, we may be embarrassed to admit how much—or how little—they mean to us. But how we view our animal companion directly affects the decision we make as their guardians. How much money are we willing to spend on pet food, supplies, and medical care? Do we buy them what we want or what we have reason to believe they want or need? How attuned are we to changes in their physical and emotional well-being? Consumers who regard their animals as "children with fur" will likely spend more on veterinary care than owners whose pets are child substitutes or "practice" children, and those who take the position that animals are "just animals" are likely to spend least of all on pet care and supplies. Can't we just ask pet owners to complete a survey question like the following?

Which of the following best describes the role your pet plays in your life?

a. S/he is my child, no different from a human child.
b. S/he is giving me experience taking care of someone besides myself.
c. S/he is helping teach my children responsibility.
d. S/he is just a pet.
e. S/he does work for me (please specify)_____
f. Other (please specify)_____

There is nothing wrong with this approach. But we would deepen and enrich our understanding of these different perspectives if we also sat face to face with a few pet owners, one at a time, and asked them some open-ended questions like the following:

1. What motivated you to adopt an animal?
2. How did you go about searching for the animal?
3. What made you choose this animal over the others?
4. How would you describe your pet's place in the household?
5. How would you describe your relationship with your pet?
6. What does a typical day look like for you and your pet?
7. How, if at all, does your pet affect your relationships with other people?

An interview gives you the flexibility to delve more deeply into any of the areas the questions cover if the interviewee gives an ambiguous or very general answer that needs clarifying or completing, and affords the interviewee an opportunity to learn and share something new about herself because she is able to reflect and elaborate on her answers. If we interview pet owners with a variety of perspectives on animals, we will come away with a treasure trove of pet-related feelings, thoughts, memories, and associations. How do we make sense of this embarrassment of riches? We can look for themes that emerge as we continue to interview owners. A recent study using in-depth interviews to explore people's perspectives on their dog companions revealed three distinct views: dominionistic (it's just an animal), humanistic (the dog is

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regarded as a surrogate human), and protectionistic (high regard for all species, not just companion animals).[7] In short, our attachments to our animal companions are complex, and the more completely veterinarians and animal welfare advocates understand them, the greater their capacity to empathize with, and work to help, animals and humans alike.

As we introduce more consumer behavior research with each new chapter, you will get a clearer idea of the vast and fascinating array of questions that quantitative and qualitative research can work in concert to answer.

Notes

1 "Got Milk? 'Heaven'" commercial, https://www.youtube.com/watch?v=hnijgw5A-ii
2 Susan Bady, "Multigenerational Homes: Multigenerational Living is Back," New Home Source, www.newhomesource.com/resourcecenter/articles/multigenerational-living-is-back-with-a-new-twist
3 https://segmentationsolutions.nielsen.com/mybestsegments/Default.jsp?ID=70
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3 Perspectives on Products

Objectives

1. To explore the means–end theory of how products help us achieve our goals.
2. To delineate differences among the product features we can readily evaluate for ourselves, and those we cannot.
3. To investigate the dimensions of product involvement and how they color our preferences and choices.

Introduction

It's been a stressful day at work and you are ready to relax. You

a. Meet friends for happy hour at your favorite microbrewery.
b. Call your massage therapist for a last-minute appointment.
c. Go home, order a pizza, and watch the latest game in the World Series.
d. Fetch your yellow lab puppy from home to go running with you.
e. Slip into a warm foamy bubble bath for a long soak.
f. Other (please specify).

Whatever relaxes you probably involves using a product or service that you or someone else has purchased for that very reason. Consumer research over the decades provides ample evidence that we buy many products, not as ends in themselves, but rather as means of achieving goals, e.g., relaxation. In alternative a., the bar you go to and the beer you buy are integral to your unwinding with friends, and your feelings about both include your recollections of these relaxing, convivial times. The pizza retailer and the pizza itself in alternative c. are strongly associated with the pleasure you derive from watching the game, and add to the game experience. And while the puppy in alternative d. is not a product, s/he is legally a possession, the playful and loving companion who makes your run a welcome respite from the demands of your job. The beer, the pizza, the puppy—all are more than the sum of their attributes (features) and any may be a means of relaxing.

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Why Do We Purchase Products?

According to *means–end chain theory*, we choose products that possess the specific attributes we associate with the benefits we seek when we use the product. These benefits are, in turn, linked to our larger goals and values. Here are examples of hypothetical means–end chains:

Means–end chain for pizza retailer in alternative c. above:

Attribute: delivers
Benefit of that attribute when consumer uses the brand: convenience (I don't have to cook or brave rush hour traffic to pick up carryout on the way home from work.)
Goal that the benefit helps the consumer achieve: I can make it home in time to watch the game, and relax and unwind while I wait for the pizza delivery.

Even if there is another pizza retailer that offers better-tasting pizza, if the store does not deliver, it will not help the consumer achieve her goal in this example.

Means–end chain for puppy in alternative d. above:

Attribute: loves to run
Benefit of that attribute when owner interacts with puppy: Her love of running helps motivate me to run farther and more frequently.
Goals that the benefit helps the consumer achieve: G1. I'm at my optimal weight, and G2. I'm self-disciplined about exercise.
Value 1 that underlies goal 1: physical and mental well-being
Value 2 that underlies goal 2: self-respect.

The Silicon Valley Humane Society shares examples of "mutual rescue" stories about connecting a person with an animal—both enhancing an animal's life as well as transforming a person's life—that could be based on means–end chain linkages similar to this puppy one.[1]

Notice that the product attribute exists even if the product is never bought or used, and the goals and values reside exclusively in the consumer's mind. It is the benefit alone that embodies the consumer's interaction with the product. Marketing a brand based on its features alone might appeal to expert users, as they can quickly translate the attributes into benefits and corresponding goals. In most cases, however, a message that shows benefits and at least alludes to goals and values will be more effective at arousing consumer interest and building brand preference.

While we do not know whether the following advertisers based their advertising on means–end chain analysis, the two commercial campaigns discussed are readily explained in those terms.

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Snickers candy bar: A commercial campaign in the 1980s ("Snickers Satisfies You")[2] shows men and women at work, studying, working out—all in the middle of important activities and distracted by mid-afternoon hunger. Each busy individual takes a break to "grab a Snickers" which enables them to resume their pursuits with renewed vigor and focus. "Packed with peanuts, Snickers really satisfies," an enthusiastic voice-over assures us.

Here is the means–end chain implicit in this campaign:

- Snickers attribute: It has peanuts.
- Consumer benefits of the attribute: It fills you up and gives you energy.
- Consumer goal the benefit helps you achieve: I can be more productive at work.
- Consumer's value linked to goal: Accomplishment.

Kit Kat bar: In contrast to the Snickers strategy, Kit Kat bar ("Give Me A Break")[3] commercials of the time focused on the ease and fun of sharing: "Break me off a piece of that Kit Kat bar!"

Means–end chain for Kit Kat:

- Kit Kat attribute: It's a crunchy chocolate-covered wafer, almost like a cookie.
- Consumer benefit of the attribute: You can easily break it in half.
- Consumer goal the benefit helps you achieve: You can share it with someone.
- Consumer's value linked to goal: Socializing, belonging.

Both campaigns clearly illustrate how the brand attributes benefit the consumer and help her achieve her goal.

We can research means–end chains for brands or products using an in-depth interview technique called *laddering*. Through structured sequences of questions, we ascend from product attributes that are important to the interviewee, to the benefit each attribute provides when the consumer uses the product, and from there to the goal or core value each benefit helps the consumer fulfill. Let's look at an example of a laddering interview for a smartphone (Jung, 2013):

Interviewer: What functions do you most frequently use on a smartphone? (function is the same as a feature, aka attribute)

Interviewee: Mobile messenger, map mobile application, and email.

Interviewer: Why do you use mobile messenger? (What do you obtain by using mobile messenger?). (asking for benefit of first attribute)

Interviewee: I easily communicate with my friends by using a mobile messenger, because it allows me to connect to them anytime, anyplace, particularly in a situation where I cannot make a phone call.

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Interviewer: Why is ease of communication (i.e., the answer to the second question) important to you? (probing for goal or value)
Interviewee: Pleasure.

This study found that the most valued smartphone functions are those that offer the benefit of improving communication. This benefit, in turn, fulfills the user's entertainment, socialization, and productivity goals. Entertainment, through "hanging out" with friends, gaming, or web surfing, leads to a restorative (relaxed) feeling. Socialization leads consumers to feel pleasure or amusement and a sense of comfort and contentment. Productivity leads to a feeling of self-confidence.

You may be wondering how we define values here. Social psychologist Milton Rokeach, in his 1973 book *The Nature of Human Values*, defined value as "an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence" (p. 5). Rokeach distinguished between instrumental values (preferred modes of conduct) and terminal values (desirable end-states), positing that instrumental values are means by which we fulfill terminal values. His lists of each are here:

Terminal Values: True Friendship, Mature Love, Self-Respect, Happiness, Inner Harmony, Equality, Freedom, Pleasure, Social Recognition, Wisdom, Salvation, Family Security, National Security, A Sense of Accomplishment, A World of Beauty, A World at Peace, A Comfortable Life, An Exciting Life.

Instrumental Values: Cheerfulness, Ambition, Love, Cleanliness, Self-Control, Capability, Courage, Politeness, Honesty, Imagination, Independence, Intellect, Broad-Mindedness, Logic, Obedience, Helpfulness, Responsibility, Forgiveness.

While many of these values have readily recognized relevance to consumer behavior, several—e.g., national security, a world at peace, obedience, forgiveness—do not. One of the most widely used lists of values in consumer research is the List of Values (LOV) developed by Kahle and Kennedy (1988). It is based in part on Maslow's hierarchy of needs and proposes that the following nine values or "desired end-states" are common across cultures and demographic segments. We give brand message examples for each value:

Self-Respect—L'Oréal Paris "because you're worth it"
Excitement—Tesla "lay rubber where your carbon footprint used to be"
Security—Brinks Home Security "peace of mind"; MetLife "Trust MetLife to protect the ones you love"
Warm Relationships with Others—Pampers "welcome to a world of love, sleep, and play"; Cheerios "a family favorite for over 70 years"

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Sense of Accomplishment—Lenovo "for those who do"; Microsoft Windows XP "yes you can"
Self-Fulfillment—Nike "Just Do It"; Red Bull "gives you wings"
Being Well-Respected by Others—Dos Equis "the only name he drops is his own"; Crossfit "Forging elite fitness"
Sense of Belonging—Coca-Cola "share a Coke with friends"
Fun and Enjoyment in Life—Nissan Leaf "100% electric. 100% fun"; Disney "where dreams come true."

All of these values except self-fulfillment appear among Rokeach's terminal values.

A hotly debated question is whether marketers can create needs in consumers. Experts on human values would likely argue that our core needs or values exist independent of the means of satisfying them. However, marketers can create linkages between brand attributes and goals, values, or needs, as the examples above illustrate. In addition, marketing messages may, over time and repetition, link attributes of new products to novel benefits, and from those to pre-existing needs, values, or goals. The following is a famous example from *Advertising Age Encyclopedia*:

> At the end of the 19th century, the English surgeon Joseph Lister developed a surgical antiseptic. Jordan Wheat Lambert, an American, synthesized a less powerful version of the antiseptic and asked Dr. Lister if he could use his already-famous name for the product. Dr. Lister was flattered and gave his approval. Mr. Lambert added the -ine suffix and introduced Listerine. . . .
>
> **"Halitosis"**
> In the early 1900s, both Mr. Lambert and his wife died, leaving Lambert Pharmacal to their four sons. One son, Gerard, proved to be a business genius. In 1921, after a meeting with the copywriters working on Listerine and a company chemist, Gerard Lambert settled on the idea of "halitosis," the medical term for bad breath, as the central focus for Listerine advertising.
>
> During the 1920s, earnings rose from $115,000 to more than $8 million. By the time of the stock market crash in 1929, Listerine was one of the largest buyers of magazine and newspaper space, spending more than $5 million—almost the exact amount of yearly profits. In all that time, the product's price, package and formula remained completely unchanged.
>
> When Mr. Lambert discovered that the halitosis claim was four times more effective than any other, he focused on it exclusively. . . .
>
> In retrospect, Lambert may have succeeded too well. By depicting the mouth as a cauldron of antisocial germs that could be tamed only by

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strong medicine, Lambert left open the possibility that competing claims could be staked out.

Warner-Lambert forged a link from Listerine's antiseptic quality to the consumer benefit of eliminating bad breath, and linked that benefit to the goal (value, need) of finding true love (warm relationships with others, in LOV terms). Did mouthwash marketing transform a widely accepted fact of life into a source of social fear, or did it offer a welcome remedy to a social impediment that had, until then, gone unacknowledged in the public sphere? Arguably products that make us smell and look better do not create needs, but rather answer the long-standing needs of those considered less attractive to compete with their more attractive counterparts for jobs, mates, even fairer trials.

More immediately concerning to consumer advocates, parents, and clinicians is the ubiquity of fashion and cosmetics advertising showing impossibly thin young women with flawless skin and perfectly coiffed hair. Such marketing does not show realistic enhancements of average looks, but instead presents standards that no one can meet without airbrushing and a severely restricted diet. These media images are thought to contribute cumulatively to the body dissatisfaction that is epidemic among young girls and women, and to the development of eating disorders in those who are biologically predisposed. In other words, this marketing may actually raise the bar for what constitutes attractiveness, which is linked to self-esteem (self-respect in LOV terms). In so doing, the cosmetics and fashion industries link their brands to a promise of perfection implicit in the images so painstakingly and artistically constructed, making self-esteem unattainable for many girls and women. And the perils are not limited to low self-esteem; many cosmetic products contain potentially harmful ingredients. For example, benzophenone, commonly used in lip balm and nail polish to protect the products from ultraviolet light, is "persistent, bioaccumulative and toxic" according to an investigation by Kim and Choi (2014). This chemical and its derivatives are "linked to cancer, endocrine disruption, and organ system toxicity."[4]

On a more positive note, Apple is superb at linking innovative products to consumer needs. Steve Jobs, Apple cofounder, was a brilliant designer and marketer who, contrary to popular belief, came to advocate listening closely to consumers: "You've got to start with the customer experience and work backwards to the technology," he stated in a speech at the 1997 Worldwide Developers Conference (Hansen, 2013). Apple has enticed us to believe we must have its beautifully designed, user-friendly iMac, iPod, iPhone, and iPad, by linking new attributes (e.g., the mouse, the touch screen) to ease of use, perhaps the most significant benefit of new technology devices. These products' user-friendly features purportedly enhance our creativity (and the pleasure that frequently accompanies creative acts) and productivity (leading to higher self-esteem in many consumers).

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How Do We Weigh Brand Attributes and Benefits in Our Purchase Decisions?

Think about the last time you got a haircut: Was it easy to make an appointment? Could you find parking nearby, or save fuel by taking public transit? Was the atmosphere pleasant, the floor swept clean, the chair comfortable? Did the barber or hairdresser cut your hair as you wanted? Was s/he personable, competent, engaged? Did you feel you got value for your money? Aside from the cut itself, what is most important to you when you go for a haircut? If you love your hairdresser and have been going to her for years, it might not matter to you all that much that she keeps you waiting from time to time. If, however, this is your first visit, your annoyance at having to wait may outweigh your liking for the hairdresser. In other words, those positive and negative emotional tags attached to our memories may vary in significance and intensity. Since very few products or service encounters are flawless, and there is always (literally) a price to pay, we must make mental trade-offs between the good and bad aspects, and choose to purchase the same brand or investigate a new one depending on whether our experiences are net positive or negative.

The first place a shopper typically goes in her search for product and brand information is her own memory. For an experienced, knowledgeable consumer, this "internal" search may unearth a treasure trove of information about the array of available product and brand alternatives as well as recollections of occasions when she used the product. These recollections will likely be "tagged" with positive or negative feelings, which may exert a strong influence on the ultimate decision about what to buy next.

For groceries, household supplies, and other products that do not cost much, we may retrieve from our mental shopping list the name of the brand we buy regularly and proceed straight to purchase. For more expensive or important products, an internal search may not give us all the information we need, and so we embark upon an "external" information search. The most important thing to know about external searches is that consumers trust and consult other consumers far more readily and frequently than they do marketers. We will explore this "word of mouth" in Chapter 7. Online information-gathering expeditions are increasingly common, yielding an abundance of consumer ratings, reviews, and responses to one another's questions in forums, blog posts, and tweets; on Facebook walls and Pinterest bulletin boards; and in the newest consumer hangouts in cyberspace as you are reading this. Experts' product reviews are also important to many consumers, though less so than user reviews. Examples of expert review sites include CNET and Consumer Reports. Consumersearch is unique in that it summarizes user and expert reviews from multiple sources for a wide range of products.

Usually our wallets narrow the range of alternatives we can consider purchasing, and we may limit our information search to those brands. How

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high an auto or mortgage loan will you be able to obtain given your salary, financial assets and liabilities, and FICO score? How much are you willing to pay for your next pair of running shoes? Which features are most important to you? Let's look at an example.

The "minimalist" movement in the running community was at its height in 2012.[5] Advocates advised runners wear the least amount of shoe needed to protect their feet from hazards they may tread upon. Let's travel back in time to 2012 and observe Tasha as she considers buying minimalist shoes. Tasha's goal is enjoyment; she loves communing with nature in Portland's Forest Park, and wishes to feel the grass, dirt, and even the occasional pebble under her feet. To achieve her goal, she believes a comfortable fit is the most important brand benefit. As she eagerly searches online for information and advice on minimalist running shoe brands, Tasha comes across a brand comparison chart from *Barefoot Running Magazine*.[6]

Experts at the magazine have already tested and rated several brands on styling, fit, build quality, performance, barefoot simulation, and price. If Tasha's sole concern is fit, she will choose the Xero 4mm Invisible Shoe, which also garners the best rating overall. Let's assume Tasha's husband Joe comes home one day and says, "Honey, your excitement about running is contagious! How about if we run together a couple of days a week?" Tasha suddenly finds herself thinking that she'd like to look especially stylish on the days her husband accompanies her. So she looks at the brands rated highest on styling and finds she has three choices, the Kigo Drive or one of the Vibram FiveFingers models. Any of the three requires her to accept a lower rating on fit. This is an example of the trade-offs we make as we choose what to buy. In our own decision processes, it is helpful to start with the goal(s) of our potential purchase and work backwards to the benefits that we need in order to achieve the goal(s). User and expert reviews will tell us which product features are most likely to give us those benefits.

On some occasions, for many consumers, the goals of fun and friendship/belonging may be achieved by the decision process and retail experience rather than by the products purchased. As we learned in Chapter 1, Debra and Elizabeth both enjoy shopping, and their enjoyment is exponentially higher when they are shopping together—especially at Chico's! As with many social shoppers, each of the two finds herself buying more items on these excursions than she would if she were shopping alone. ("It's a good thing Chico's accepts returns!" they whisper to each other as they are walking out of the shop laden with bags filled with clothing that is lovely as well as comfortable—two benefits that co-occur all too rarely.)

Between user and expert reviews, we have more than enough comparative brand information at our fingertips to help us make informed decisions about almost anything we purchase. Some marketing pundits contend that this unprecedented access to information may diminish the effectiveness of "emotional" branding and increase the effectiveness of building a brand based on earning trust by articulating and keeping promises to

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consumers—promises regarding not only product quality, but also policies and practices in matters that affect society and the environment. These include choices of labor and other suppliers, treatment of employees, size of carbon footprint, animal welfare, and numerous other issues, many of which were once outside the purview of marketing and the scrutiny of consumers.

Search, Experience, and Credence Attributes

In the end, even with all the information we can obtain while shopping online or offline, there are some product features we cannot evaluate until we buy and consume a product (or experience a service), and still others that we can never judge directly. Economists who study consumer responses to information distinguish among *search*, *experience*, and *credence* attributes (we use the words "features" and "attributes" interchangeably). A search attribute is one we can investigate for ourselves while shopping, before we ever decide which brand to purchase. In the chart for minimalist running shoes, the search attributes include price and style. Experience attributes are those that we can evaluate only after we buy and use (consume) a product; while the experts in *Barefoot Running Magazine* offer us their evaluation of the shoes' fit and performance on the trail, this is something the owner and wearer must determine for herself. One likely reason we seek out other consumers' reviews is that they can help us "fill in" experience attributes by imagining ourselves using the product. Credence attributes are those we cannot evaluate for ourselves because we lack either the expertise or the wherewithal to perform the tests needed; instead we must rely on (give credence to) the words of trusted experts.

In our example, the minimalist shoes' build quality and degree of barefoot simulation are credence attributes. Even if our trail runner's shoes fall apart after a short time, she cannot know for certain whether the cause is poor build or something about how she has used them. The same holds true for barefoot simulation; regardless of how nearly "barefoot" the shoes feel to the runner, without taking the risk of running barefoot and recording the biomechanics of her running with and without the shoes, she has no way of measuring the extent to which the shoes simulate barefoot running.

A wide range of products are a mix of search, experience, and credence attributes. For example, a teeth-whitening product's price and form are search attributes, its whitening efficacy and rapidity are experience attributes, and any side effects are credence attributes. For meat, the leanness, marbling, and price are search qualities, the taste and texture are experience qualities, and the presence or absence of antibiotics or bacteria like salmonella is a credence quality.

As we go from search to experience to credence attributes, we perceive the decision we are making as increasingly risky. The risk arises from uncertainty

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about being able to make the "right" decision, and trepidation about what happens if we make a "wrong" decision. The consequences of a bad decision range in severity from fleeting social embarrassment (e.g., when you get a bad haircut—an "experience attribute" service), to catastrophic, as with predominately credence attribute-laden health care choices.

Publicly available information on rates of infection in acute care hospitals,[7] success rates of surgeries and other treatments, and health care provider performance help reduce perceived risk by providing search attribute data for these predominately credence-quality services. Such information is of limited use, however, given that consumers participate in the "production" of professional services. A consumer who fails to comply with instructions to stay off her foot the first six weeks after Achilles tendon surgery should not blame her surgeon if she goes running too soon and ruptures the tendon. Websites such as greenerchoices help clarify which terms on product labels legally require substantiation, and hence may be considered search attributes, and which do not, making them credence attributes. For some labels the legal standards are minimal: a "cage free" chicken, for example, must indeed be uncaged but may legally be kept instead in a dark, crowded space with no exit and little room even to move its limbs. Other labels, such as "Oregon Tilth—Certified Organic", engender high trust because the substantiation standards and auditing practices are stringent. Many "green" labels require no substantiation, hence describe credence attributes. "No animal testing" and its utopian cousin "cruelty free" may also be evidence-free. "All natural" and "earth friendly" sound bucolic but may describe brands that are neither of those things. Fortunately there are many watchdog organizations that investigate a wide range of products on the consumer's behalf.

Attributes and Customer Satisfaction

As we demonstrated above, the reason product and brand attributes matter to us is that we infer that they will lead to benefits when we use or consume the product (brand). We expect at least one or two of the benefits to help us achieve a goal or fulfill a core value. If a brand meets our expectations, we will likely be satisfied customers. Does customer satisfaction mean we will purchase the same brand in the future? Not necessarily, but if the brand fails to meet expectations, repeat purchase is far less likely.

As we saw in the foregoing examples, attributes vary in their importance depending on the needs and goals of the individual consumer making the purchase decision. Does this mean that we will know all we need to if we simply ask consumers to rate or rank product attributes based on their importance, and in addition obtain their ratings of brands they are considering on those attributes? The answer is no: An attribute's importance to customer satisfaction may change if the brand in question possesses an unusually high or low level of it.

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Research on determinants of customer satisfaction shows that attributes can relate to customer satisfaction in one of three ways (Albayrak and Caber, 2014):

1. Basic attributes are minimum standards a brand must possess to enter the marketplace. For a restaurant, cleanliness is a basic attribute; for a surgeon, the requisite medical training and licensures are basic; for a motor vehicle, a working engine and brakes are among the minimum requirements.

   While the presence (or acceptable level) of a basic attribute does not enhance customer satisfaction, its absence or an unacceptably low level is very likely to increase dissatisfaction.
2. Performance attributes have a linear relationship with customer satisfaction. They are typical of brands in any given product category. For example, satisfaction with a fitness facility has been shown to rise along with perceptions of the workout facility and the classes offered.
3. Excitement attributes are unexpected and while their absence does not engender dissatisfaction, their presence relates to increasing levels of customer satisfaction. Examples may include a neck and shoulder massage by a hairdresser, a free glass of wine or cup of tea at a nail salon, and a veterinarian who responds quickly and thoroughly to a client's inquiries about a companion animal's dietary needs.

As the author's student (Jackie Ott, personal communication) pointed out, innovative features may start out as excitement attributes, become performance attributes when multiple brands acquire them, and even perhaps sink to the level of basic attributes with the increasingly rapid pace of innovation. The example Jackie gave was the camera feature on mobile phones. When first introduced, it was a source of brand differentiation, unexpected and exciting. Now most mobile phones—feature phones as well as smartphones—have cameras, and most of them take photos that are higher quality than a rank amateur with an unsteady hand has any right to expect. The mobile phone camera has become at most a performance attribute and may be considered basic by many consumers.

The Dimensions of Product Involvement

You may be shaking your head, thinking, "I don't search for all the information or even think much about the attributes of most brands I purchase. So how is this chapter relevant to my consumer behavior?" You would be correct in assuming that the extensive information searches described above do not occur for most products we buy. Your search for brand and production features, ratings, and reviews depends in large part on your level of involvement with the product or brand. And involvement is not a simple construct.

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One of the richest and most meaningful methods of defining involvement is the five-dimensional profile proposed by Jean-Noel Kapferer and Gilles Laurent (1993). The authors describe these dimensions as follows:

1. The personal interest a person has in a product category, its personal meaning or importance.
2. The hedonic value of the product, its ability to provide pleasure and enjoyment.
3. The sign value of the product, the degree to which it expresses the person's self.
4. The perceived importance of the potential negative consequences associated with a poor choice of the product (risk importance).
5. The perceived probability of making such a poor choice (risk probability).

Below are the items in the surveys the authors used to measure each dimension:

Interest
- What _____ I buy is extremely important to me.
- I'm really very interested in _____.
- OR
- I couldn't care less about _____.
- OR
- _____ is something which leaves me quite cold.

Pleasure
- I really enjoy buying _____.
- Whenever I buy _____, it's like giving myself a present.
- To me, _____ is quite a pleasure.
- OR
- I quite enjoy _____.

Sign
- You can tell a lot about a person from the _____ he or she buys.
- The _____ a person buys says something about who they are.
- The _____ I buy reflects the sort of person I am.

Risk importance
- It doesn't matter too much if one makes a mistake buying _____.
- It's very irritating to buy _____ which isn't right.
- I would be annoyed with myself if it turned out I made the wrong choice when buying _____.

Probability of error
- When I'm in front of the _____ section, I always feel rather unsure about what to pick.
- When you buy _____, you can never be quite sure it was the right choice or not.
- Choosing a _____ is rather difficult.

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> When you buy a _____, you can never be quite certain you've made the right choice.

While the dimensions of interest and pleasure are sometimes highly correlated, they are not identical. The authors, who are French, found that among their compatriots champagne and chocolate gift boxes elicited moderate levels of interest and little pleasure. Both are popular ritual gifts for dinner party hosts, bosses, etc. Chocolate bars, on the other hand, evoked little interest but high levels of pleasure. This finding too fits with purchase occasion and recipient, i.e., as a reward or treat for oneself.

In the running shoe example above, in what sense might Tasha be highly involved in her purchase of minimalist running shoes? Her goal is enjoyment and so she expects to derive pleasure from a shoe that fits well. This author would also argue that the risk importance Tasha perceives may be higher than Kapferer and Laurent's survey items could indicate, given their phrasing. If Tasha ends up running in minimalist shoes that are wrong for her, she could injure herself even while enjoying the experience of running in them. In short, Tasha's fairly extensive information search may be a result of her high involvement, specifically on the dimensions of pleasure (reflecting her goal) and risk importance (associated with the prospect of injury and outlay of money). If, on the days she runs with her husband, she cares about how the shoes look to him and to others, we could posit that the sign dimension of the shoes may also be prominent in her decision process.

We can relate the "probability of error" dimension of involvement to search, experience, and credence attributes. A product with mostly search attributes may be thoroughly researched prior to purchase; hence the consumer would likely perceive a low probability of error in that instance. As for "experience" products, user reviews and stories may do much to reduce the consumer's perception of error probability. But for "credence" products and services, many of which are for health- and finance-related goals, the perceived probability of error will likely be much higher, and the risk importance high as well. (It is much more than annoying to choose the wrong neurosurgeon.) Investor and patient ratings and reviews can give us a sense of how the service provider interacts with people, and an education and employment history may impress us (or not), but outcomes are all-important. Debra chose a primary care provider at her health maintenance organization (HMO) based on the high quality of the doctor's education institution. Not surprisingly (in retrospect), she realized the provider was wrong for her when this exchange occurred:

> Debra calls her HMO and is put through to a nurse in her doctor's office. "I think I have an ear infection," she says, having recognized the symptoms from childhood bouts with the painful infections. "May I get an appointment in the next day or two?" The nurse briefly consults with the doctor and conveys this response: "She said that if your

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> ear doesn't have any fluid draining out of it, you don't have an infection and you don't need an appointment." Very disappointed and still in pain, Debra went to the HMO's after-hours urgent care clinic and obtained the antibiotics needed for the ear infection the doctor there diagnosed from a quick exam. When she went to the nurses' station to get her annual flu shot a few weeks later, she asked a few of the nurses which primary care provider they would recommend. She went with their consensus recommendation and has been satisfied with her care since she made the switch. While such "insider" recommendations are not foolproof, the nurses do observe doctor–patient interactions (experience attributes) as well as patient outcomes on occasion (credence attributes).

What do Kapferer and Laurent's dimension of involvement reveal about the myriad low-priced items we buy routinely, e.g., household items, health and beauty aids, and food? While many such products may bring us pleasure (food), fun and enjoyment (cosmetics), and self-respect (household cleansers, etc.), most of us do not find them compellingly interesting. In addition, because they cost little compared to many purchases we make (e.g., motor vehicles, apparel and shoes, recreational equipment, houses), our perception of risk importance is relatively low. The vast majority of such products will not cause us harm. But there are notable exceptions, as we have seen from the increasingly frequent recalls of fresh produce, meat, and packaged goods. In short, we would expect most of our routine purchases to be relatively "low involvement," given that they would likely receive low ratings on most of not all five dimensions.

On the other hand, among consumers who have the wherewithal to research and buy organic and locally produced food, involvement in these products may show an increase in risk importance. Below is an example from a consumer blog:

> [F]eeding your kids a strict organic diet will lower their pesticide load, this study suggests. And feeding your kids conventional fruits and veggies will create a pesticide load that's way lower than the EPA's best guess about the amount that can cause harm. But the truth is that no one really knows how these compounds behave in a growing body. Such studies [are] almost impossible to do. As someone who needs to feed a kid, I do what I can when I can. Baby V gets a lot of organic fruits and veggies. She also eats conventionally grown food, too. I wash her food well. And I realize that like anything having to do with how to raise a baby, I'm working with imperfect information and try not to let it faze me. There's a lot we don't know.[8]

In sum, the concept of product or brand involvement is more complicated than meets the eye. In Chapter 4 we will investigate how the dimensions of

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consumer involvement affect our product- and purchase-related thoughts, feelings, and behaviors.

Notes

1 See, for example, *Mutual Rescue: Eric & Peety*, https://www.youtube.com/watch?v=Rm0qYRWQpZI
2 https://www.youtube.com/watch?v=7l-yFjLE5Tc&index=3&list=PLI-HDDL-skDBcD_ckr_P6dXqbVvF5
3 https://www.youtube.com/watch?v=0nkcVz1mad0
4 See more at: www.safecosmetics.org/get-the-facts/chemicals-of-concern/benzophenone
5 Lindsay Crouse, 2015, "Forget Barefoot; New Trendsetter in Running Shoes Is Cushioning," February 16, www.nytimes.com/2015/02/17/sports/forget-barefoot-many-seek-cushioning-in-running-shoes.html?emc=eta1&_r=0
6 http://xeroshoes.com/compare/
7 https://www.medicare.gov/hospitalcompare/Data/Healthcare-Associated-Infections.html
8 Laura Sanders, 2014, "Should Your Kid Eat Organic? The Answer Is Complicated," Science News, January 31, https://www.sciencenews.org/blog/growth-curve/should-your-kid-eat-organic-answer-complicated

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4 The Consumer's Journey

Objectives

1. To describe and illustrate the steps consumers take on their purchase decision journeys.
2. To explore how the journey is shaped by the product and its marketing.
3. To illustrate how a marketer, consumer advocate, or the consumer herself can use knowledge about the purchase decision journey to achieve a positive outcome.

Ravi and Debra Drench their Mobile Devices

The account of their kayaking outing differs depending on whether you ask Ravi or Debra what happened. They agree on the first part and the outcome, but vehemently disagree about the events that transpired in the middle, in Devil's Lake on that warm sunny August afternoon. The two old friends rented a tandem kayak, in which one person sits behind the other and steers as necessary, and both row. This is, as you might imagine, a tall order, requiring the rowers to synchronize their movements most of the time. Maybe that explains why these boats are also called divorce kayaks. As Debra and Ravi floated clear of the dock, they drank in the lovely view of the placid waters shining in the sunlight and the colorful cottages on the opposite shore. Fortunately for the two intrepid amateurs, many other boaters were out enjoying the unusually warm day.

From the start of their expedition, they could not get the kayak going straight. They rowed more and more strenuously, corrected course by rowing more on one side and then corrected it again by rowing more on the other, took brief breaks from rowing—all to no avail. Debra found their ineffectual machinations both frustrating and very very funny. Ravi, the more serious of the two, was also frustrated but not at all amused. He was becoming more and more annoyed at the laughter

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and pointing of the more skilled boaters who found their antics excellent entertainment. The more annoyed he became, the more loudly he urged himself and Debra to row more deeply, putting their whole bodies into each stroke. At last, after an especially energetic bout of rowing, the kayak capsized, unceremoniously dumping its startled passengers into the water. Debra and Ravi were wearing life jackets and the water was warm and calm, so neither was especially worried as they each grabbed onto the boat and began yelling, "Help! Help!" An occasional "ooommm" could be heard as well from these yoga aficionados. The boat rental employee was laughing too hard to come and rescue them, but at last two kind souls in a small motorboat pulled them and their large ungainly kayak out of the water, and the two adventurers returned to shore dripping but unharmed. As you may have surmised by now, the friends do not agree about the cause of the capsizing. Ravi is certain that Debra made a minute movement that threw off the boat's balance. Debra at first did not blame either herself or Ravi, but in self-defense she convinced herself that Ravi, as ignorant as she was about kayaking technique, had been issuing unsound instructions that landed their boat upside down.

What they do agree on is that dunking is hazardous and sometimes fatal to mobile phones. Debra's Samsung Galaxy Note 2, cutting edge in summer 2014, was in the small blue canvas Kipling shoulder bag she had strapped securely across her body so that she could use both hands to row; while sturdy, stylish, and sporting a charming blue keychain-size monkey dangling from the zipper, the brand's bags were not at all water resistant. Ravi had carried his considerably older LG flip phone onto the boat in one of the deep button-flap pockets of his new cargo shorts. After the phones' baptism in Devil's Lake, neither worked. Despite Debra's careful drying of the phone and its battery, the expensive but delicate device remained stolidly silent, the lovely large screen distressingly dark. When Ravi dried off his older and simpler but nonetheless reliable flip phone, turned it on, and punched in Debra's number to find out if the phone was still functioning after its bath, he discovered that while the device did still have a display of sorts, it showed, not the numbers he had pressed, but rather seemingly random ones.

Debra, visually impaired and a technophile, viewed her device's demise as an exciting opportunity to upgrade early to the latest large-screen smartphone. She happily suggested to her frugal friend Ravi that he could finally upgrade to that iPhone he had coveted ever since he had seen his younger gym buddies sporting the latest model. But Ravi, not at all eager to embrace a new, more expensive device with its pricey data plan, was bent upon restoring his flip phone to its previous predictable if somewhat staid performance level. On the advice of a cordial Verizon employee, he bought a bag of white rice and buried his phone in

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it for the recommended three days of drying, to no avail. Ever optimistic, and at times more frugal than logical, Ravi reasoned that if brown rice was more nutritious for humans, it might also excel at drying out delicate electronic circuits; he tried drying his phone for another three days in the bag he had been planning to cook and consume. But even this delicious human-friendly grain could not revive the elderly device; Devil's Lake had truly and finally caused its demise.

The two old friends, so different in many of their consumer thoughts, feelings, and behaviors, do share one conviction about the mobile phone: While long ago (in the 1990s, when they were in their forties) they considered it a luxury, they now see it as a necessity and cannot imagine returning to the days of landline phones, corded or cordless, that tethered consumers conversing on them to their kitchens and bedrooms. Debra had long ago given up her landline. (Therein lies another consumer tale involving the home security company Brinks, its technology lagging behind homeowner wants and needs; a worried pet owner; and a difficult decision driven in large part by budgetary considerations.) Ravi had transferred his landline number to the Internet telephone service Vonage because it offers low international rates and he has extended family in India. But he uses his mobile phone for all domestic calls and texts.

As we'll discover, the adventure on Devil's Lake precipitated two very different consumer journeys, both culminating in the purchase of different models of the same brand of smartphone.

From Decision Process to Consumer Journey

The traditional model of the purchase decision process is a funnel like that shown in Figure 4.1 in which the consumer progressively narrows the number of brand alternatives down to the one she purchases. The funnel starts out wide, encompassing all the brands the consumer is aware of, usually through a combination of marketing (advertising, salespeople, etc.) and nonmarketing sources (friends, coworkers, expert reviews, etc.). When the consumer recognizes that she has a need for a product (e.g., "I'm out of yogurt," "I've got to get this red wine stain out of my blouse," "I need to buy a gift for my friend's birthday") she immediately thinks of the brands she is *aware* of. If the product she needs is "low involvement," that is, an inexpensive habitual purchase like most groceries and household supplies, the next step would be a trip to the supermarket. If, on the other hand, the consumer is seeking something more expensive, interesting, or important—a new washer or dryer, another car, a dress or suit for an important occasion, a special gift—she takes

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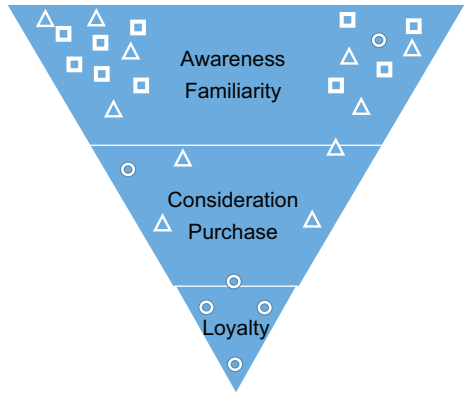


Figure 4.1 Consumer Decision Funnel.

steps to learn more about the most promising brands of which she is aware, *familiarizing* herself with their qualities (aka attributes, features) vis-à-vis her needs. Armed with this information, she can now eliminate any brands that do not have the features she seeks; the handful of brands left become her *consideration set,* from which she chooses and *purchases* the best alternative. If the brand performs as she expects it to, she might become a *loyal* customer, repurchasing that brand when she needs a replacement.

The funnel is a useful metaphor for many purchases. However, consumers can now obtain all the product information they need or want anytime, anywhere with their mobile digital devices. This ability to get information "on demand" has three important implications for consumer behavior:

1. We may become aware of more—and newer—brands at any stage in the decision process, dramatically changing the shape of the funnel in unpredictable ways.
2. Many consumers routinely track products in which they have an interest even when they are not ready to make a purchase; this means that when they do decide to buy, they may already know which brand they want.
3. Access to reviews by both experts and users diminishes consumers' dependence on—and susceptibility to—marketing information sources such as ads, company or brand websites, and salespeople.

Given the many and varied sources of product information at consumers' fingertips, it is ever more essential that marketers, consumer advocates, and consumer researchers go beyond the traditional model of the decision process to explore more deeply the consumer's entire experience with a brand, starting with her first encounter with the product or a message about it, and ending with her telling friends about it, or perhaps starting over with a repurchase of the same brand. A journey map documents the

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consumer's encounters and experiences with a brand over time. The journey may be nonlinear (e.g., jumping from brand awareness straight to purchase) and include backtracking (e.g., purchasing and returning an unsatisfactory brand). It shows the consumer's behaviors, thoughts, and feelings during every phase of the experience, and incorporates *touchpoints*—interactions with the brand.

Marketer-provided touchpoints include the product itself, one-way messages such as ads, websites, and packaging; consumer–marketer interactions, e.g., telephone conversations, live chats, or email exchanges; and contexts of brand encounters—product placements in movies or TV programs and, of course, retail settings. Non-marketer touchpoints include expert and user reviews, conversations among consumers, and contexts such as a friend's home or a consumer-created YouTube video. For example, many people make and upload videos of themselves "unboxing" new electronic product purchases.

Why go to all the trouble and expense of doing the consumer research required for creating a journey map? The answer is simple: to figure out how we can enhance the consumer's experiences with our brand. Do we need to add a how-to video to our website? Should we add a touchpoint to reassure or check in with a consumer after purchase? Does our automated reorder system work smoothly or does it have minor glitches that drive easily frustrated consumers onto a competitor's site? Can consumers consult our website to supplement and enrich their experience in our bricks-and-mortar store?

Consumer advocates can also learn much from mapping the consumer journey. For example, to "demarket" tobacco to teens it would be helpful to track their cognitive, affective, and behavioral responses to events that trigger smoking during a typical day; then those responses could be targeted for reshaping to produce healthier outcomes.

Mapping the Consumer's Journey

Here we describe two versions of the journey based on extensive consumer research in developed as well as developing economies.[1] One version, shown in Figure 4.2, is for "considered" high-involvement (electronics) purchases and the other, which we will discuss later, is for "habitual" low-involvement purchases (personal and home care products). We chose these journey maps because they are research-based, intuitive, and applicable to a wide range of products. We will explore Debra's and Ravi's smartphone decision journeys



Figure 4.2 Considered Pathway to Purchase.

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based on the map for considered purchases and then highlight the differences between considered and habitual purchase pathways.

Considered Pathway

Stage 1: Open to Possibility

This mindset encompasses our awareness of available brands and our associated thoughts and feelings, many of which we may have accumulated over time. Tracking products even when we do not intend to make a purchase shows that we are in this state of mind.

Debra and Ravi track technology products, keeping abreast of the latest innovations in consumer electronics, digital media, and "smart" products. Debra is especially attuned to advances in the world of mobile devices. The following are some examples of information she finds interesting, credible, and illuminating:

- CNET review article "Best Phones of 2014"
- CNET review of Samsung Galaxy Note 3, followed by user reviews
- Laptop magazine's "Best Smartphones 2014"
- TechAdvisor's review of the "7 best phablets of 2014" (Although this is a UK site, Debra figures that most models are available in the US as well.)
- Amazon "unlocked large-screen phones with user reviews 4 stars and up" (Debra reads user reviews for phones larger than her current one.)

Note that no smartphone brand or mobile service provider sites are on this list; like many consumers, Debra distrusts marketer-supplied information about most brand qualities and goes to company websites only to compare brand models (e.g., Samsung Galaxy S5 versus Samsung Galaxy Note 3) or to find out about prices of new product launches. However, she passes through a mall en route to her gym, and occasionally delays her arduous workout by stopping into the mall's large Verizon store, Best Buy Mobile, or Radio Shack to look at the brands she has read about online. In sum, Samsung's key touchpoints with consumers like Debra, when they are in the "open to possibility" phase of their journey, include mentions in user and expert reviews (not marketer-controlled) and retailers that carry the brand (marketer-controlled).

Ravi also tracks mobile technology on review sites and, in addition, he visits mainstream media pages regularly, e.g., the *New Yorker*, the *New York Times*, and his local newspaper's site, the *Atlanta Journal Constitution*. He does not routinely visit company websites and actively avoids the brick-and-mortar stores Debra enjoys browsing in, as he finds them overly stimulating and the salespeople unhelpful. Therefore, when he and others like him are "open to possibility," Samsung's touchpoints with them are all non-marketing ones.

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For smartphone marketers, Debra's and Ravi's product tracking behaviors while they are "open to possibility" illustrate the importance of getting the brand's latest models into the hands of key reviewers at product news and review sites (e.g., cnet.com), media publishers (e.g., *New York Times*), and influential bloggers. Many consumers do visit brand and retailer websites when they are in this mindset, so it is essential to convey the experience of using the product through video, photos, and textual description or narrative; and to maintain complete, easily and flexibly searchable information on features and specifications.

Stage 2: Decision to Buy or Change

Usually we can pinpoint what triggers us to switch into shopping or buying mode. The most common triggers of the decision to buy or change a considered product are the malfunctioning of the consumer's current model, a change in circumstance that necessitates an upgrade or first purchase in a product category, and learning about a new model via marketing or through *word of mouth* (other people).

Debra's means–end chain for a smartphone:

Attributes:

A1 It's small and lightweight,
A2 It connects to Verizon's extensive 4G network,
A3 Some models have big, high-resolution screens with a zoom function,
A4 It has a large storage capacity, and
A5 It has many built-in applications as well as access to thousands of downloadable ones.

Benefits of using a phone with those attributes:

B1 (result of A1) I can carry it everywhere,
B2 (result of A2 and A3) I can easily and quickly do Internet research, answer my emails, send texts, make calls, and shop on the go,
B3 (result of A4) I can store all the music I love to listen to and download photos, videos, and documents I want to view and/or keep, and
B4 (result of A5) I can play games with friends and family, do my banking, record health and fitness data, and stream podcasts, music, or National Public Radio whenever and wherever I want.

Goals achieved:

G1 (result of B1 and B2) I am always in touch with colleagues and students and I can get work done when I'm on the go.

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G2 (result of B1–B4) I am always in touch with family and friends and, in addition to talking with them, I can connect in a variety of ways that are fun and less time-consuming (texts and games).
G3 (also result of B1–B4) Being able to do all these activities on such a small device amazes and delights me, and adds a sense of play to whatever I'm doing.

Core values:

CV1 (result of G1) I am a diligent and reliable worker who is making a positive difference to her colleagues and students.
CV2 (result of G2) I am a loving and attentive friend and sister/aunt/great-aunt.
CV3 (result of G3) I derive joy from blessings large and small alike.

Ravi's means–end chain for a smartphone:

Attributes:

A1 It uses Verizon's 4G network.
A2 It looks like other smartphones.

Benefits of these attributes:

B1 (result of A1) I can learn how to surf the Internet on a mobile device.
B2 (result of A1) I can text or make calls wherever I am.
B3 (result of A2) My phone looks like the smartphones my gym buddies use, so I'll blend in better.

Goals achieved:

G1 (result of B1) I can catch up with everyone else I know by learning this new (really, now not-so-new) technology.
G2 I can keep in touch with my yoga clients.
G3 I can stay in touch with friends and family.
G4 I'll fit in better with my younger, smartphone-wielding buddies at the gym.

Core values:

CV1 (result of G1 and G4) I'm staying smart, young, and hip.
CV2 (result of G2) I'm an excellent, attentive service provider who is making a positive contribution to my clients' quality of life.
CV3 (result of G3) I'm a good friend and brother/nephew/uncle.
CV4 (result of G4) I feel a sense of belonging to a community.

Note that the means–end chains we've constructed from interviews with Debra and Ravi tell us why they need (want) smartphones, but not which

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brand each prefers. However, Debra seeks more features and richer benefits from a smartphone, so her choices may be more limited. Both she and Ravi see the smartphone as a means of achieving work-related and relationship goals and core values. Debra sees it also as a way of satisfying her need for hedonism (fun, play), while Ravi views it as value-expressive (how he wants to see himself and how he wishes others to see him).

A caveat about using means–end chains to get creative ideas for ads and other messages: We have a few goals and even fewer core values, and there are many brand choices in most product categories. This means that only one or a few brands can distinguish themselves by invoking our goals and core values in their messaging.

Debra's decision to buy a new smartphone was an easy one as she loves getting the latest technology in mobile devices. She viewed her smartphone's drowning in Devil's Lake as a welcome opportunity to purchase a newer model.

- Thoughts: Now I can get a larger phone that will be even more user-friendly to a person of very little vision. I'd better not try to revive this phone; I cannot justify upgrading early if I get this one to work again.
- Feelings: I'm excited about the possibility of finding a newer and larger smartphone, and I love shopping! I'm also relieved that I *need* a new phone, so I don't have to feel guilty about getting one only six months after upgrading.
- Behavior: Debra shows Ravi (her fiscally responsible friend who sometimes serves as her consumer conscience) that her phone is indeed dead, and gets him to acquiesce that she needs a new one right away since she has no home line and uses the phone to stay in touch with friends, coworkers, and students.

Debra's excitement about getting to shop for a new smartphone is typical of consumers at this stage of the journey, as is her seeking validation or the "go-ahead" from someone close to her. While a malfunctioning device triggered her decision in this case, she, like many technophiles, has a mindset of embracing technological advances and is more frequently open to possibility than most consumers. The desire for something new she has read news and reviews about has in the past triggered her decision to buy or change even when her current device was still functioning adequately.

Word of mouth about a new device often triggers the decision to buy, as does marketing. Apple has done this repeatedly with its beautifully and intuitively designed innovations showcased in compelling commercials.

Ravi's decision to buy a new smartphone came much more slowly and painfully.

- Thoughts: I believe I can revive this phone even though it did get drenched; I just need to figure out how to get its internal components dry. I have no intention of spending one cent on a new phone!
- Feelings: I'm really annoyed about my phone getting drenched, and at Debra, who I am certain caused the kayak to capsize. I'm cautiously

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optimistic about restoring the phone to its former satisfactory working condition, and a little curious about how to do it. As always I'm worried about money.

- Behaviors: Ravi heads straight to the Verizon store in Newport, Oregon, where he and Debra are staying. After a short wait (about 15 minutes) during which he and Debra have fun examining the phones on display, his name is called and he steps up to the counter, showing the employee his waterlogged device. "How can I dry this out?" he asks hopefully, assiduously ignoring Debra's whispered encouragement to go ahead and buy that iPhone he has been wanting. (If he is her consumer conscience, she is his consumer id, urging him to buy all that he needs and some of what he wants.) "Try leaving it in a bag of white rice for three days," the young man advises him. "The rice will absorb the moisture." Ravi and Debra purchase a bag of white rice at the Fred Meyer nearby. (Note: Fred Meyer is the regional retailer for one-stop shopping, with everything from fresh produce to school supplies and clothing, from housewares to power tools and small appliances. Kroger purchased it a few years ago, but wisely chose not to rebrand it. Freddie's is known and loved in the Pacific Northwest. Customers make many habitual purchases and a few considered ones there.)

  After patiently waiting the prescribed three days for his phone to dry out, Ravi removes it from the bag, brushes the rice off of it, reinserts the battery, and turns it on. As before the drying, the numbers he presses are not those that appear on the screen and he can neither make nor receive calls.
- Thoughts: I'll just keep my phone in this bag of white rice a little longer, and if it still doesn't work, I'll try putting it in brown rice when I get back home to Atlanta. I have plenty of brown rice in my pantry and I bet that'll fix the problem!
- Feelings: I'm still a little annoyed, still optimistic about the phone being OK again, and still worried about money.
- Behavior: When he gets back home, Ravi fetches a bag of brown rice from his pantry and is poised to unseal it and immerse his phone in it—but his hand stops in midair.
- Thoughts: Oh, this isn't going to work! Brown rice is dense and won't absorb water like white rice does! I guess I'll have to get a new phone after all. Well, I'm still not going to pay a cent for it; since I have to get a phone, I'll choose an older smartphone model that's free with a two-year contract.
- Feelings: I'm resigned to having to change phones but I kind of dread learning a whole new operating system. I'm glad my buddies at the gym won't get to make fun of my dumb phone anymore though.

Ravi knows as much as Debra about new devices and technologies, but his frugal mindset makes him far less susceptible to triggers to buy. He typifies consumers who decide to buy only when their current product is consistently malfunctioning or not working at all. He seeks value from all he buys

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and finds most shopping experiences painful. However, he is not impervious to marketing; he avidly looks for bargains and is pleased when he finds a good one. He is also open to verifiable claims of quality. When Ravi finds a brand that meets his (very high) expectations, he is the most loyal of customers, in part because he finds change disruptive.

Stage 3: Evaluating

The consumer may already know which brand and model she wants based on the information she has acquired during the "open to possibility" stage of the journey. Usually, however, she seeks more information but with greater focus on her own specific needs and wants. Interactive buying guides and expert reviews that offer detailed brand comparisons are especially useful at this stage, as are reviews by users who purchased the product for purposes similar to those of the shopper.

Debra embarks enthusiastically on her search for a new smartphone.

- Thoughts: I know I can find a phone with an even larger screen than the already-quite-large (5.5 inch) screen on my Samsung Galaxy Note 2. I wonder if I can also get one with higher resolution? I'll look at experts' reviews because this is a complex electronic device and I want the best available large-screen smartphone. CNET is my favorite site for this sort of thing; I discovered it at least 10 years ago and have relied on it ever since when I'm buying a laptop, smartphone, Bluetooth headphones—any electronic device. I'll also look at user reviews because that's how I find out if products are truly reliable and if others like me (in this instance, a visually impaired technophile) have had good experiences over a longer time than expert reviewers spend testing products. I won't consult salespeople because I don't trust that they have my best interests at heart; nor are many of them all that knowledgeable about the devices they sell.
- Feelings: I'm excited about getting to investigate the largest smartphones currently available, but I also feel a little guilty about spending the time searching; I could be writing an academic journal article instead!
- Behavior: Debra consults several excellent, cutting-edge sites featuring experts' reviews of the latest "phablets." In addition to CNET she visits TechRadar, ZDNet, and Engadget.

Because of her visual impairment, Debra considers only those smartphones with screens larger than that of her Samsung Galaxy Note 2. She finds a very informative article on cnet.com showcasing the largest smartphones available and linking to reviews of them. It features the LG G Flex with its 6-inch display ("Daring design, but plays it safe with features"); the LG G Pro 2 ("Stunning screen and speed without much style"); the Samsung Galaxy Note 3 ("Powerful new Note wields mightier pen skills"); and the Sony Z Ultra with a whopping 6.4-inch display ("way too big, much too expensive").[2]

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Returning to Debra's thoughts, feelings, and behaviors during the evaluation stage:

- Thoughts: The Sony has a 6.4-inch display! Would that be perfect for me, or too big even to make calls on? Isn't that just about the size of a small tablet? Should I just get a tablet? No, that makes no sense; my Lenovo Ideapad Yoga functions as a tablet already. I really need a smartphone. I like and trust Sony to make high-quality electronics, but I do think their prices are too high. My friend Barb does like her Sony Vaio laptop, though. I think I should at least take a look at the Sony smartphone.
- Feelings: I'm pleased and a little surprised to find out that there are a few large-screen alternatives to my Samsung Galaxy Note 2. I'm happy to see the very positive review of the Samsung Note 3, as the review also validates my own experience with the Note 2. And I am curious about that gigantic Sony.
- Behavior: Debra visits the Sony website and sees that there are 29 user reviews, 10 of which give the phone three or fewer stars. She clicks on this one-star review and quickly realizes that this phone is not for her unless she is willing to change carriers:

  > *May 31, 2014*
  >
  > Now I understand it lists "Network specifications" but before buying this I figured "Unlocked" meant it would work with any carrier. This phone does not work with Verizon. The phone is beautiful but the fact that their bands are not compatible makes this phone completely useless to me. I would understand if I had an unpopular phone service but Verizon is one of the biggest and the fact that sony has not tried to make it compatible with them is a very disappointing experience.
  >
  > (from Sony store website)

- Thought: I would've made the same mistake. Of course I'd have more choices if I consider going with other carriers, but that would be a major and potentially expensive step since I'm under contract with Verizon and the early termination fee is high. Also I share a plan with Ravi, who finds it so unpleasant to make changes he has remained an America Online customer through thick and thin despite his dissatisfaction with the service provider!

(Note that during the evaluation stage Debra considers Ravi's consumption preferences, not only because they share a Verizon plan, but also because they are close friends and she wants him to be happy too. The lesson here is that as social beings, we make many of our individual purchase decisions taking significant others into account directly or indirectly.)

- Behavior: Just to make sure she has explored all alternatives, Debra does one last search for large-screen smartphones on CNET, and comes across this headline: "5.7-inch LG G Vista joins Verizon family for $99

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on-contract: If LG's G3 is too much phone for too much dough, Verizon's new LG G Vista could be the perfect antidote." The site does not yet offer a complete review as this phablet has just arrived on the scene.

- Thoughts: Now I have two choices instead of just one!
- Feelings: I'm surprised there is another large-screened model available through Verizon, and I'm curious about how it stacks up against the Note 3.
- Behavior: Debra visits verizonwireless.com to find out once and for all which smartphones the carrier offers, and because she knows the site has a feature that enables consumers to do a side-by-side comparison of devices that interest them. She compares the LG G Vista to the Samsung Galaxy Note 3, highlighting the differences between them. Tables 4.1, 4.2, and 4.3 show only the differences.

Table 4.1 Comparison of Prices of LG G Vista and Samsung Galaxy Note 3

Prices	*LG G Vista*	*Samsung Galaxy Note 3*
Full retail price	$399.99	$599.99
2-year contract price	$149.99	$199.99
Online discount	$50.00	NA
Promotional discount	$50.00	$100.00
Your price	$49.99	$99.99

Table 4.2 Comparison of Specifications of LG G Vista and Samsung Galaxy Note 3

Specifications	*LG G Vista*	*Samsung Galaxy Note 3*
Camera	1.3 MP Front-Facing/ 8 MP Rear-Facing Autofocus Camera with LED Flash	13 MP AF with Flash/2 MP Full HD Recording Front-Facing Camera with Smart Stabilizer
Memory	8 GB internal	32 GB internal (up to 64 GB microSD)
Battery	Removable Li-Ion (3200 mAh)	Lithium Ion Battery (3200 mAh)
Size (in.)	5.99H × 3.12W × 0.36D	5.95H × 3.12W × 0.33D
Stand-by time	Up to 514 hours	Up to 504 hours
Usage time	Up to 904 minutes	Up to 1440 minutes

Table 4.3 Comparison of Capabilities and Features of LG G Vista and Samsung Galaxy Note 3

Capabilities and features	*LG G Vista*	*Samsung Galaxy Note 3*
Wireless charging (built-in)	Yes	No
Removable memory	No	Yes

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In contrast to the excerpts from CNET reviews, which make it easy to evaluate one brand at a time in a holistic fashion, the table from verizonwireless.com enables consumers to do a feature-by-feature comparison across several brands at once. This kind of comparison is especially useful for consumers who are seeking specific features beyond the standard ones.

Back to Debra's evaluation:

- Thoughts: I like the holistic way CNET presented the brands because I care more about an overall evaluation than about specific features. But the comparison on verizonwireless.com does make it easy for me to see that the Samsung has a better camera, a much larger memory capacity, and a considerably longer battery life. Because I am so satisfied with my Note 2, I'm going with the Samsung Galaxy Note 3.
- Feelings: I'm filled with anticipation and excited to complete the purchase! It's been so much fun getting to browse through the "ginormous-screened" phones on the market now!

Research shows that many shoppers enjoy the entire journey, including the evaluation stage.[3] Marketers can enhance consumer satisfaction with and enjoyment of digital searches by using arresting graphics that entice consumers to learn more, and by making the search for information easy both for consumers like Debra, who prefer to learn all about one brand at a time, and for those consumers who need to see a feature-by-feature comparison of several brands all at once. Retail and brand sites alike should either include or link to expert and user reviews of the brands and models they offer and of major competitors. Openness to negative as well as positive feedback is a sign of customer-centricity as well as the marketer's confidence in the brand and commitment to evolve it to meet consumer demand for intuitively designed cutting-edge products.

Ravi's evaluation phase is more straightforward than Debra's: he proceeds to search for the best smartphone available for free with a two-year contract.

- Thoughts: I'll start with the Verizon site to find out what's available to me. Then I'll go check out some forums. I believe experienced users of the brands I'm interested in will offer insights into how user-friendly the various phones are in ordinary but important tasks like making and receiving calls, checking voice mail and SMS messages, and connecting to Bluetooth so that I can talk while I'm driving. I know I want an Android rather than an iPhone because the 4-inch display on the iPhone 5s (which isn't free anyway) is too small. I'm planning to use our fourth line to upgrade again when Apple introduces the new iPhone 6 which, according to macrumors.com, will have a significantly larger display.
- Feelings: I'm a little excited about finally owning a smartphone!
- Behaviors: Ravi first visits verizonwireless.com where he uses Verizon's search filter to narrow the broad selection to his consideration set consisting

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of Android smartphones that are free with a two-year contract. He discovers he has four alternatives: Samsung S4, LG Lucid 3, Moto X, and Kyocera Hydra Elite.

- Thoughts: Hmmm, I'd like to have a phone with a display that is larger than that of my phone that just died, as I had trouble reading the screen on occasion.
- Behaviors: Ravi pulls up the details about each phone just to check display sizes, and finds out that the Kyocera's display is only 4.3 inches, the LG and Moto sport 4.7-inch displays, and the Samsung is largest with its 5-inch display.
- Thoughts: The Kyocera is too small and I don't need a waterproof phone. I need to peruse expert and user reviews of the other three before I make a final selection.
- Behaviors: Ravi finds CNET reviews of the LG Lucid 3 ("Free on-contract handset excels, but stutters with the camera"); the Motorola Moto X ("a comfy Android with mass appeal"); and the Samsung Galaxy S4 ("the everything phone for (almost) everyone").

Continuing Ravi's evaluation:

- Thoughts: The Samsung not only has the largest screen of the three phones, it also gets the highest rating from the expert reviewers. I'll just check into some user experiences next.
- Behavior: Ravi returns to verizonwireless.com because he can find user reviews of all three phones in his consideration set, and the site permits visitors to filter reviews by star rating, age of user, pros, and cons. Ravi looks at unfiltered ratings of each phone and creates Table 4.4.
- Thoughts: Wow, there are large differences in the total numbers of reviews. I wonder why the LG got so few. Perhaps it was introduced in the U.S. market more recently than the other two. Regardless, I'm eliminating the LG from my consideration set because I see that it is

Table 4.4 Ravi's Comparisons of Three Smartphones

	Moto X	*LG Lucid 3*	*Samsung Galaxy S4*
# Reviews	809	175	3,817
% Recommending for purchase	88%	75%	88%
Overall stars (0 to 5) rating	4.4 out of 5	3.9 out of 5	4.3 out of 5
Features rating	4.5	4.1	4.5
Ease of use rating	4.3	3.8	4.2
Performance rating	4.4	3.9	4.4
Battery life rating	4.4	3.5	3.9
Call quality rating	4.1	4.2	4.4

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rated lowest on every item except call quality, and only 3 out of 4 users recommend it compared to the almost 9 out of 10 users recommending the other two contenders for my cash. My choices are the Moto X and the Samsung S4. Samsung excels in call quality, which is very important to me because Debra and I chat daily. Neither one of us especially enjoys texting. Moreover, the Samsung has a larger display. I'll willingly trade battery life for call quality and display size. Debra's satisfaction with her Samsung reassures me that I'm making a good choice.

Stage 4: Shopping

Many consumers do all or most of their brand research and evaluation using online resources and visit stores only when they have narrowed their consideration set to a very few brands or decided on one. These consumers do not wish to linger or browse, but rather focus on the item(s) of interest and, once they have scrutinized and selected an alternative and completed a final price check, they seek an efficient purchase experience from a reputable retailer that offers extended warranties and full refunds for returns.

Consumers also do the opposite, treating bricks-and-mortar stores as showrooms in which to browse and learn about alternatives, and completing their purchases online. To attract these consumers, bricks-and-mortar retailers should collaborate with the brands they carry to create displays that are fun, engaging, and informative, inviting consumers to explore the products tactilely and visually and providing all the facts they need in order to make a wise purchase decision. In Chapter 5 we will explore how retailers can engage and inform consumers using sensory marketing tactics.

When it comes to smartphones and most other electronics, Debra is one of the consumers who gather brand and product information and evaluate their alternatives online, and go to a bricks-and-mortar store to complete the purchase.

- Behaviors: Debra visits her favorite Verizon store, in Lloyd Center, en route to the gym the following day. For her, getting to hold a phone and scroll through its applications is akin to test-driving a motor vehicle. It gives her a "feel" for the product, but does not tell her whether a device (or vehicle) with a good "feel" will serve her well in the long term.
- Thoughts: The Note 3 feels large and solid in my hand; from this I infer that it is a high-quality, durable device. The phablet's screen shows a series of stunning high-resolution displays of the apps I open. I believe this phone will serve me very well; the large screen will enable me to do online research and keep up with emails. I can even download and read documents or whole books on this large screen! I also believe that this phone will give me the same great call quality as my Note 2 did.
- Feelings: I'm delighted with this phone! I'm also filled with anticipation of having fun personalizing it and learning how to use it!

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- Behavior: Debra explains to the Verizon employee that she needs an early upgrade. She says she will gladly pay the $229 price displayed beside the lovely Note 3. Upon checking her eligibility for an upgrade and finding that she is not yet eligible, the young man tells her she will have to pay the full $599 manufacturer's price if she wants the Note 3.
- Feelings: I'm a little surprised and disappointed that this employee is being so rigid, but I'm more determined than ever to have that phone for less than full price. I feel no love for these carriers; they make plenty of money, charging consumers double for all our calls and texts, nickeling and diming us for every iota of data we download!
- Behaviors: Debra returns to the store twice before she obtains an upgrade for less than the full price. The helpful, friendly employee she encounters on the third visit lets her have the phone for the $229 new-account and upgrade price, plus an extra $150 for upgrading early. However, for the $150, she receives an excellent Bluetooth headset and a sturdy Otter case that will protect her phone from harm when she (inevitably) drops it from time to time.
- Feelings: I'm grateful to this flexible, friendly employee and very happy and excited to finally have this Samsung Galaxy Note 3 with its bright, beautiful, clear screen and its fine-quality workmanship!

Debra loves Samsung's Galaxy series and trusts that the brand will continue to produce high-quality, innovative mobile devices. But while her long-standing relationship with Verizon may resemble customer loyalty, it is in fact a pragmatic alliance based on the carrier's coverage of key geographical areas and its insistence on a new two-year contract each time she upgrades. Currently Verizon does have the differential advantage of extensive coverage, but Debra (and Ravi) would happily switch to another carrier that offers the same coverage and a better deal. The lesson is that behavior by itself can be easily misinterpreted and we need to know the thoughts and feelings—motivations—underlying it to reach the correct conclusion about its meaning.

Note: Debra and her fellow technophiles like to upgrade to the latest and greatest new devices at least every year. To accommodate their desire, Verizon has begun offering its Edge program whereby the customer can upgrade early, not by paying the full retail price for the phone, but by paying a monthly fee, rather like leasing the phone. Debra did the calculations comparing the Note 3's full price to the Edge monthly fee over a year, and found that there wasn't much difference. The Edge works best for consumers who upgrade more often than annually, or whose employers will pay the monthly fees but not for a one-time purchase.

Ravi chooses not to go to a Verizon retailer; he does not like shopping in bricks-and-mortar stores as he finds them overwhelming and the salespeople generally unhelpful.

- Thoughts: I'll go with the Samsung Galaxy S4; it will do fine as my first smartphone and I can upgrade to an iPhone when I'm eligible in a few

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months. The S4 is free with a two-year contract, it has a large screen, the brand gets very good reviews, and Debra loves her Samsung.
- Feelings: I'm reasonably satisfied with my decision, but find the Verizon website exceedingly annoying: it's very slow and not at all user-friendly!
- Behavior: Ravi orders his Samsung Galaxy S4 from the Verizon website.

Ravi typifies the increasing numbers of consumers who are comfortable gathering information, evaluating brands, and shopping and purchasing online, never setting foot into a store for many of their purchases. For these consumers, an efficient checkout process, free or very low-priced shipping, and the ability to return a product for a full refund are essential, as are rapid, respectfully delivered resolutions to problems or answers to questions, pre- and post-purchase.

Stage 5: Experience

During this stage of the journey for considered purchases, the consumer is discovering what it is like to live with the product over weeks and months or years for motor vehicles, houses, large appliances, a college education, and other important and infrequent purchases. The experience stage is, in other words, a process rather than a discrete event, and it may have many ups and downs. For example, new vehicle buyers typically feel joy at owning and using a car they have likely wanted or needed for some time, but the "new car" feeling wears off over time, to be replaced by (dis)satisfaction with the vehicle's performance and reliability. Smartphone buyers report feeling frustration during this stage as they are simultaneously learning how to operate their new devices, encountering and attempting to resolve the inevitable software glitches, and relying on the phones to accomplish a wide range of important work-related and personal tasks. The quality of a consumer's post-purchase experience depends on her expectations about the product compared with its performance. This means that marketers should manage people's expectations. Research suggests that smartphone makers may be marketing the devices in a manner that raises consumers' expectations to unrealistic levels, thus magnifying their frustration during the experience stage.[4] The consumer's post-purchase experience is now as public as she wishes it to be and exerts considerable influence over the purchase decisions of others, as shown in Figure 4.3.

Debra's new smartphone is really a larger, more powerful version of her old one, so her experience is more positive than most.

- Thoughts: This phone is worth every penny and then some! The additional 0.2 inches and higher resolution make a big difference in my ability to see and respond to emails and do research online. I can zoom in and out by "pinching" or "stretching" the display with two fingers. I can even read business books on it because the screen is large enough for me to enlarge the print without ending up with just a few words on the page. And the audio is excellent when I'm talking on the phone to Ravi and others.

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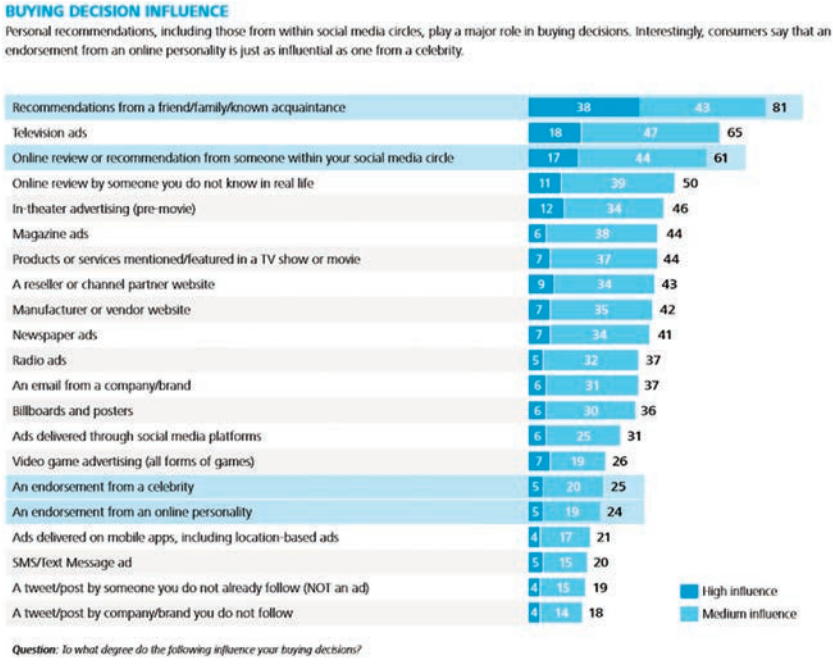


Figure 4.3 Buying Decision Influence.

Reprinted from "Digital Democracy Survey," by Deloitte, 2015, Retrieved from www2.deloitte.com/us/en/pages/technology-media-and-telecommunications/articles/digital-democracy-survey-generational-media-consumption-trends.html. Copyright 2015 by Deloitte. Reprinted with permission.

- Feelings: This smartphone and all I can do with it bring me joy and gratitude that such technology is available and that I can afford it.
- Behaviors: Debra uses her new smartphone numerous times during her waking hours, fielding emails from colleagues and students, scheduling appointments, reading the latest marketing news and academic research, chatting with friends and family, streaming National Public Radio programs while in transit, listening to music and podcasts while working out at the gym, and setting the alarm to begin a new day. She also tells her friends, family, colleagues, and inquisitive strangers what a superb smartphone it is. Those who are in the "open to possibility" stage may decide to delve more deeply into the Samsung Galaxy Note 3.

Ravi shares the frustration of the consumers in the research on the post-purchase experience of the smartphone.

- Thoughts: This phone is a good size for me; I can easily read the screen and text my gym buddies. The call quality is excellent, too.

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- Feelings: I'm frustrated that the phone's fingerprint detection feature doesn't work all that well, and that there's so much the phone can do that I'll have to learn over time. But I'm glad I finally got a smartphone and look forward to showing it to my buddies at the gym. I feel younger having the technology that those 20-year-old kids have!
- Behaviors: At first Ravi uses his phone to talk and for texting. He still uses his old desktop and only slightly newer laptop for email, reading the latest business news, and researching health and fitness topics on behalf of his yoga and massage clients. After owning the phone a few weeks, he attends a Verizon smartphone class so that he can start making better use of his smartphone's many features.
- Feelings: I'm happy I took the class as I learned a lot and I feel more competent using my new smartphone!
- Behaviors: Ravi explores the complexities of his phone's camera by taking many photos of things he cares deeply about—his flower and herb garden, the lake where he loves to kayak, sunset over the Pacific Ocean when he and Debra go to the Oregon coast for a week. He also downloads a few apps that interest him and establishes his America Online email account on the phone. Slowly but with ever greater enthusiasm, he masters the Samsung Galaxy S4. Like Debra, he shows off his phone to friends and colleagues, a few of whom may investigate it or another Samsung phone when they are open to possibility.

Verizon is wise to provide post-purchase support in the form of classes like the one Ravi attended. Not only is the carrier collaborating with and promoting the brand, it is also winning goodwill from customers who will get to decide whether to stay with Verizon or switch to another carrier when their two-year contracts expire.

In sum, the decision journey for considered products offers the following opportunities for marketers:

1. Place new products in the hands of widely respected reviewers, create compelling and cutting-edge content for the brand website, and develop product displays for bricks-and-mortar retail settings that are fun and engaging as well as informative. These will attract consumers open to possibility to learn about the brand and to enjoy interacting with it.
2. Promote new brand models using videos and other advertising online and offline to help trigger the decision to buy, and to be present in the consumer's media milieu when her current product starts underperforming or stops working.
3. Include on the brand website complete and honest comparisons with competitors' brands to facilitate consumers' evaluations and to build credibility and goodwill.
4. Make it easy for consumers to switch seamlessly between the brand's online and offline shopping and purchasing channels, ensuring that consumers have a pleasant and efficient purchase experience whether they

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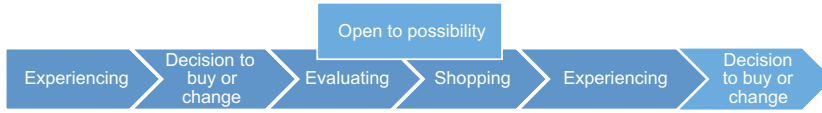


Figure 4.4 Habitual Pathway to Purchase.

gather information online and make the purchase in a store, or learn about products by browsing in stores and make the purchase online. While in the store, a shopper should be able to access product and company information online—price, features, company labor practices—anything the shopper wants to know should be at her fingertips.

5. Enhance consumers' post-purchase experiences by not promising performance the brand cannot deliver in ordinary usage contexts, offering personalized (not rigidly and obviously scripted) customer support online and via telephone, providing readily accessible classes, videos, and other training on how to make the most of multi-featured products, reminding the customer when the product needs service or a tune-up if applicable, and checking in with the consumer to find out how things are going with their new purchase.

Now we turn to the consumer journey for habitual purchases, shown in Figure 4.4.

Habitual Purchases

Note that the stages for the habitual purchase pathway are the same as those for the considered pathway. The habitual pathway differs from the considered one in three ways:

1. Consumers usually decide to make a habitual purchase when they need to replenish their supply of the item. Most habitual purchases are products we literally use up—food, household supplies, personal care products. We don't think about these products until we need them (remember the "Got Milk?" campaign in Chapter 2) and most of us do not gather information on them outside the store setting. This means we start the pathway by using (experiencing) the product and running out of it triggers the decision to buy or change.
2. Many consumers make an actual or mental list of the items they need and may look for coupons before they go to the store, but they evaluate and shop for the products in the store while standing in front of the shelf gazing at alternatives. This is when they are most likely to be open to possibility in the form of in-store samples, promotions, and displays; as well as their own recollection of a word-of-mouth recommendation (e.g., a friend mentioned she loves Bounty paper towels), an ad ("Bounty—the quicker picker-upper!"), a brand name, or a package. This means in-store marketing is essential for habitually purchased items.

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3. The cost of trying a new or unfamiliar brand is low for habitual purchases—perhaps a few dollars and very little time evaluating and shopping—and many shoppers continue browsing after they find everything on their list. This is double-edged for marketers: on the one hand, a promotion or special display may persuade consumers to try a new brand; on the other, earning and maintaining customers' loyalty to a brand is increasingly difficult even if the brand's performance exceeds consumers' expectations.

Moments of Truth in the Consumer's Journey

> "Welcome to the moment of truth . . . a series of four stages where customers take actions that move them toward or away from you."
>
> (Solis, 2013: 61)

We've described the purchase journey from the consumer's perspective, exploring what s/he thinks and feels as well as how s/he behaves at each stage. A marketer may view these same stages as moments of truth (MOTs), so named because they are critical junctures for a brand; amassed over many consumers' journeys, they determine whether the brand survives and, if it does, how healthy it becomes. As shown in Figure 4.5, the four moments of truth roughly correspond with the five stages of the consumer's journey.



Figure 4.5 Marketers' Moments of Truth (MOTs) and the Consumer Journey.

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Zero Moment of Truth (ZMOT)

Originally the ZMOT referred to "the few minutes before people buy, where impressions are formed and the path to purchase begins" (Solis, 2013: 63). Before the Internet, those minutes were spent either in the store, perusing packages, or with a friend or neighbor who is singing the praises—or bemoaning the inadequacies—of a brand she's used recently. The beauty of having ready access to so much brand information online, from such a variety of sources, is that it enables us to explore in depth any products and brands that especially interest us and do quick brand comparisons based not only on objective features, but also on consumers' experiences via user reviews. The search has become so essential a start to many consumers' shopping journeys, Google researchers extended ZMOT to refer to "that moment when you grab your laptop, mobile phone, or some other wired device and start learning about a product or service you're thinking of trying or buying" (quoted from Google's ebook in Solis, 2013: 63). It is Google's stance that no matter what kind of product a marketer is selling, a brand presence online is essential, even for a seemingly trivial product. The ZMOT may occur during any stage of the journey prior to purchase. In Chapter 3, Tasha's ZMOT occurred when she looked up reviews of minimalist running shoes. Ravi's ZMOT for smartphone brands recurred at several points in his purchase journey.

Had Samsung not created and successfully maintained such a strong media presence, getting its products into the hands of respected reviewers and blanketing the news media with new product announcements, its ZMOT for Debra, Ravi, and millions of other connected consumers would simply not have occurred. Even Debra, with her love for her Samsung Galaxy Note 2, would not have considered the brand without that strong online presence. A consumer electronics brand that is neither reviewed nor the focus of any business news publisher is not a credible contender for the attention of many discerning consumers.

First Moment of Truth (FMOT)

Consummate marketer Procter & Gamble, which brought us Tide detergent, Ivory soap, Pampers, and numerous additional long-lived brands, popularized the term to describe the "three to seven seconds after a shopper first encounters a product on a store shelf. It is in these precious moments that . . . marketers must focus efforts on converting shoppers into customers" (Nelson and Ellison, 2005). In the FMOT, we either pick up the product and put it in our shopping cart, or leave it behind. This moment corresponds with the choice and purchase stage, and if indeed it is also our initial contact with a brand, FMOT may also precipitate need recognition. Picture the cereal aisle in your supermarket: Which packages stand out? Why? Does something about one of them make you want to pick it up and examine it more closely? Have you ever bought a box on impulse because it looked so good? In Chapter 5 we'll explore packaging and other aspects of sensory marketing in depth.

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For Debra, Samsung's first moment of truth occurred in the Lloyd Center Verizon store. She gravitated to the Note 3 because it was a Samsung and also the largest phone in the store; she was unaffected by the fine points of its display. She wanted to "test drive" it, so the only essential element of Samsung's strategy for customers like her is to make sure the phone is available and prominently displayed at every retailer from which a consumer might purchase it. Debra fell in love with the Note 3 during the FMOT. For Ravi, the FMOT occurred online, when he found the Samsung S3 on the Verizon website; note that he did not visit the store because he felt no need to "test drive" the phone and (as you may recall) he does not like shopping in bricks-and-mortar stores. For consumers like him, a prominent and persuasive online presence is everything—the entire foundation of the decision process, choice, and purchase.

Second Moment of Truth (SMOT)

If we purchase the brand, the "Second Moment of Truth" (SMOT) comes when we use or consume the brand and decide whether we like it (experience stage). This evaluation hinges on our *expectations* of what the product does for us or enables us to do. Let's look at an unusual example: the first performance of Igor Stravinsky's *Rite of Spring*.

Igor Stravinsky's "The Rite of Spring" with Thomas Kelly (1999)[5]

Almost no musical work has had such a powerful influence or evoked as much controversy as Igor Stravinsky's ballet score "The Rite of Spring." The work's premiere on May 29, 1913, at the Théatre des Champs-Elysées in Paris, was scandalous. In addition to the outrageous costumes, unusual choreography and bizarre story of pagan sacrifice, Stravinsky's musical innovations tested the patience of the audience to the fullest. . . .

Harvard University professor Thomas Kelly suggests that one of the reasons that the Paris premiere of "The Rite of Spring" created such a furor was that it shattered everyone's expectations. The evening's program began innocently with a performance of "Les Sylphides." However, as the follow-up piece, "The Rite of Spring" turned out to be anything but spring-like. . . . When the curtain rose and the dancing began, there appeared a musical theme without a melody, only a loud, pulsating, dissonant chord with jarring, irregular accents. The audience responded to the ballet with such a din of hisses and catcalls that the performers could barely hear each other. . . .

As Thomas Kelly states, "The pagans on-stage made pagans of the audience." Despite its inauspicious debut, Stravinsky's score for "The Rite of Spring" today stands as a magnificent musical masterpiece of the twentieth century.

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Stravinsky's dissonant masterwork violated the audience's expectations of a pleasant evening of the kind of music and dancing to which they were accustomed. Future audiences would prove far more appreciative; they knew what to expect and chose to attend, not despite any misgivings, but rather because the new piece piqued their interest.

Debra's new phone met her very high expectations so she is delighted with her Note 3. The more she uses the phone, the happier she is with it; her SMOT was (and is) altogether positive. Ravi's SMOT was mixed because of the phone's small size. Since he knew exactly what he was getting and chose it partly based on price, the S3 met his (considerably more moderate) expectations of this older smartphone model.

A marketer can enhance the SMOT by communicating with the consumer after s/he has made a purchase. At Bath & Body Works, when the salesperson hands the consumer her shopping bag at checkout, she slips coupons into it, telling the consumer about them as she does so. The coupons encourage more purchases within a short time frame, and increase goodwill for the brand. When the consumer next pours the aromatic shower gel into her hand, these positive feelings about the brand may enhance the usage experience.

Ultimate Moment of Truth (UMOT)

This is the juncture at which we decide whether to share our brand experience with others—our colleagues, friends or family, our Facebook contacts, Twitter followers, blog readers, fellow forum members. In Chapter 7 we'll explore interpersonal influence and discuss how and why "word of mouth" works so well.

This moment of truth, so important to marketers, hardly got on Debra's and Ravi's consumer radar. Could Samsung have done anything to induce either of these consumers to share their evaluation, especially online? For the right price, Ravi would have gone online to talk about Samsung, but without a social media presence, where would he go and what good could he do for the brand? As for Debra, she feels time-pressed already and it is unlikely Samsung could make it worth her while to advocate for the brand. Furthermore her social media presence is very limited, so she, like Ravi, would be a poor choice for Samsung to invest in as a brand ambassador. The lesson is that marketers must know their consumers' "technographic" profiles as well as they know their brand, product, and media choices.

The UMOT is critically important to a brand because one consumer's advocating a brand may be another consumer's zero moment of truth. Google's research shows that we consult multiple sources of information for a wide variety of products (see Table 4.5), and the Deloitte study results shown earlier in the chapter, in Figure 4.3, illustrates the importance of recommendations from friends, family, and social media acquaintances.

In sum, while marketers have more opportunities than ever before to influence consumers' thoughts, feelings, and behaviors at every stage of the consumer journey, they also face greater consumer skepticism and more competition

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Table 4.5 Numbers of Sources We Seek for a Variety of Product Categories

Category purchased	*Number of sources used by the typical shopper*	*Average usage across sources (%)*	*% of shoppers influenced at ZMOT*
Automotive	18.2	34	97
Technology (consumer electronics)	14.8	30	92
Voters	14.7	35	95
Travel	10.2	22	99
Over-the-counter health	9.8	18	78
Consumer packaged goods: grocery	7.3	15	61
Consumer packaged goods: health/beauty/personal care	7	14	63
Quick-serve restaurants	5.8	12	72
Banking	10.8	25	91
Insurance	11.7	26	94
Credit card	8.6	19	81
Investments	8.9	20	89

Source: Adapted from "Zero Moment of Truth Industry Studies," by Google/Shopper Sciences, 2011. Copyright 2011 by Google. Adapted with permission.

Note: U.S. studies.

from other quarters including friends, experts, and social media connections. In Part II we'll explore further how consumers make meaning from the world around them, and how marketers can participate in that process.

Notes

1 Microsoft Advertising Consumer Insights, 2013, "The Consumer Decision Journey: Retail," http://advertising.microsoft.com/en/cl/4198/consumer-decision-journey-retail
2 Source: www.cnet.com/news/smartphones-with-ginormous-screens-roundup/
3 Advertising Research Foundation (ARF), 2012, "Digital & Social Media in the Purchase Decision Process," https://thearf-org-aux-assets.s3.amazonaws.com/research/ARF_Digital_Social_Media_Purchase_Process.pdf
4 Ibid.
5 www.npr.org/programs/specials/milestones/991110.motm.riteofspring.html

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Part II

Consumers Creating Meaning

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5 Sensory Perception in a Consumption Context

Objectives

1. To explore how we interpret brand, product, and retailer information conveyed by each of the five senses.
2. To describe how the senses work together to influence our consumption-related thoughts, feelings, and behaviors.
3. To discuss how sensory marketing tactics may be used to help consumers develop healthier habits.

Introduction

The Interbrand market research organization's annual brand valuation study lists the top global brands. Interbrand bases its overall valuation of a brand on its competitive and financial performance as well as the role the brand name plays in consumers' purchase decisions. To achieve status as one of the Best Global Brands, a brand must be present on at least three major continents, earn at least 30 percent of its revenues outside its national boundaries, and be known beyond where it is marketed. For 2015 five of the top ten brands were technology firms and one of those was Samsung, which featured prominently in the consumer decision journeys recounted in Chapter 4.[1]

Only two of the ten—McDonald's and Coca-Cola—are in habitually purchased product categories; the rest are either considered or business-to-business products. Even the business products, e.g., Intel's microchips, are brands consumers know and trust.

As the Interbrand study demonstrates, the confluence of many factors determines a brand's success. But consumers come to know brands as they do everything else in their environment—by means of their senses. A brand's identity is, in the end, what consumers think and feel about the brand based on the sum total of their sensory experiences with it. These experiences may involve any and all marketer-provided touchpoints (advertising, websites, in-store displays, presence at sponsored events) as well as all other encounters with the brand, e.g., expert and user reviews, forums, social media

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comments, etc. This chapter focuses on sensory elements both of the brand itself and of the environment in which it is sold.

As you read, remember:

a. What we perceive depends on what we know and expect, and is subject to systematic biases.
b. We do not have to be aware of a stimulus (sight, sound, etc.) for it to activate the areas of the brain that govern our cognitions, affect, or behaviors.
c. The senses work in concert to help us construct a coherent interpretation of our environment and our place within it.

Vision and Branding

Typically the most prominent aspect of any object is its appearance. For a brand, this includes the logo, packaging if applicable, the product itself, and the retail contexts—offline and online—in which it is displayed and sold. We will examine how each of these elements influences consumers' cognitions, affect, and behavior.

Packaging and Logos

What's in a Logo?

How many logos do you think you recognize? We may be exposed to hundreds of logos in a typical day; a few we are aware of seeing—e.g., the big Starbucks logo that promises us a delicious, frothy latte with the shots of espresso that get us going each morning, the Oregon Zoo logo that festoons the light rail train that is (thankfully) punctual most mornings. A vast number we do not perceive at all because we are so focused on the tasks at hand or so accustomed to these brands—the swoosh on the Nike shoes we pull on to run every evening, the "Philips Sonicare" emblazoned on the electric toothbrush we use for the requisite two minutes morning and evening, the Hyundai or other automaker brand emblem on the grille of the car in which we commute to work, the logos on our own and our colleagues' clothing.

Still other logos we perceive subliminally. "Subliminal" comes from the Latin words "sub," meaning "under," and "limina," which means "threshold." Subliminal perception occurs when our brains respond to a stimulus but we are not aware that we perceive it. In other words, the stimulus is below the threshold of conscious awareness. Even this subliminal, so-called incidental exposure to a logo—one that appears and then disappears so quickly that we are not aware of it—can affect our cognitions, affect, and behavior. A study has shown how incidental exposure to the Apple logo can make us think and behave more creatively.[2]

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The Apple experiment demonstrates that familiar logos we perceive unconsciously may affect our behavior, at least in the short term. Bear in mind, though, that when we first became acquainted with the Apple logo, seeing it would have been unlikely to cause us to behave more creatively. The incidental exposure effect depends not only on a logo being familiar to us, but also on how strongly we associate with it the brand or user qualities the marketer has shown us, time after time—in videos and print ads, on the brand website, at the bricks-and-mortar stores, and through the fervent loyalty of users who would never consider switching to another brand.

A familiar logo for a brand we know well through personal use, marketing, or word of mouth embodies and serves as a reminder of our beliefs and feelings about the brand as well as our experiences with it. In other words, it is a shortcut to the consumer's version of the brand's identity. Many logos incorporate the brand name, supplementing the pictorial reminder with a verbal one. Others have had the name eliminated from the logo, arguably making the brand more meaningful globally. Starbucks did this in 2011.[3] The most significant change to the Starbucks logo occurred in 1987, when the original one, a Norse woodcut of a siren, was replaced by a more stylized version with less text. According to the Starbucks website, the siren is meant to evoke "the seafaring history of coffee and Seattle's strong seaport roots." Commenting on the latest incarnation of the siren, the website states, "For people all over the world, she is a signal of the world's finest coffee." This last remark hints at the company's desire to make the logo more globally appealing and evocative. It is a mark of a brand's strength to have its logo widely recognized even without the brand name. Notably, Starbucks was one of Interbrand's top global brands in 2015.

Logos and brand names alike are changed for many reasons. The KFC logo evolved with the brand's dramatic transformations over the decades in response to consumer tastes and health trends. Formerly Kentucky Fried Chicken, the brand introduced chicken as a fast-food alternative to burgers, and offered its "pressure-fried" chicken coated in Colonel Sanders' special spice-enhanced batter (a secret recipe) as an alternative to the southern deep-fried chicken served in sit-down restaurants. In the 1980s, however, research emerged on the perils of fat consumption and the benefits of fitness. In short, fried food became unfashionable, a guilty pleasure. The Kentucky Fried Chicken name was shortened to KFC in 1991, in part to minimize the brand's association with the word "fried," which had come to evoke guilt, anxiety, even distaste in many consumers. It is in part KFC's responsiveness to consumer needs that has enabled the brand to meet Interbrand's valuation and earn a place among the Best Global Brands 2015. As the brand has evolved and the chain has expanded worldwide, the iconic visage of the founder, Harland Sanders (aka Colonel Sanders) portrayed on the logo has become friendlier and more welcoming.[4]

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Even very young children recognize and attach meaning to logos of brands or companies relevant to them. Chapter 9 will delve more deeply into the impact of marketing on children.

To be effective at evoking brand beliefs, feelings, and memories, a logo must be distinctive and easily recognized in a wide range of sizes and contexts—on products and billboards, on small smartphone screens and towering television screens, among their competitors' logos on retailer websites packed with products and in the lighting (or lack thereof) of the maze of merchandise displays of a bricks-and-mortar store. But most essential of all, the logo must represent a product that has earned consumers' trust and esteem by performing as promised and offering readily accessed solutions to any problem that arises.

Will the Package Lead to Purchase?

You may recall from Chapter 4 that in the consumer's habitual purchase pathway, s/he is most likely to be "open to possibility" while shopping. This gives the package a central role in persuasion, as it may represent the brand's first and last chance to convince the shopper to purchase it. In this fleeting first moment of truth, we either pick up the product and put it in our shopping cart, or leave it behind. If we pick up a product, we are more likely to purchase it; this suggests that an important function of the packaging is to evoke in the consumer the desire to touch and examine it.

While packaging must be constructed to protect the product, we will limit ourselves to its sensory aspects in this chapter. The visual aspects of a package include its shape and size as well as the colors, images, and text on it.

A package must first get consumers' attention. This requires that, like a logo, it must be distinctive. But most product categories have packaging norms—package formats that consumers identify with specific categories. For example, yogurt comes in a cylindrical carton and opens from the top. Most yogurt cartons gradually widen from bottom to top. Yoplait's carton is distinctive in narrowing from bottom to top, but it conforms to the normative cylindrical shape and so is readily identifiable both as yogurt and as the Yoplait brand.

The history of Pringles potato chips shows that getting attention is not sufficient to close a sale in that first moment of truth. Introduced by Procter & Gamble in 1973, the brand had a slow beginning. This was in part because its marketing focused on the innovative cylindrical packaging and the chips' uniform shape and resulting stackability. While the distinctive packaging got consumers' attention, it also led them to infer that the chips were not fresh and would taste "fake." The brand languished until the 1980s, when a new flavor and marketing campaign helped it gain widespread consumer acceptance. An article in *The Atlantic* hypothesizes that Pringles owed part of its eventual success to our acceptance of processed food as compatible with our busy lifestyle (Madrigal, 2011).

After the package wins the consumer's attention, it must communicate the product's identity, the brand's advantage over competitors', and (in the U.S.)

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federally mandated information about size, weight, and contents. Pepperidge Farm uses packaging to distinguish the cookie brand and to convey its premium quality. Compared to other brands, fewer cookies come in a package and instead of clear plastic that reveals the cookies within, Pepperidge Farm cookies are encased in white paper packages with graphics that are elegant in their simplicity; they include the brand name, cookie type, and a delicious-looking photo of the cookie. This distinctive packaging communicates that the cookies inside are worth the premium price.

Whether the main objective of a change in packaging is to persuade users of competitors' brands to switch, convince current brand users to buy and consume more, or get non-users of the entire product category to try the brand, there is no substitute for testing a package with consumers in a real—or realistic—context including competitors' brands. In response to such consumer testing, Hershey introduced new and "bolder" packaging for its Miniatures. The miniatures' names were visibly enlarged, increasing their salience to consumers; not as obvious but equally compelling was Hershey's reduction of the wrapping materials to cut back on waste, a move consistent with the company's sustainability initiatives. The new packaging did not just get attention; it also increased purchase intent and rate.[5]

Another case in point is the Old Spice brand, which has shown how effectively package design can be used both to introduce a new fragrance and to nudge shoppers to recall its humorous commercials.

An innovative package format may communicate the prospect of a new and better consumption experience. Yoplait's very successful Go-Gurt, targeted at children, comes in squeezable tubes; kids like their sweet flavors and moms appreciate their portability. Baby and toddler food now comes in pouches—also squeezable—and brands including Happy Family, Buddy Foods, and Gogo SqueeZ have introduced flavors like cranberry and acai, which they hope will attract adults on the go. Athletes, many of whom are accustomed to high-energy snacks that they can ingest quickly, are a natural target for the conveniently packaged foods.[6]

What makes a package effective at the first moment of truth? Entrants to the annual worldwide Dieline Awards are judged on the quality of the packaging's creativity, marketability, and innovation.

Can Packaging Mislead Consumers?

Visual elements in packaging may have unintended consequences. When Procter & Gamble introduced convenient single-load Tide Pods, the small colorful orbs in their transparent wrappings were mistaken for candy by more than 11,000 young children, who ingested them and became ill. The company subsequently encased the highly popular pods in opaque orange wrappers and placed double latches on the bowls in which they are sold in bulk.[7]

Marketers can also use packaging to mask reductions in product volume, as the following excerpt shows:

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> Manufacturers have become particularly adept at concealing package shrinkage, says John Gourville, a marketing professor at Harvard Business School. "If you think about how you see products, they have height, width, and depth. If you want to shrink a package without making it noticeable, you keep the height and width the same and shrink the depth. On the shelf, it looks the same as always," he says. Other common techniques include deepening an indent in the bottom of a beverage bottle or retaining a package's size but including less product.
>
> (Dornbusch, 2014)

When ingredient prices rise, manufacturers either raise their prices, absorb all increased costs themselves, or reduce the product amount (masking it with packaging) but leave the price unchanged. As long as consumers demand the lowest possible prices, package shrinkage will persist as a response to suppliers' price hikes.

Product Appearance

Does the Product Look Like It Will Deliver?

As we saw from the Pringles example, consumers use visual cues to make inferences about the non-visual sensory product characteristics, some of which may be experienced only after purchase. The two photos in Figures 5.1 and 5.2 evoke



Figure 5.1 Softness and Enveloping Warmth.

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Figure 5.2 Baby Soft, Gentle.

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the feeling of softness, the first through the visual cues of height and colors (rather than black, which does not show softness as well), the second using the familiar and endearing image of a puppy comfortably resting his/her head on the product. They are good examples of communicating tactile product qualities through evocative visual displays online.

We also infer weight and volume based on product, container, or package size, shape, and even graphics. All the inferences we make based on visual (and other sensory) cues constitute our expectations about the brand or product's qualities. For example, imagine yourself in a restaurant, ordering your favorite beverage. It comes either in a tall thin glass or a short wide one, as shown in Figure 5.3.

Because we give height more importance than width, we expect a tall thin glass to hold more than a short wide one. Therefore, when we drink all the juice in the tall glass, we are startled at how little we've consumed, and when we drain the short glass, we are surprised at how much we've drunk. In other words, we overestimate how much we have consumed from the tall thin glass, and we underestimate how much we have imbibed from the short wide one. This systematic inaccuracy in our estimation of volume is known as the *consumption bias*. As you might imagine, a crafty bartender or restaurateur might use this to her advantage, altering perceived quantity with the shape of the glass.

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Figure 5.3 Which Glass Contains More Juice?

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Another example of the consumption bias is our tendency to estimate food portion by comparing it to the size of the dish containing it. Soup that fills a small bowl looks like more than the same amount of soup in a larger bowl. A fancy dessert served on one of those gigantic plates favored by expensive restaurants looks miniscule, compared to a similarly sized dessert served on a saucer in a family eatery. In essence, we infer how much food is in a dish based in part on how much of the dish it occupies. This bias is so widely known that weight reduction programs encourage their members to starting using smaller plates routinely, and bring them to holiday feasts which are rife with tempting treats and where self-indulgence is expected (see, for example, Figure 5.4).

It seems plausible, then, to assume that smaller packages will curb overconsumption better than larger ones. Research finds just the opposite: We exercise more self-restraint when eating from a large package. The investigators hypothesize that we eat more from small packages because we believe that in choosing them over the large ones, we have exerted all the self-control we need to (Scott et al., 2008).[8]

In sum, we actively interpret visual cues as meaningful information about brand and product qualities both visible and non-visual. Even those cues—e.g., familiar logos—that we perceive but do not notice may affect our behavior in the short term.

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Figure 5.4 Consumption Bias.

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Marketing with Music and Sound

How Does Music in a Retail Context Affect Us?

Music is highly complex structurally, varying in volume (loud or soft), tempo (fast or slow), chord (major or minor key for Western music), timbre (sound quality of instrument), and a number of other characteristics. It also varies in genre (classical or contemporary), and style (jazz, country, classical, easy listening, and so forth), and most of us have marked preferences for some styles over others. In retail settings, including not only stores but also restaurants, banks, casinos, medical offices, and other places consumers frequent, music may be used to set a mood, to buttress the brand identity, to alter time perception, or to elicit some other specific consumer cognition or affect, all as a means of increasing store traffic, sales, and repeat visits.

Abercrombie & Fitch is a case in point. The retailer targets teens seeking to be sexy and cool, and does not want older consumers in the store, as they are bad for business. Loud music—almost as loud as a chainsaw—is one ploy it uses to attract target consumers and chase away the "undesirables." Many retailers employ this strategy, using music genre and volume to signal consumers whether they are members of the target market. Passers-by may experience an instantaneous emotional reaction to the music—like or dislike, excitement or annoyance, etc.—and, if they have a cognitive response to the

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music and to the feelings it elicits, it is likely to be something along the lines of "I'm not the person that store is trying to sell to," or "that music sounds familiar—I'm going in!" This is an example of the informative and mood-altering functions music can serve (Richards, 2012).

Music genre and style may also affect how we interact with merchandise and what we choose to purchase. To study the impact of music on consumer behavior in a wine store, researchers alternated popular music with classical pieces. When classical music was playing, customers explored more expensive wines, and ultimately spent more money in the store. Another study showed that music origin may also influence wine purchase choices; in a supermarket setting, French music was associated with more purchases of French wine, German music with German wine. It may be that when we cannot directly judge product quality for ourselves, we (perhaps unconsciously) base our choices more on extraneous cues like store atmospherics—including music. This may hold true for status and experiential products in particular, e.g., wine, apparel, jewelry. Or it could be that music directs our attention to certain aspects of products, e.g., French music makes us think of—and notice—French words, brands, etc.; classical music, because of how we are socialized to regard it, reminds us of those "finer" things (Burghelea et al., 2015).

In addition to communicating target market characteristics and brand identity, setting a mood, and affecting purchase choices, music in a store setting can affect our time perception. Slow tempo music in supermarkets and restaurants may cause the consumer to slow her pace, linger longer, and consequently make more purchases. It may achieve these effects at least in part by altering time perception, causing the consumer to underestimate the amount of time spent in the establishment. Consistent with this, slow tempo music has also been found to cause bank customers to underestimate the time spent waiting in line. (Recent research suggests that tempo may not be the only aspect of music that affects consumer behavior; see Burghelea et al., 2015 for more about this complex and fascinating topic.)

The Sounds of Products and Brands

What Do You Hear When You Open the Package?

In 2009 Sunchips developed a compostable bag—a great idea for the environment, attractive to consumers concerned about sustainability, or so it seemed. The problem was that the sound of the bag being opened was almost deafening.[9]

A large part of opening a package is the feeling of anticipation we experience during the process. Think of the last time you received an order, for example, from Amazon. Even when you know exactly what the box contains, you may still feel a tingle of anticipation as you hear—and feel—the packing tape or sticky seal ripping. The hiss of air as you break the seal of

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the lid on a soft drink bottle or flip the tab on a soda can, the pop of a champagne cork, the clicks you hear as you unlock your new car—all of these sounds likely elicit that feeling of anticipation because we have learned to associate those sounds with the moment of excited expectation we experience at the threshold of consumption.

How Does the Product Sound?

Like visual aspects of products, the sounds they make give us information about their identity, performance, and other qualities. An expensive, sleek sports car's motor sounds different from that of a spacious, comfortable family minivan. In the middle of the twentieth century, when luxury cars were built as havens protecting owners from the road's bumps and potholes, their motors emitted soft, almost inaudible purrs, consistent with the cars' function as a peaceful, protective refuge. Famous ad man David Ogilvy wrote this headline for a print ad for Rolls-Royce, "At 60 miles an hour the loudest noise in the New Rolls-Royce comes from the electric clock."[10] Toward the end of that century, luxury cars had evolved with consumer tastes to become the "Ultimate Driving Machines" that enabled drivers to "feel the road," and the roar of their powerful motors enhanced the excitement of the driving experience. With the development of hybrid and electric cars, quiet motors have come to signify sustainability, while many consumers associate loud ones with gas-guzzling cars that pollute the environment. But loud motors also signify powerful performance to sports car aficionados, many of whom remain dubious about how exciting it could be to drive a quiet hybrid or electric car. Some electric luxury sports cars, e.g., Audi, have been designed to emit a powerful gas-engine noise when the driver steps on the accelerator.[11]

The sounds of appliances like refrigerators, dishwashers, and coffeemakers, as well as "power tools" like vacuum cleaners and lawn mowers, inform us about their performance and stage of processing. The clatter of the refrigerator ice maker reassures us that it is functioning as it should, the smooth roar of the lawn mower (gas or electric) tells us the machine will safely and effectively cut the grass, and the beeping of the oven communicates that it has reached "cruising altitude"—target temperature. Some product sounds are inevitable consequences of use, while others are designed into the product because consumers want or need them. The beeps and buzzes indicating stage of processing are designed to increase the product's user-friendliness. The volume of noise a vacuum cleaner makes could be reduced but only recently has been; three generations of American consumers associated the machine's raucous voice with cleaning effectiveness. Millennials, however, know that a motor can be both quiet and effective.

The distinctive sounds many foods make when we bite into them are also meaningful to us. We infer degree of freshness based on the "crunch" of foods ranging from apples and celery to cookies and potato chips, and that

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crunch is an integral part of the consumption experience, enhancing our enjoyment (Twilley, 2015).

What Does the Brand Say?

In addition to shaping and informing our shopping and product usage experiences, music and sounds also identify brands, a process known as *sonic branding* (Coffee, 2013). Most American consumers can reproduce, in their minds or aloud, Intel's four-note signature sound. But most have neither seen nor comprehend the workings of Intel's main product, a computer chip. We do not buy chips, but rather computers. But the Intel brand is nonetheless a highly regarded consumer brand because the company has marketed it directly to consumers, and the sonic signature punctuates all of its commercials. As a result of years of very effective marketing campaigns, we seek out "Intel-inside" computers; that brand's microchip has become an essential component, engendering consumer trust in a product most of us do not understand. Much like a visual logo, the sound of the Intel brand reminds us of all we believe, feel, and have experienced that is brand-related. Little wonder that Intel is in the top ten of Interbrand's Best Global Brands of 2015.

Sonic branding may also consist of a slogan or other brand identifier as it is spoken or sung by a particular spokesperson. McDonald's latest of many such signatures, the jingle "I'm lovin' it," and Kaiser Permanente's "Thrive" are examples, employing carefully selected spokespeople whose voice qualities make the marketer's message more credible and communicate brand qualities.[12]

Sound and Vision

How do music and sound work with visual input to shape our shopping and consumption experiences? Many TV network and movie studio brand logos have both sonic and visual elements. Most Americans can readily recall the music (or sound) that accompanies the image of the MGM lion, or the majestic Columbia logo, or the NBC peacock logo. Each sonic logo lends dynamism to the images and serves as an additional "shortcut" to our brand-related beliefs, feelings, and experiences. There are many compelling examples of work building brand identities using music and sound in commercials and other marketing communications.[13]

If we leave the relative simplicity of logos and enter the considerably richer and more complex world of commercial video, we find that aural elements may play any of several roles vis-à-vis the visuals. Emotionally evocative music communicates what is about to happen (think of the last scary movie you watched) and magnifies consumers' affective responses to the story line, dialogue among the characters clarifies and embellishes the plot, and expected sounds lend realism to the action.

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The Significance of Scent

Smell is the most primitive of the senses. Its role in finding food and warning of danger is vital for survival. The organization of the olfactory system is somewhat primitive too: Receptors are dendrites of neurons that go directly to the brain. Within two or three synapses, the brain can recognize an odor.[14]

Olfaction is perhaps the most powerfully evocative of all of the senses. Though the human nose is far less acute than a dog's, we can still distinguish among millions of odors. Olfaction differs from vision and audition in that our olfactory receptors are nerve cells with relatively short and direct access to the limbic system, which governs emotional responses, some forms of memory, and appetite.[15] Our responses to smells are immediate and a fragrance alone can call forth a vivid, emotionally charged autobiographical memory (Chu and Downes, 2000).

Logoscents

Marketing with scent is an old idea; a 1934 Forbes article, titled "'Sell by Smell' may be the next big slogan in marketing," enthusiastically encourages owners of indoor commercial spaces—stores, hotels, casinos—to use scent to give these spaces an "olfactory character," to create logoscents that would serve the same purpose as a visual or sonic logo, instantly identifying the brand and vividly reminding consumers of their brand experiences (Gilbert, 2008).

> Most major international hotel chains—including Sofitel, Le Meridién and The Ritz-Carlton—already diffuse their unique aromas throughout their properties, but smaller brands have started focusing on fragrance as well. In fact, many have taken scent branding a step further and begun selling a hotel's fragrance in sprays, sticks and candles for you to purchase. . . . Hoteliers hope that whiffs of these scents will make you link their property with positive memories and emotions, as well as establish and market their brand. . . .
>
> Famed hotelier Ian Schrager commissioned New York City-based bespoke fragrance creator Le Labo to concoct the Gramercy Park Hotel's scent. Le Labo founder Fabrice Penot and his partner visited the hotel to begin research and development when construction was still under way. The duo realized the fireplace was a central fixture in the lobby and formulated a scent that combined the smell of wood and hints of leather in a candle called Cade 26. Starting at $90, the candle is available for purchase through the Gramercy Park Hotel. . . .
>
> Logoscents are so common a part of brand marketing that they have recently spread to institutions of higher learning.
>
> Colleges and universities are capturing the unique elements of their brands and creating signature scents. So far, the scents have been sold as

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> personal fragrance rather than environmental scents, but it is the next logical step to use the signature scents at recruiting events, open houses, freshman orientation and other events on campus and off.
>
> (Dublino, 2013)

Ambient Scent and Behavior

Much like music, ambient scent may affect purchase behavior. A field study in a men's and women's apparel store found that when a vanilla scent (perceived as more feminine) was diffused throughout the entire establishment, sales of women's apparel increased, while the spicy, floral scent of rose maroc (considered more masculine) was associated with greater sales of men's clothing. Overall, gender-appropriate aromas (vanilla for women's apparel, rose maroc for men's) yielded an average sale of 1.7 items for $55.14 per customer, while gender-inappropriate scents led to an average per-person sale of only 0.9 items for $23.01, less than half as much. This increase in sales may be the result of shoppers' more positive impressions of the store and higher evaluations of the merchandise quality, selection, and styles when aromas were gender-congruent (Spangenberg et al., 2006).

Music and Scent

Just as music positively affects sales if it reflects the visual identity of retailer or merchandise, ambient scent works best when it "matches" the music. Both scent and music can affect our arousal levels, e.g., slow tempo music and lavender tend to relax and calm us, while fast tempo music and citrus scents tend to energize us. A field study in a gift store showed that music and scent matching in arousal level, whether high (grapefruit and fast tempo music) or low (lavender and slow tempo music) resulted in higher sales than did mismatches (fast music and lavender, slow music and grapefruit) (Burghelea et al., 2015).

What Touch Tells Us

Touch, aka haptic sense, has not received nearly the scrutiny accorded vision and audition in consumer research. Nonetheless, it is for many consumers an essential aspect of the shopping experience. It serves an instrumental function, providing information about tactile as well as non-tactile product and brand qualities, and it also offers hedonic benefits (pleasant, enjoyable), serving an autotelic function (an end in itself).

What Do We Learn by Touching the Merchandise?

Touch communicates the tactile properties of texture, temperature, and weight; from these we infer non-tactile qualities that are more difficult to evaluate directly, such as craftsmanship and durability. The importance of touch in shopping for apparel and linens is self-evident to many consumers; less readily

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apparent is the relevance of tactile information in choosing electronic devices such as smartphones, tablets, and laptops. Expert electronics reviewers frequently comment on the "feel" of a new device, using words like "cheap," "plasticky," "bulky," or "solid," "well-designed," "comfortable." While the experts can and do assess non-tactile properties directly, the brand's feel remains an important consideration, perhaps because our interactions with these devices have a significant tactile component.

Research shows that consumers vary in their "need for touch (NFT)" in shopping and consumption contexts. High NFT shoppers are much less satisfied with online shopping experiences (Peck and Childers, 2003). Recalling the Chapter 4 protagonists, Debra, who is high NFT, would never have considered purchasing a smartphone online without going to a store, holding the device in her hand, and trying out the touchscreen; Ravi, who is low NFT, was perfectly comfortable purchasing his new smartphone online once he knew its specifications and features.

Even low NFT consumers may be hesitant to purchase apparel online as the "fit" can be unpredictable from the dimensions provided. Many apparel sites permit fully refundable returns to reduce the perceived risk of purchasing clothing without first trying it on. Technology may eventually resolve the problem, enabling consumers who need hard-to-find sizes, or simply prefer to shop online, to get a perfect fit by "trying on" clothing virtually (Barnwell, 2015). Low NFT consumers in particular might find this a satisfactory solution.

Touch and Contagion—Do We Still Believe in Cooties?

A fascinating and apparently universally human aspect of touch is its association with contagion, both negative and positive. Shoppers routinely separate items they find disgusting—diapers, trash bags, cat litter—from those they do not. Note that those "disgusting" products function as containers of either bodily waste or other items that have become "untouchable." We also do not like products as well if we know others have touched them. For example, clothing shoppers are significantly less likely to try on a shirt if they find it hanging in the fitting room rather than on a hanger in the proper display area; they can say with near certainty that the item in the fitting room has been tried on already (Dooley, 2014).

Positive contagion also exists in a consumer context. A shirt worn by a celebrity and unwashed fetches a higher auction price than one that has been washed; it is as if we think that the unwashed shirt carries the celebrity's mystique, which we can absorb by some sort of magical transfer from the shirt.[16]

Taste

We have saved taste for last because it is inherently multisensory (Krishna and Schwarz, 2014). When you pick up a potato chip to eat, you see it and develop expectations about how it will taste; does it look wholesome and homemade,

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or is it so perfectly shaped that it must surely be factory-produced? Is it the right color or perhaps rather orange-tinted because spices were added? Does it smell fresh and authentically "potato-like" or like a chemical with an unpronounceable name? You taste the chip's saltiness and other flavors, all made possible by your sense of smell; you feel the rough texture of the ridges with your fingers and mouth, and you hear yourself crunching down on the chip. Research shows that the crunch sound is essential to consumers' enjoyment of chips; when the sound is masked by headphones, consumer satisfaction and pleasure are much diminished (Moss, 2013). And smell and vision are so essential in setting taste expectations that without them we cannot distinguish a potato from an apple, or red wine from coffee.

Visual cues alone may shape our taste expectations. For example, when we are asked to discriminate among flavors of fruit juice, color trumps taste. When we see cookies in the bread aisle, we may conclude they are healthier, hence not as tasty. Seeing the brand name can alter our taste experience (Krishna and Schwarz, 2014). Advertisers, who know the importance of vision in setting taste expectations, hire food stylists, whose sole purpose is to make the food look as appetizing as humanly possible. This may involve laboriously trimming the uneven edges of a hamburger bun, going through hundreds of boxes of cornflakes to find those with the best shape, painting a raw turkey to give that succulent just-baked look, and other such adjustments. For large markets the return on investment in this level of attention to detail makes it worthwhile.

How Might Sensory Marketing Help Consumers Become Healthier?

Visual cues can be our allies or enemies as we strive to improve our health-related behaviors, both because they are prominent in the environment and because their impact on us often dominates the effects of our other senses. As discussed above, a simple change like eating from smaller dishes may help us eat less, as does removing the food from view. Similarly for cigarettes: Showing them in advertisements meant to help people stop smoking may actually trigger the urge to smoke. The other senses may be brought into play: for example, music helps us exercise more vigorously (Jabr, 2013). More links to research on this important topic are provided on the companion website.

Conclusion

As demonstrated in this chapter, our senses mediate our marketplace and post-purchase consumption experiences in powerful ways that we can also harness in service of our well-being. Research on how the senses interact to shape experience becomes considerably more complicated going from one to two senses; including all five senses in a properly designed study is exponentially more complex, but that is precisely the field research we need

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in order to understand more completely how to use sensory marketing tactics strategically, and how to respond to them in ways that serve us best as consumers.

Notes

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11 Andrew Liszewskl, 2012, "How Audi Makes Its Electric Cars Sound Like Futuristic Gas Guzzlers," Gizmodo, April 5, http://gizmodo.com/5899368/how-audi-makes-its-electric-cars-sound-like-a-futuristic-gas-guzzler/
12 For additional excellent examples of strategically sound sonic branding see www.audiobrain.com/who-we-are/ and www.audiobrain.com/product-sonification/
13 See, e.g., Elias Arts, http://eliasarts.com/work.php?c=1
14 www.brainfacts.org/Sensing-Thinking-Behaving/Senses-and-Perception/Articles/2013/The-Senses-A-Primer-Part-II
15 www.monell.org/research/anosmia/how_smell_works
16 See Paul Bloom's TED talk, "The Origins of Pleasure," https://www.ted.com/talks/paul_bloom_the_origins_of_pleasure?language=en

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6 Memory and Priming

Objectives

1. To explore how memory works.
2. To examine how our unconscious, automatic mental processes shape our perceptions and behavior.
3. To investigate the skills and functions of the conscious mind and observe its interactions with the unconscious.

Introduction

The brain makes the world meaningful to us and it does most of its amazing and intricate work outside conscious awareness, using prewired "programs." For example, from birth, the brain "expects" to see certain very important patterns, like faces; a newborn will turn toward a face-like pattern but not a scrambled version of the same pattern. Babies treat inanimate objects differently from ones they believe to be animate (people, animals, certain toys), assuming the animate ones are in some sense autonomous, possessing internal states—e.g., intentions—that the baby cannot see. All babies babble, even those who are deaf. Abundant evidence exists indicating that neural processes underlying language learning and social interactions are among the most extensively preprogrammed.

In this chapter we will investigate how the brain makes meaning in consumer behavior contexts, and explore how we call into conscious awareness the information we need in order to plan ahead, make considered decisions, and establish and achieve life goals. Since making meaning out of what our senses tell us cannot occur in the absence of any sort of memory, we begin by asking how our memories work, and move on to examining the ways in which unconscious processes shape our thoughts, feelings, and behaviors. Last, we will venture into the ongoing conflicts between our conscious minds and the unconscious.

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Memory: What It Holds, How It Works

In his book *How We Learn* (2015), science journalist Benedict Carey observes:

> The brain is not like a muscle, at least not in any straightforward sense. It is something else altogether, sensitive to mood, to timing, to circadian rhythms, as well as to location, environment. It registers far more than we're conscious of and often adds previously unnoticed details when revisiting a memory or learned fact. . . . It has a strong preference for meaning over randomness, and finds nonsense offensive. It doesn't take orders so well, either, as we all know—forgetting precious facts needed for an exam while somehow remembering entire scenes from *The Godfather* or the lineup of the 1986 Boston Red Sox.
>
> (Carey, 2015: xiii)

Through many decades of research, cognitive scientists have come to understand that *short term* or *working* memory differs from *long term* memory in important aspects. An intuitive way to think about working memory is that it is what you are focusing on when you perform a cognitive task like mental arithmetic, Scrabble or Sudoku, or something as simple as entering your friend's new contact information into your smartphone. You remember the information you need just long enough to solve the problem, take your turn, or enter the number, and then you promptly forget it. Short term memory can hold only very limited content. To experience its limits, try multiplying 356 times 479 without using a pencil and paper or calculator. Most of us, even those good at mental arithmetic, find this somewhat taxing, precisely because of the limits of working memory. For content in short term memory to enter your far more capacious long term memory, it must be processed by your hippocampus, a small structure in the brain that is essential for the formation of new long term memories. We know about the hippocampus's role in memory formation thanks to the handful of individuals with epileptic seizures so severe and frequent as to necessitate surgical removal of the parts of the brain implicated in the seizures. When the hippocampus is the culprit, its removal makes it impossible for these individuals to form new long term memories after surgery, even though their working memories and pre-surgery long term memories remain intact. Later we will return to a discussion of this condition, known as *anterograde amnesia*.

What does long term memory hold and how do we go about retrieving the specific contents we want or need at any given moment? Cognitive psychology research tells us that there are three broad types of content: *semantic* or *declarative*; *autobiographical*; and *procedural*. Below we explore each of these.

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Semantic Memory: How Do We Know?

How do you know which foods are vegetables, what kinds of mobile devices are currently available, what menu items are typical of fast-food restaurants? It seems we "just know" many things. We have at our mental fingertips a vast and complex store of knowledge about places (including branded establishments), people, animals, objects (including branded goods), and ideas—most of which we have acquired without conscious effort, in the ordinary course of growing up within a particular society and culture. Cognitive scientists call this *semantic memory* as it enables us to make and verbalize meanings, to comprehend connections among concepts.

One way to think about semantic memory is as an associative network consisting of nodes—concepts, nouns—with links among them—relationship descriptors, verbs. A network of knowledge about a particular concept is called a *schema.*[1]

The entire network consisting of everything we know possesses several remarkable qualities:

1. It is very well organized by degree of semantic (meaning) association, in that closely related concepts, like cat and dog, or cow and milk, are strongly linked, while unrelated or more weakly related ones, e.g., horse and handbag, or Brussels sprout and blouse, are weakly linked if at all.
2. It is highly malleable; learning is, in effect, the strengthening of some links, the weakening or destruction of others, the creation of new links between previously unlinked existing concepts, and the introduction of new concepts that become linked to existing ones.
3. It is searchable using sensory input as well as internally generated cues, and more flexible in its navigability than even the most sophisticated and user-friendly website.

Organization of Semantic Memory

A schema for animals illustrates several aspects of how we understand semantic memory to be organized, based on several decades of cognitive science research.[2] "Animals" is a high-level category which is subdivided into the broad categories of birds, mammals, and fish, each of which is linked to its typical characteristics (fur, wings, etc.) and instances (cow, canary, etc.). Note that this schema shows that a cow is a more typical instance of a mammal than is a bat, which displays birdlike characteristics but is not a bird. Similarly, a canary is a more typical bird than is the flightless ostrich, largest bird in existence. What are the implications of typicality for recall? If we are given the word "bird," we will likely more rapidly retrieve the word "canary" as an instance of the category than "ostrich." But if, on a bird-watching trip, we see a canary vs. an ostrich, we will likely recall the large, unusual bird more quickly if a friend were to ask about the expedition.

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A fascinating property of such an associative network is the rich and complex interconnections among different concepts across a vast range of categories. For example, following links from "animals" through colors (bird, canary, yellow, red), we can encounter fruits (apple, cherry) as well as the concept of fire! If we explore the links from fire (the "fire" schema) we will likely encounter wildfires, cooking fires, and losing one's job; in many cultures, the schema for cooking would eventually link back to that for animals. The concept of a canary might transport us to mining and the hazards thereof, or to the "pets" schema, which will include other instances of pets, all likely to link to the concept "not edible." Exploring the links from fruits might, in turn, link to gardening—or it could link to the metaphorical meanings of fruit, e.g., the fruits of one's labor, or the (religious) admonition to be fruitful and multiply. As we will discuss in Chapter 7, culture shapes important aspects of many schemata; for example, in the U.S., "rabbit" is in the schema for pets, hence not edible. But in Venezuela, Germany, and many other countries, rabbits are not pets and are edible.

Malleability of Semantic Memory

One way to think about learning is in terms of changes in semantic memory. More than 3500 new consumer packaged goods were launched in 2015 (Greenberg, 2015); most are new flavors, colors, sizes, updates of software—changes that add little if anything to consumers' product knowledge structures. When a marketer introduces such a product, consumers quickly and mostly without thinking store the concept under an existing category. Tidy Cats Lightweight is stored under "cat litter" and may be filed for future investigation by cat owners weary of hauling heavy clay litter from store to home and from cat box to garbage. And Mountain Dew Kickstart will likely be stored under "soda" and might spark recognition and interest in a Mountain Dew drinker who comes upon it in the grocery aisle.

If a new brand in an existing category possesses a significant advantage over current offerings, one strategy for getting consumers to pay attention to it is to design it to look just a little different from the current offerings. Dyson vacuums and Bugaboo strollers are excellent exemplars of this strategy. While readily identifiable as a vacuum cleaner, with its new technology and innovative design, the first Dyson vacuum became more than a home appliance (i.e., for women); it earned honorary status in the "power tool" schema, hence was viewed as more acceptable for men to use. Initial buyers of Dyson vacuums were so excited about their new purchase that many proudly hauled it out of the closet to show guests! Similarly, Bugaboo strollers were introduced as the exciting "all-terrain vehicle" of strollers, designed for affluent new parents worried about becoming boring people inundating their friends with baby photos and ruminating about their offspring's bodily functions. The Bugaboo is to strollers what the sport utility vehicle was to minivans—a symbol that parenthood need not mean the complete

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submersion of the individual in service of the offspring. The brand, while certainly a member of the "stroller" or "baby products" schema, is also linked with social status and fun, qualities never previously associated with these categories.

New brands that launch new product categories may require more help finding a foothold in semantic memory. While Apple did not invent MP3 players or smartphones, its marketing of the iPod and iPhone showed consumers how these products could enrich and transform the familiar experiences of losing oneself in music, connecting with others, finding the nearest restaurant, coffee shop, etc.—for everything one could conceivably want or need to do, "there's an app for that!" Apple told us. The concepts of these devices insinuated themselves into the semantic memory of an entire generation in the U.S., without consumers pondering what they were and how to think about them, from the early commercials.

Searchability of Semantic Memory

Recently the author thought back to the famous department store that was a Chicago institution for decades before it was absorbed into behemoth Macy's. In her attempts to recall its name, she remembered the delicious chocolate mints that were sold only at that store, "Frango mints"; she also recalled another, more downscale department store where she shopped occasionally for shoes when she was a graduate student on a tight budget: "Carson Pirie Scott"; she could picture the lovely boutiques that graced North Michigan Avenue, known also as the "Magnificent Mile." As these closely related concepts came to mind, she felt she was circling around the store's name and it was just out of reach. "I know it starts with the letter M," she told herself, increasingly frustrated with her inability to recall the name. She finally gave up the memory search and called her friend Ravi, whom she had met in graduate school at the University of Chicago. "What's the name of that store that had the Frango mints?" she asked him. "Marshall Fields!" he replied. "You couldn't remember Marshall Fields?" he asked in wonderment at her memory lapse.

This "tip of the tongue" phenomenon is exceedingly common and well researched. It is the conscious experience of knowing something (usually a name) but being unable to retrieve it from long term memory. The feeling of frustration tells us there is a retrieval failure and knowing this means we can consciously marshal our cognitive resources to help reverse the failure. In the example above, the author worked on recalling aspects of Chicago that might prove relevant. When you are trying to remember a celebrity's name, you usually summon up the names of the movies in which s/he starred, a mental picture of him/her, and perhaps well-publicized acts or events in the celebrity's life. At times this conscious search proves futile but the unconscious may continue it and wake you at 3 a.m. with the elusive name. One could hardly imagine a more ideally designed search engine—one that uses

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every conceivable path to find answers and perseveres regardless of what we are doing.

The moral for marketers is straightforward: For habitual purchases, do not rely on consumers' ability to recall your brand name without help. Instead, familiarize them with it through all media that will reach them, showing consistency in visual logos, sonic signatures, and messaging; and make sure the product is well stocked wherever they shop. In other words, provide consumers multiple environmental cues to jog their memories. Even better, bank on brand recognition rather than recall. While recall requires a search of memory for a brand that is absent from the current environment—a tall order especially for low-involvement (unconsidered) purchases—recognition requires only that the brand on the supermarket shelf looks familiar to the consumer.

For considered purchases, this reliance on brand recognition is not so critical, as consumers actively seek information from a variety of sources about products and brands of interest. We consumers have learned that extensively advertised brands of these kinds of products are not always the highest quality or the best choice for our circumstances.

Scripts in Semantic Memory

How do you know what steps are involved in ordering a meal at McDonald's as opposed to your favorite formal restaurant? At which establishment would you feel more comfortable eating alone? With small children? Why? How should you dress to go to each place? Could you bring your laptop and work on a paper while you're eating?

While the answers to these questions may seem obvious to you now, at one time in your life, a time you probably do not remember, they were not. You know what to expect and how to behave at restaurants and in stores, at weddings and funerals, on a first date and a first Valentine's Day with your sweetie, because you learned, mostly from watching others, largely by osmosis, without all that much conscious effort or thought. In effect you developed "scripts" for these and many other occasions typical of your culture, your social network, and your family. Like schemas, these scripts or action sequences are a part of semantic or declarative memory. The following is an example of a very general script for grocery shopping:
Goal: restock pantry and refrigerator

Steps:

- Make shopping list
- Drive to store
- Enter store
- Get a basket
- Pick up and peruse store circular
- Navigate as you habitually do (perimeter first, then aisle by aisle; or packaged goods first, then produce, then frozen foods; or some other path)

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- Check out (at U-Scan or staffed checkout counter—there is a script for each of these processes, too; if you have never or rarely used self-checkout, your script for it may be overly simple, or difficult for you to bring into working memory)
- Drive home
- Carry groceries into house
- Restock pantry and fridge.

One challenge of getting consumers to adopt new technologies is persuading them to learn new scripts for performing ordinary tasks for which they have richly developed, frequently used automated scripts. The marketer must convince potential customers that the script for using the new technology is both easy to learn and worth the effort. For example, mobile wallet providers have encountered roadblocks in their efforts to increase consumer adoption; a major one is that consumers are not convinced the technology offers a more convenient way to pay for purchases. In other words, the script for making purchases via a mobile wallet seems no simpler than that for a regular wallet or the in-app payments many merchants (e.g., Domino's Pizza, Starbucks) accept (Helft, 2014).

Autobiographical Memory: Do You Remember When . . . ?

The author will never forget her first trip to Siesta Key, a small oceanfront town about an hour's drive from Tampa, Florida: The white sand, fine, soft, and yielding under her bare toes; the warm, shallow water that tasted of salt; the rough-textured grass right outside the condo she and her friend rented; the sulfurous scent of the salty sand mixing with the water from the hydrant where beachgoers cleaned their bare feet before putting their shoes back on. Also: the young man sitting cross-legged in ankle-deep water just offshore, the lapping of the waves emphasizing his meditative stillness; the red and green Christmas lights that festooned the wrought-iron fences of the mansions along Midnight Pass road—so strange to see those holiday decorations in this almost tropical landscape, warm breeze ruffling the beard of the life-sized Santa Statue in the courtyard of the condominiums adjacent to ours. And: the luxurious experience of relaxing with my friend, thinking and talking about anything but work.

This account is typical of an autobiographical memory: It includes vivid recollections (or reconstructions) of multisensory experiences and it is colored by emotion (in this instance pleasurable relaxation). It is also a partial reconstruction; as the author recounts it, more comes back to her. With effort and focus she might even reconstruct a time line, a narrative. Also typical of autobiographical memories are the variations in the narrative each time she recalls or retells it. The depth, temperature, and wave heights of the ocean water may change as she conflates that trip with others; and where she and her friend ate will no doubt vary considerably from one retelling to

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the next. Rather than an accurate moment-by-moment recording of events, an autobiographical memory is constructed and reconstructed as we recall and recount it, so that in the end it becomes a story of a story ad infinitum. To test your own childhood memories, try sharing a memory or two with your siblings or parents. Chances are very good that your versions will vary, partly because your initial experiences of the event differed, and also because the memory is reshaped by each of you in different ways over time. What will be true for each of you is that your memory will be a meaningful part of your life story, which you have constructed and reshaped many times to make it coherent and perhaps pleasing.

In attempts to preserve and supplement our memories of special events, we often take photos and make videos during them. But the act of taking the photos may alter the quality of the experience itself, preventing the photographer from being in the present as s/he is documenting it for future consumption. And any posing for photos may introduce self-conscious artifice into the subject's experience. On the other hand, showing one's friends photographs or videos of special moments may enrich the documenter's memory of those occasions. In his book *Thinking, Fast and Slow* (2011), Daniel Kahneman distinguishes between what he calls the "experiencing self" and the "remembering self":

> A comment I heard from an audience member after a lecture illustrates the difficulty of distinguishing memories from experiences. He told of listening raptly to a long symphony on a disc that was scratched near the end, producing a shocking sound, and he reported that the bad ending "ruined the whole experience." But the experience itself was not actually ruined, only the memory of it. The experiencing self had had an experience that was almost entirely good, and the bad end could not undo it because it had already happened. My questioner had assigned the entire episode a failing grade because it had ended very badly, but that grade had effectively ignored 40 minutes of musical bliss. Does the actual experience count for nothing?
>
> (Kahneman, 2011: 381)

Think about which kind of vacation you would prefer: a stay at a familiar resort, or a tour that takes you to several countries you have never seen before? If your goal is to relax and savor the experience, you may choose the resort; if, on the other hand, you want to return home with many photos, videos, and stories, you will likely select the tour even though it may not be as pleasant an experience initially. The travel and tourism industry serves both market segments well: Resorts, spas, and many cruises are designed for consumers who give primacy to the experiencing self, and tourism ranging from country-hopping to wilderness expeditions provides rich autobiographical memories and stories to those whose remembering selves are in charge of choosing the vacation.

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To gain a sense of which self—the experiencing or the remembering one—holds sway over your vacation choices, imagine that you knew for certain that you would not remember anything about your next vacation. How much would you pay to have a wonderful experience? Would you make a trip at all?

Procedural Memory: How Do We Know How To . . . ?

Procedural memories are complex motor sequences that are automated and inaccessible to consciousness:

> Riding a bike, tying your shoes . . . steering your car into a parking space while speaking on your cell phone are examples of [procedural memory]. You execute these actions easily, but without knowing the details of how you do it. You would be totally unable to describe the perfectly timed choreography with which your muscles contract and relax as you navigate around other people in a cafeteria while holding a tray, yet you have no trouble doing it. This is the gap between what your brain can do and what you can tap into consciously.
>
> (Eagleman, 2011: 56)

Scripts are, in essence, sequences of procedural memories organized by cognitively conceptualized goals. For example, each step of the grocery shopping script above may be subdivided into procedural memories of motor sequences. Making a grocery list (a cognitively conceptualized goal) usually requires writing or typing, both involving procedural memories. Driving to the store (another higher-level goal) involves all motor sequences driving entails (starting the car, driving without colliding with other vehicles, parking in a parking lot), together with a mental map of the route itself.

Perhaps one reason why many people sincerely believe that they can text while driving is that both actions rely on procedural memory, and are therefore experienced as easy to execute. Similarly, an individual who drives when drunk may experience his/her abilities as unimpaired because s/he is executing automated motor sequences not accessible to conscious awareness and assessment. This lends validity to the campaign "friends don't let friends drive drunk," encouraging sober companions to take away the impaired person's car keys.

The Unconscious

As adults, our experience tells us we are conscious of most aspects of our environment. The author is conscious of sitting in a bookstore, reading, writing, sipping coffee, and occasionally eavesdropping on conversations at tables nearby. She is aware of the restlessness she usually feels when she must sit and write, and of the temptation to buy a treat from the pastry case—surely

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that will help her do the hard thinking that this kind of writing necessitates! But more of her environment and mental processes escape her awareness. She does not know how many other patrons are seated at the tables around her, nor indeed how many tables and chairs there are. She cannot describe the baristas or the pictures covering the walls of the cafe. She does not know how she is thinking these thoughts, or writing them in complete sentences. She does not know how she can read and have it feel so smooth and natural, and she cannot remember *not* being able to read. When she rises to take a little break, she cannot tell you how she commands her muscles to execute the motions of standing, walking, avoiding collisions with others, then sitting again.

All the details of processes we do not typically access consciously are part of our *implicit* memory; the things we are aware of knowing make up our *explicit* memory. These two types of memories have the capacity to function separately from each other, as the following example illustrates:

> An individual with *anterograde amnesia* cannot consciously form new memories. So if you spend a day teaching him/her to play the video game Tetris, the next day s/he will have no recollection of the game—or of you, for that matter. But s/he will nonetheless show improved performance on Tetris. In other words, s/he has unconsciously learned how to play the game but that knowledge resides only in his/her implicit memory; explicit (conscious) memory contains no trace of the learning experience.
>
> (Eagleman, 2011: 58–59)

Learning how to play Tetris requires the formation of a new procedural (implicit) memory, while remembering that one learned Tetris is a conscious (explicit) autobiographical memory.

Much of semantic, autobiographical, and most of all, procedural memory is implicit and we draw upon it often without being aware that we are doing so. Think back to the experiment discussed in Chapter 5 showing that incidental exposure to the Apple logo makes people more creative; that particular instance of the logo was stored in implicit memory. We know this because it affected behavior following exposure to it, even though individuals were not aware that they saw it. The power of this logo to affect us even when we are not aware of having seen it is a testament to the strength of the brand meaning it evokes in implicit memory, as well as an illustration of the power of the unconscious to affect our cognitive processes and behavior.

Implicit memory can also shape our preferences and choices. Repeated exposure to a face causes us to find it more attractive even when we do not consciously remember ever having seen it. This increase in liking for the familiar is known as the *mere exposure effect*, and is one of the most robust and unsettling findings in psychological research (Zajonc, 2001). It helps explain why we so readily forgive political leaders' and celebrities' transgressions, and

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it underlies much of marketing. Advertisers have long known that ad repetition is critically important, especially for habitually purchased products; they just didn't know why it worked. The mere exposure effect may drive purchases of many familiar (heavily advertised) brands; when you are standing in front of the supermarket shelf, at the first moment of truth, your mindset "open to choice," you may simply prefer (and pick) the package that looks most familiar to you, regardless of whether you can recall seeing any marketing messages for it.

It is quite common for something in the environment to cause subtle changes in our cognitions, affect, or behavior without our awareness; in effect, the environmental cue *primes* the response, much as you would prime a pump. In the example above, we would say that your brand choice may have been primed by your implicit memory of an ad for it. In other words, the mere exposure effect is a type of priming.

But there is more to priming, as the following example indicates:

> On July 4, 1997, NASA landed the Pathfinder spacecraft on the surface of Mars. This "Mission to Mars" captured media attention worldwide over the course of the following months and during this period, candy bar maker Mars Inc. also noticed a rather unusual increase in sales (White, 1997). Though the Mars Bar takes its name from the company's founder and not from the Earth's neighboring planet, consumers apparently responded to news about the planet Mars by purchasing more Mars Bars. This was a lucky turn of events for the candy bar company, to be sure, but what does it mean for our understanding of consumer choice?
>
> (Berger and Fitzsimons, 2008: 1)

It seems doubtful that consumers consciously decided to buy more Mars bars in response to the Mars landing. More likely, their temporarily increased exposure to the word "Mars" made shoppers' implicit memory of the eponymously named candy bar more accessible as they scanned choices of treats in the candy aisle. Research findings support this interpretation, i.e., that an aspect of the environment that is perceptually (sensorily) related to a brand can increase consumers' evaluations of and preferences for that brand (Berger and Fitzsimons, 2008). In both of the following studies, color in the environment caused people to think of—and prefer—the same color brands:

1. For the entire month of October, Halloween merchandise casts its orange glow over the candy and home décor aisles of supermarkets throughout the U.S. The day after Halloween, the portable sale bins are filled with Halloween leftovers and store shelves are stocked with brightly colored Thanksgiving and (heaven help us!) Christmas merchandise. Does exposure to all that orange in the weeks leading up to October 31 make orange versions of products more accessible in consumers' memories, i.e., easier to remember? A study asking shoppers to list the first brands

https://t.me/PrMaB

that came to mind when they thought of soda and candy showed that respondents asked the day before Halloween were more likely to think of orange-packaged candy (Reese's peanut butter cups, not uniquely associated with Halloween) and orange-colored soda (Orange Crush or Sunkist) than shoppers asked a few days after Halloween. In other words, seeing a lot of orange in the environment made people more likely to remember orange versions of products.

2. Just getting people to write a little using either an orange or a green pen affected which brands they were likely to choose from a variety of products. Participants were first asked to write a few sentences about a book they liked, using either a green or an orange pen the experimenter gave them. Subsequently they were asked to choose their preferred brands from 20 choice pairs of detergents, beverages, and candies. Some brands were green (or in green packaging), others were orange (or in orange packages), and others were neither orange nor green. More participants who had written in green ink chose green-colored brands (e.g., Sprite) compared to those who had written in orange ink, while more orange pen writers chose orange-colored brands (e.g., Fanta) compared to those who wrote with green ink.

These studies demonstrate that perceptual cues in the environment can influence our choices of brands. Chapter 5 included several illustrations of retailers (brands in their own right) intuitively using sensory cues to draw target consumers into the store and induce them to spend more money. As we learn more about how specific cues in the environment influence consumer cognitions, affect, and behavior, the sheer complexity of the retail setting will become both clearer and more manageable to consider strategically.

The priming effects we have discussed so far have been based on perceptual links between environmental cues and brands—namely common words (Mars) and colors (orange and green). Conceptual links can also prime brand recognition, evaluations, and choices, as the following two experiments show (Berger and Fitzsimons, 2008).

One set of experiments investigated whether exposing people to an environmental cue conceptually related to the Puma brand of sneakers would speed up brand recognition and increase brand evaluations. Since we know from previous research that the concepts of "dog" and "cat" are closely linked in memory, we would expect people to recognize more easily the Puma sneaker brand in particular if they see dog images (conceptually linked environmental cue) just before they are shown sneaker brands. In one study, the authors showed half the participants images of dogs and half images of other things, ostensibly seeking their opinions about hues in the pictures. Afterward the experimenters had all participants do a timed brand recognition task in which they were shown images and names of many different brands including Puma and several other sneaker brands. The participants who had been exposed to the dog images first were 30 percent faster to

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recognize Puma as a brand of sneakers. Another study found that prior exposure to dog images raised people's brand evaluations of Puma, and the more dogs they saw, the higher their ratings.

The studies just described show that environmental cues with pre-existing links to a brand can prime brand recognition and increase brand evaluations. The authors wondered whether they could demonstrate that a *new* conceptual link could also prime people's behavioral responses to a product. The college students in the next experiment lived on campus and ate in either of two dining halls, one with no trays and the other with cafeteria trays on which students would place their food choices.

First, in order to obtain an idea of what they ate under normal conditions, the investigators asked the students to keep journals listing what they ate each day for a week. Then the participants were taught a slogan; half of those who ate in the dining hall that provided trays learned "Each and every dining hall tray, needs 5 fruits and veggies a day," which connects an environmental cue (the cafeteria tray) with fruit and vegetable consumption. The other half of the students who ate in that dining hall learned the slogan, "Live the healthy way, eat 5 fruits and veggies a day." The students who ate in the dining hall with no trays learned the first slogan with the word "tray" in it, which for them did not connect to the environment. All students continued to keep a food journal for another week.

The key question was whether the students who used trays and learned the first slogan, which connected the environmental cue "tray" with "fruits and vegetables" in semantic memory, would show the greatest increase in their consumption of fruits and vegetables; this would indicate that grabbing a tray had primed healthier choices because of the slogan. This turned out to be the case: the group ate 25 percent more fruits and vegetables than they had before learning the slogan. The other two groups showed no such increase.

Think of the implications of this finding for helping promote healthier behavior in several domains: eating well, not smoking, not texting while driving, and others. For example, many smokers light up during times of transition (e.g., while waiting for a bus) or stress (e.g., starting on a challenging project). How would you go about connecting environmental cues with encouragement not to smoke? Would you have to offer people an alternative activity?

What is most remarkable about priming is that it works behind the scenes, without our conscious minds dissecting or resisting its effects—and sometimes these effects are just what we need.

Consciousness and Its Uses

Most of us are familiar with the story of Ulysses (aka Odysseus) and the Sirens. In brief, Ulysses, a great Greek warrior immortalized in an ancient epic poem attributed to Homer, was returning home to Greece after the fall of Troy. Like all sailors of that time, he knew that his ship would pass

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by an island inhabited by the Sirens, beautiful creatures who sang with such enchanting voices that many seamen had lost their lives as they ran their ships upon the rocks in their efforts to reach the Sirens' island.

Ulysses very much wanted to hear the Sirens sing, but he also wanted to live. So he hatched a plan: Before his ship neared the island, he had his crew tie him securely to the mast; he also had the crew fill their ears with wax so that they became temporarily deaf. His men would be safe from the Sirens, and he would get to hear them while powerless to attempt to reach them. Thus it was that Ulysses became the only man who heard the Sirens sing and lived to tell of it. Ulysses had wisely predicted what his *future self* would do if unimpeded, and he used the insight of his *present self* to tie the hands (and feet) of that very unwise and weak future self; it would experience its great yearning but be unable to act on those self-destructive impulses.

Cognitive science research shows that this use of a "Ulysses Contract" can be very effective in helping people achieve their goals. The website www.stickk.com, created by two economists who wished to lose weight, was the first of several to offer opportunities for people to make commitments for which they could make their future selves accountable for keeping. For example, if you want to make sure you stick to a weekly weight loss goal, the site offers you the option of choosing a charity (or an anti-charity, i.e., an organization you dislike and would never want to support) and specifying an amount to be donated each week you do not attain your goal. To keep yourself honest, you may involve a referee who confirms your weekly report.

The Ulysses contract and website are not just for weight loss, but work for any goal, including exercising regularly, meditating, or writing a book. This sort of contract is based on the research finding—quite well-established—that we hate to lose even more than we like to win. So rather than rewarding ourselves each time we keep our commitment, our "reward" is to avoid a financial loss.

It is our conscious mind that enables us to plan ahead, anticipating our future impulses and tying our hands (metaphorically) to prevent a behavior we know we will regret. The "considered pathway" we discussed in Chapter 4 relies on our ability to make conscious assessments of what our needs are, and to carefully gather the information we need, evaluate the alternatives, and choose a brand or product that will best serve our future goals as well as our present needs.

Notes

1 For an example of a very simple schema for the concept of "animals" see http://wps.prenhall.com/wps/media/objects/1929/1975415/f07_04.gif
2 Ibid.

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https://t.me/PrMaB

7 Sociocultural and Interpersonal Influences on Consumer Behavior

Objectives

1. To explore how our cultures, social identities, friends, family, and others influence our consumer behavior.
2. To investigate how and why people share product and brand information and experiences.
3. To describe how marketers and consumer advocates can include interpersonal influence tactics in their messaging.

Introduction

Up to this point we've explored how the consumer's mind works to shape thoughts and feelings, and guide purchase decisions. But the social forces at work behind our consumption practices are equally important to understand in order to obtain a full and rich vision of consumer behavior. In this chapter we'll begin with a discussion of cultural influences on consumers, then examine how subcultures and broad social groupings affect our consumer behavior, and move on to investigate the more immediate and pervasive impact of the people we know best and trust most: family and friends.

How Does Culture Influence Our Consumer Behavior?

First, what do we mean by "culture"? This definition captures its complexity:

> Culture consists of shared elements that provide the standards for perceiving, believing, evaluating, communicating, and acting among those who share a language, a historical period, and a geographic location. As a psychological construct, culture can be studied in multiple ways—across nations, across ethnic groups within nations, across individuals within nations (focusing on cultural orientation), and even within individuals through the priming of cultural values.
>
> (Shavitt et al., 2008: 1103)

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Note the reference to "standards": culture tells us how to think, feel, and behave; while we may internalize it as a "psychological construct," we do not always follow its tenets, either individually or collectively.

In business textbooks, cultures are typically distinguished using bipolar dimensions such as those that emerged from the work of Geert Hofstede and his colleagues, based on their surveys of workers in more than 70 countries over several decades.[1] A brief summary of the six dimensions their investigations uncovered follows.

Dimensions of Culture

Power Distance Index captures how people in a culture view some having more power, others less. High power distance societies are more hierarchical and the unequal distribution of power is accepted as normal. In low power distance cultures, power inequality is a source of discomfort and attempts are made to correct or camouflage it.

Individualism vs. Collectivism contrasts loosely knit societies, in which people look after themselves and their immediate families, with tightly knit social structures that place the group's interests above those of its individual members. Both extremes involve trade-offs. The individualist gets to put her own interests first, but she may not have anyone to turn to if things go wrong. The collectivist society, with its subjugation of individual wishes to group interests, may at times feel claustrophobic, but in hard times people can rely on one another for help and support.

Masculinity vs. Femininity reflects the extent to which a society values achievement, assertiveness, and competition as opposed to cooperation, and quality of life.

Uncertainty Avoidance Index refers to the extent to which people in a society are comfortable with the uncertainty and ambiguity of not knowing the future. In their need to control the future, cultures with high uncertainty avoidance may have rigid beliefs and behavioral norms and a low tolerance for nonconformity. Cultures with low uncertainty avoidance have a more laissez-faire approach to daily life and concomitantly a higher tolerance for diverse beliefs and behaviors.

Long Term Orientation vs. Short Term Normative Orientation: A society with a long term orientation values its history and traditions more than the future, and resists change. A culture with a short term normative orientation espouses a pragmatic perspective that emphasizes shaping a better future, e.g., through educational advancement.

Indulgence vs. Restraint: An indulgent culture encourages members to seek pleasure by gratifying basic human wants and needs, while a society that values restraint imposes strict standards of behavior instead.

An important caveat about these dimensions is that they are meant to be used to compare national cultures; their authors never intended them to provide

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a nuanced understanding of a specific culture. They would argue that while this approach to the study of cultural differences provides a useful overview of a group's espoused values, it does not enlighten us about how individuals actually think, feel, and behave.

Cultural influences on an individual's consumer behavior may be best represented in the schemas and scripts that s/he has internalized over years of unconscious absorption punctuated by the occasional question. These knowledge structures tell us what to expect, and how to think, feel, and behave at significant events such as weddings, funerals, and other cultural rites. There are culturally diverse wedding schemas and scripts around the world.[2] In addition to these intercultural differences, intra-cultural variations are to be expected in societies with multiple ethnic and religious groups. Below we see that wedding-related consumer behaviors take many forms even within the U.S.

Who pays for the wedding? How much does it cost on average?
Note that the average for U.S. weddings has risen to $30,000.[3] Tradition in the U.S. dictated that the bride's parents paid for the wedding and reception, while the groom's parents covered the rehearsal dinner and honeymoon. Today more couples can afford—and are expected—to pay for their own weddings, as they are likely to be working and living on their own well before they elect to marry.

What kinds of products and services are considered integral to the wedding? What is the significance of each?
The broad categories of wedding products and services include attire for the bride, bridesmaids, groom, and groomsmen; venues for the wedding and reception; decorations for the venues; food and drink; and entertainment. The significance of each varies with subculture, ethnicity, and individual beliefs about which products will best contribute to achieving a goal or behaving consistent with core values. Our scripts for weddings and schemas for appropriate products and services guide our thoughts, feelings, and behaviors so that they are consistent with cultural or individual goals and values.

Who is involved in the decisions about which products and services to purchase?
In the U.S., for example, many grooms are much more involved in wedding planning than prevailing stereotypes suggest.

How do participants go about selecting and purchasing these products and services?
The TNT reality show *Say Yes to the Dress* offers a window into many brides' dress decisions. While the program is neither scientifically based nor (in all likelihood) entirely "real," it does provide examples of how

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and by whom the decision is made. While the bride's mother and close friends are most commonly participants, in several episodes the bride's father and the groom take part as well. The decision-maker is often the bride herself, taking others' comments into account, but on occasion it is the person (usually a parent) who holds the purse strings or has veto power by virtue of family dynamics.

What is done with the products integral to the wedding after it is over?

Once upon a time tradition dictated that a newly married woman would preserve her wedding dress in the hope that she would bear a daughter who would use it. Now there are many alternatives to that scenario. Some women choose to make something else using the fabric from the dresses. Others may donate their dresses to nonprofit organizations; e.g., Brides Across America provides donated dresses to military brides.

Even within one national culture, consumer thoughts, feelings, and behaviors vary considerably. Marketers and consumer advocates must ask the question specific to their goals, and they must seek answers from a clearly defined target market. Descriptive generalizations about a culture will not suffice to guide marketing strategies or tactics. A *Motley Fool* article illustrates a significant intergenerational change in the U.S.: fewer young adults are getting married than in any previous generation. The author notes that if the trend continues, more than three in ten Millennial women will still be unmarried by age 40 (Kline, 2014).

The recent recession has made young adults more cautious with their finances, and weddings can be expensive. A more important reason for the trend is that many young couples see no reason to marry, as living together without being married is no longer as stigmatized as it once was. If this drop in the number of weddings continues, it would affect the many businesses in the U.S. $51 billion industry, e.g., restaurants and catering halls, hotels, airlines, photographers, even perhaps nail salons. Approximately 800,000 individuals are employed by services that thrive on wedding business. The article notes that

> The real change will be long-term if American pop culture stops fetishizing weddings. If Millennials make marriage less of a big deal, then perhaps their children won't grow up dreaming of "their big day." If weddings become reasonable affairs, then perhaps the marriage industry will not recover.
>
> (Kline, 2014)

We've seen examples of social group influences on weddings in the U.S. In the next section we will explore these group influences in greater depth.

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What Are Reference Groups and How Do They Influence Our Consumer Behavior?

As social beings, we seek to feel a sense of belonging to groups beyond immediate family; this drive to belong may be satisfied by a few close friends, a religious or cause-related affiliation; shared loyalty to a sports team, band, or brand; a community coalescing around a passion for running, knitting, computer hacking, or any of a million other activities; or people who come together to grapple with a shared challenge, e.g., addiction or chronic illness, parenting an autistic child or caring for an elder with Alzheimer's.

Any or all of these may function as a *reference group*, to which we turn for information, advice, or guidance; as such, the group influences how we think, feel, and behave in a specific area of our lives. That fact that we care what others think of us not only goes a long way toward the maintenance of a strong social fabric, but it also accounts for trends in product choices and for new product successes. Below are two examples that illustrate different aspects of social influence.

Debra Samuels, food and travel writer, cookbook author, and teacher, tells this story:

> When we lived in Japan, my son went to a Japanese elementary school. I needed to send him to school with lunch. On his first day, he went with a peanut butter and jelly sandwich, carrot sticks and a cookie, just like any good American mom would send.
>
> He came home crying, "My lunch isn't cute." The lunch had to be cute. I didn't know. What's cute?
>
> At which point I needed to learn how to make lunch Japanese style, obento. I went out and bought a book called *100 Ways To Make Obento*. My son Brad and I worked our way through the book for the entire year.
>
> Moms every day make their children lunches. It's not considered an onerous task, it's considered part of their job. The job of the mother is to make a nutritious lunch that looks attractive, and the child's job is to eat it all up.[4]

Samuels's reference group was Japanese moms, who exerted a normative influence on her indirectly, through her son. In other words, she learned how to prepare lunches that conformed to sociocultural norms, and, further, she internalized the values of which she spoke. Her initial motive was to ensure that her son would feel a sense of belonging among his schoolmates.

> I took on the values that were transmitted in this box. I kind of look at it as Japanese culture in a box. I learned that aesthetics were important, I learned about balance, and I learned about the give and take from the receiver and the giver. It's a cooperative relationship.

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Figures 7.1 and 7.2 Japanese Schoolchildren Bento (Lunch boxes).

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> I used to think Japanese women were crazy for spending the amount of time that they did on lunch boxes and creating these things, but the children eat it all up and they remember. Any Japanese adult, they remember their mother's bento boxes with a lot of fondness.[5]

A post in response to this story conveys a different perspective on the intersection between "cute" and "edible":

> My kids would freak at the idea of eating a cute smiley creature—the giraffes, Snoopy, cows, and the smiley tomatoes would all return home and I would be asked to "save" them. They would probably give them names. So Thermos hot leftovers it is! But I can cut hearts and cars out of cheese.
> (Olga O.)

Debra Samuels learned Japanese lunch preparation norms informally. We may also learn about group norms in a formal setting, as part of a transition from one role to another. For example, many undergraduate business programs in the U.S. have created professional development courses in response to students' need to learn the norms of the business professionals they are striving to become. The University of Portland's Pamplin School of Business Administration teaches these norms in its P4 program:

> In preparation for both your internship and future career in the business world, the Pamplin Professional Preparation Program counsels you

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> on all facets of your professional persona. This includes learning how to set up a solid LinkedIn profile (LinkedIn is the premier business-oriented social networking site) and monitoring your complete online presence. Through dress for success workshops, participation in networking socials, and numerous job shadows and mock interviews, you will not only interact with but also receive feedback and advice on how to improve your professional appearance from leaders in the business community.[6]

In short, students are taught new scripts, e.g., how to create a profile on LinkedIn, and new "professional" versions of existing scripts, e.g., how to dress, eat, and converse in a business setting. Note that business professionals serve as an *aspirational* reference group for these students.

A *dissociative* reference group—one with which we do not wish to be identified—may also teach us the norms we seek to follow by showing us what *not* to do. From the shoes we wear to the logo-laden cups we carry, our consumer choices define and delimit us as one sort of person and not another. Many of the students at a university near Nike headquarters and in the same region as the original Starbucks wear (carry) these brands' logos with conscious allegiance, declaring themselves as aspirants to athletic excellence and consumers who care about socially sustainable practices like fair trade and ethical treatment of laborers. These consumers likely dissociate themselves from Styrofoam-using Hummer drivers, many of whom reciprocate the animosity.

Our reference groups exert more influence on our consumer choices if those choices are visible and meaningful to group members. What we wear, drive/ride, eat, if (and how) we stay physically fit—all of these are highly visible in many contexts and identify us as belonging to this group and not that one. The annual survey from the American College of Sports Medicine's (ACSM) *Health and Fitness Journal* (Thompson, 2015) illustrates how professionals in the health fitness industry serve as *referent others*, in a unique position to lead the way in fitness and to observe fitness trends as they gather momentum and display staying power. The following top ten trends for 2016 are based on almost 3000 responses from industry practitioners in all four sectors (community, corporate, commercial, and clinical).

1. **Wearable technology.** In addition to the numerous and varied fitness and health trackers consumers are eagerly buying, wearable technology includes smart glasses, smart fabrics, and interactive textiles. The authors note that "some business analysts have predicted that the market will approach $6 billion dollars by 2016."
2. **Body weight training.** This too is a relatively recent trend in gyms and it displaced high-intensity interval training from the top spot. Using one's body weight as a form of resistance is at least as old as yoga, but it appeared as a trend among gym goers only three years ago. Its popularity is due in part to marketing by commercial fitness clubs, and in part

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to the fact that the equipment required is minimal, making it one of the least expensive ways to get in shape. As the authors point out, and Ashtanga yoga practitioners know better than most, it is far more than push-ups and pull-ups.

3. **High-intensity interval training.** While no longer in the top spot, high-intensity interval training remains a leading fitness trend despite professionals' concerns about its potential for injuring enthusiasts. Indeed time-pressed consumers can now download apps that purportedly provide the benefits of a lengthy gym session with a seven-minute series of high-intensity exercises. Despite health and fitness professionals' repeated warnings about injuries, this type of training is popular among gym goers the world over.
4. **Strength training.** Strength training is uniquely popular among professionals in all sectors of the health and fitness industry, in part because it is easily adaptable to meet the needs of clients with a variety of fitness levels and goals. Many young adults use strength training as their sole fitness activity. The authors add, "Today, however, there are many other individuals (men and women, young and old, children, and patients with a stable chronic disease) whose main focus is on using weight training to improve or maintain strength." Many contemporary health and fitness professionals incorporate some form of strength training into a comprehensive exercise routine for their clients and patients. Weight training is commonly a component of cardiovascular and pulmonary rehabilitation as well as metabolic disease management programs.
5. **Educated, certified, and experienced fitness professionals.** This trend has continued as national accrediting programs have gained traction among health and fitness and clinical exercise program professionals. The rising number of educational programs may be accredited by the Commission on Accreditation of Allied Health Education Programs (CAAHEP), the Committee on Accreditation for the Exercise Sciences, and by additional certification programs independently accredited by the National Commission for Certifying Agencies (NCCA). The U.S. Department of Labor Bureau of Labor Statistics predicts "employment of fitness trainers and instructors is expected to grow by 13% from 2012 to 2022." As health and fitness professionals proliferate, industry or government regulation is likely to become increasingly important. Third party accrediting agencies include CAAHEP for academic programs and NCCA for certification programs. CAAHEP offers a Personal Fitness Trainer accreditation for certificate and associate degree programs, baccalaureate programs in Exercise Science, and graduate programs in Exercise Physiology. Organizations that offer NCCA-accredited exercise certifications recently created the Coalition for the Registration of Exercise Professionals (CREP), which maintains the internationally recognized U.S. Registry of Exercise Professionals.
6. **Personal training.** Increasing numbers of educated and certified personal trainers offer more ready access to clients in all sectors of the health

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and fitness industry. Several states are moving towards licensure of personal trainers, who may be self-employed or employed by community-based programs, in commercial settings, in corporate wellness programs, and in medical fitness programs.

7. **Functional fitness.** Functional fitness regimens use strength training to improve balance, coordination, force, power, and endurance, with the ultimate goal of enhancing an individual's ability to perform activities of daily living. Survey respondents report that they usually include functional fitness as an integral part of fitness programs for older adults. Clinical programs include functional fitness to replicate routine activities in the home.
8. **Fitness programs for older adults.** As baby boomers swell the ranks of older adults, health and fitness professionals find it both lucrative and meaningful to provide exercise programs customized to the widely varying needs of this massive market. Athletic older adults may be best served by commercial and community-based organizations that offer more rigorous exercise programs including strength training and team sports. Many frail elderly can benefit from functional fitness programs, which improve balance and ability to perform activities of daily living. Some (not all!) retired boomers may not only have more discretionary income but also the wisdom to spend it on activities that will help them prolong a high quality of life. Fitness programs for retired people would make good use of gyms during the day, when they are typically underutilized.
9. **Exercise and weight loss.** This trend remains strong as more commercial and nonprofit organizations incorporate exercise programs with weight loss regimens, or the reverse. Weight Watchers is one of a number of programs that have made significant strides toward integrating messages about regular exercise into their communications about weight loss. While physical activity alone will not lead to weight loss, it has been shown to improve mood and enhance cognitive and motor functions. Combining changes in diet with a regular exercise regimen is the optimal way to become and remain healthy.
10. **Yoga.** Yoga in all its forms continues to be popular. Each form has its loyal practitioners and it seems that for each of us there is an optimal (or most enjoyable) form. We can choose Iyengar Yoga, Ashtanga, Vinyasa Yoga, Kripalu Yoga, Anusara Yoga, Kundalini Yoga, or Sivananda Yoga—or one of several hybrids, e.g., Yogalates and Barre3. We can elect to practice alone with a teacher who offers private lessons, in a class, or in the comfort of our home, using instructional apps, books, or DVDs, or streamed programs. While some forms of yoga offer teacher certifications, anyone, however poorly trained, can "teach" yoga, and a lack of expertise and understanding of physiology may account for the high rate of injury among yoga students.[7]

Fitness trends typically spread through *word of mouth*, as our next vignette illustrates.

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What Is Word of Mouth and Why Is It Important?

Elena's Enthusiasm Drives Debra to Get in Shape

Elena exuberantly describes to Debra the fitness program upon which she has just embarked. "It's based on a book called *Body for Life*," she explains. "Caroll [Elena's husband] and I are going to go for the $25,000 prize the website offers the How Many? people who post the best 'after' photos and write the best essays!" She continues, "The meal and workout plans are all laid out in the book and they're super easy to follow." Her enthusiasm is contagious, inspiring Debra to get the book, take a "before" photo that would be distressing if she were not about to follow her friend on this new and exciting path to a slender, muscular self, and start the program immediately. "Pain is weakness leaving the body!" the two friends regularly quote Elena's husband's U.S. Navy Commander in an effort to fuel their determination to complete the rigorous regimen successfully.

Word of Mouth (WOM) "consists of informal communications directed at other consumers about the ownership, usage or characteristics of particular goods and services and/or their sellers" (Westbrook, 1987).

Elena's excited chatter about the new workout program qualifies as word of mouth, and it is very persuasive, much more so than even the most compelling marketing message. Since we listen best to people whose opinions we trust and care about, WOM from reference group members—friends, colleagues, family—is especially effective at persuading us to purchase or avoid specific brands. Note that in addition to being Debra's colleague and friend, Elena values fitness and keeps abreast of the latest research and trends; hence her opinion—both trustworthy and informed—counts even more. Table 7.1 shows that recommendations from people we know rank well above advertising in garnering our trust. Note also that online consumer opinions come in third in trustworthiness, after branded websites. Our trust in WOM may lead to brand purchase: Marketing research firm Keller Fay recently found that word of mouth about British supermarkets is strongly correlated with sales. Aldi, which received the most positive word of mouth, showed the highest sales growth, and Tesco showed the lowest sales growth and the least positive word of mouth.[8]

Online word of mouth (eWOM) is "any positive or negative statement made by customers—potential, real or former—about a product or company, which is made available to other people via the Internet" (Hennig-Thurau et al., 2004). WOM is considered the Holy Grail of marketing because in general we believe that other consumers are not motivated by financial

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Table 7.1 To What Extent Do You Trust the Following Forms of Advertising?

Form of advertising	
Recommendations from people I know	84%
Branded websites	69%
Consumer opinions posted online	68%
Editorial content such as newspaper articles	67%
Brand sponsorships	61%
Offline ads (broadcast, print, outdoor)	est. 59%
Emails I signed up for	56%
Ads before movies	56%
TV program product placements	55%
Ads online	49%

Source: Adapted from "Under the Influence: Consumer Trust in Advertising," by Nielson, September 13, 2013, Retrieved from www.nielsen.com/us/en/insights/news/2013/under-the-influence-consumer-trust-in-advertising.html. Copyright 2013 by Nielson. Adapted with permission.

Note: Global average—percent of completely/somewhat trust.

self-interest, hence are more trustworthy than marketers. Below we discuss what motivates people to talk about brands and products, which kinds of brands are most likely to generate WOM, and what sorts of information are most likely to be shared. Then we will explore the impact of WOM on consumer cognitions, affect, and behavior.

Motives for Engaging in WOM

What motivated Elena to share with Debra her excitement about the book? Studies show that people who engage in WOM typically have social, emotional, and/or functional motives for doing so.

> ***Social motives*** for talking about brands include: *self-enhancement*, i.e., enhancing others' perceptions of one's product expertise or social status; *uniqueness*, the desire to be viewed as different and special in some aspect; *altruism*, the drive to help others by recommending excellent products; and the simple human *desire to converse.*

If the motive for WOM is enhancement of perceived expertise, positive comments about high-quality or premium brands would best serve the speaker's purpose. If the motive is to appear unique among peers, talking about unique, i.e., highly differentiated brands, would be most effective. The Bugaboo stroller and Dyson vacuum, discussed in Chapter 6, are examples of brands that are both premium and highly differentiated. One could make

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the case that a person motivated by altruism could equally well share positive information about high-performing brands, and negative WOM warning others away from inferior brands. Finally, the individual who just wants to converse might succeed best by focusing on brands that are relevant to a variety of listeners; in the U.S. the iPhone, with its considerably greater market share, should generate more conversation than an android smartphone.

Emotional motives both positive and negative often underlie WOM. In the vignette above, Elena's excitement about the Body for Life program was one driver of her sharing the information with Debra. For complex or expensive purchases, e.g., a new car or house, excitement and anxiety may coexist in equal measure; WOM may serve to maintain or increase the feeling of excitement, while diminishing the concomitant anxiety. Hence the lengthy conversations we have offline and online about these major purchases, and the delight in showing them to appreciative others.

Marketing messages can elicit the emotions most likely to drive WOM. Nike, a brand marketed from its beginning as our ally in the struggle to achieve worthy goals, to exceed our personal best, to compete continually with ourselves and others, has brilliantly generated positive WOM by inspiring us with commercials featuring both "normal" people and celebrities, and providing opportunities for aspiring athletes of all kinds to engage in conversation.[9]

Some products, e.g., health-related ones, may be both anxiety-provoking and avoided in consumer conversation. Arguably, direct-to-consumer advertising of prescription pharmaceuticals may encourage WOM by vividly portraying the brands' emotional benefits that result from ameliorating physical ailments, thus putting a positive spin on products that were traditionally unsought and mostly unwanted. An example is Viagra, the advertising of which destigmatized erectile dysfunction and transformed its treatment from a shameful secret into a positive and exciting lifestyle choice—in large part by encouraging WOM in mainstream media.

Functional motive: A final motive for engaging in WOM is to provide brand information for which there is especially high demand, e.g., for brands that are new and/or those types of products for which the information available is difficult for non-experts to comprehend. (Note that altruism or the desire for reciprocity (e.g., information exchange) may often underlie this motive.)

Why Do Persuasion Attempts Work?

Certainly we are social beings who are hardwired to pay attention to others' responses to us. But what are the psychological principles that explain why some persuasion attempts (through WOM or reference groups) work

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and others do not? Robert Cialdini, who conducted the pioneering studies investigating this question, evolved six principles of social influence.

> In brief, we are inclined to go along with someone's suggestion if we think that person is a credible expert (***authority***), if we regard him or her as a trusted friend (***likeability***), if we feel we owe them one (***reciprocity***), or if doing so will be consistent with our beliefs or prior commitments (***consistency***). We are also inclined to make choices that we think are popular (***consensus***), and that will net us a scarce commodity (***scarcity***). We follow these general rules because they **usually** work to lead us to make the right choice. But because we often use them unthinkingly, they are commonly exploited by compliance professionals and con artists, many of them wearing nice business suits, religious robes, or reassuringly friendly smiles.[10]

Principles of Social Influence

Authority: We tend to trust and comply with the advice of people we recognize as expert in the domain in question. For almost any product or service, low-involvement or high-involvement, inexpensive or costly, online comparative brand ratings and reviews by purported experts abound. Chapter 4 provides numerous examples of such sites.

Why does authority work so well? It reduces perceived risk of making the wrong choice and the effort we expend traversing the (often unfamiliar) vast terrain of the evaluation part of the purchase journey.

Likeability: We are more likely to follow someone's advice or comply with their request if we find that person likeable. Along with an air of authority, this is a trait most if not all highly successful salespeople possess. We especially like people who resemble us in key ways but are slightly "better." The salespeople at Abercrombie & Fitch are not only young and attractive, but also possess poise many teens lack and covet. The middle-aged saleswomen at Chico's project an aura of mature self-confidence and in addition show expertise using clothing and accessories to accentuate their attractive features while minimizing their flaws.

Reciprocity: When someone gives us something or does a favor for us, most of us feel a distinct discomfort until we reciprocate with a gift or favor approximately equal in magnitude. The salesperson who spends a significant amount of time providing us great service makes us more inclined to feel we must buy something. The charity that sends us greeting cards may elicit higher donations. The free samples at Costco and other grocery retailers nudge many of us to put the product into our baskets to please the smiling woman or man who has just offered us a toothpick holding a morsel of the newest something. If, however, we look closely at any of these market transactions,

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we may find ourselves resisting the urge to reciprocate, as we realize that the marketer is trying to elicit that very action. In other words, when market norms apply, and we see that it's "just business," our discomfort upon receiving the "free gift" may dissipate.

Consistency: We view ourselves as having stable preferences and ways of behaving, and it is this perceived stability that shapes our sense of who we are. I am a busy urban person who buys coffee at Starbucks; I am frugal and make coffee at home; I recognize and enjoy fine wine; I am a professional and look the part. What does this have to do with social influence? Simply, if you can persuade a potential buyer to take even a small step toward purchase, you make it all the more likely that s/he will take the next step, and the next.

At LA Fitness and many other fitness facilities, personal training is the "extra" that brings in the real money. Thus, all new members get one free training session, the first step toward committing to a regimen of a number of sessions for a fixed price. The free trial subscriptions to antivirus programs, audible book providers, and other such services also encourage us to take the first step toward commitment.

Consensus: The power of user reviews is well documented. Consensus in the form of conformity is perhaps even more powerfully persuasive. All those white cords denoting Apple devices will make the black Android cord that much more prominent. The dedicated yoga practitioners around you may make you feel doubly embarrassed as you fall over clumsily when you attempt that headstand everyone else is maintaining gracefully, quietly, and seemingly without effort. Perhaps it's time you too started attending class more often.

Scarcity: Ah, the persuasive power of "only one . . . left." Even airline ticket vendors use scarcity to invoke a feeling of urgency: "only one seat left at this price." Amazon does it too, with products ranging from books to jewelry to cat food: "only 1 in stock . . ." Even National Geographic's artisan sellers' site includes such messages. (Of course the artisans' products, handmade, already possess an aura of uniqueness, if not scarcity.)

Why does scarcity entice us even when we do not need the product in question? The evolutionary answer is, of course, survival. But is there another answer more relevant to the prosperous world in which so many of us now comfortably reside? Responding by clicking the "checkout" button effectively ends our purchase journey, freeing us to move on to a new activity; and the implication that supplies are depleted because so many people have already purchased the product takes us back to the principle of consensus.

Now that we've laid the foundations of consumer behavior, we are ready to explore how it manifests in populations that are especially vulnerable to the flaws of marketing, ranging from honest mistakes to negligence and malpractice.

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Notes

1 To learn more about this research and compare countries' scores on the dimensions, see the Hofstede Centre, http://geert-hofstede.com/countries.html
2 See, e.g., Abby Rogers, 2011, "15 Unique Wedding Customs From Around the World," Business Insider, October 18, www.businessinsider.com/how-weddings-are-celebrated-around-the-world-2011-10?op=1&IR=T
3 Melanie Hicken, "Average Wedding Bill Hits $30,000," CNN Money, March 28, http://money.cnn.com/2014/03/28/pf/average-wedding-cost/index.html
4 Debra Samuels on National Public Radio's *The Splendid Table*, November 16, 2014.
5 Ibid.
6 http://business.up.edu/default.aspx?cid=12267&pid=4257
7 Oliver Leonetti, acupuncturist at Innergate Acupuncture, Portland, OR, personal communication.
8 Keller Fay Group, 2014, "Supermarket Sales Performance Closely Reflects Word of Mouth Rankings," November 5, www.kellerfay.com/wp-content/uploads/2013/12/KFG_UK_Press_Release.pdf
9 See, e.g., NikeTalk Forums, http://niketalk.com/f/
10 Described in Douglas T. Kenrick, 2012, "The 6 Principles of Persuasion: Tips from the 'Guru of Social Influence,'" *Psychology Today*, posted December 8, https://www.psychologytoday.com/blog/sex-murder-and-the-meaning-life/201212/the-6-principles-persuasion

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Part III

Vulnerable Consumers

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8 Vulnerability in Adult Consumers

Objectives

1. To explore consumer vulnerability and the factors associated with it.
2. To investigate the marketplace experiences of a consumer group that is both vulnerable and more inclusive than any other: people with disabilities.
3. To describe and give examples of best practices in marketing to consumers with disabilities.

What Is Vulnerability in Consumer Behavior?

What does it mean to be a vulnerable consumer? The word "vulnerable" derives from the Latin "vunerabilis," which means "that may be wounded," according to the *Oxford English Dictionary*. We describe someone who is easily wounded as vulnerable. Consumer behavior researchers have customarily applied the term to children and the aged; to people with sensory, mobility, and/or cognitive impairments; to members of ethnic minorities; and to impoverished consumers. Scholars who have sought a more nuanced perspective on consumer vulnerability define it this way:

> A state of powerlessness that arises from an imbalance in marketplace interactions or from the consumption of marketing messages and products. It occurs when control is not in an individual's hands, creating a dependence on external factors (e.g., the marketer) to create fairness in the marketplace. The actual vulnerability arises from the *interaction* of individual states, individual characteristics, and external conditions within a context where consumption goals may be hindered and the experience affects personal and social perceptions of self.
>
> (Baker et al., 2005)

According to this definition, any consumer may be vulnerable under certain conditions, including lack of access to adequate information, to reasonably good quality products at an affordable price; and to customer service needed to obtain information, to complete a transaction, or to solve a problem after

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purchase. These are situational factors that contribute to consumer vulnerability. In a given society, certain groups of consumers are more likely than others to encounter these situational barriers. Globally people with disabilities regularly face barriers to access. Nationally, ethnic groups are routinely denied access to information, products, and services readily available to mainstream consumers. In the U.S., for example, African–Americans have been singled out for poor treatment by many retailers.

This chapter first examines circumstances in which we are all at increased risk of unfair treatment in the marketplace, then explores barriers to access consumers with disabilities commonly encounter, and best practices for marketing to this large and growing minority. We have chosen to focus on this minority because it is the only one all of us will likely join if we survive long enough, and the sole group we may join at any age.

When Are We All Vulnerable Consumers?

We are all vulnerable to the hazards of unsafe products whose flaws we cannot detect. This is a problem of lack of access to information, e.g., about toxic ingredients in cosmetics, pathogens and allergens in foods, and operational dangers of airbags, tires, and numerous other products and product components. The article below summarizes top 2014 U.S. food safety news stories illustrating both the scope of the problem and public sector responses:

The Top 10 Food-Safety News Stories of 2014

By Dan Flynn, December 22, 2014[1]

The top 10 food-safety news stories for 2014, as chosen for the sixth consecutive year by the editors of *Food Safety News,* were announced today. According to the Internet news site, here are this year's most important food-safety stories:

1. The U.S. Department of Justice backs up federal food-safety agencies, including USDA and FDA, with unprecedented criminal prosecutions of food-industry defendants in multiple states.

Beginning in 2014, with the sentencing of two Colorado cantaloupe growers, and continuing with the guilty pleas from the nation's one-time king of egg production, Austin "Jack" DeCoster, and his son, Peter, and then the historic jury trial of former Peanut Corporation of America (PCA) officers and managers, federal criminal law rarely used before in such circumstances was put to work this year in the name of food safety.

Through the U.S. Food and Drug Administration (FDA), the food industry was getting warnings as far back as 2010 that federal criminal

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law was going to be used a food-safety enforcement tool. The defense bar picked up on those signals and began warning food-industry executives that they, too, could be charged with "no fault" federal criminal misdemeanors if their businesses shipped adulterated food, even though it was outside the executive's personal knowledge or consent.

Colorado's Jensen brothers each did six months of home confinement in 2014 after pleading guilty to six of those "strict liability" federal criminal misdemeanors. No one had to prove that the brothers knew the cantaloupes from their farms were contaminated. They just had to be distributed with the deadly pathogen. Likewise, the DeCosters are awaiting sentencing for "strict liability" misdemeanors because their contaminated eggs became part of interstate commerce.

Taken together, these federal prosecutions represent an entirely new toolbox for food-safety enforcement.

2. Parnell Brothers and Mary Wilkerson found guilty in jury trial.

Peanut butter produced in 2008 at a Blakely, GA, processing plant owned by Peanut Corporation of America did more harm to humans and damage to property than just about any outbreak on record. Tragically, nine of the more than 700 victims of the Salmonella-laced peanut butter died. And PCA peanut butters and paste were so widely used as ingredients in food products manufactured by others that it led to the nation's largest recall of such products. The recall cost industry an estimated $1 billion.

PCA's owner, Stewart Parnell, his peanut-broker brother Michael Parnell, and three of the company's top managers were indicted in February 2013 on multiple federal felony counts. Daniel Kilgore, the operations manager, and Samuel Lightsey, the plant manager, who had both worked at the Blakely plant, pleaded guilty before trial under agreements that saw them testify for the government.

The Parnell brothers and Mary Wilkerson, who was PCA's quality-assurance manager at Blakely, went to trial in late July and, after a two-month jury trial, were together found guilty on 98 federal felony counts. The case the government successfully presented to the jury was one involving fraud and conspiracy, along with specific food-safety violations.

All five defendants will likely be sentenced sometime in 2015, although a sentencing date has not yet been set.

3. Obama administration puts aside opposition from activists and partisans normally associated with the president to back USDA in adopting the first new poultry-inspection regime since Eisenhower.

For almost 20 years, top Food Safety and Inspection Service (FSIS) managers have wanted to change the way poultry inspection is done,

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and, for just as long, unions representing inspectors have held off. So it was a bit of a surprise on July 31, when the Obama administration sided with USDA and its FSIS management by announcing it was implementing the new poultry policies.

USDA said it was "a critical step forward in making chicken and turkey products safer for Americans to eat. Poultry companies will have to meet new requirements to control Salmonella and Campylobacter, and up to 5,000 foodborne illnesses will be prevented each year as a result of the New Poultry Inspection System (NPIS), an updated science-based inspection system that positions food safety inspectors throughout poultry facilities in a smarter way."

Under the NPIS, FSIS now requires that all poultry companies take measures to prevent Salmonella and Campylobacter contamination, rather than addressing contamination after it occurs. Also, for the first time ever, all poultry facilities are required to perform their own microbiological testing at two points in their production process to show that they are controlling Salmonella and Campylobacter. These requirements are in addition to FSIS' own testing, which the agency will continue to perform.

4. Michael R. Taylor, the FDA's deputy commissioner for foods and veterinary medicine, moves the Food Safety Modernization Act (FSMA) closer to full implementation with some skillful rule-making.

Taylor's move came on Sept. 19, when FDA released revisions to four critical draft proposals to implement FSMA. While showing flexibility on his part, the revisions also show FDA is committed to changing from responding after the fact to preventing food-safety problems.

Since FSMA was signed into law in January 2011, FDA has proposed seven rules to implement FSMA. The four updated proposed rules include produce safety, preventive controls for human food, preventive controls for animal food, and the foreign supplier verification program.

FDA has made changes to key provisions of the four proposed rules based on feedback received from the public during meetings and thousands of comments submitted to the agency. Among the changes made as a result of public involvement is FDA's decision to not apply its produce rules to farms with $25,000 or less in produce sales and easing up on water-quality testing so the source of the water is taken into account.

5. Raw milk takes a beating with a mother's story, lower demand than thought, being named as the cause of more outbreaks, and gaining no traction in statehouses.

A **Food Safety News** story on Feb. 18 took on a life of its own on the Internet as our readers passed it on to their friends and it sparked

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discussion around the horn. The mother of a two-year-old, who was infected with E. coli from drinking raw milk, and her dairyman warned of the dangers. The year ended with the report that the January issue of Emerging Infectious Diseases states that the number of outbreaks associated with raw milk is increasing. Raw milk was involved in 30 outbreaks from 2007 to 2009 and in 51 outbreaks from 2010 to 2012.

In that time, 81 percent of raw milk-related outbreaks occurred in states that allow the legal sale of raw milk. Retail sale of raw milk is legal in 10 states, on-farm sales are legal in another 16, and seven states have legalized herd-share programs, in which a number of people "buy in" to owning dairy cows from which they receive raw milk.

And then there was a survey report early in the year that calls into question how much demand there really is for raw milk. Official "guesstimates" usually come in around 3 percent of the total milk supply. But the Vermont survey found that the amount of raw milk actually produced is far less than that—maybe 1 percent.

6. Foster Farms tries to go from goat to hero by moving during an outbreak to hire blue-chip consultants to work on new protocols.

Livingston, CA-based Foster Farms rarely had anything to say during the dozen or so times the federal Centers for Disease Control (CDC) issued updates on the Salmonella Heidelberg outbreak, except when it ended last July 31.

Just two weeks before the outbreak ended, Foster Farms had issued its first recall for an undetermined amount of chicken products produced last March 7–13. Foster Farms had come in for criticism because the company took so long to recall any product during the outbreak, which began on March 1, 2013, before it spread to 29 states and Puerto Rico.

"Food safety is, and always will be, our top priority," Foster Farms stated when CDC called the outbreak over. It then used the occasion to say that Salmonella is found on an average of 25 percent of all raw poultry parts, and Foster Farms had "made progress" by reducing that to less than 5 percent for its products. The company also announced that it had committed to a $75-million food-safety program to reduce naturally occurring Salmonella at each stage of the production process.

Top outside experts were said to be involved. Foster Farms clearly wants to be seen as a food-safety leader, not an unwilling participate in an outbreak. Messy little details from that completed outbreak include that most of the illnesses, 77 percent, were among Californians. There were no deaths, but 38 percent of those sickened did require hospitalization.

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7. Growing concern about antibiotic resistance puts more pressure on animal agriculture and FDA over whether voluntarily controls are sufficient.

Antibiotic resistance is real, as any number of foodborne illness victims have discovered at the hospital. The issues involved are complex and the potential causes are many. A few days before 2014 dawned, FDA adopted a voluntary plan for animal agriculture to phase out the use of some antibiotics used in food production.

Farmers and ranchers use antibiotics both to treat animals that are ill and also in feed to enhance growth. Antibiotics in feed are provided at "sub-therapeutic" levels. Nobody really knows why, but their use promotes weight gain. FDA has been working to phase out antibiotics in animal feed since 2010.

Perhaps it was that combination, or the timing of events, but 2014 was a year when antibiotics may not have dominated; however, the issue has been steady and consistent. At year-end, the Obama administration set up an Interagency Task Force for Combating Antibiotic-Resistant Bacteria. It's likely to become the focus of efforts by those who say FDA's voluntary approach is not moving fast enough, or that not enough jurisdiction exists over veterinarians.

Meanwhile, there were technical or scientific developments involving antibiotics, including prize money being put up for a quick answer test for determining if antibiotic resistance exists and whether antibodies might replace antibiotics.

8. The U.S. cannot figure a way out of COOL, the country-of-origin labeling scheme. It wants to avoid punitive tariffs, but it also wants to keep the origin labels on meat. It kicks the can down the road with yet another WTO appeal.

Grounds for any successful appeal of a World Trade Organization (WTO) finding are very narrow. It's not possible to re-open the "facts of the case," so arguments to the dispute panel are limited to points of international law. So it's not surprising that nothing is really known about the details of the appeal the U.S. filed with WTO on Nov. 28 over its COOL law.

USDA's current COOL regulations require that meat processors and retailers keep track of where meat is "born, raised, and slaughtered." WTO has consistently sided with Canada and Mexico, which argue that COOL is an unfair trade barrier in its application.

The processing of the U.S. appeal is the only thing now preventing Canada and Mexico from imposing billions of dollars in tariffs on U.S. products as punishment. Those tariffs will take the COOL dispute into a whole new arena as Canada and Mexico will be able to harm any number of U.S. industries.

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9. After doubling down but again losing with state voters, the GE-labeling dispute moves to Capitol Hill.

Oregon's Right to Know GMO-labeling campaign did win the right to an automatic recount, but their effort still lost by about the same number of votes as it did in the first count. It means the national campaign to label food containing genetically engineered ingredients is 0 and 4 when it comes to state ballot measures. The GMO right-to-know side has now lost California, Colorado, Oregon and Washington state. It did win a couple of labeling proposals in the Northeast U.S., but only Vermont has voted to require GMO labeling on its own. A federal court now has that under review.

The next stop for this one is Congress. Michael Landa, director of Food Safety and Applied Nutrition for FDA, told an outgoing congressional hearing that nothing has changed. FDA sees no reason for labeling GE food because 20 years of research into 100 types of food shows there is no greater or lesser food-safety risk with or without genetic engineering. He also said FDA requires that food labeling not be false or misleading, and a GE-labeling requirement would be inconsistent with that responsibility. At the same hearing, a food-association executive suggested the best compromise is the "GMO Free" campaign, which currently is a private, market-based approach, not a government mandate.

That hearing may have been a preview to what will play out in 2015 as a Republican-controlled Congress works on the issue with the Obama administration.

10. FSIS regulatory climate mixed as it slowly implements mechanically tenderized beef regulations and tosses CSPI petition on antibiotic-resistant Salmonella, while imposing grinding log regulations.

USDA's meat and poultry safety unit is involved in a never-ending stream of regulatory issues and public requests.

The Center for Science in the Public Interest (CSPI) has been petitioning FSIS to list resistant antibiotics as adulterants in meat and poultry. So far, FSIS has not acted favorably on the CSPI petition.

When FSIS agrees to take a regulatory action, it, like other agencies, must take it up not only to the department level at USDA, but also to the Office of Management and Budget in the White House.

That's where regulation requiring labels on mechanically tenderized beef may have gone. A couple months ago, some food-safety advocates met with USDA in hopes of smoking the meat regulations out by year end. It does not appear that happened and means the OMB might hold on to them—until 2018.

When beef is mechanically tenderized, pathogens from the surface can be pushed down into the center. If the cuts are cooked rare or not at a high-enough temperature, the pathogens pushed into the center can sicken the consumer.

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From these news items, we can see that while consumers can put pressure on businesses and government agencies to take more stringent safety measures, change comes incrementally and slowly. All consumers are vulnerable to the hazards of unsafe products, but industry self-monitoring and (especially) government regulation diminish our vulnerability. Investigative journalism and consumer watchdog organizations provide information on products both regulated and unregulated. Examples of watchdogs include ConsumerLab.com, which conducts independent lab tests on many brands of vitamins, minerals, and other supplements to check for the accuracy of their ingredient listings and for contaminants or unlisted fillers. The Environmental Working Group's Skin Deep website and smartphone app provide information on toxicity of ingredients in a searchable database of more than 70,000 cosmetics and personal care products. The scientists in EWG compare brand label and website information to more than 60 toxicity and regulatory information databases, and provide safety ratings of brands and their ingredients. These kinds of resources offer us access to the information we need to make sound purchase decisions, and so reduce the vulnerability to unfair practices due to a lack of adequate information.

What Barriers to Access Do Consumers with Disabilities Encounter?

As for those who appear vulnerable because of disability, impoverishment, age, or emotional fragility, the definition states that individual resourcefulness and/or marketer-provided accommodations may reduce or even remove any hint of vulnerability. With the definition in mind, which, if any, of these consumers strike you as vulnerable?

Debra has a severe visual impairment that accompanies her albinism (lack of pigmentation). She cannot drive, read facial expressions, or see faces well enough to recognize them later. She can read very large print (e.g., store signage, street signs, etc.) if she comes within a few feet of it, or smaller print with very thick eyeglasses and exceedingly close proximity to the print. She possesses a Ph.D. and teaches full time at a small university in the Pacific Northwest.

Ravi is a 32-year survivor of AIDS. He tires very easily and by necessity he must rest or sleep a minimum of 14 hours a day. The medications he must take to keep HIV at bay are toxic to his liver and kidneys, and have led to lipodystrophy, a condition in which lean body mass diminishes and visceral fat in the midsection increases, compressing internal organs. He is unable to work, as even running a single errand (e.g., grocery shopping) exhausts him.

Frankie, a retired school librarian, was widowed 15 years ago at age 66. When she turned 80, she moved from her small-town home of 50 years to be nearer her daughter and grandchildren, so that she

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> could spend more time with them and call on them when she needed help. Making a good life for herself in a new place was not easy, but with her kind manner and outgoing personality, she quickly became friendly with her neighbors, found a compatible and welcoming church, joined a quilting club, and started volunteering at the school where her daughter worked as a guidance counselor.

All three individuals described above may experience vulnerability in specific circumstances, and each handles the unfairness differently.

Debra does much of her shopping online, where she can peruse product reviews and wander through company websites at her leisure, either zooming the pages or donning her reading glasses and moving her face only inches from the screen. When she shops alone in a bricks-and-mortar establishment, customers and salespeople alike ask her if she needs help when they observe her holding the merchandise close in order to read the label. While she knows their intentions are kind, she feels conspicuous and intruded upon at times as she is fiercely independent—and an inveterate introvert. She has discovered that a pleasant smile accompanied by a firm "no thanks, I'm fine!" encourages them to move on with no offense taken. And when she does need help, she asks for it in a pleasant but insistent manner, commanding and communicating respect and warmth.

But when Debra shops with a companion, almost always the salespeople address their remarks to the other person exclusively. They do not look at Debra, not even when they are answering her questions. She fumes about this but has found that moving nearer these salespeople and attempting to make eye contact does not alter their rude behavior. She used to feel powerless in such situations, but with a fabulously flooded marketplace at her fingertips, she has reclaimed her power as a consumer: She does not buy from salespeople—or even sidewalk artists!—who studiously ignore her. "Why doesn't she complain to the manager?" you may be wondering. She simply does not wish to spend her very limited and therefore precious time in pursuits that she experiences as both negative and unrewarding. In sum, if not for the Internet, Debra would be a vulnerable consumer in most retail contexts—but (oddly enough) only if she is shopping with a companion.

Ravi is very frugal and has invested his money wisely; consequently he has saved more than enough money over the decades to live comfortably for many years to come. He grew up in a middle-class family in India, just outside New Delhi. His father was a civil servant, his mother a stay-at-home mom who did not own a washing machine, dishwasher, or refrigerator—those modern conveniences did not make their way into the homes of Indian housewives until Ravi had grown up and left home. Ravi's mother, who was in charge of the household finances and purchases, taught him how to maximize his return on each rupee by carefully selecting good quality products and shrewdly bargaining with vendors. He knew well the dismal circumstances awaiting him if he did not study hard and excel in school; every day

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as he pedaled his old but serviceable bike along New Delhi streets, he passed the same impoverished people, many of them children, begging or eking out a bare-bones living selling snacks, tea, flowers, and trinkets.

Even after he emigrated from India to the United States, earned an MBA from the University of Chicago, and landed a well-paid position as a financial analyst, Ravi's prosperity did not cause him to forget or forgo his frugal ways, or to relinquish his rational approach to consumer transactions. He scoffs at Debra's desire for an emotional connection with salespeople. Instead, Ravi seeks the best value in all transactions ranging from purchases of fresh produce to copays for essential health care. He is relentless in his quest for—and insistence upon—good service. Unlike Debra, Ravi never quietly walks away from an incompetent or unpleasant sales representative; he is always polite but persistent in exchanges with indolent employees and skirmishes with their surly supervisors. These encounters take a toll on Ravi, exacting a high cost in energy and time, but he would not have survived all these years had he not been willing and able to fight for the medications and other services he needs.

Despite his formidable skills and indomitable nature, Ravi is vulnerable to the service providers who refuse to interact with him because of the color of his skin or his positive HIV status. A motel owner in a small town at the Oregon Coast told him, "We don't want your kind here." And a dermatologist would not remove a melanoma from his face because he feared HIV transmission. While Ravi found other lodging and another dermatologist, he paid for the prejudicial treatment with his time and the emotional energy needed to fend off the hostility.

Within a year of moving nearer her daughter, Frankie's activities were sharply curtailed by multiple myeloma, the disease that had killed her father decades earlier. The chemotherapy made her favorite foods taste bitter and, unable to eat much of anything, she began dropping weight. She was deeply thankful for her daughter's proximity. Judy drove her to health care appointments and helped her with shopping; however, the demands of her own work and family necessitated additional services such as Meals on Wheels, a house cleaner, and in-home hospice help with hygiene and other daily routines. Frankie could readily afford the paid services and Medicare covered some of them. Even so, one of the home care professionals who did her grocery shopping decided Frankie should not have certain foods on her shopping list. The house cleaner, while pleasant and efficient, did not clean the bathroom as thoroughly as Frankie had when she was able; and having to wait for a home health care professional to come and help her shower and dress made Frankie feel embarrassed, frustrated, and infantilized. Never afraid to speak her mind, she complained vociferously at first. Eventually, however, she came to accept the reality of her lack of autonomy; she knew she was among the most fortunate of the ailing elderly, to be able to afford good health care and help at home, and to have a devoted daughter and loving family.

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These accounts illustrate that even for prosperous, educated, and assertive consumers, a disability, whether caused by illness, injury, emotional fragility, or physical impairment, may be met with unfair marketer responses ranging from rudeness to outright denial of service. We would argue that while vulnerability scholars are correct in contending that all consumers experience unfairness from time to time, the cost to people with disabilities—in time, energy, and money—is likely greater if measured against the reduced resources with which many of them enter the marketplace. Let's take a closer look at the demographics and life circumstances of consumers with disabilities worldwide.

The World Health Organization (WHO) gives the following overview of disabilities:

1. Approximately 650 million people worldwide have disabilities that severely limit their performance of daily activities, and rates are growing with aging and higher life expectancies, chronic diseases, and increased survival rates of veterans and others with serious injuries. Including family members of individuals with disabilities raises the number of people affected by a disability to one billion, or about one in seven.
2. Disability is disproportionately high in groups considered vulnerable by virtue of geography, age, and gender, i.e., low-income countries and communities, woman-headed households, children, and the elderly.
3. Having a disability makes it less likely an individual will receive the health care s/he needs, and not just because of lower income. Providers may lack the requisite skills, treat the individual badly, or deny service altogether (remember Ravi?).
4. A child with a disability is less likely to go to school. This is especially true in poorer countries but hardly unknown in the U.S., despite its law requiring public schools to serve the educational needs of all children.
5. People with disabilities are less likely than non-disabled to be employed (44 percent vs. 75 percent for countries belonging to the Organization for Economic Cooperation and Development (OECD)).
6. Income does not go as far in the presence of a disability; a portion of money for housing, food, potable water, and other basic necessities must be diverted to pay for available medical care, assistive devices, and personal services. This results in worse living conditions for people with disabilities—poorer housing, insufficient food, and lack of access to safe water and sanitation.
7. Assistive devices and medical rehabilitation have the potential to enhance quality of life and productivity of people with disabilities. However, these devices and services are prohibitively expensive or nonexistent in many countries. Even in high-income countries 20–40 percent of those living with disabilities do not get the help they need for routine activities. In the U.S. seven of ten rely on friends and family for help with daily activities. Prolonged caregiving of this nature takes its toll, especially upon those with jobs and families of their own.[2]

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In response to these and other dismal statistics, the United Nations created the Convention on the Rights of Persons with Disabilities (CRPD),[3] which achieved legal status on May 3, 2008. While there are seven other UN human rights treaties, none addressed the specific needs of this, the world's largest, minority. In response to the argument that existing treaties provided adequate coverage, a UN spokesman stated that "without a legally binding treaty that spelled out their rights, persons with disabilities faced being legally 'invisible' in their societies and even in the international arena. The result has been that persons with disabilities continue to face major hurdles and discriminatory practices in their daily lives." The CRPD was created to "to promote, protect and ensure the full and equal enjoyment of all human rights and fundamental freedoms by all persons with disabilities, and to promote respect for their inherent dignity" (Article 1). It identifies people with disabilities as "key decision makers" in their own lives and grants them "full participation in formulating and implementing plans and policies affecting them."

The CRPD views disability as a result of the interaction between an inaccessible environment and a person, rather than an inherent attribute of an individual. It replaces the old "medical model" of disability with a social and human rights model based on the fact that it is society that "disables" persons with disabilities from exercising their human rights as citizens.

Below are excerpts from the consumer- and marketer-related portions of the CRPD:

> [R]atifying countries are to combat stereotypes and prejudices and promote awareness of the capabilities of persons with disabilities. (Article 8)
>
> Countries are to ensure the equal right to own and inherit property, to control financial affairs and to have equal access to bank loans, credit and mortgages. (Article 12)
>
> [T]he Convention requires countries to identify and eliminate obstacles and barriers and ensure that persons with disabilities can access their environment, transportation, public facilities and services, and information and communications technologies. (Article 9)
>
> Personal mobility and independence are to be fostered by facilitating affordable personal mobility, training in mobility skills and access to mobility aids, devices, assistive technologies and live assistance. (Article 20)
>
> Countries are to promote access to information by providing information intended for the general public in accessible formats and technologies, by facilitating the use of Braille, sign language and other forms of communication and by encouraging the media and Internet providers to make on-line information available in accessible formats. (Article 21)
>
> Persons with disabilities have the right to the highest attainable standard of health without discrimination on the basis of disability. (Article 25)

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> Countries are to promote participation in cultural life, recreation, leisure and sport by ensuring provision of television programmes, films, theatre and cultural material in accessible formats, by making theatres, museums, cinemas and libraries accessible, and by guaranteeing that persons with disabilities have the opportunity to develop and utilize their creative potential not only for their own benefit, but also for the enrichment of society. (Article 30)

Fifth Quadrant Analytics, a financial consulting firm that studies the linkages between companies' disability-related practices and profitability, estimates that in the U.S. the public sector loses more than $135 billion in tax revenue annually because of underutilization of people with disabilities in the workforce. The firm observes that while regulations incentivize private sector businesses to hire more people with disabilities, marketing to them would create shareholder value.[4] How can this be true given the WHO statistics we've just presented?

The answer lies in the demographics of aging. Fifth Quadrant notes that in the U.S. alone 77 million Baby Boomers, ages 50–68 in 2014, control more than $2 trillion of spending power; in G10 nations this generation is the wealthiest ever. As they swell the ranks of those 65 and older, Boomers have begun demanding goods and services that enable them to remain active and independent despite the disabilities commonly associated with aging. Thus, the profit potential in marketing to people with disabilities is rising.

Table 8.1 provides an overview of the population and income of people with disabilities (PWD) and their families and friends.

The following, from the Fifth Quadrant's 2013 annual report, "The Global Economics of Disability," cautions against the all-too-common monolithic view of people with disabilities as a single market segment:

> Segmentation—One size does not fit all . . . Members of the PWD market are not just wheelchair users, Braille readers and sign language readers. Individuals with visible disabilities make up less than 29% of PWD. However, they are the group that has received the most public attention as it is easier for legacy programs to use visuals to deliver a fund-raising message. The vast majority—71% of PWD—have *invisible* disabilities like a learning or cognitive disability. Those with visible disabilities and those with invisible disabilities have different identities because their disability may, or may not, be readily evident. Note that we do not break down disability by clinical diagnosis, as it is misleading from a consumer decision-making standpoint.

The report further argues that

> It is critical that disability is not viewed in isolation from mainstream market, but seen as a part of the broader consumer and employee

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Table 8.1 Population and Income Data for PWD and their Friends and Family

	Global	*USA*	*Canada*	*EU*	*Asia*
PWD population	1.27 billion	56.7 million	6.2 million	91.0 million	748.0 million
PWD income	>$1.66 trillion	$735.0 billion	$95.4 billion	$828.7 billion	NA
PWD disposable	>$996 billion	$544.0 billion	$46.6 billion	$406.1 billion	NA
Friends and family population	2.35 billion	105 million	11.5 million	68 million	1.38 billion
Friends and family disposable	>$6.9 trillion	$3.9 trillion	$311.1 billion	$2.7 trillion	NA

Source: US Census, US Bureau of Labor Statistics, StatsCan, EuroStat, FQA.

marketplace. The innovations and insights derived from disability are applicable to all, and if implemented effectively in terms of product development and messaging, drive firm-wide ROI.

For example, moms and dads wheeling strollers into retail establishments appreciate the ease of access ramps, elevators, and extra-wide aisles provide—all accommodations for mobility-impaired customers. Voice control capabilities enhance the smartphone experience not only for the visually impaired, but also for drivers who must have hands-free access for safety and legal reasons. An alarm clock that vibrates the bed serves the needs of the hearing-impaired, the early risers who do not want to wake their partners, and the too-sound sleepers who snooze through even the loudest beeping buzzing of ordinary alarm clocks.

Best Practices for Marketing to Consumers with Disabilities

Below are best practices for marketing to consumers with disabilities, with accompanying examples from companies that are leaders in this area:

- Including people with disabilities in your market research
  Example: While it is still rare for marketers to consult consumers with disabilities as a part of their product and communications research, companies like disABILITYincites work with clients to ensure that their research includes the perspectives of this large and diverse group.

- Including people with disabilities in your advertising and other marketing communications
  Example: Some companies are being recognized for this, as the following extract from an eSSENTIAL Accessibility press release shows:

  Duracell and Creative Team Saatchi & Saatchi Announced as Winner of the First Ever ANA Multicultural Excellence Award in the *People with Disabilities* category

  TORONTO, Nov. 11, 2014 /CNW/—Monday evening, at its Multicultural Marketing & Diversity Conference in Miami, FL., the Association of National Advertisers (ANA) introduced a new award category to honor outstanding work in the disability sector. The *Multicultural Excellence Award* in the *People with Disabilities* category is the first of its kind in the industry.

  The annual ANA Multicultural Excellence Awards recognizes the best multicultural advertising campaigns. The 2014 awards, sponsored by the ANA Multicultural Marketing & Diversity Committee, raise awareness and exposure of the outstanding work being done in the

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areas of African-American, Asian, Hispanic, LGBT, total market advertising, and for the first time ever—people with disabilities.

eSSENTIAL Accessibility Director, Mark Steele, presented the landmark award to winner Duracell for its moving ad "Trust your Power." Created by advertising giant Saatchi & Saatchi, "Trust your Power" was aired for the first time at the 2014 Super Bowl. The ad features the NFL's first legally deaf offensive player, Derrick Coleman of the Seattle Seahawks, and has made waves with its inspirational message since its debut. The ad was also chosen as "Best in Show" across all Multicultural Excellence Award categories.

"With approximately 1.3 billion people worldwide impacted by disability, it's no wonder that smart organizations like finalists Duracell, Guinness and Walmart are directly marketing to people with disabilities," said Mr. Steele. "It has been exciting to witness this positive change in the industry and we anticipate seeing more advertising featuring people with disabilities emerge over the next year."[5]

- Ensuring that your website and other communications are accessible to people with disabilities

  For comprehensive discussion of the needs of consumers with a variety of disabilities, consult the Web Accessibility Initiative.[6]

  Example: Some companies are leading the way, outlined in the following extract from an eSSENTIAL Accessibility article:

People with disabilities . . . number 56.7 million in the U.S. . . . with discretionary spending of $200 billion. . . . [B]y boosting their online presence, large department stores like Macy's and Bloomingdale's are increasingly making it easier for people with disabilities to shop their brands. . . .

Most retailers that create a basic e-commerce website are still missing the market of people with disabilities. As many shoppers with disabilities can attest, if the site is designed without accessibility features, it can be a real headache to use. . . .

Website accessibility can be improved with smarter design and by adopting assistive technology, such as eSSENTIAL Accessibility (eA), to make online shopping a better experience for people with dexterity issues. Macy's and Bloomingdale's offer eA technology on their e-commerce sites (look for the logo at the bottom of the screen). Using free software downloaded to their computers, customers have several options to navigate these online stores, such as an onscreen keyboard or hands-free movement tracking system. . . .

Software for people with mobility issues is a step in the right direction, but online retailers must also take into account the functional demands of people with disabilities.

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Ann K. Parsons, who is blind . . . uses screen-reader software to navigate websites. . . . Not surprisingly, Parsons' biggest complaint is about website clutter. "One of the things I find extremely aggravating about online shopping is that the Web pages are so busy. You have to go past all kinds of links and buttons to get to where you want to be, and it's incredibly frustrating."[7]

- Designing your bricks-and-mortar retail establishments and entertainment venues to ensure that all facilities and merchandise are readily accessible to people with disabilities
  Example: Disney's venues have long been inclusive, and provide detailed descriptions of services available to visitors with disabilities.

- Requiring diversity training for all employees, following up with customer-facing ones by mystery shopping
  Example: Best Buy's eLearning program: Unleashing the Power of Employees for Retention of Workers and Customers with Disabilities.

Individuals with ASD (Autism Spectrum Disorder) were finding it to be challenging to gain and then retain employment with Best Buy due to social differences that ASD poses. Through several of our retail employees and individuals contacting FACE (Facing Autism in a Caring Environment, a Best Buy affinity group) members, management knew the issue needed to be addressed.

In January 2011, they developed a collaborative approach with the Autism Society of Minnesota and members of their corporate training team to develop a comprehensive eLearning program that would educate their employees on the characteristics of ASD and how best to work with an employee (or customer) on the spectrum.

Both Best Buy retail and corporate staff served on the eLearning development team including cashiers, finance team members, and services agents as they were primarily those impacted by the issue. Also serving on the training team were the co-chair of the Best Buy disability affinity group, INCLUDE, and two training eLearning developers. The team developed an eLearning software application at a cost of approximately $10,000.

Best Buy considers this initiative yielded a tremendous return on investment. The majority of employees who completed this eLearning module commented that they now "get it" and that they realize that their coworkers or customers who exhibit behaviors presented in the training may have ASD and they now know how to work with them more effectively.[8]

- Incorporating universal design principles into the product development process
  Example: Apple is well known for its products' user-friendliness and a variety of assistive technologies are standard for consumers with a wide range of disabilities.

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Notes

1 Copyright 2014 Food Safety News. Reprinted with permission. www.foodsafetynews.com/2014/12/top-ten-food-safety-news-stories-of-2014/#.V01NQJD2a70
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9 Children as Consumers

Objectives

1. To investigate the cognitive, affective, and behavioral differences between child and adult consumers.
2. To explore products commonly marketed to children, the appeals typically used, and children's responses to these persuasion attempts.
3. To recommend guidelines for protecting and inoculating children against unsavory marketing practices.

Why Do We Need to Consider Children Separately from Adults?

In short, children's brains are wired differently, making them more likely to respond uncritically and positively to marketing appeals that emphasize fun, excitement, and—most of all—immediate gratification. What is it that makes adults better at resisting these attempts to persuade? The answer: Our brains have developed these executive functions:

- **Working memory** is our ability to hold and use multiple information "chunks" (e.g., scripts and schemas) for brief periods. It enables us to juggle different tasks, e.g., to interrupt grocery shopping to change the baby, recall where the shopping cart is, and resume shopping without backtracking. It is working memory that guides us through the multistep scripts for tasks like preparing a meal, running weekly errands, taking care of the dog, and participating in social activities, e.g., games like checkers, where the players have to remember whose turn it is and what the rules are.
- **Inhibitory control** enables us to filter out distractions from an important task, resist temptations like sugary snacks, control emotions like frustration and anger, and think before speaking. In a consumer behavior context inhibitory control clears the path to successful resolution of product problems, empowers us to save up for significant purchases, to moderate our ingestion of "junk food," and "trash TV," and to turn off all our screens at bedtime.

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- **Cognitive flexibility** enables us to switch scripts or schemas when the situation changes. This executive function helps ensure that we behave appropriately in different social settings—at work vs. home, with close friends vs. distant family members, on a first vs. fifteenth date. This capacity also enables us to change our plans on the fly when circumstances dictate, and to view problems from different perspectives. Consumer contexts that require flexibility in our choices of scripts include casual vs. formal dining, shopping at bargain vs. high-end retailers; choosing gifts for family, friends, or colleagues; adapting to the quickly changing communication norms and modalities that accompany technological advances; and troubleshooting minor performance problems inevitable in innovative products like smartphones, smart TVs, wearable technology devices, etc.

Table 9.1 shows how these executive functions typically develop in children who have proper adult guidance. The authors aptly observe that "Contrary to popular belief, learning to control impulses, pay attention, and retain information actively in one's memory does not happen automatically as children mature, and young children who have problems with these skills will not necessarily outgrow them."

Given that children do not automatically develop executive functions, the following observations of Mintel market research analysts are especially concerning:

> In 2014, toddlers and preschoolers, those aged 2–3 and 4–5 account for 16.2 million (5.1%) of the total US population. This young demographic is ringing in a new generation of diversity. Born during or immediately after the recession, millions were born into, and continue to live in, lower-income households. According to the National Center for Children in Poverty, nearly half of infants and toddlers (5.6 million) in the US lived in low-income families in 2011. The KIDS COUNT data center found that 27% of children younger than 6 lived in low-income working families in 2012. Living in poverty poses serious threats to the health and development of children during this fragile stage of life.
>
> (Mintel, 2014)

The Flint water crisis is a case in point.[1] Children in low-income households are at greater risk of unintentional injuries due to household hazards; less likely to receive all the nutrition needed for normal cognitive and physiological development; and at increased risk of suffering the negative effects of chronic stress on the formation of healthy neural networks. These conditions hold true for increasing numbers of young children in the U.S. and elsewhere in the world. When we talk about marketing to children, it is important to bear in mind that a large percentage of them have little chance of achieving the prosperous lifestyles of their peers portrayed in advertising messages.

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Table 9.1 Development of Executive Functions

Working memory	*Inhibitory control*	*Cognitive flexibility*
ADULT Can remember multiple tasks, rules, and strategies that may vary by situation	ADULT Consistent self-control; situationally appropriate responses (e.g., resists saying something socially inappropriate, resists "tit for tat" response)	ADULT Able to revise actions and plans in response to changing circumstances
5–16 YEARS Develops ability to search varying locations, remember where something was found, then explore other locations (e.g., a game of Concentration or hiding a penny under one of three cups)	10–18 YEARS Continues to develop self-control, such as flexibly switching between a central focus (such as riding a bike or driving) and peripheral stimuli that may or may not need attention (road signs and pedestrians vs. billboards and passing houses) 7 YEARS Children perform at adult levels on learning to ignore irrelevant, peripheral stimuli (such as a dot on the side of a screen) and focus on the central stimulus (such as a picture in the middle of the screen)	13–18 YEARS Continued improvement in accuracy when switching focus and adapting to changing rules 10–12 YEARS Successfully adapts to changing rules, even along multiple dimensions (okay to shout on playground, not okay in school, okay sometimes in theater rehearsals)
4–5 YEARS Comprehends that appearance does not always equal reality (e.g., when given a sponge that looks like a rock) 3 YEARS Can hold in mind two rules (e.g., red goes here, blue goes there) and act on the basis of the rules	4–5 YEARS Reductions in perseveration (persisting with following a rule even when knowing that the rule has changed). Can delay eating a treat; also can begin to hold an arbitrary rule in mind and follow it to produce a response that differs from their natural instinct (sort colored cards by shape rather than color)	2–5 YEARS Succeeds at shifting actions according to changing rules (e.g., takes shoes off at home, leaves on at school, puts on boots for rain)
9–10 MONTHS Can execute simple means-to-ends tasks and two-step plans; also able to integrate looking one place and acting (e.g., reaching) at another place	9–11 MONTHS Able to inhibit reaching straight for a visible but inaccessible reward, such as a toy on the other side of a window, and instead delay a moment to recognize the barrier and detour around it	9–11 MONTHS Develops ability to seek alternate methods to retrieve objects beyond directly reaching for what's in view
7–9 MONTHS Develops ability to remember that unseen objects are still there (toy hidden under a cloth); learns to put two actions together in a sequence (remove cloth, grasp toy)	8–10 MONTHS Begins to maintain focus despite distractions during brief delays in a task 6 MONTHS Rudimentary response inhibition (able to not touch something instructed not to touch)	

Sources: Best and Miller (2010); Diamond (1991a, 1991b, 2002, 2006).

Note. Adapted from Building the Brain's *"Air Traffic Control" System: How Early Experiences Shape the Development of Executive Function: Working Paper No. 11*, by Center on the Developing Child at Harvard University, 2011, Retrieved from www.developingchild.harvard.edu/. Copyright 2011 by Center on the Developing Child at Harvard University. Adapted with permission.

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What Kinds of Products Are Marketed to Children, and which Media and Tactics Are Used?

Toys and sugary snacks and cereals are marketed to preschoolers and school-aged children primarily via television commercials, and increasingly in mobile apps, videos, and advergames.

A multi-country review of marketing tactics promoting food to children via TV commercials found that those most commonly used are premium offers, promotional characters, nutritional claims, taste, and fun (Jenkin et al., 2014). Premiums are free gifts, vouchers, or rebates either included in the food package purchased or available in exchange for mail-in proof of purchase. Promotional characters include those identified with the food brand, e.g., Tony the Tiger and Ronald McDonald; licensed characters such as Sponge Bob Square Pants and Spiderman; and celebrities familiar to children and their parents (e.g., sports figures) or popular people parents would likely find persuasive (scientists, health professionals).

Health and nutrition claims, persuasive to parents and children alike, ranged from vague statements about well-being, strength, or growth, to assertions that the advertised food contains a specific health- or growth-enhancing nutrient. Taste and fun are often emphasized through nonverbal cues showing the consumer's experience of the food itself as well as the consumption context.

Young children (below age 8) typically cannot distinguish between television programming and commercials, much less comprehend the persuasive intent of ads. Interactive apps and games blur the line between marketing and play such that even older children and adolescents do not readily identify the selling intent of those in which brands are embedded. For example, a survey of 5200 Canadian youth in grades 4 through 11 found that three-quarters of them identified brand-centered games as "just games" and not "mainly advertisements."[2]

In the U.S. at least, advergames will not disappear; marketers target children early hoping to gain lifetime customers. Even higher education institutions, e.g., University of Michigan, woo children using their sports teams to establish an emotional connection that will lead to eventual "brand purchase."[3] Moreover, a number of companies are producing high-quality educational games that also attempt to engender engagement with commercial characters and other brands. Here is an example.

> Nickelodeon Launches Nick Jr. App Featuring Hit Preschool Content, Interactive Educational Activities, and TV Everywhere
>
> New Preschool App Follows Net's Successful Launches of Top-Ranking, Curriculum-Driven Titles including *PAW Patrol Rescue Run* and Wallykazam! Letter and Word Magic[4]

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> NEW YORK—(BUSINESS WIRE)—Following the tremendous success of the Emmy Award-winning Nick App, which launched in 2013 and has already had 11 million downloads globally, Nickelodeon today announced the launch of the Nick Jr. App, a new branded platform that allows kids to interact with and learn from their favorite Nickelodeon preschool characters anytime and anywhere. The app is initially available for iPad starting today.
>
> Designed specifically with preschoolers in mind, the Nick Jr. App features a grid-style interface and moveable tile layout that allows for easy exploration and fun discovery. The app offers a variety of educational activities, alphabet buttons that trigger pop-up surprises, live simulcast streaming of the Nick Jr. channel and on-demand episodes via TV Everywhere authentication through participating TV providers, plus over 100 pieces of short-form content including curriculum moments, music videos, funny mashups, and exclusive first looks. Throughout the app experience, kids will engage with characters from the net's top-rated preschool series such as *PAW Patrol*, *Dora and Friends: Into the City!* and *Wallykazam!*, while boosting their STEM, reading, motor and problem-solving skills.
>
> "The Nick Jr. App deepens the connection preschoolers have with their favorite shows and characters through a highly engaging and interactive play-and-learn experience," said Matthew Evans, Senior Vice President, Digital, Nickelodeon. . . .
>
> The Nick Jr. App is available for free. . . .

Given the ubiquity of in-app and online branded games, among them many educational ones, it may be that our wisest course of action is to ensure that children become media literate, if not at home, then in school programs. Media literacy is an essential skill for all of us in this world of information overabundance; to be well-informed citizens, productive workers, and creative beings, we need ever more sophisticated strategies for filtering out the noise and focusing quickly on the nutritious food for thought. Where better to begin than in the classroom?

What Are Best Practices for Teaching Children to Be Wise Consumers?

As you may recall from Chapter 6, the brain is wired for two types of processing and memory: explicit, conscious knowledge and implicit thoughts, feelings, and behavioral impulses that exert their influence outside the scope of our conscious awareness. Young children sometimes appear to be chaotic beings driven by unfettered, unlabeled, and uncontrolled impulses. Part of helping a child develop and strengthen executive functions is drawing their

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attention to the need to modify their behavior to suit the context. Eventually of course, this explicit learning becomes automated and implicit, which is why few adults must be reminded to use their "inside voice" or to refrain from wresting a coveted object away from its owner.

Helping children become smart consumers involves teaching them to modify their responses in two contexts at least, viewing ads and shopping. As we saw earlier, young children start out not knowing that ads are created by marketers for the express purpose of selling products, and therefore must be viewed with skepticism. But skepticism alone will not keep a child from purchasing, or urging a parent to purchase, the advertised product. Self-control at the point of purchase is needed as well.

Researchers give the following example:

> [I]magine a child being given a choice between two brands of chocolate. The explicit system might provide the child with the information that he or she has consumed the chocolate before, or that he or she has seen an ad about the chocolate. In contrast, the implicit system provides behavioural impulses, but does not allow insights into the bases of the impulses. Imagine that the child was exposed to some ads for one of the chocolate brands, and the implicit system formed associations of this brand with eating and taste. Later, the child might not be aware of the prior exposures, but follows the automatic impulse towards the brand, which has its origin in the prior exposure.
>
> (Büttner et al., 2014: 167)

Given that the child's impulse to purchase and consume is likely implicit (automated and not susceptible to analysis), Büttner et al. argue, we should ideally teach children self-control techniques that work at an implicit (unconscious, automatic) level. These authors recommend the three self-control techniques of: setting goals, learning through imitation, and forming implementation intentions.

Self-control goals start out as explicit instructions of the child's caregiver; they might be "When we're in the supermarket, don't take anything off the shelf." An alternative goal may work even better, as its activation may inhibit the tempting impulse and redirect the child's attention to a constructive, prosocial activity: "Would you please help me find the milk?" or "Today we're looking for healthy food to buy." With practice, a child will internalize the self-control or alternative goal, which will become implicit, activated automatically by entering the supermarket. Moreover, as children mature and learn, they may enjoy participating in selecting alternative goals.

Imitation: As influential as a parent's words are, parental actions—responses to challenges, behavior under stress—may be even more powerful teaching tools, in part because they are acquired through

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osmosis, learned implicitly, imitated without deliberation. Does the parent grab a candy bar while waiting at the checkout counter? Does s/he sit down with a carton of ice cream and a spoon when s/he is upset by something that happened at work? Or does s/he return the candy bar to its place on the supermarket shelf, and, in times of stress, comfort herself with a cup of tea?

Implementation intentions: These are "if–then" plans: If a specified condition occurs, then a pre-selected behavior will follow. For example, "If I see a sugary cookie in the fresh-baked bread and dessert case, then I'll buy a whole grain bagel." While implementation intentions are the products of conscious deliberation, their purpose is to sidestep conscious choice with its concomitant conflicts, by ceding control of behavior to implicit, automatic activation when the condition specified occurs. Büttner et al. (2014: 174) provide this example:

> To illustrate the technique of implementation intentions, think of a child who wants to save his or her pocket money for a higher goal (e.g., a new musical instrument) instead of spending it on sweets. This child might form an implementation intention such as "If I pass a shelf with sweets in the supermarket, I will ignore them." Instead of simply ignoring the distracting stimulus, the then part could also specify a focus on the higher goal: "If I pass a shelf with sweets, I will think about the musical instrument that I will buy with my pocket money." Moreover, the then part could also specify an alternative action. For instance, "If I see a soft drink in the supermarket, I will buy a bottle of mineral water" could be an implementation intention that aims at drinking fewer soft drinks.

The authors suggest that in addition to media literacy education as outlined above, marketing messages directed at children should be subject to external regulations. The following article from the Public Health Advocacy Institute (PHAI) demonstrates that industry self-regulation is not sufficient to protect children from deceptive practices.

PHAI's Gottlieb and Wilking Co-author Study **in JAMA Pediatrics Showing that Fast Food** Giants Confuse and Deceive Kids[5]

Study author and PHAI Senior Staff Attorney Cara Wilking said she found it, "troubling that fast food giants would publicly make a self-regulatory pledge, fail to live up to the pledge, and receive no sanction from the relevant self-regulatory body. Such failures suggest that self-regulation is often more about public relations than about fulfilling the role of actual governmental regulation."

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Sargent and his colleagues studied fast food television ads aimed at children from July 2010 through June 2011. In this study researchers extracted "freeze frames" of Kids Meals shown in TV ads that appeared on Cartoon Network, Nickelodeon, and other children's cable networks. Of the four healthy food depictions studied, only McDonald's presentation of apple slices was recognized as an apple product by a large majority of the target audience, regardless of age. Researchers found that the other three presentations represented poor communication.

This study follows an earlier investigation conducted by Sargent and his colleagues, which found that McDonald's and Burger King children's advertising emphasized giveaways like toys or box office movie tie-ins to develop children's brand awareness for fast food chains, despite self-imposed guidelines that discourage the practice. . . .

"The fast food industry spends somewhere between $100 to 200 million dollars a year on advertising to children, ads that aim to develop brand awareness and preferences in children who can't even read or write, much less think critically about what is being presented." said Sargent.

Notes

1 "Flint Combats Lead-Contaminated Water Effects on Child Development," January 16, 2016, www.npr.org/2016/01/16/463290744/flint-combats-lead-contaminated-water-effects-on-child-development
2 Media Awareness Network, 2005, "Young Canadians in a Wired World: Phase II Key Findings," http://mediasmarts.ca/sites/default/files/pdfs/publicationreport/full/YCWWII-student-survey.pdf
3 See www.mgoblue.com/kidsclub/
4 From Nickelodeon December 11, 2014 11:41 AM, www.businesswire.com/news/home/20141211005968/en/Nickelodeon-Launches-Nick-Jr.-App-Featuring-Hit
5 www.phaionline.org/2014/03/31/phais-gottlieb-and-wilking-co-author-study-in-jama-pediatrics-showing-that-fast-food-giants-confuse-and-deceive-kids/

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https://t.me/PrMaB

10 Nonhuman Animals as Consumers and Consumption Objects

Objectives

1. To explore the challenges in determining the scope of U.S. pet ownership and associated consumer expenditures.
2. To investigate the consumer's journey from petlessness to pet ownership.
3. To propose best practices for marketers at animal adoption agencies and potential pet owners.

A Tale of Two Tabbies

Large-framed and rotund, 19-lb cat Khilona has always eaten with great enthusiasm. Never a finicky feline, he gobbles up whatever is set in front of him. He has spent the long bright days of his 17 summers out in his catio, basking in the sunshine. So when the amiable feline stopped eating and spent the day curled up in the small, dark "kitty condo" in the bedroom, his human, Debra, knew something was wrong. She immediately called her vet, who had recently joined a house-call-only practice catering to well-heeled clients who regard their aging cats and dogs, not as child substitutes, but as their inter-species children. Because cats, natural predators, are hard-wired to hide pain and any other source of vulnerability, it took several in-home exams and a visit to a dental specialist to reveal that the big feline had a very painful dental problem as well as an aggressive and untreatable form of oral cancer. All told, Debra's vet bills exceeded $4,000 in a week's time. Though she could do little but keep Khilona comfortable until the cancer claimed him, she did not regret the expenditures. In her view, she was responsible for his well-being, and that included the best medical care she could afford.

Debra's friend Bob loved the cat Moonshine, who hung around his home woodworking shop for years. He kept her well supplied with good-quality kibble and enjoyed her delight at the occasional treat of human-grade tuna or salmon. In her younger years, the little black feline spent much of her time roaming the rural property, more than once catching

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and contentedly consuming an unwary starling or mouse. As she aged, Moonshine's outdoor forays grew less frequent and she became a snuggly, snoozing senior kitty Bob contentedly caressed each night as the two drifted off to sleep. In many ways Moonshine's life was idyllic: she had free run of the great outdoors; she was loved, sheltered, and fed well; and perhaps best of all from the feline perspective, she was seldom poked and prodded by the vet. Bob had her spayed and kept up with the required shots, but when she was feeling poorly, he gave her extra treats and lots of cuddles. One day Moonshine disappeared. Bob looked for her every day but after a few weeks he sadly stopped searching, realizing she had likely been killed by one of the coyotes that roamed rural Oregon.

Both Debra and Bob love their feline friends deeply, derive joy and peace from their companionship, and mourn their passing. But their cat-related consumer behaviors differ dramatically. Debra displays her love and concern by purchasing premium cat food, seeking advice on nutrition, behavioral issues, and medical concerns from her vet, her cat sitter of many years, and digital sources such as catinfo.org; and having roomy "catios" built to provide her cats safe outside access. Bob manifests his feelings for felines by offering them shelter, food, and affection together with the freedom to roam freely with the other wildlife on his land. In short, the same feeling may result in very different behaviors because of the intervening thoughts. Debra views her cats as young children for whose well-being she is solely responsible. Bob sees his cats as kindred spirits and wildlife that can choose to take or reject his friendly overtures and offers of help.

Introduction

Is U.S. pet ownership growing or waning? It depends on whom you ask, as the following extract shows.

Surveys yield conflicting trends in U.S. pet ownership: Counts of dogs and cats differ by millions
March 31, 2014
By: Jim Downing; Edie Lau
For The VIN News Service[1]

Americans own 70 million dogs and 74 million cats, and pet ownership is waning. Or no, wait. It's 83 million dogs and 96 million cats, and pet ownership is at a record high.

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These contradictory messages come from two organizations that separately track the population of pets in U.S. households and are cited equally as authoritative sources.

Dog and cat counts by the American Veterinary Medical Association (AVMA) and the American Pet Products Association (APPA) never have matched exactly in 17 years of their asking similar questions in pet ownership surveys of American households. But the gaps in their most recent tallies yawn wider than ever.

The dog counts diverge by 13 million; the cat counts, 22 million. That's as many cats as the AVMA estimates live in California, Texas, Florida and New York households combined.

The inconsistent numbers yield opposite conclusions about pet ownership in America. The AVMA reported in 2012 that pet ownership had declined, reversing a trend the professional association said had lasted at least 20 years.

Six months later, in early 2013, the trade organization APPA said its latest survey showed pet ownership at an all-time high.

The number of pets in American households and prospects for population growth or decline matter to a range of industries, sectors and interest groups, including the veterinary profession and businesses that support veterinary medicine; animal-welfare organizations; local governments with animal control and shelter operations; and makers and merchants of pet foods, drugs, accessories and related merchandise.

From the perspective of veterinarians, for example, if the number of pets is increasing, then demand for veterinary services conceivably will rise. Conversely, if the number is shrinking, then demand conceivably will fall. Which way demand is headed is especially pertinent to the profession today owing to concerns about an excess of companion animal veterinarians in the United States.

Having reliable figures on the population of pets is important, too, to animal-welfare advocates, many of whom mark success by individual lives saved.

"We're well aware of the discrepancy (in statistics), and it's a bit frustrating," said Aimee Gilbreath, executive director of Found Animals, a nonprofit organization in Los Angeles. "For a variety of programs, whether they are for dog licensing or spay and neuter, it would be useful to know how many dogs and cats there are ... so you know how much you have to do to move things."

The APPA and AVMA acknowledge that their results differ but each expresses confidence in its figures.

Anna Ferrante, APPA senior vice president for member relations and business development, said by email: "While we cannot comment on research done by other organizations, any variations are most likely

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due to differences in methodology, such as sample size and composition, question wording, and survey frequency, to name just a few." She added, "APPA has duplicated the Pet Owners Survey results in subsequent studies, and therefore is confident in the data."

Similarly, Sharon Granskog, a spokeswoman for the AVMA, said by email: "I know that some of the differences . . . are due to different samples." She, too, mentioned differences in question wording.

To explore why the AVMA and APPA survey results deviate markedly, the VIN News Service examined the methodology of each and consulted experts in polling.

For its surveys, the AVMA hires Irwin Broh Research, while the APPA contracts with Ipsos. AVMA surveys are conducted every five years; APPA, every two years. Both have fairly high numbers of respondents. In the most recent polls, 50,347 responded to the AVMA; 25,109 responded to the APPA. By comparison, public opinion and political polls such as the CBS News Poll typically survey roughly 1,000 people.

Although the AVMA netted twice as many respondents as the APPA, statistical theory says that both sample sizes are large enough to yield small margins of error—more than 95 percent confidence that the results are accurate to within 1 percent—provided the surveys are based on random samples of the entire population.

In previous years, both surveys were conducted by mail, but the most recent editions were conducted online. The change in approach coincides with a marked jump in the size of the discrepancies between the survey results.

The difference in the past was as small as 3 percent and as great as 12 percent. The latest surveys produced a discrepancy of 19 percent in the number of dogs, and 29 percent in the number of cats.

Don Dillman, a survey expert and sociology professor at Washington State University, said both surveys are likely to produce unreliable results in part due to their use of online panels, which he said can give skewed samples of the population.

"My suggestion would be to be really careful with these numbers," Dillman said.

Here's why: When conducting a survey by mail, it's possible to start with a list of nearly every physical address in the nation—provided by the U.S. Postal Service, with names removed—and then select households to survey.

Online methods, by contrast, don't reach significant chunks of the population, particularly older and low-income households. At least 15 percent of American adults do not use the Internet, according to a 2013 report by the Pew Research Center. In addition, databases that correlate email addresses with physical locations are far less complete

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than the Postal Service's address list, Dillman said, so it's not possible to create a truly random sample even of all Internet-connected households.

Further, he said, common problems exist with the types of volunteer online panels used for the APPA and AVMA surveys. These panels are collections of hundreds of thousands of people who have provided basic demographic information—mailing address, age, income, gender, race, household size, marital status, education and employment—and signed up to complete online surveys in exchange for modest rewards. Hours of survey-taking are required to earn a $10 gift card. (Anyone interested may volunteer for the Ipsos panel,the panel used by Irwin Broh, or at any of at least 20 similar websites.)

"They have the aura of being scientific because they have so many respondents," Dillman said. ". . . But they're just not good science."

The trouble with online panels, he said, is that they tend to be composed of people who have spare time and Internet access and for whom a small reward is a significant incentive—and that's not likely to be a representative slice of the national population.

The two surveying companies tried to account for that. The methodology sections of the AVMA and APPA survey publications state that demographic information about panel members was used to adjust data from survey respondents to produce results that are valid for the U.S. population as a whole. For instance, if certain age groups of people are underrepresented among survey respondents, their answers are given greater weight when calculating survey results.

But Dillman said data-weighting is highly reliable only when there are well-established correlations between demographic traits and the variable being surveyed. For instance, data-weighting in election-day exit polls works fairly well because the demographics of voting have been studied exhaustively. Pet ownership, he said, likely doesn't fall into that category.

The upshot, Dillman said, is that both pet ownership surveys may be significantly biased.

Ipsos, Irwin Broh and MySurvey.com, the panel used by Broh, did not respond to requests from the VIN News Service for more information about their techniques. Without more information, Dillman said it is impossible to assess whether one survey is more reliable than the other. "I don't think a scientist can make anything out of it," he said.

Granskog at the AVMA acknowledged that the switch to online survey techniques may have accounted for some of the shift in its survey results. "It is certainly something we will be looking at as we move forward with the next survey, which will also be via an electronic sample," she said by email.

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Specific numbers not 'God-given'

Andrew Rowan, chief scientific officer of the Humane Society of the United States (HSUS) and a former director of the Center for Animals and Public Policy at Tufts University Cummings School of Veterinary Medicine, has followed animal population numbers for years and is highly familiar with the discrepancies. They caught his attention even before the release of the latest figures with the largest variance.

In 2008, Rowan convened a workshop in Houston involving the AVMA, APPA and others in an attempt to reconcile divergent statistics. In a report he distributed afterward to participants and subsequently shared with the VIN News Service, Rowan wrote:

" . . . it was generally accepted that the AVMA pet population estimates from their quinquennial surveys are likely to be more reliable than the biennial surveys used to produce the APPMA demographic reports. This is because the APPMA is mainly focused on a detailed analysis of pet owner behavior and purchases rather than estimating national population trends."

(The report refers to the APPA as the APPMA because at the time, the trade organization went by the name American Pet Products Manufacturers Association.)

A spokeswoman for the APPA said it could not comment on the meeting, but that the group stands behind its survey "100 percent."

Despite Rowan's understanding that the AVMA results are likely to be more reliable, the HSUS presents APPA figures on its website. Rowan said that decision was made by his organization's companion animal section. "I've talked to them about it, but they do it," he said in a telephone interview. "I don't feel strongly enough about it to push for a change."

Rowan explained that the APPA report appeals to HSUS staff because it is updated more frequently than the AVMA's and includes a variety of data. "It comes out every two years in a big, professional-looking book. It's got lots of interesting information, so they use it," he said.

(Following the interview, Rowan reported that the HSUS plans to change the website reference.)

The APPA figures are useful for tracking trends in pet ownership, if not exact numbers of pets, Rowan added. In the 2008 report, he wrote: "The reason these trend data are reliable is because the methods used were broadly the same each time the survey was done. Therefore, even though the APPMA data might overestimate dog and cat populations, the method would have the same bias towards overestimation each time."

He told the VIN News Service: "You don't want to take each number as a particularly God-given number. You want to look at the trends."

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Looking at APPA and AVMA data since their surveys began in the 1980s, he said, "Both show an increase (in pet ownership). But the AVMA data is much lower than the APPA data. I suspect the APPA is quite comfortable having it be high," he added. "It serves their purposes."

As for the conflict between the AVMA's latest finding that pet ownership dipped and the APPA's finding that pet ownership continued to climb, Rowan suspects the AVMA's two most recent results are the problem.

"I'm fairly confident their 2011 number is low, and their 2006 number is high, and the real number is somewhere in between," he said. Why? Because looking back 20 years, he said, the survey's trend line is "almost exactly parallel" with the number of households in the United States. Rowan does not believe the recent economic slump drove a downturn in pet ownership. The popular perception that many Americans couldn't afford to keep pets during the bad times, Rowan said, isn't borne out by databases tracking shelter activity.

Inconsistent results among surveys not unusual

Another organization that uses AVMA and APPA data is the Bureau of Labor Statistics in the U.S. Department of Labor.

In an article published last May, "Spending on pets: 'Tails' from the Consumer Expenditure Survey," the bureau obtained from the AVMA the proportion of American households with pet)s, and from the APPA, the total number of pets in the United States.

Steve Henderson, chief of the information and analysis branch in the Consumer Expenditure Survey Division and author of the article, didn't recall noticing discrepancies between population figures from the two sources. "I did not use the information in a way that I needed to figure out one number over the other," he said in a telephone interview.

Learning that the surveys produce inconsistent answers didn't surprise him, though. Henderson observed that surveys on household and personal spending conducted separately by his agency and by the U.S. Department of Commerce don't always yield consistent information, either.

That's to be expected to some degree, he said, due to differences in the questions and when they're asked. Thinking about pets, Henderson noted that asking "Do you have any pets now?" and "How many pets have you had during the past 12 months?" could elicit different answers.

In fact, the AVMA and APPA do ask about pet ownership in different ways. The AVMA asks two questions: whether a household owned a pet on Dec. 31 of the previous year, and whether a household owned a pet at

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any point in the previous calendar year. (In summaries of survey results, it usually gives the number derived from answers to the Dec. 31 question.) APPA asks whether a household currently owns a pet.

Beyond the AVMA and APPA, no other organization attempts to tally the nation's pets regularly.

The U.S. Census Bureau doesn't ask about pet ownership during its once-a-decade count of the American populace. The Labor Department tracks pet ownership only peripherally through its Consumer Expenditures Survey. "We don't ask if people have pets," Henderson said. "We ask, 'Did you buy any pet food?' 'Any trips to the vet?'"

Asking about pets and pet ownership "would be fun," Henderson said, but the survey, which is conducted in person continuously through the year, already is long. "(It) takes about an hour, so it would take longer," which potentially would add cost, he said.

Five tallies, five different answers

Counting companion animals appears to be difficult even in a much smaller geographic region than the United States. When the pet welfare advocacy organization Found Animals set out to determine the population of dogs and cats in the city and county of Los Angeles, it identified five sources of figures. None matched.

"The estimated dog and cat populations for the City of Los Angeles and Los Angeles County vary drastically and are nearly impossible to calculate accurately," states the report published in 2009.

"More specifically, dog and cat population estimates for the City of Los Angeles range from the 200,000s to nearly 900,000 for each species. In Los Angeles County, estimates range from approximately 700,000 to over 2 million for both cats and dogs."

The sources Found Animals consulted are the APPMA, the AVMA, the City of Los Angeles Animal Services, 1-800-SAVE-A-PET and Zogby International.

Gilbreath, executive director of Found Animals, said she decided after that frustrating exercise that the only way to obtain reliable data for a specific community is to do one's own survey.

Found Animals has not done so, preferring to spend its money on spay and neuter and adoption programs, Gilbreath said. It makes do with secondary data such as pet product spending or the number of pet supply stores in the community.

"Either you have to be willing to look at secondary sources, or be willing to develop a program to get the data yourself," she concluded.

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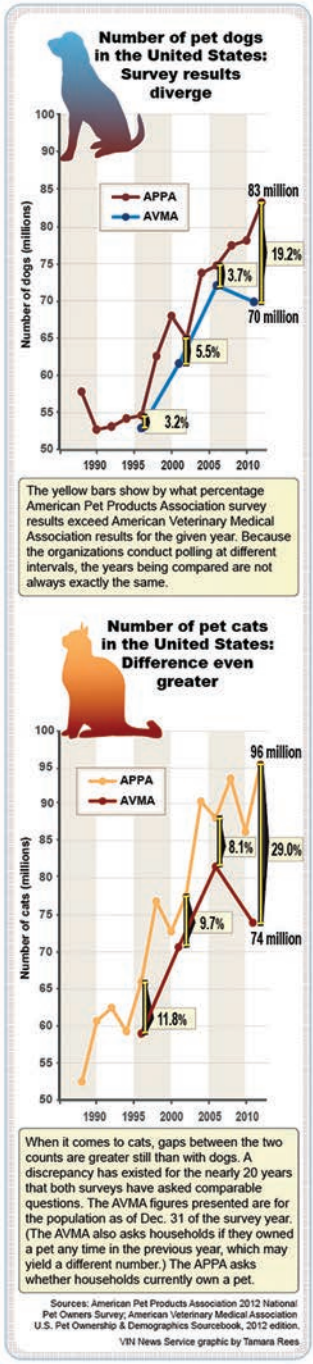


Figure 10.1 AVMA vs. APPA Estimates of Pet Ownership.

Reprinted from "Surveys Yield Conflicting Trends in U.S. Pet Ownership," by J. Downing and E. Lau, March 31, 2014, Retrieved from http://news.vin.com/VINNews.aspx?articleId=31369. Copyright 2014 by VIN News Service. Printed with permission.

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Tables 10.1, 10.2, and 10.3 show the most recent AVMA and APPA survey findings (data compiled by Humane Society of the United States).[2]

The tables highlight the following:

1. Nearly two of every three households include at least one dog or cat.
2. It is not uncommon for a household to have more than one animal.
3. Two-thirds of dog owners and more than half of cat owners regard their animals as part of the family.
4. Approximately nine out of ten owned dogs and cats are spayed or neutered.

Table 10.1 U.S. Pet Ownership Estimates

Data	*AVMA 2012 Survey*	*APPA 2015–16 Survey*
Estimated number of pet dogs and cats	144.1 million	163.6 million
Number (%) households with pet	66.5 million (56%)	79.7 million (65%)
% pet-households with >1 pet	62.2%	42%
% pet owners who consider their pets		
family members	63.2%	
pets or companions	35.8%	
property	1%	
Ave. amount spent on veterinary services per pet (cat or dog) per year	$158.50	$1288.50

Table 10.2 U.S. Dog Ownership Estimates

Data	*AVMA 2012 Survey*	*APPA 2015–16 Survey*
Estimated number of pet dogs	70 million	77.8 million
Number (%) households with at least one dog	43.3 million (36.5%)	54.4 million (44%)
Average number of dogs per household	1.6	1.4
% dog owners who consider their pets		
family members	66.7%	
pets or companions	32.6%	
property	0.7%	
Ave. amount spent on veterinary services per dog per year	$227	$1436
% owned dogs who are spayed/neutered		86%

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Table 10.3 U.S. Cat Ownership Estimates

Data	*AVMA 2012 Survey*	*APPA 2015–16 Survey*
Estimated number of pet cats	74.1 million	85.8 million
Number (%) households with at least one cat	36.1 million (30.4%)	42.9 million (35%)
Average number of cats per household	2.1	2.0
% cat owners who consider their pets		
family members	56.1%	
pets or companions	41.5%	
property	2.4%	
Ave. amount spent on veterinary services per cat per year	$90	$1141
% owned cats who are spayed/neutered		90%

Following these tables, HSUS cautions us:

> **Pet Ownership Estimates from Underserved Communities**
> While the figures referenced previously tend to reflect "mainstream America," the Pets for Life team of The HSUS has spent years working in, and collecting data from, our nation's most underserved communities which lack affordable, accessible pet care. We have found startling differences in pet ownership. People living in these communities love their pets as much as pet owners anywhere else in the nation. However, they don't have access to veterinary care, spay/neuter providers and other services most Americans take for granted, and this difference is reflected in the data:
>
> - Pets living in underserved communities in the U.S.: 23 million
> - Percentage of pets living in underserved communities who are not spayed or neutered: 87%
> - Percentage of pets living in underserved communities who have never seen a veterinarian: 77%.

Dogs and cats are by far the most commonly owned pets, followed by fish in 13.6 million households, birds in 6.1 million, small animals, e.g., hamsters, gerbils, rats, in 5.4 million, reptiles in 4.9 million, and horses in 2.5 million households.[3]

While we do not know whether pet ownership in the U.S. is growing or declining, we know for certain that sales of pet supplies and services are steadily rising. Expenditures on pet food, supplies, vet care, over-the-counter supplements, and grooming and boarding services are expected to exceed 58 billion USD in 2015, compared to approximately 56 billion USD in 2014.[4]

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Pet medicines, with sales that rose 15 percent to top 391 million USD in 2015, are among the fastest-growing of all consumer packaged goods.[5] This is in large part due to the growth of the senior pet population. According to *Progressive Grocer*:

> [W]ith the population of older pets on the rise (more than 37 percent of dog owners have a dog older than 7 years of age, according to an April 2014 survey conducted by New York market research firm Penn Schoen Berland and issued by Purina), more and more pet owners are looking for ways to make their pets' senior years more golden.
>
> "Just as the average life expectancy for humans has increased, our pets are now living longer as well," says Paul Cooke . . . VP/director of industry development at St. Louis-based Nestlé Purina Pet-Care. "This longer life span may be attributed to both advancements in pet nutrition, as well as pet owners making more informed decisions when selecting a food for their pets. Owners have learned how important it is to provide pets with complete and balanced nutrition from the time their pet is a puppy or kitten. And with a large share of pets now considered to be 'seniors'—any age above 7—owners are actively seeking nutritional solutions to keep their pets happy and healthy as they age."[6]

In addition to medicines, premium services are also on the rise. Increasing numbers of pet owners are purchasing health insurance for their furry friends,[7] frequenting high-end groomers, consulting animal behaviorists, and seeking luxury boarding accommodations when their animal companions cannot accompany them on trips.

According to Nielsen, while North America and Western Europe account for 70 percent of pet industry sales, there is more opportunity for growth in less saturated markets, e.g., Asia and South America.[8]

How do consumers go about "shopping for" and finding a companion animal? What factors contribute to a positive "post-purchase" experience for human and animal alike?

The Consumer's Journey from Petlessness to Pet Ownership

The need (desire) for animal companionship transcends demographic and lifestyle differences. "Women, older consumers, and childless couples—especially those that are non-Hispanic White—are driving the trend toward adoption (rather than purchasing from a pet store or breeder), though adoption is still relatively common among other demographics, such as Millennials and families with children." After age 70 there is a precipitous drop in pet ownership; many pets are left homeless when their elderly owners die or lose the mental or physical capacity to care for their animals.

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When consumers are *open to possibility* (i.e., not in the market for a pet but coming across pet-related information incidentally), where might they learn about animal companions? The most prominent and influential offline source is pet owners among friends and family. They have our trust and may eagerly share anecdotes about their precocious pooches and facile felines. And we can learn a lot about pets and pet ownership by observing the interactions between these familiar people and their animal charges. Debra observed her family friends adopt dog after dog on impulse, make them live outside despite the animals' loneliness for human companionship, and torment the dogs until they nipped, then punish them for this natural response to cruel teasing. After a short while, the couple would tire of the current dog and "give it away." A few months later they would start the cycle again.

What are the most common triggers of the *decision to buy or change*, i.e., to adopt or purchase an animal? When Debra was in her thirties, her cat-lover friend Sally persuaded her to adopt a cat, and thus began her lessons in loving and respecting animal companions. While she strived to be a good cat mom, she had—and still has—much to learn about empathizing with the mysterious feline and providing the best possible environment for the animal's happiness and well-being. She consulted friends and animal professionals when she was unsure about a physical or mental health issue.

Sally's influence on Debra illustrates how friends and family may themselves serve as triggers of the decision to adopt or purchase an animal. Vocal and persistent young children can be especially effective at triggering the decision. Friends and family may also exert a more indirect influence if they themselves are happy pet owners and the potential adopter (purchaser) observes or hears anecdotes about the pleasures of pet ownership. Triggers of the decision may be circumstantial as well, e.g., a move from renting to owning a home, joining households with a pet-loving spouse or partner, living alone for the first time, or losing a cherished animal companion. An encounter with a stray or knowledge of a pet who needs rehoming may not only trigger the decision to acquire an animal, but also serve to shorten and simplify the journey to pet ownership.

When a potential adopter enters the *shopping* stage of the journey, how does s/he decide whether to adopt or purchase an animal? Reasons often cited for purchasing from a breeder include the desire for a puppy or kitten and the perception that an animal from a reputable breeder will be a safer bet in terms of temperament and physical health. Countering the first reason is the redistribution of shelter animals nationwide to meet regional variations in demand for various ages and types of dogs and cats. For example, the Portland, Oregon, metro area shelters experienced a kitten shortage in 2015, in part due to the Feral Cat Coalition's high-volume neutering of feral cats. The Los Angeles area had the opposite problem: far too many kittens given the adoption demand. The solution was to send the excess

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kitten "inventory" from southern California to the Oregon Humane Society, which could house many and send others to smaller shelters and rescue organizations. The Oregon Humane Society also rescues kittens and puppies from breeding "mills," where the animals are all too often condemned to live out their lives in solitary confinement in small filthy cages, without companionship or affection of any kind, and with no opportunity for exercise or any other pleasure.

A second common reason for purchasing from a breeder is the popular misconception that breed determines temperament, enabling the purchaser to choose a pet that will meet his/her specifications in that regard. The fallacy in this argument is that while the breed as a whole may have tendencies to behave and respond to humans in certain ways, any individual animal's breed is not the sole predictor of his/her temperament. Environmental factors (likely beginning in utero), some known, others not, also pay a part in shaping behavior, just as they do for humans.

A consumer committed to buying an animal of a specific breed still may not need to purchase from a breeder. Many pure-bred animals are rehomed by breed-specific rescue organizations. The American Kennel Club maintains an extensive list of these rescue groups for dog breeds. A few pure-bred and breed-specific cat rescue organizations exist, but dogs are much better represented.

Table 10.4[9] indicates that one-fifth to one-third of owned dogs are purchased from a breeder, and the other two most popular sources are shelters or rescues and friends or relatives. Cats, in contrast, are likely to be adopted from a shelter or rescue, taken in as a stray, or acquired from a friend or relative.

How do consumers go about *evaluating* the candidates for adoption? Are the evaluation criteria determined before or during the shopping stage? What

Table 10.4 Where Do People Acquire Pets?

Data	*AVMA 2012 Survey*	*APPA 2015–16 Survey*
Dogs		
adopted from a shelter or rescue	84.7%	37%
taken in as strays	10.1%	6%
acquired from friends or relatives	15.1%	20%
purchased from a pet store	4.2%	4%
purchased from a breeder	19.1%	34%
Cats		
adopted from a shelter or rescue		46%
taken in as strays		27%
acquired from friends or relatives		28%
purchased from a pet store		2%
purchased from a breeder		3%

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roles do the "salesperson," "store" atmosphere, and the animals themselves play in their decisions? What roles do consumers' preconceptions/attitudes/beliefs play? The following article describes the ASPCA's research findings.

Why Did You Choose Your Pet? ASPCA Research Uncovers Real Reasons[10]
Study finds appearance and behavior among top reasons for adoption
April 18, 2012

NEW YORK—The ASPCA (The American Society for the Prevention of Cruelty to Animals) today announced that a study of nearly 1,500 adopters from five animal shelters across the country has uncovered the reasons behind why adopters chose the particular pet they took home.

Appearance of the animal, social behavior with adopter, and behaviors such as playfulness were the top reasons for adoption across species and age groups. . . .

Appearance was the most frequently cited reason for kitten adopters (23 percent), while adult cat adopters cited behavior with people as the most important reason (30 percent). In contrast, appearance was the most frequently cited reason for adopters of both puppies (29 percent) and adult dogs (26 percent).

"The results of this study give us a glimpse inside of the adopter's mind when it comes to choosing a pet. The information can be used by shelters to create better adoption matches, prioritize shelter resources and staff training, and potentially increase adoptions," said Dr. Emily Weiss, vice president of shelter research and development for the ASPCA. . . .

In addition, a greater number of adopters stated that information about the animal from a staff member or volunteer was important than adopters who found information on cage cards, and health and behavior information was particularly important. . . .

For both cats and dogs, seeing the pet's behavior when interacting with them was more important than seeing the pet behind the cage door, or seeing the pet's behavior toward other animals.

After the adopter brings an animal home, what factors shape the consumer *experience* to be positive or negative? Companion animals offer us several well-documented benefits: They are good company, they love unconditionally, they can be quite entertaining, reminding us to play and laugh; they may help us become more active, and the well-defined caregiving tasks associated with pets may teach children more responsibility. In addition, our nonhuman companions connect us with nature and give us the opportunity to see things from the perspective of a different species. Perhaps most important

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for many of us, our animals encourage us to be our best, most generous and loving selves. Some would go so far as to say they privilege us with their contented, affectionate presence.

On the other hand, the oft-cited mental and physical health benefits of pets are not unequivocally supported by research. For example, recent studies found that, contrary to popular belief, pet owners do not live longer than non-owners, nor are they happier.[11] Health benefits may be mediated by degree of attachment to the animal (Serpell, 1991). The complex connection between human health and pet ownership may be due in part to the challenges of caring for an animal. Older animals may require more expensive medical care and, as noted previously, our animals are now living long enough to manifest health problems associated with old age. Training a pet to behave as the owner wishes may be difficult or impossible, depending on the owner's patience, persistence, and knowledge of the species and the individual animal. The owner's tolerance of undesirable animal behaviors depends in large part on the motives s/he attributes to the animal.

A major error many pet owners make is anthropomorphizing their animal companions, i.e., attributing human motives to them. This may lead to misinterpretations of the animal's behavior that can cost the animal his/her well-being or even life. For example, a cat urinating outside the litter box may indicate a urinary infection or impending and potentially fatal blockage of the urinary tract. If the owner interprets the behavior as "bad" and punishes the cat, s/he makes the cat's life miserable and does not eradicate the behavior because s/he has not bothered to figure out its cause. If a dog owner hurls epithets at his/her dog for general "misbehavior," believing the animal should just "know better," but never works with the animal to teach and reward specific desired behaviors, the dog will either learn to ignore the owner's yelling, or to be afraid of him/her.

We do animals a grave disservice when we insist on seeing the world only through our eyes and not honoring who they are.

> We demand that cats change their predatory ways, despite the fact that until recently, we cultivated and prized cats for their predatory prowess. We expect cats to get along with unfamiliar cats and people of our—not their choosing—despite their solitary ancestry and limited social skills. Finally, we expect cats to adapt to sudden and dramatic changes in their physical environments and even to tolerate confinement in small apartments, although adaptation to such changes and confinement have never been significant parts of their history.
>
> (Estep and Hetts, 2015: 206)

The following passage from Faunalytics points out that our animal companions need more than food, shelter, affection, and sporadic play:

> Recognizing that cats and dogs who live in our homes are in a sense "captive"—even though this captivity may not be remotely the same as in a kennel, zoo, or laboratory—means recognizing that these animals

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have limits on their opportunities. Enrichment tries to bring back some of these opportunities to help our companions live healthy, happy, and full lives, and is best done "in accordance with their natural behavioral needs so as to increase behavioral choices and encourage species-appropriate behavior." . . .

"[C]ats have a fundamental requirement for a safe core zone within their environment to eat, sleep, and play." Within that "core zone" they also need access to "3D space," meaning multiple levels of space that permit "elevation and hiding." Cats also need "safe points of entry and exit from the territory," as well as more nuanced things like privacy (including privacy from other cats) and the ability to express natural behaviors such as hunting and scratching.

For dogs . . . "the structure and layout of the physical environment is relatively less significant than the social environment." . . . Spatial requirements vary based on the size, breed, and age of the dog, and there is no one-size-fits-all approach. Still, dogs should be given "as large an area as possible" and all enrichment should be done with an eye towards providing them with choices. "Dogs that are appropriately socialized to humans, other dogs, and other species should be given ample daily opportunities to interact," they say. "Social enrichment is a necessity, not a luxury."[12]

The last—and saddest—part of the experience of owning a pet is seeing, and sometimes helping, the animal pass from this earth. Many loving owners elect to have an animal euthanized when the pet is suffering from a terminal illness or age-related organ failure. Increasingly euthanasia is performed at home where animal and owner are most at ease.[13]

Our capacity to love and feel a connection with a member of another species is nowhere more evident than when we lose a cherished animal companion, as the following article shows.

Coping with pet loss

The death of a household pet often amounts to a significant absence in a family

Posted: 01:30 a.m. HST, Nov 09, 2010[14]

For Makiki resident Joyce Tsuji, Toro was a companion and confidant, a reliable morning alarm clock and an occasional "bedtime hat."

The fawn-colored tabby, a stray who hung out under Tsuji's car and eventually worked his way into her heart, was a beloved pet for more than five years. "Toro became family from the moment he adopted me," Tsuji said.

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When her cat was diagnosed with lymphoma about five years ago on top of a bowel syndrome, the animal was too weak for surgery, and Tsuji had to make the heartbreaking decision to euthanize her pet. Losing Toro left a void in her life. She said she cried just as hard when she lost Toro as the day her grandparents died.

Five years later Tsuji still misses him. "If you see a pet as family, the heartbreak is the same," she said. . . .

This kind of grief for pet owners is very real, according to Julie Ann Luiz Adrian, a veterinarian and assistant professor at the University of Hawaii at Hilo who co-authored a study last year on the emotional impacts of the loss of a pet.

Of the 106 pet owners surveyed at a vet clinic, about 20 percent said they experienced significant grief after the death of an animal companion, and about 30 percent said they still felt some grief or sadness over the loss for six months or longer.

Especially challenging for vets are cases of owners seeking euthanasia of an animal for "misbehavior," e.g., urinating outside the litter box, or for health problems that could be remedied with costly but routine treatments (e.g., a cat may become very ill because of a tooth infection that could be removed in a dental procedure. But animal dentistry requires great skill and expensive instruments, as nonhumans must be anesthetized for their dental procedures).

Even sadder than an animal's death is the owner's relinquishment of him/her. While too many relinquishments are due to undesirable but harmless behaviors, others result from life changes over which the owner has little or no control. These changes include loss of one's home or job, the need to move in order to care for a sick family member whose home does not allow pets, owner illness, and domestic violence. Despite adoption campaigns, many of which are effective to a degree, shelters continue to be filled with homeless animals. Many, especially cats, are strays, while all too many others are relinquished. Below are HSUS statistics for 2014:

- Estimated number of brick-and-mortar animal shelters in the US: 3500
- Estimated number of rescue groups and animal sanctuaries in North America: 10,000
- Number of cats and dogs entering shelters each year: 6–8 million (down from 13 million in 1973)
- Of the 3 million cats and dogs euthanized in shelters each year, approximately 2.4 million (80 percent) are healthy and treatable and could have been adopted into new homes
- Percentage of purebred dogs in shelters: 25 percent

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- Number cats and dogs adopted from shelters each year: 4 million
- Percentage of cats euthanized in shelters: 70 percent
- Percentage of total shelter intake comprised of cats: Approximately 50 percent (but in some regions two-thirds of shelter population is cats)
- Estimated amount spent by humane organizations annually: $2.5 billion (about $8 per capita)
- Estimated amount spent by animal control organizations annually: $800 million to $1 billion (about $4 per capita).

Taken together, these figures indicate that high-volume spay-neuter programs are essential to overall animal welfare. Many strays are unwanted litters, and, left unfixed, cats and dogs produce kittens and puppies at an amazing rate. According to Great Plains SPCA: "a pair of unaltered dogs and their litters can produce *67,000 dogs* in just six years" and "a pair of unaltered cats and their litters could produce *420,000 cats* in just seven years."[15]

These "Spay-and-Neuter FAQs," excerpted from the People for the Ethical Treatment of Animals (PETA) website,[16] address several of the myths that fuel pet owners' reluctance to have their animals spayed or neutered:

Will my animal's personality change after spaying or neutering?

Spaying and neutering will only reduce or eliminate the behaviors that you don't want, such as aggression and urine marking. Neutered males are less likely to roam, fight, or mark their territory with urine, and spayed females experience less hormone-related moodiness. In exchange, your companions will likely become more interested in you (rather than finding a mate) and will still protect your family.

Will spaying and neutering affect my animal's weight?

No. Cats and dogs become overweight and inactive because their guardians feed them too much and exercise them too little, not because they are sterilized.

Why should I have my male cat or dog neutered?

Male animals contribute to the companion animal overpopulation crisis even more than females do. Just one unsterilized male animal can impregnate dozens of females, creating dozens upon dozens of unwanted offspring. Neutering also eliminates male animals' risk of testicular cancer and reduces unwanted behaviors such as biting.

Should I let my female animal have one litter before having her spayed?

It's best to spay animals before they reach sexual maturity in order to reap the full health benefits. Spaying your female companion animal before her first heat cycle means she will have one-seventh the risk of developing mammary cancer. Spaying also eliminates female animals'

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risk of diseases and cancers of the ovaries and uterus, which are often life-threatening and require expensive surgery and treatment.

How can I teach my children about the "miracle of birth"?

Allowing your animal to reproduce only teaches your children irresponsibility. Every year, 3 to 4 million animals are killed in U.S. animal shelters, most simply because of a lack of good homes. Bringing more animals into a world that is already short of homes means that animals in animal shelters will die. Numerous books and videos are available to help you teach your children about reproduction responsibly.

What if I can find homes for all my animal's puppies or kittens?

Even if you manage to find loving, lifelong homes for all the puppies or kittens, that means that there will be that many fewer homes for puppies and kittens in animal shelters who desperately need to be adopted. And unless you ensure that every puppy or kitten you place is spayed or neutered before going to his or her new home, they can go on to produce litter after litter of offspring themselves. Just one female dog and her puppies can result in 67,000 dogs in six years, and one female cat and her kittens can lead to 370,000 cats being born in seven years.

Is sterilization safe?

Spay and neuter surgeries are the most commonly performed animal surgeries. Most animals experience relatively little discomfort (anesthesia is used during surgery, and pain medication is generally given afterward) and are back to their normal activities within a day or two.

Given what we know about how consumers travel on the journey from petlessness to pet ownership, we are ready to explore a few of the most important (and, we hope, useful) best practices for shelters and rescues "marketing" animals in need of a home, and for consumers seeking and caring for animal companions.

Best Marketing Practices for Animal Rescue Organizations

1. To minimize returns or, worse, pets being passed along or sold to unscreened recipients, consider reframing adoption services in terms of matchmaking, i.e., making optimal matches between adopters and adoptable animals. An example of a "matchmaking" organization is the Pixie Project in Portland, OR. Below is their adoption philosophy:

   The Pixie Project focuses on finding life-long matches between pet and adopter and for that reason our adoption process is a bit more in depth

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than some other shelters. We appreciate the opportunity to sit down and talk with any person or family looking to adopt a new pet so we can best help them find an animal that suits their home and lifestyle.

After finding the best match possible based on an in-depth questionnaire and interview, the organization offers the potential adopter a two-week "trial adoption," during which Pixie Project retains legal ownership of the animal while s/he and the human consumer get to know each other. Debra feels very fortunate that when she was seeking to adopt a dog, she had the trial period. She learned from living with a very nice dog that canines are not for her. Had she not been absolutely certain that Pixie Project would find the animal a good home, she would have kept him and made the best of it, despite her very unhappy cat companions and the dog's aggressiveness toward other dogs in the neighborhood.

2. Use all data available to make good matches. This extract describes an innovative adoption drive that targets specific animals to people based on their digital behavior. Rescue organizations are very good at screening potential adopters for general characteristics that would make them less-than-optimal pet owners, e.g., plans to keep the animal outside regardless of severe weather. Questions that focus on the potential adopter's goals and expectations of owning an animal may be useful as well.

Programmatic advertising is about to go to the dogs. In a campaign breaking in November, a Beverly Hills, Calif.-based animal shelter will use digital targeting techniques aimed at finding perfect pet-owner matches. The campaign was developed by Saatchi & Saatchi L.A. on a pro bono basis for the Amanda Foundation, a nonprofit that rescues dogs and cats spending their last days at Los Angeles city and county shelters.

The agency will target banner ads for specific pets to people based on their digital behavior. So if someone appears to be athletic, they would be sent an ad for an active breed like a pit bull, including a picture of an actual pooch that is available for adoption. The campaign, called "Digital Pawprint," is "the world's first pet adoption drive that is driven through programmatic media matched up with creative," said Chris Pierantozzi, a creative director at Saatchi L.A. [Below] are some examples.

Human Traits: Married, young children
Animal Traits: Fun loving, gentle
MEET BROOKLYNNE I love playing with the kids, just like you.

Human Traits: Single, reader
Animal Traits: Cuddly, domesticated
MEET TIKI I love curling up with a good book, just like you.

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Human Traits: Homebody, renter
Animal Traits: Cuddly, small-compact
MEET CLYDE I love watching the game, just like you.

Human Traits: Tech savvy, homebody
Animal Traits: Intelligent, mellow
MEET SALLY I love cat videos, just like you.

Human Traits: Athletic, hiker
Animal Traits: Active, energetic
MEET MANDY I love a good run, just like you.

(Schultz, 2015)

3. This follows from item 2. Work toward finding foster care for all animals who need a home. Foster "parents" provide a safe and comfortable environment in which they get to know the animal. Example: Does Doogie the cat get along with other cats? How does he respond to dogs? Do children frighten or fascinate him? What does he seek from his foster mom or dad? Is he playful or snuggly, or both? This in-depth information can make all the difference between an excellent permanent match and a disastrous one resulting in the return of the animal. There are increasing numbers of foster-only rescue organizations, usually legitimate nonprofit organizations that survive on private donations and with the help and passionate commitment of local foster parents. An example is the Animal Rescue and Care Fund in Portland, OR. Furry Friends, a rescue in Vancouver, WA, has an innovative model, sheltering homeless cats in a large, comfortable house that offers plenty of space for them to roam and segregates cats who need their own space in separate rooms rather than in small cages. The volunteers who care for them come to know each cat as well as a foster parent would.

Potential or Current Pet Owner Best Practices

1. Educate yourself about your current or potential animal's species. There are many excellent resources online, e.g., www.catinfo.org and Business Insider's 10 best websites for dog owners. Offline sources abound as well, including vets, animal behaviorists, and trainers.
2. Don't adopt an animal because s/he physically resembles a beloved deceased pet. You will surely be disappointed that the look-alike is not a replica in temperament or behavior patterns, and your disappointment will color your ability to love and enjoy the animal for who s/he is. The unrealized expectations may then affect the new pet in detrimental ways. Even a clone is not a copy.[17]
3. Dig deep to surface your most dearly held beliefs and goals that are pushing you toward adopting an animal. After her "soul cat" Gounguroo died, Debra missed his "doglike" behaviors—meeting her at the door

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when she came home, readily coming when she called for him, showing curiosity about her activities, etc. She mistakenly concluded that she should adopt a dog. Had it not been for Pixie Project, she might now be the anxious and unhappy owner of three frightened cats and a human-friendly dog who tries to attack all and sundry neighborhood dogs.

4. Know your emotional, physical, and financial limits, but tap into your generosity of spirit and your wise intuition that assures you that you—and all other humans—thrive on changes that enrich, educate, and edify!
5. There are many ways to help animals without adopting one. Here are seven suggestions from Petfinder:[18]

Donate Your Time

Volunteering for a shelter is one of the most impactful ways to get involved. Many shelters need help with cleaning and caring for the animals, and keeping the facility in good condition.

Donate Your Skills

Do you have a special talent or hobby like photography or creating video? Photographing shelter pets or highlighting one in an adoptable pet video for his Petfinder profile can bring attention to a pet who's often overlooked.

Donate Your Pets' Gently Used Items

Shelters can always use some extra supplies. Often a shelter's wish list will include water and food bowls, toys, leashes and collars, brushes/grooming tools, and pet beds.

Donate a Place in Your Home

Fostering a pet is not only a rewarding experience, but it's a great way to help out your local shelter from the comfort of your own home.

Donate Part of Your Wedding or Event Registry

Getting married or throwing a big party? . . . [H]ave your shelter set up a registry page so guests can donate to the shelter rather than purchasing a customary wedding gift.

Donate Household Items

Pet supplies aren't the only supplies shelters need. Some other things that come in handy for shelters include cleaning supplies, paper towel and toilet paper rolls, old towels and blankets, hand sanitizer, and office supplies.

Donate Pet Food and Litter

Shelters and rescue groups go through a lot of pet food and cat litter every day. You can buy pet food in bulk at wholesale stores.

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Additional Issues in Animal Welfare and Consumer Behavior

Here we briefly touch on three important issues that would benefit significantly from a consumer behavior perspective. We hope to spark interest in intellectually curious readers who have the wherewithal to investigate these issues in greater depth.

Understanding and Curbing Demand for Exotic Pets in the U.S.

An exotic pet is commonly defined as a wild animal kept as a pet. Included are both large animals (e.g., tigers, bears, chimpanzees) and small (e.g., hedgehogs, sugar gliders, and most parrots) (American Society for the Prevention of Cruelty to Animals [ASPCA]).

In an effort to conserve wildlife and prevent the spread of disease and disruption of ecosystems, the U.S., along with more than 160 other countries, signed the Convention on International Trade of Endangered Species of Wild Fauna and Flora (CITES) prohibiting the import and export of animals protected under the U.S. Endangered Species Act and those classified as potentially injurious to humans or the environment, if the purpose is to own or sell them as pets. Despite CITES, the U.S. Fish and Wildlife Service estimates annual profits from illegal international trade in exotic animals to be $20 billion, exceeded only by the illegal drug trade. Within the U.S exotic pet buyers and sellers often circumvent CITES and federal regulations on imports and exports by breeding animals in captivity. The Captive Wild Animal Protection Coalition (CWAPC), an alliance of animal protection organizations and wildlife experts battling the exotic pet trade, observes that there are no federal laws specifically prohibiting private ownership of exotic animals, and state and local laws vary widely, ranging from outright bans to requirement of easily obtained owner permits.

It is impossible to determine precisely how many exotic pets there are in the U.S but CWAPC estimated that in 2004 there were 10,000 to 20,000 large cats, 17.3 million birds, 8.8 million reptiles, and at least 3000 great apes kept as pets. The demographics of exotic animal owners are almost impossible to track given that some may not know their animals are classified as "exotic," and others may be reluctant to report ownership even on large-scale surveys (Glasser, 2011).

While many exotic pet owners and dealers argue that regulations impinge on their freedom and are unneeded since owners can educate themselves about proper care of their animals, there are three powerful arguments against this position. First, exotic pets are especially vulnerable to harm, however well-intentioned the owner. The CWAPC estimates that 90 percent of wild animals kept as pets die within the first two years of captivity. Many exotics have environmental, nutritional, and social needs the owner may not be aware of or able to fulfill, resulting in a lower quality of life for the animal due to lack of space for exercise, poor nutrition, boredom, and loneliness.

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Inadequate medical care is likely, given that very few veterinarians have expertise in treating exotics (ASPCA). Further, the animal's natural behaviors and responses to captivity (vocalizing, clawing, biting) may intimidate or annoy an owner or neighbors, leading to an increased likelihood of inhumane procedures such as declawing or dental extractions, or abuse including chaining or even beating. When an animal reaches sexual maturity, it may become aggressive or otherwise more difficult to control by an increasingly frightened and frustrated owner, who may decide to resell it or simply set it loose to fend for itself. Even if an owner comes to believe that keeping an exotic as a pet is inherently cruel, there are few sanctuaries equipped to house exotic animals that have space available (ASPCA).

A second argument against exotic pet ownership is the spread of animal-carried diseases among humans. The Centers for Disease Control and Prevention (CDC) cites ownership of exotic pets as a risk factor for emerging diseases, most of which are zoonotic in origin. Examples of diseases that may be transmitted from wildlife to humans include monkeypox (associated with prairie dogs and rabbits), herpes B (from macaque monkeys), cryptococcosis (from wild birds), and rabies. Rabies vaccines have unknown efficacy and are not licensed for use in exotic animals.

A third argument against exotics as pets is the potential for them to harm humans. Born Free USA, a national animal advocacy organization promoting wildlife protection and conservation, tracks media-reported incidents involving exotic pet attacks resulting in human injury or death; in the last three years alone, 41 such incidents were reported, including the case of a 4-year-old boy mauled by the mountain lion his aunt kept caged in her backyard, that of an 80-year-old man hospitalized after an attack by his 6-foot-tall 200lb kangaroo, and that of the 15-year-old chimpanzee Travis, who attacked his owner's friend, inflicting multiple severe and disfiguring injuries that left her hospitalized in critical condition for several months.

Attempts to reduce demand for exotic pets through regulations are rife with loopholes and often disregarded by buyers and sellers. A deeper understanding of the motivations and expectations driving demand for exotic pets could inform efforts to dissuade potential buyers from acting on impulse or misinformation, through education as well as more stringent regulations enforced with greater consistency.[19]

How Pets Can Change Lives (Author's story)

In December, 2000, my big orange tabby Gounguroo kept me from quitting a good job to go back to school and train for a profession that would have made me miserable. I was enjoying my time off after a project that had felt especially difficult. Reviewers had summarily rejected a grant application I had spent several months on, and even after more

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than a decade in my profession, each time I entered my office I was filled with trepidation. After my grant was rejected, I threw up my hands and said, "I can't take more of this! Clearly I have failed at this profession and it's time to try something else." So I submitted my resignation to my boss and started applying to law schools. "I can be a child advocate or public defender, and really make a difference in the world!" I said.

My best and oldest friend Ravi kept telling me, "We are too old to be poor students! Don't you remember what graduate school was like? We could barely feed ourselves and pay the rent some months!" Knowing me as he did, he also observed, "You'll want justice and that doesn't always happen in the courtroom. You'll be very frustrated most of the time." The more he protested my decision, the more I embraced it.

So here I was, breathing a sigh of relief that classes were done, enjoying an evening of reading with my cats lying nearby. I noticed before long that my alpha boy Sheroo was staring intently at my 1-year-old almost grown-up Gounguroo, who was uncharacteristically still and quiet. So I went over to Gounguroo and touched him lightly. He screamed and bit me hard. I knew then that something was very wrong. I bundled him up and rushed him to the nearest emergency clinic. The doctors there filled him with painkillers, which made him manic, a scared little cat hurling himself at the cage bars. An X-ray, blood work, and urinalysis gave no hint what was causing him so much pain. After two days of monitoring and medicating Gounguroo, the vets said the only thing they could figure out was that he had swallowed a foreign object which had gotten stuck in his intestines and didn't show up on the X-ray. "We'll have a surgeon on site tonight and then not again till after Christmas," they said. "Do you want him to do exploratory surgery?" There was no other alternative given his level of pain, so I jumped at the opportunity. I sat in the dreary waiting room for what seemed like hours, heart pounding, thoughts made incoherent by fear and anxiety. When at last the doctor came out, he was holding a little brown medicine bottle. "This is what I found inside him," he said, giving me the bottle. Inside it was a tiny rubber gasket that clever Gounguroo had pulled off the plunger part of a syringe for giving oral medications. He must have leapt up on the kitchen counter, grabbed the plunger from the dish drainer where I had put it after washing it, jumped down to the floor, and somehow held onto the base of the plunger while working the little gasket off the tip. One downside of being a cat is that once you start swallowing something, you can't stop and spit it out even if you don't want it. The gasket, tiny as it was, couldn't get through Gounguroo's even narrower intestines, and so got lodged there. The blockage would have eventually killed him since he would've been unable to keep food down even if he had felt well enough to eat.

The entire incident cost about $2,000. When I brought my boy home, it dawned on me that if I were in law school living on a scholarship that

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barely covered lodging and food, he would have died. And so it was that my sweet, clever, foolhardy orange tabby brought me to my senses. In the 15 years since then, I've learned a lot about the bond between humans and our companion animals.

The author is certain there are many more accounts of the significant ways companion animals can influence their humans' lives. The more stories we can document and disseminate, the greater respect we can engender for the human–animal bond, and the deeper the care and compassion we can elicit for our animal friends.

Bias toward Vegans and Vegetarians

Evidence of this bias is outlined in the following abstract:

> Vegetarianism and veganism are increasingly prevalent in Western countries, yet anecdotal expressions of negativity toward vegetarians and vegans are common. We empirically tested whether bias exists toward vegetarians and vegans. In Study 1, omnivores evaluated vegetarians and vegans equivalently or more negatively than several common prejudice target groups (e.g., Blacks). Bias was heightened among those higher in right-wing ideologies, explained by heightened perceptions of vegetarian/vegan threat. Vegans (vs. vegetarians) and male (vs. female) vegetarians/vegans were evaluated more negatively overall. In Study 2, omnivores evaluated vegetarians and vegans more negatively than several nutritional outgroups (e.g., gluten intolerants) and evaluated vegans/vegetarians motivated by animal rights or environmental concerns (vs. health) especially negatively. In Study 3, vegetarians and especially vegans reported experiencing negativity stemming from their diets. Empirically documenting antivegetarian/vegan bias adds to a growing literature finding bias toward benign yet social norm-challenging others.
>
> (MacInnis and Hodson, 2015)

These biases toward consumers who make choices that do not harm others bear further investigation. The author believes that consumer research offers insights into effective messaging and interpersonal influence that could help diminish such biases.

Notes

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Part IV

The Impact of Technology and Value Shifts on Consumer Behavior

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11 The Rise of Collaborative Consumption and the Sharing Economy

William Barnes

ASSOCIATE PROFESSOR OF ECONOMICS AND ENVIRONMENTAL STUDIES, UNIVERSITY OF PORTLAND

Greg Hill

ASSOCIATE PROFESSOR OF MATHEMATICS AND ENVIRONMENTAL STUDIES, UNIVERSITY OF PORTLAND

Objectives

1. To investigate and understand collaborative consumption practices contrasted to traditional consumer–brand relationships.
2. To explore the appeal of collaborative consumption, its key drivers, and its trajectory.
3. To examine consumer behavior and experience in industries and cases where collaborative consumption is occurring.

Introduction

"Owning a car is a pain—it's expensive to buy, insure, and maintain—but it's unavoidable in the US where public transit is terrible" (a familiar refrain from a certain father, circa 1983).

Ahh, cars. This particular father wasn't wrong back then and is at least partially right today: The American love affair with their vehicles is still an expensive one. According to the 2015 AAA Driving Costs study, the annual cost of operating a car in the US is about $8,698.[1]

Yet the point for many is to go from A to B (and back again), reliably. After the trip, or between legs of the trip, the car sits, sometimes expensively in an urban parking space. In fact, the average car sits unused for about 22 to 23 hours a day. Is there another way? A cheaper way? A more efficient way?

Well, yes—and millions are already exploring these alternatives, which include Zipcar, Turo, and yes, Uber.

But wait. Consider all the *other* underused assets that you own, just sitting around the house:

That lonely back corner guest room?
That nice Martin guitar you almost never play?
That sleek, expensive black dress (two sizes too small)?
That fancy cross-cut saw in the garage?

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How about all those expensive Lego sets you bought for your kids (who have moved on)?

Or those DVDs and CDs, tucked away on an orphan shelf (along with that CD player)?

Oh, and let's not forget about the mint condition Concept II rowing machine down in the basement. . . .

Do we really need to *own* these things, particularly those things that we use sporadically? Or is it swift and convenient *access* that we need? And if we own them already, can we find an easy (and maybe remunerative) way to amp up their use when they are sitting around? Or how about an easy way to sell or give them to the buyer/borrower who needs them most?

Many of us are in the process of answering these questions, with the help of the new emerging tools associated with what is variously known as the sharing economy, collaborative consumption, and the peer-to-peer economy.

What Is the Sharing Economy—and What Is the Appeal?

But what exactly is the "sharing economy?" What is the difference between the transactions that occur in "collaborative consumption" and those that occur in "more traditional" consumer–brand relationships?

For the purpose of keeping terminology to a minimum we will primarily use the terms "sharing economy" and "collaborative consumption" below, often interchangeably. Both of these terms, and other terms, do not perfectly capture all activity that is commonly portrayed. For instance, if we use Zipcar as an example of the "sharing economy," where is the "share" in renting a Zipcar? In fact, much of the activity that occurs in the sharing economy is actually renting, as many have pointed out. To put it in the words of an NPR broadcast, "What's Mine Is Yours (For A Price) In The Sharing Economy."[2]

Here are two definitions:[3]

Collaborative Consumption: Systems that reinvent traditional market behaviors—renting, lending, swapping, sharing, bartering, gifting—in ways and on a scale not possible before the Internet.

Sharing Economy: Systems that facilitate the sharing of underused assets or services, for free or for a fee, directly between individuals or organizations.

So what are these terms trying to capture? At their core, these terms are about much easier *access* to pre-owned and underutilized goods through distributed networks of individuals—whether we get access temporarily as a "service," or ownership changes hands. In both cases we might pay money, or receive temporary access or ownership for free. Rachel Botsman, a high profile evangelist on the collaborative economy along with April Rinne, nicely illustrates many of these points in her TED talk, "The Case for

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Collaborative Consumption."[4] Technology is central in her story because it radically reduces the time and expense needed to obtain access to what we need. In fact, the tagline for collaborativeconsumption.com, where Botsman contributes, is "sharing reinvented through technology."

Of course peer-to-peer renting, sharing and borrowing, and bartering are not new concepts. What is new is the Internet-based technology that has reduced the transactions costs of sharing goods (for free or in exchange for a fee), or selling or giving your goods permanently to another person. It has also dramatically scaled the possibilities.

In other words, it's no longer a pain to match peers who want stuff with those who have the stuff—either for temporary use, or to buy as a used product. (Imagine, for a moment, no Internet. Now find a quick way to rent a private room in a stranger's house in a strange new city for two nights, next week.) But when you can quickly and inexpensively find and utilize spaces and products without buying them new or even without owning them at all—that bike in great shape on Craigslist, that car from Turo or Getaround, a surfboard from a local, a saw from the local tool library—then buying and owning new begins to look much less attractive. Combine this with the fact that *you* can also lease out your own back bedroom on Airbnb, and toss in the proposition that the sharing economy is better for the planet (15 people sharing one car has less environmental impact than 15 people owning 15 cars) and the sharing economy begins to look attractive indeed. Own a car? Who, me?

But can we break all this activity down in a way that captures some of the subtleties above? Collaborative consumption is often broken down in three primary ways:[5]

Product-Service Systems: Easy access to the benefit of a product (the service) is provided.

In product-service systems, tangible goods are shared or rented through peer-to-peer or business-to-consumer marketplaces. The key point is that ownership does not transfer from the sharer/seller to the borrower/buyer—the product is essentially leased as a service, and the good itself is eventually returned if needed (e.g., a car is returned to a private owner). For products that sit unused for much of the time (like our car above, idled for 95 percent of a day, or, for that matter, the nice guitar), these systems can be a great way for a peer owner to make some money and for a renter to avoid the expense and the hassles of ownership. Examples include: Turo (formerly Relay Rides—cars), Sparkplug (musical instruments), and Peerby (tools, electronics, many household goods).

Redistribution Markets: Underutilized, pre-owned goods are redistributed.

In this case ownership does transfer—for example, used goods are transferred from one buyer to the next. Goods are passed from someone who doesn't want them to someone who does—and the rise of

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the Internet has made it much more likely that givers/sellers will find takers/buyers. (Think of the sheer numbers on both sides of an eBay search, e.g., for a Patagonia down jacket.) Redistribution markets may be free (Freecycle) or may involve money (eBay, Stuffstr, uSell, buymywardrobe). Some markets may even involve animate objects (need a pet relocated to a new owner? Try PetBridge).

Collaborative Lifestyles: Nonproduct assets like space, skills, and money are exchanged in new ways.

Many exchanges are not typical "products"—instead they may involve spaces, labor, and money. Airbnb, utilizing underused bedrooms and entire homes, is an example. Taskrabbit, which typically matches those who need errands and work done around the house with those willing to do it (often close by, in the neighborhood), is another example. Need to fund a creative idea that standard markets or the bank might not finance? Try Kickstarter, which matches those with ideas with those willing to provide the money—over 2 billion dollars have funded about 100,000 projects.[6] Want to garden, but don't have the land? If you are in the UK, try Landshare, which pools landowners with those willing to work a plot.

A central proposition in all of these exchanges is that we are using our goods, our spaces, and our skills more efficiently, with the help of technology. In a seminal *Harvard Business Review* article in 2010, Botsman and Rogers developed an initial tripartite typology of such exchanges and provided examples of the innovative solutions each offers to reduce resource waste:

1. Product-Service Systems
   Example problem/solution:
   "Half of U.S. households own power drills, but most are used for only 6 to 13 minutes during their lifetime. Zilok.com offers peer-to-peer daily rental of tools. . . ."
2. Redistribution Markets
   Example problem/solution:
   "Americans discard 7 million tons of cardboard annually. UsedCardboardBoxes.com 'rescues' and resells boxes to movers."
3. Collaborative Lifestyles
   Example problem/solution:
   "Millions of houses and spare rooms around the world are sitting empty and have 'idling capacity.' AirBnB.com, the 'Match.com for travel,' allows anyone from private residents to commercial property owners to rent out their extra space."

It is worth pointing out that since 2010 many startups associated with the sharing economy have hit major roadblocks—including Zilok (which still

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exists). Hint: Is it worth the trouble to rent a 30 dollar drill when you can have one delivered to your door quickly through Amazon Prime? It may depend on the details . . .

But back to the broad appeal. In a study titled "The Sharing Economy and Consumer Protection Regulation: The Case for Policy Change," a group of economists at George Mason University argued that the sharing economy creates value in five basic ways (Koopman et al., 2014). Here they are, with italics added for emphasis:

1. By giving people an opportunity to use others' cars, kitchens, apartments, and other property, *it allows underutilized assets or "dead capital" to be put to more productive use.*
2. By bringing together multiple buyers and sellers, it makes both the supply and demand sides of its markets *more competitive and allows greater specialization.*
3. By lowering the cost of finding willing traders, haggling over terms, and monitoring performance, *it cuts transaction costs and expands the scope of trade.*
4. By *aggregating the reviews* of past consumers and producers and putting them at the fingertips of new market participants, it can significantly *diminish the problem of asymmetric information between producers and consumers.*
5. By offering an "end-run" around regulators who are captured by existing producers, it allows suppliers to *create value for customers long underserved by those incumbents that have become inefficient and unresponsive because of their regulatory protections.*

To the extent that these five points are true, the sharing economy seems like it has many advantages. Of course, these claims assume a few things, including: (1) The Internet-based technology that brings together buyers and sellers works seamlessly enough (and is not more trouble than it is worth), (2) trust builds up and leads to satisfied customers and sellers, and (3) "end-running" current regulation is "net positive" in that the positives outweigh any negatives. But: Is the time cost of accessing goods low (and not a hassle?) Are the reviews of past consumers and producers accurate and trustworthy? How do we ensure that feedback is not fake? And, to what extent are regulators really captured by inefficient existing producers, thus inefficiently regulating the economy? Indeed, how do we effectively regulate the sharing economy, and how are consumers influencing this ongoing debate? What are some best practice examples of both consumer and producer behavior in this changing new world?

A Consumer's Journey

It's worth remembering that in the early 1990s the Internet was brand new to most people. From Katie Couric and her crew on the *Today Show* asking "What is the Internet anyway?" in 1994, to late blooming George Bush's

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"the internets" in 2004, it has taken some time for consumers and citizens to realize the significance of the Internet. Gradually, as consumers began realizing they could buy things online with little trouble, many of the hesitations faded. This primed the way for the sharing economy.

An article in *The Economist* highlighted this:

> The sharing economy is a little like online shopping, which started in America 15 years ago. At first, people were worried about security. But having made a successful purchase from, say, Amazon, they felt safe buying elsewhere. Similarly, using Airbnb or a car-hire service for the first time encourages people to try other offerings.[7]

To illustrate the evolution of a consumer, let's consider middle-aged Bill (almost 50!) in his journey as a participant in this new world. In Bill's case, consider these facts. In 1994, as a grad student in a computer lab, Bill marveled that Matt next to him was somehow checking the weather in real time, on "the Internet." "How are you checking the weather on the computer, Matt?"

Fast forward to the 2010s. Bill is now an associate professor in economics and environmental studies, heavily involved in teaching, research, and service connected to the climate change issue. He has two kids, and he thinks often about their futures, including the planet they are inheriting.

Bill has enthusiastically embraced the online buying and selling of used goods on eBay—his early qualms about whether the sellers could be trusted were quickly dispelled. It helped that eBay had such a robust platform for feedback and ratings on sellers and buyers, and Bill was always careful to pick highly rated sellers. He now revels in the ability to shop for high-quality used goods at the lowest price in the convenience of his own home—anything to avoid driving to a depressing big box store in a distant strip mall. In the back of his mind he's fairly sure all that avoided driving and the lack of a need for a big box retail store is better for the environment. Amazon Prime, which he also uses liberally, is a little less clear in his mind, although a group team in his Metrics for Sustainability class pointed out that Amazon is probably better for the environment in their semester project.[8] With certain products, he and his wife Julie "never buy new"—particularly clothing for the kids. (They'll never notice!) Julie has enthusiastically embraced the "thrift" culture in Portland, Oregon—and has found a variety of ways to buy used, including online.

Bill sold one of his two cars in 2006, and found a way to live in Portland with Julie and his young son Scott using one car, a Toyota Prius. Bill and Julie both had jobs when Scott was born in 2008, and both had to commute to work. But, Bill had easy access to public transportation and to Zipcars on his campus and near his house, which helped in cases when he needed a second car. The campus benefit of 30 dollars a month towards Zipcar use (at the time) sweetened the appeal. Bill was also amazed to discover that the technology in the Zipcar itself was slick and effective. (Wait, I just wave my

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Zipcard over the sensor on the windshield and the car just unlocks? Wow. Oh, this car is clean. The person before me did not trash it? Look, and they filled the tank with the Zipcar gas card. Zipcar has this all figured out!)

In 2014, a second child led to a second (gifted) car that his in-laws gave his wife, for the sake of the family (it was difficult for Bill to hold the line). However, Bill remains committed to minimizing the environmental impact of driving and is still scheming on how to do this. His gifted hybrid Toyota Highlander gets a grand total of roughly 20 miles per gallon. What better way to make sure there are not more of these cars on the road than to put it up for grabs in the peer-to-peer sharing economy?[9] His experience with Zipcar confirmed that the technology associated with locating, unlocking, and maintaining the security of the car works. He has his eye on Turo and Getaround—two Internet-based car sharing services that are focused on peer-to-peer car sharing. He's still working on his wife, who thinks the hassle of keeping the car in "rental shape" is a bit too much. To be determined . . .

His experience with car "sharing" has emboldened him, and the last time Bill went to a conference he ditched the expensive conference hotel room and opted for a high-end Airbnb apartment in Stockholm. Bill just wanted the experience of something unique, authentic, and in a nice section of Stockholm. He had been in enough conference hotels, and he had a host of friends around him singing the praises of Airbnb. Despite a bit of clunkiness translating across Swedish and English, the experience was delightful. Bill thought the entire apartment that he had access to was superior to that of any hotel. On top of this, it was in a more interesting location, and it was a lower price.

One of Bill's peers, Greg, is similarly frugal, and concerned about the environment. Greg consistently provides a corner bedroom of his house in Portland on Airbnb, and is making good money doing it while enjoying the company of many of the guests who have stayed at his house. Bill and Julie, who typically take a month in the summer to go back to the Midwest to see relatives, are planning on putting their house up for Airbnb the next time they have summer vacation. In fact, they are beginning to feel sheepish about *not* doing it.

Hello Pandora and Spotify. Bill loves (1) not constantly picking songs/albums and loading them into a player to keep the mood flowing, (2) the spareness of a cell phone and a subscription, rather than 100s of CDs on a shelf, (3) the surprise factor associated with the software that picks which songs to stream, (4) no advertisements, and no annoying DJs. Five dollars a month for no advertisements and unlimited streaming? Are you kidding?

Kickstarter? Bill is involved in a lot of nonprofit work, and he appreciates how peer-to-peer finance and lending can help the nonprofit sector. It has benefited an organization where he recently served on the board.[10] The aerial dance company where his wife is a member, A-WOL Dance Collective, has also benefited from four separate Kickstarter campaigns.[11]

Those crazy high textbook prices he has always had to ask his students to pay through the local Barnes & Noble on campus? Well, put it this way: Bill

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doesn't discourage his students from sharing, renting, buying used, and exploring the many online alternatives to obtain necessary content. It helps that the federal government passed a law mandating that students be provided the ISBNs for their required books in advance of class.[12] He couldn't stop the students if he wanted to, and the Barnes & Noble on campus has adapted as well, with cheaper rental and downloadable options.

As an educator and academic, there are ample opportunities for Bill to tap into shared resources, from YouTube to Slideshare to Khan Academy to Massive Open Online Courses (MOOCS)—to learn from others, to share with others, and to make class engaging and fun. Bill loves "getting on the same page" with students through Google Docs that can be edited by all to maximize collaboration and group learning. And open access publications are increasingly common.

Bill's tool addiction has gotten a bit less expensive, now that he has discovered one of the many peer-to-peer tool libraries in the city.

Speaking of addictions, his 7-year-old boy can't stop begging for new Lego sets to build. And the Lego Group is great at preserving monopoly power, despite losing in the courts.[13] Ergo, it is not a surprise that Lego sets can be mind-numbingly expensive. His boy builds them once, or twice, then scatters them all over the house. New solution? Rent them at pley.com.

Bill has a sailboat on the Columbia River that he co-owns with a colleague. It's used about 15–20 times a year with a moorage fee of 150 dollars a month. He's been mulling "sharing" this underutilized asset to help to pay for that moorage, perhaps on getmyboat.com?

So what does Bill like about this new world of collaborative consumption? Let's recap: (1) It saves him and others money as a consumer, particularly when he does not have to buy new products outright; (2) it often saves him time as a consumer—for example, he can quickly access massive secondary markets to buy or share goods online; (3) in his mind it has environmental and social benefits—this includes less need for separately owned high impact products, yet more money for the local community; (4) the peer-to-peer component of the experience is more authentic, novel, and highly empowering (and Bill is a people person. Random quote heard somewhere that is worth pondering: "The sharing economy is for extroverts!"); (5) he likes the idea of disrupting bloated and happy industries and organizations (say within the hotel industry) and empowering "peers" within a region; (6) although he is primarily at the receiving end of things as a consumer/borrower in the sharing economy, Bill is actively exploring how to become a sharing economy giver/seller through providing his car, boat, and his house as a service when he is not using them; and (7) he is really excited about the creativity and entrepreneurship needed to make all this come together.

The upshot: Bill's experience thus far is that the benefits of this new world outweigh the negatives. At the same time, he is not naive—all things in the sharing economy do not have a uniform glow—and he realizes that as a consumer/buyer and as a producer/supplier he has important choices to make

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and best practice rules to live by. As others blaze a path, he is paying close attention. For example, he is taking notes on his friend Greg's experience as an Airbnb host. And given what he has read about Uber, including driver unrest over pay and the behavior of the company as it enters new markets all over the world, Bill is still a bit ambivalent about trying the service.

So to many, including Bill, collaborative consumption is a work in progress offering great promise from a consumer standpoint, and from the standpoint of a sharer or seller. Thanks to his increasing faith that peers (and the organizations that facilitate sharing and access) really can deliver, Bill's behavior as a consumer is beginning to fundamentally change. Some of his activity—including buying peer-based services in transportation, tools, books, and hospitality—has already substituted for standard purchases. His role as a producer/supplier is yet to be determined.

Drivers: Those Pesky Customers!

So what are the key drivers and are they big enough to overcome barriers and sustain momentum? How big is the sharing economy—and where is it going?

In 2013 the Altimeter Group produced a concise report titled "The Collaborative Economy," targeted to traditional firms. The authors open with this theme, posed as a warning: *Customers don't need you*. (Unless you adapt!) Here is an excerpt:

> **From a Social Media-Driven Era to the Collaborative Economy Era, Customers Are Increasingly Empowered.**

We are witnessing early indicators of an important shift. Hundreds of startups like Airbnb and Lyft have emerged to enable people to share goods and services. An influx of venture capital funding is accelerating this trend. Customers are not just using social technologies to share their activities, opinions, and media, but also to share goods and services. In this evolution, companies risk being disrupted as customers buy from each other. We see the evolution of these market relationships in three phases, driven, in part, by new technologies:

- **First Phase—Brand Experience Era (Web)**: The Internet makes information broadly accessible, but the ability to publish remains in the hands of media and corporations. This is a "one-to-many" model in which companies speak "at" customers through corporate websites. The power lies with a few, though many are impacted.
- **Second Phase—Customer Experience Era (Social Media)**: New tools empower customers to publish themselves. This is a "many-to-many" model in which customers share their opinions, activities, and media, requiring brands to listen to and speak "with" customers. Customers and companies share power.

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- **Third Phase—Collaborative Economy Era (Social, Mobile, Payment Systems)**: Fueled by social, mobile, and payment systems, customers are now empowered to share goods and services. Companies are disrupted as consumers *buy from each other* over traditional institutions. *Power shifts to the consumer. [italics added]*

  (Altimeter Group, 2013: 5)

So—what to do as an established producer of standard new goods? Adapt, or risk "disintermediation," which is a fancy way of saying that the producer will be left out of (most of) the transaction(s). In the words of the report: "Companies risk becoming disintermediated by customers who connect with each other" (Altimeter Group, 2013: 1, par. 4). Disintermediation means obsolescence over time.

The report, which draws from interviews with 35 well-known startups (Airbnb, Lyft, etc.), investors, brands, and thought leaders as well as a database of industry trends for 200 startups, then turns to drivers of the collaborative economy. Figure 11.1 nicely captures the three main drivers—societal, economic, and technology—in turn further broken down into sub-drivers.[14]

Many of these reinforce our previous discussion, including the discussion of our consumer, Bill. For example, the authors of the report (and many others) find that consumers are increasingly concerned about sustainability and the health of their social environment, and that consumers perceive sharing economy modes of consumption to be less harmful to the environment and an opportunity to create more community. Consumers also like saving money and time through access not ownership, all facilitated through slick Internet information clearinghouses that quickly match sharers and/or

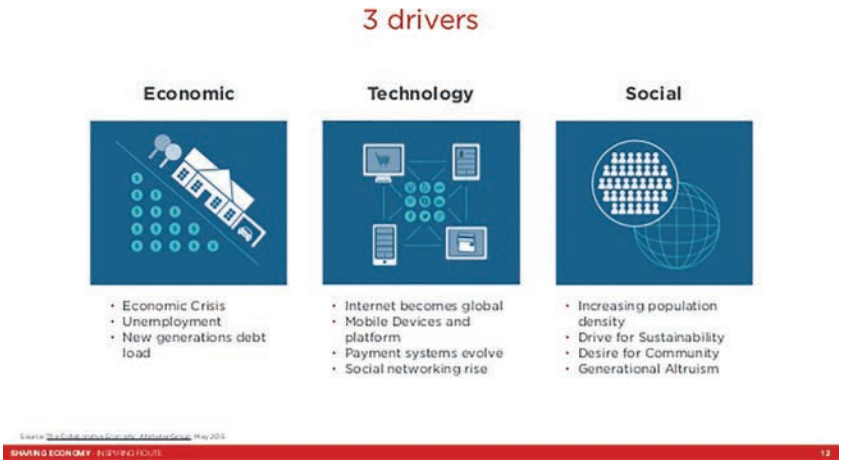


Figure 11.1 Drivers of the Collaborative Economy.

Source: Altimeter Group (2013: 5).

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buyers and sellers of services. It is not a surprise that sharing economy firms are emphasizing these advantages in their advertising and their missions.

Easy and reliable peer-to-peer sharing; seamless access not ownership. In the face of these new modes of consumption and the threat of obsolescence, many traditional companies are learning to adapt to the changing inclinations of consumers. Bill's campus Barnes & Noble bookstore, now offering convenient rental books and easy book buybacks from students, is a prime example. In fact, Bill began talking to the bookstore manager about the dangers of being disrupted by technology and the Internet years ago, citing the relatively higher and rising price of books at the bookstore, the increasing availability of cheaper substitutes online, and the increasing inclinations of students to share books among themselves. In the face of dwindling demand for new hard copy textbooks, Barnes & Noble is rationally deciding to compete with the vast array of options that students now have. Barnes & Noble now includes upfront promises to buy back books, renting options, more access to used books, and cheaper online books when available.

A key point: The sharing economy trend clearly provides more choices and more power for consumers. Consumers—including students clamoring for cheaper textbook alternatives—will likely resist any substantial reversion back to "ownership only" and/or "business-to-consumer only." According to a 2015 article put out by the Wharton School, "The Sharing Economy Spills into New Markets,"[15] there is no turning back.

The genie is not going back in the bottle. Despite all the resistance, virtually no one thinks the sharing economy is going anywhere but up. Gilles Duranton, a Wharton real-estate professor, said it is probably too late to stop the sharing economy with regulation. "Banning Uber or Airbnb after people have actually experienced them and decided they liked them a lot, will make many consumers unhappy. The elected officials that block these services will pay a heavy price." While many will lament the changes wrought by the new economy, "there are only very few cases of successful bans on real progress," he said. "The Tokugawa shoguns in Japan managed that but from what I've read this is a rare example."[16]

In other words, traditional institutions and the regulators that evolved with them are now scrambling to understand and adapt to change—change that consumers played a major role in creating. Inevitably, there has been some friction. To put it in the words of Clay Shirky in a prescient TED talk in 2005 titled "Institutions vs. Collaboration": "When institutions are told they are obstacles, and that there are other ways of coordinating value, they go through something a little bit like the Kübler-Ross stages of reaction to being told you have a fatal illness: denial, anger, bargaining, acceptance."[17] And if institutions dig in their heels, it often does not work. As a US Price Waterhouse Coopers report argued in a detailed primer on the Sharing Economy, the media, entertainment, and communications industry discovered this the hard way (PwC, 2015: 25). (When was the last time you bought a CD?).

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Despite Challenges, the Trend Is Up

Firms that have outdated products and business models should not survive. Innovation and "progress" should not be stifled by outdated regulation. On the other hand, there are many complex issues being raised by the sharing economy, as Airbnb, Uber, and the regulators responsible for establishing and enforcing the new rules of the game will attest. The following is just a sample of many issues that are in the process of being resolved as the sharing economy evolves.

1. **Risks to consumers.** Regulators still need to protect consumers from fraud and unskilled service providers—whether in traditional industries or in the sharing economy. Bad things are always going to happen. How do we ensure that the risks for consumers are not relatively elevated in the sharing economy? How can we be sure Uber drivers are adequately trained and have been adequately vetted? Do they need to be licensed like cab drivers, as Germany has recently determined? And Airbnb—how do we ensure that Airbnb services are safe and as advertised? Are feedback mechanisms in any sharing economy context sufficient to cull bad apples? What about those customers who have to suffer first, writing bad reviews, so that later customers don't have to suffer? What are the rights of those first (suffering) customers? And, do sharing economy services really deliver what consumers believe they are getting in terms of superior social and environmental impact? For example, firms tend to make claims that their service takes cars off the road (Relay Rides, Turo) or saves the CO_2 equivalent of thousands of cars through greater efficiency (Airbnb's claims on the benefits of home sharing). But hard data is hard to come by. To what extent are sharing economy firms really relatively "greener?"[18]
2. **Risks to "sharers."** In an infamous case in the summer of 2011, Airbnb reactively added insurance coverage for all hosts after one of its hosts in San Francisco came home to an extraordinarily ransacked apartment, complete with holes in the walls where the customer broke into a locked closet to steal jewels and identification papers.[19] Airbnb's existing policies and reaction were initially criticized as inadequate. The company did much damage control over the following weeks, with the CEO penning apology notices with titles like: "We Screwed Up and We're Sorry." They also implemented a retroactive $50,000 insurance guarantee for apartment damage to all customers. Airbnb proved to be attentive over time, because their core business model—heavily reliant on trust and the assumption that people *could* be good, was in extreme danger. As the victimized host herself put it:

> I would be remiss if I didn't pause here to emphasize that the customer service team at airbnb.com has been wonderful, giving this crime their full attention. They have called often, expressing empathy, support, and genuine concern for my welfare. They have offered

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> to help me recover emotionally and financially, and are working with SFPD to track down these criminals. I do believe the folks at airbnb.com when they tell me this has never happened before in their short history, that this is a one-off case. I do believe that maybe 97% of airbnb.com's users are good and honest people. Unfortunately I got the other 3%. Someone was bound to eventually, I suppose, and there will be others. For this reason, I felt compelled to get my story out as soon as possible—as a warning to travelers and renters everywhere—even though this case remains under investigation, and the final chapter of this story remains unwritten.

The upshot is that bad things will also happen to providers. However, homeowners' insurance is complicated and was not designed for sharing economy behavior. Airbnb, Uber, Relay Rides, and other startups have arguably been quick to expand their businesses first and ask questions later, often initially offloading the risk on the service supplier through their existing insurance (the apartment host, the driver, the car provider). The true tests come when inevitable problems, including crimes and accidents, occur.

3. **Risks to "workers."** How do you classify sharing economy workers in an economy that is increasingly piece rate and by the job? Are sharing economy workers "employees" of sharing economy "employers," or are they "independent contractors" not subject to standard rules, regulation, and benefits for regular employees—including health and retirement benefits? Are sharing economy, aka "gig" economy, workers more vulnerable, more exploited, and underpaid due to misclassification? In the summer of 2015 the California Labor commission ruled that an Uber driver was an "employee" of Uber, rather than an independent contractor, requiring a reimbursement to that driver of just over 4000 dollars in working expenses, a triviality as a single case but with much bigger implications for Uber and beyond.[20] Later an appeals court judge also ruled against Uber in the fall,[21] and a class action lawsuit with many more drivers is now proceeding.[22] A critical question revolves around control—many sharing economy businesses are built around the premise that they are merely intermediaries, connecting service providers and users. In the case of Uber, drivers own their cars, set their own hours, and can provide their labor to other companies at will. Thus far this has allowed Uber to avoid rules and regulations revolving around employee safety, pay, and benefits. However, Uber sets rates, sets minute requirements for care and cleanliness, and monitors driver performance—all typical forms of control that a normal employer engages in. If this ruling in California sets the precedent that many sharing economy workers are misclassified and should technically be seen as "employees," it will have major implications for the sharing economy in general.

For a good deep dive on sharing economy regulation in the face of complex questions like this, see "Does Sharing Mean Caring? Regulating

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Innovation in the Sharing Economy" (Ranchordas, 2014). A common theme is risk. Are sharing economy companies appropriately taking on risk or are they offloading too much of it onto other actors? How do we "share" risks appropriately and fairly with the various stakeholders involved? How do we anticipate problems proactively? And when unanticipated problems do crop up, are sharing economy businesses willing to work closely and authentically with customers and regulators to make it right?

Different countries, regions, and cultures may have different answers to all of these questions—as Germany's resistance to Uber illustrates.[23] As stated above, however, the genie is out of the bottle. Despite challenges and occasional regional setbacks, there is little doubt that at an international level, the pace of growth of the sharing economy is rapid and will likely continue to be rapid. In a report based out of the UK, PwC estimates that the international sharing economy reached about $15 billion in 2014 and will grow to $335 billion by 2025 (this is growth of more than 22 times, or 2100%). Contrast this to the growth of the traditional rental sector which will grow from $240 billion in 2014 to $335 in 2025 (a multiple of less than 1.5 times, or less than 50%).[24]

Airbnb Takes Flight—And Is Still Flying

To illustrate how rapidly some startups have grown and the threat to existing companies, it is instructive to briefly look at the experience of Airbnb more closely. According to Fast Company, Airbnb now has at least 550,000 listings within 192 countries (Carr, 2014). According to the US-based report by PwC, by 2015 Airbnb had an average of 425,000 guests per night, which translates to 155 million guest stays per year (PwC, 2015: 14). This is 22 percent more than Hilton Worldwide, which served 127 million guests. With lower average prices for each stay, Airbnb's revenue is still less than Hilton Hotel's revenue; for example, in the third quarter of 2015 Airbnb had 340 million in revenue vs. the Hilton's 2.9 billion. However, to the extent that consumers are substituting their hotel stays with Airbnb stays (Bill did!), it represents lost revenue to traditional hotels. And, the estimated market value of Airbnb (which is not a public company) is in the tens of billions—rivaling the market caps of the world's largest hotel chains, including Hilton Hotels and Marriott International.

And what about that consumer—just what is the appeal of Airbnb, and what are some misgivings? Bill's first experience with Airbnb above was positive and confirmed his hope that it would be less expensive, unique, and good enough in terms of standard amenities. However, his first dalliance was made easier through peers like Greg who encouraged him to try it. As PwC makes clear in their US report, 69 percent of those familiar with the sharing economy agree that they won't trust a sharing economy company until it is recommended by someone that they in turn trust.[25]

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Some consumers just don't want to take the risk, period, instead preferring the certainty that a traditional brand name provides. Bill's friend Debra is a case in point, who "shared" this with him when he asked about her general thoughts on collaborative consumption and Airbnb in particular:

> Time is money, right? You pay for many shared goods/services with time, or for the same things on Amazon Prime with money. You pay either way, but in the second case you own the product. And you pay for a brand promise. I'd choose a hotel every time over Airbnb, because I trust a well-established brand more than an unknown—I'm introverted, risk averse, and prefer clearly defined roles, where I pay (sometimes a premium) for the right to demand that the brand keep its promises. With an individual renting me a room, things would feel awkward.

Bill did push back a bit. One of his main points to Debra was that Airbnb didn't feel that much different than a hotel experience in terms of reserving the room and the standard amenities. There were clean sheets, well-stocked soaps and toiletries, and comfortable pillows. And, there was a brand new MacBook to use if he needed it, connected to the Internet, right on a hallway table as he walked in. (Talk about trust!) And a full kitchen! And in a perfect part of town, right above the hippest cafes and restaurants . . .

In its recent rebranding Airbnb seemingly attempts to seize on these dual opportunities to meet consumer needs.[26] First, reassure the consumer through a reliable and familiar experience in terms of booking and basic amenities. Second, provide a unique experience that delivers more than just a room, complete with a fuller form of hospitality and an opportunity for connection that goes beyond a typical hotel experience.

Airbnb's introduction in 2014 of their much discussed "Bélo" logo might be seen as a test case for sharing economy organizations as they seek to distinguish themselves from traditional institutions. The campaign directly taps into the idea that urban consumers are seeking connection with others all over the world, and that they want to share and belong. In the words of the release: "At Airbnb, we imagine a world where you can belong anywhere. Introducing the Bélo."[27]

Video transcript:[28]

> The world is full of cities and towns
> constantly growing larger
> But the people within them are less connected.
> Yet we are all yearning for a sense of place.
> we are all seeking to
> Belong.
> We all want to connect and share.
> To feel accepted and feel safe.
> Imagine having that anywhere.

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Airbnb stands for something
much bigger than travel
We imagine a world where you can . . .
Belong Anywhere.
This needs its own symbol.
One that can be drawn by anyone
and recognized anywhere.
A symbol of belonging.
We call it the Bélo.
The Bélo represents all of us,
and it stands for four things:
People
Places
Love
Airbnb
Wherever you see it, you'll know you belong
My home
San Francisco Los Angeles Tokyo Barcelona London Buenos Aires Helsinki Mumbai Rome Sydney Paris New York Bangkok Rio De Janeiro Shanghai Dubai Vancouver Casablanca Berlin New Delhi Copenhagen Amsterdam
Airbnb

Airbnb's CEO and co-founder Brian Chesky elaborated on rationale for the logo and the rebranding in a lengthy blog post the day of the release. At the core of his blog is this section, on belonging:

Belonging

We used to take belonging for granted. Cities used to be villages. Everyone knew each other, and everyone knew they had a place to call home. But after the mechanization and Industrial Revolution of the last century, those feelings of trust and belonging were displaced by mass-produced and impersonal travel experiences. We also stopped trusting each other. And in doing so, we lost something essential about what it means to be a community. After all, our relationships with people will always be the most meaningful part of our lives. You just need to get to know them. That's why Airbnb is returning us to a place where everyone can feel they belong. Like us, you may have started out thinking you were just renting out a room to help pay the bills. Or maybe you were just booking a bed for a night on an unexpected layover. However we first entered this community, we all know that getting in isn't a transaction. It's a connection that can last a lifetime. That's because the rewards you get from Airbnb aren't just financial—they're personal—for hosts and guests

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> alike. At a time when new technologies have made it easier to keep each other at a distance, you're using them to bring people together. And you're tapping into the universal human yearning to belong—the desire to feel welcomed, respected, and appreciated for who you are, no matter where you might be. Belonging is the idea that defines Airbnb, but the way we've represented Airbnb to the world until now hasn't fully captured this.

Is Airbnb tapping into something that enough consumers in the sharing economy truly want in a travel experience: connection, not "distance," trust, not mistrust—to be welcomed, respected, appreciated—by strangers in new places? Do consumers want this kind of sharing and belonging, this kind of "social"? Or do they simply want the access to relatively inexpensive hotel-like experiences with extra perks and conveniences (full kitchens, laptops available with free Internet service, good locations in hip areas)? Or both?

In a 2015 *Harvard Business Review* article "The Sharing Economy is not About Sharing at All," the authors argue that consumers generally are much more interested in the access component of the sharing economy, and not the social component. In their words:

> By this logic, AirBnB's recent rebranding, which highlights 'people, places, love and community,' will be a misstep. AirBnB wants its new logo to be a universal symbol of sharing, yet the reason why most consumers use AirBnB is the value they can get for their money, especially in expensive cities. Additionally, when choosing a place to stay, most consumers opt to have the entire place to themselves, meaning they don't share the space with the owner at all. AirBnB provides the means for travelers and owners to engage in a market transaction of short term access, and their brand should reflect this.
>
> (Eckhardt and Bardhi, 2015)

The authors hold up Uber as an example of a company that gets this—stressing pricing, reliability, and convenience ("Better, Faster and Cheaper than a Taxi")—and not sharing. Are they right?

The comments section contained significant pushback from readers of the article. For example, there was this comment:

> Every time I use Airbnb. . . . My friends too. . . . We share that person's life through his neighbourhood. . . . We share information and experiences through whatsapp with the host. . . . We develop a relationship before, during and maybe after. . . . We often share each others lives for a while. . . . So i strongly feel the sharing economy does exist and or goes beyond access, where it is just about the physical exchange, but it is also about the practical and emotional one. I very much feel part of an

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> airbnb community of people who makes travelling in a social way possible. So I do not agree with you that airbnb Is only about physical access to reasonably priced accommodation. I also pick an apartment based on look, yes, location yes and price of course . . . But a fundamental factor in my choice is the relationship I develop with the host when searching. To me it is sharing their lives either physically or virtually (both = relationship) while I am there that makes my stay so much more special than accessing a hotel, or as it seems to you.

When our friend Bill above cross-checked with Greg on his experience as both a host and Airbnb consumer, Greg categorically rejected the notion that consumers are only interested in access. Greg cited his experience hosting tens of guests, many of whom he bonded with during their stay. According to Greg, many had made it clear that they wanted something more than a standard hotel experience in Portland. Airbnb (and Greg) provided it.

It is safe to say this: The sharing economy is providing consumers with an amazing array of new choices—including the degree of connection and sharing they want to engage in. Uber may be more about efficient access, and Lyft (with its fist bumps) may be more about sharing and connection, and perhaps there is room for both. In the case of Airbnb, in addition to the variety of particular spaces, users can dial up or down the degree of contact they want with their local hosts. (Bill and Greg might dial it up, and Debra might dial it down.) The businesses that can empower consumers by providing users with efficient, intuitive, and trust-building interfaces for sorting through and making satisfying choices—tailored to needs and personalities—will likely do better in the long run.

And therein lies the challenge with many sharing economy startups—the complexity of variety. This is captured in a series of questions that Austin Carr asks in a piece for Fast Company on Airbnb's "Grand Hotel Plans" (2014):

> How do you strike the right mix of host and guest amenities for 550,000 disparate listings in 192 countries? How do you manage the thorny legal and regulatory hurdles raised by governments eager for new tax revenue? How do you get into those other areas of the trip, like the car ride from the airport and exploring the neighborhood where you're staying? Perhaps most important, and of most immediate concern: How do you overcome the nagging perception that staying in someone's spare bedroom is unpredictable, awkward, and a far cry from what mainstream travelers know they'll receive at traditional hotels?

Not easy. But then again, going forward there will probably be enough consumers and peers demanding idiosyncratic new realities like this one in the hospitality industry. And yes, entrepreneurs will continue to try to create and expand these new realities.[29]

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Best Practices

The collaborative consumption space is already rife with examples of organizations that have come and gone. Those that remain will be the kinds of organizations that can address issues like those identified above, and that can adapt and adjust as new ways of creating value for consumers are tested in the real world. The directory on the collaborativeconsumption.com website will give readers a sense of the sheer number of sharing economy startups—many of which will fail within five years.[30] As you browse through, note in particular "how it works" related tabs and links that (clearly and concisely?) explain what each organization is doing. Note whether these anticipate and address any hesitation that a first time customer might have. Pick out ten of your favorite organizations that you think you might be interested in as a consumer, and that you think will also succeed in the long run. Now see if you can create a list of the reasons why these organizations are attractive to you, and to others—keeping in mind best practices.

After you think about it, note the list below of sharing economy best practices that we compiled based on our research as we wrote this chapter, and as we lived through our own experiences as consumers. If you think we are missing something, share it with us!

Sharing Economy Best Practices

Be a systems thinker. Be a designer.

- You're part of a developing collaborative consumption ecosystem, so pay attention to all of it: users, communities, cities, governments, competitors and all their relationships and feedbacks.

Building trust is job no. 1. Listening and adapting is key.

- Trust and reputation are fundamental: between the business and users, users and other users, business and government. When problems occur, listen, empathize, and course-correct as needed.
- Airbnb has generally tried to work closely with regulators, and with users and providers. A good example of this is the San Francisco case cited above.

Anticipate hesitation that first time users might have—and provide answers.

- Address big fears, such as insurance and risk issues, transparently.
- Focus on how the service will help save time.

Trust self-organization—but be nimble enough to keep on top of it.

- Don't over-design and over-control the structure, let users create it.
- In the car sharing space, Car2Go and Getaround are examples.

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The interface is human.

- Even though the transactions take place through an app, the key interface is human. The app should facilitate human-to-human interaction.
- Human touch customer support is crucial to building trust.

Give your users multiple ways to build value into your company—and reward them.

- The Airbnb feedback interface is now relatively smooth and intuitive—and rewards hosts for good reviews with Super Host status and more.

Connect to the values of sharing—and let the user have some control over the degree.

- Even though payments are fundamental, the experience should connect to the fundamental values of sharing. Users can opt for more or less connection and interaction depending on their preferences.

Partner with communities.

- Building trust with host communities—particularly cities—requires partnering to create regulations, tax systems, etc. Find creative ways to show value to these communities.
- Lyft and Airbnb have partnered together and are working closely with the city of Portland, Oregon.

One size fits all might not fit anyone.

- Scalability in the Silicon Valley sense might not be the only model. Engaging users requires adapting to their individual needs and motivations.
- Airbnb is individualized to the host level. The system supports that.

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12 Technology's Impact on Consumer Behavior

Objectives

1. To examine how consumers currently use technology devices.
2. To explore how context-driven technology is changing consumers' daily lives.
3. To discuss consumers' expectations and concerns about the privacy and uses of their personal information online.

Introduction

Debra, who cannot drive because of a visual impairment, takes buses and light rail to go everywhere. This gives her many opportunities to observe how her fellow passengers use their technology devices. The vast majority of riders own smartphones even though many if not most appear to be in the lower-income brackets, either earning barely enough money to make ends meet, or surviving on the paltry disability income allotted to them. This suggests to Debra that the smartphone is no longer a "new product" available mainly to innovators and early adopters. She also cannot help overhearing people conversing on their smartphones and wonders what has become of privacy. She herself takes and makes calls when she is in transit, so she shares this peculiar public–private space with her fellow technology users. Perhaps it is not so different from talking on the phones of old, with their "party lines," or the phones on the walls of kitchens, where parents could overhear every word their privacy-deprived teenaged offspring uttered.

How Widespread Are Digital Devices? How Do Their Owners Use Them?

In 2015, more than one in four individuals worldwide used a smartphone, and by 2018 eMarketer estimates that smartphone users will exceed two and a half billion, pulling slightly ahead of feature phone users.[1] In the U.S. adult smartphone users have nearly doubled in the last five years, rising from 35 percent in 2011 to 68 percent in 2015, accounting for most mobile phones used.[2]

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Smartphone ownership is highest among 18 to 49 year olds, the college-educated, and high-income consumers (exceeding $75,000). These markets are nearly saturated. Sales trends suggest that smartphones are supplanting e-book readers, MP3 players, and computers as the devices of choice.

Consistent with Debra's informal observations, many young adults, minorities, and lower-income consumers depend solely on their smartphones for connecting with others, for accessing the Internet, and for any other technology needs the devices can meet. Home phones and broadband services are added expenses, so owning one multifunction device saves money. However, going online often leads to expensive, even unaffordable, data overages, necessitating periodic service interruptions for those who have no other Internet access (Anderson, 2015).

Studies of the functions our smartphones serve show that most commonly we use them to connect with others (texting, calling, emailing) and to go online. A majority of us also use them for social networking, taking photos and videos, and accessing news.[3] Our needs to connect with others, to capture moments for future enjoyment, and to access information are not new, but technology offers us more and richer ways to fulfill those needs. Moreover, Pew Research notes, "Smartphones serve as an access point for navigating a wide array of important life events, from health conditions to new jobs" (Anderson, 2015). A majority of us have used our smartphones to access health information and to do online banking in the past year, and many consumers have used their devices not only to search for jobs but also to apply for them. These observations about how we use our smartphones indicate that many of our zero moments of truth (ZMOTs) likely occur via a mobile device and that security of mobile websites and applications with access to private information is essential.

One domain that technology has altered significantly is dating. In short, our technology devices enable us to meet people we might otherwise never encounter, in contexts not previously conducive to finding dating opportunities. In their 2015 book *Modern Romance: An Investigation*, comedian Aziz Ansari and sociologist Eric Klinenberg explore the impact of technology on searching for a partner. Below are four of the many insights they offer based on their extensive worldwide research:[4]

Online dating works best when you move quickly from introductions to meeting face-to-face. With so many candidates, it can be all too easy to become mired in endless browsing, agonizing over whom to contact. And for each person you choose to contact, you can spend hours composing just the right message. Finally, if someone responds, you may expend significant time and effort pondering how to interpret their words.

> Better to take a quick look around and choose someone to ask out on a real date, [Ansari] says. "It's kind of like Yelp: the good way to use it is as a quick orientation of all the good establishments in your

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neighborhood, and committing to one. The bad way to use it is the way I use it, which is not being able to let go of my screen because I have to make sure the taco I'm about to eat is the greatest taco ever known to man."

The relative anonymity of text messaging and social media is taken by some as a license to be mean-spirited or crude, and even if such is not the messenger's intent, words in the absence of facial expression or tone of voice may be misinterpreted easily.

"If you're meeting someone face-to-face and say the wrong thing, you can recover pretty quickly by reading the person's facial expression and changing the topic or your tone," says Klinenberg. "But by text, once you put it out there, you can't take it back. The person can dwell on it. In that way it's a very unforgiving medium."

Of all current dating apps and sites, Tinder excels at mimicking "real-life chemistry."

And it also best resembles traditional, offline encounters. When you see someone in a bar or other public venue, all you have to base your judgment on is their appearance. Even with meetings arranged by family or friends (e.g., blind dates or previews of candidates for an arranged marriage), you do not have a sophisticated data-rich algorithm to help determine compatibility. You see each other, you chat, and you decide based on that very limited information whether to pursue a second date. In other words, you rely on your unconscious, intuitive ability to sense "chemistry" with the other person.

The problem with services like Match.com and OkCupid is that our answers to their extensive surveys are part what we think we want and part self-promotion. Even if we don't fudge the truth as we know it, the true underpinnings of human compatibility may be as simple as looks and pheromones.

[W]hat people *say* they want when filling out an online questionnaire is rarely what they actually end up going for in a mate, studies have shown. And a small detail—like a stated preference for a rival sports team or unpopular band—in an online profile could cause you to reject someone you might have felt an attraction toward had you met offline, where most conversations don't begin with a dry recitation of hobbies and proclivities.

Technology can raise our expectations of qualities of potential partners to unattainable levels.

As we saw in Chapter 7, fewer young adults are marrying than in any generation in recent history. This may be due in part to the cultural

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> shift from finding a life partner to seeking a soul mate, a person who completes us, the one individual we were always meant to meet. And with online dating, we now have endless opportunities to find that perfect mate, and we fear "settling." Indeed, studies have shown that when we "optimize," i.e., invest much time and effort into choosing the very best alternative among brands, jobs, and now partners, we are more likely to prolong the search and evaluation of alternatives, and in the end we are less satisfied with our eventual choice. It is difficult to feel satisfied when you have the nagging suspicion that an even better alternative was just around the corner—or that perhaps the other brand, job, partner would have been ever so slightly better. While the abundant information always at our fingertips empowers us with extensive and valuable input from users and experts rather than just marketers, the technology that gives us greater knowledge also enables and encourages us to seek yet more knowledge, ad infinitum. As Klinenberg points out, "we never really know when to say yes to something—or someone."

What's Next? Context-driven Technology

According to a Consumer Technology Association report:

> The key tech trend that will improve our interactions with devices is context-aware computing. Anind K. Dey, director of the Human-Computer Interaction Institute at Carnegie Mellon University, created the definition of context-aware computing that most computer scientists use today. According to Dey, context is "any information that can be used to characterize the situation of an entity. An entity is a person, place or object that is considered relevant to the interaction between a user and an application, including the user and applications themselves."
>
> Dey further says that "a system is context-aware if it uses context to provide relevant information and/or services to the user, where relevancy depends on the user's task." These broad definitions encompass the capabilities of technologies available today, namely: embedded sensors and the Internet itself.
>
> (Kowalski, 2016: 6)

The report's author points out that context-aware computing is as old as screensavers, autocorrect, and motion detection lights. With smartphones came location-based applications using GPS chips and compass sensors. Typical of current personal navigation systems (PNDs) is the Magellan SmartGPS, which can access the Internet via the user's smartphone to provide additional real-time traffic data, fuel prices, and notices of road hazards. These systems can also interface with Yelp, Foursquare, and similar websites

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(including Tinder); and sync with multiple devices, providing a consumer-friendly experience:

> [Y]ou could start searching for a restaurant on the phone while still at your desk and automatically beam the address to the SmartGPS when you reach the car to take advantage of the PND's larger screen, more accurate GPS receiver, and louder speaker while driving. If you end up having to park a few blocks away from the restaurant, you can toss the destination back over to the phone for a final leg of pedestrian navigation.[5]

Emerging anticipatory context-awareness is making our devices smarter and more helpful, enabling us to rely on our smartphones from morning to night: They wake us up with the music or sounds we've chosen, warn us that we may need an umbrella later on, and show us important news as we linger over our morning coffee. They point out the best route to work given the traffic, remind us of appointments and tasks, and tell us how many steps we've taken and calories we've burned. Our smartphone software helps us compose texts and emails more quickly because it "learns" cumulatively which words, names, even punctuation we are most likely to type next. And the Google search algorithm also learns, providing us faster, more personalized answers to our queries as we feed it an almost continuous stream of data.

And what is more personalized than a personal assistant, e.g., Apple's Siri, Amazon's Alexa, Microsoft's Cortana, or Google Now on Tap? The Consumer Technology Association report describes the seamless consumer experiences Siri now offers, in part as a result of advances in natural language understanding:

> In June 2015, Apple announced that its personal assistant, Siri, was being upgraded with iOS Proactive Assistant software to make it smarter. Siri will know when you get in your car or when you go to the gym, and it will trigger certain functions or notifications without you having to touch the phone. You can program Proactive Assistant to play certain playlists or podcasts based on location. Siri is improving its natural language processing as well. If you tell it to show you photos of Vegas last winter, it will know which photos were taken near Vegas and when, and it will display them.
>
> Siri will also be able to grab information buried within your apps. Ask it for a recipe, and it will pull from your cooking app. When asked a question, Siri will look for a local resource (an app) for the answer.
>
> (Kowalski, 2016: 7)

In addition, as computers become better at real-time text analysis, these personal assistants will be able to help us compose emails and other documents with the tone and language appropriate to the context. Stanford University's Recursive Neural Tensor Network advances beyond traditional semantic

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(word or phrase) analysis to incorporate syntax (sentence structure), leading to greater interpretive accuracy.[6]

Context-driven technology not only facilitates consumers' activities, it can also be used to enhance consumer–brand relationships. A 2015 Altimeter white paper by Jessica Groopman[7] offers evidence that the Internet of Things (context-driven technology at its best) may be used in the following five ways to engage customers more deeply with brands.[8]

Reward

We expect to be rewarded for the time, money, and effort we expend when we opt into brand programs. Traditional loyalty programs usually only capture web activity and purchases, and from this very limited data, companies have been quick to affix overly simple labels to us, e.g., "loyal," "brand switcher," or "never buy." But there are many influences on our buying behavior, including our current location, product availability, and environmental conditions (heavy traffic, weather, a triggering event, etc.). Sensor and mobile technology enables brands to offer us content we want when and where we want it, and to reward us for our participation. For example, "Taco Bell targets users of the Waze mobile navigation application. When the consumer drives by their local Taco Bell they may receive a targeted message that they'll get free cinnamon twists if they make that late-night purchase."

Information and Decision Making

Brands can use context-aware technology to provide us information when and where we need it. They can do this by tracking our device usage as well as environmental conditions, and alerting us when to purchase or service a product or providing us up-to-the-minute news and updates. For example, "[a]fter a recent earthquake in California, wearable fitness tracker company Jawbone released an aggregated report of how the earthquake affected San Francisco Bay area sleep cycles, based on sleepers' proximity to the quake's epicenter. This type of one-on-one dialogue with consumers is invaluable and drives huge brand affinity. Consumers don't like to get buried by promotions, but will welcome interesting and meaningful insights about the product and its uses."

Facilitation

We touched on this earlier in our discussion of the seamless experiences context-aware and mobile technology offer. Even the most pleasurable user experience has moments we would prefer to shorten or even eliminate. The act of purchase, while necessary, is neither particularly interesting nor especially satisfying, and mobile wallets were developed to make it easy and fast. A Disney theme park, for all its magic, requires repeated transactions and much waiting in line. To minimize these less-than-magical aspects of visits, Disney developed

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a wearable Magic Band that "not only acts as a form of ID and a payment device, but it also records what attractions the customers visit and makes the appropriate recommendations and offers based on their patterns." Other examples of facilitation include mobile-managed connected homes with remote controlled thermostats, lighting, security systems, and other household appliances. Facilitating means minimizing aspects of the brand experience that are essential but not enjoyable, so that we can devote our time and effort to activities that are meaningful and fulfilling.

Service

In January of 2014, Tesla discovered that the wall chargers for the Model S car were at risk of overheating. Because Tesla cars are "effectively hardware supporting a software operating system," the company did not have to require drivers to come to a dealership for a fix; instead, Tesla delivered a software update to all 29,222 Model S cars remotely, timing it to suit each customer's schedule. This is the beauty of the deeply engaging brand experience the Internet of Things makes possible.

Innovation

Data from products, customers, and environments may be used to potentiate the research and development process and achieve innovations truly responsive to customer needs and contextual changes. This proactive stance engenders brand loyalty and advocacy. Tesla, again, provides the best example, not only providing useful software updates, but also inviting customers to submit their ideas for new features. "Recently a customer submitted a request for a crawl feature: in effect, extremely slow cruise control to ease the driving experience during heavy stop-and-go traffic. Not only did Tesla implement the crawl feature for that customer, but they rolled it out across the entire fleet via a software update."

Context-aware technology is unquestionably powerful, providing assistance to consumers and enabling marketers to enhance consumer–brand interactions. The more data we share with our devices, the more they can offer us, in connectivity, in access to relevant information, and in our brand experiences. How willing are consumers to share their personal data? As the next section shows, it depends.

What Are Consumers' Concerns about the Privacy of their Data?

According to a Pew Research survey in early 2015, nine out of ten U.S. adults agree that it is important to control what information is collected about

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Table 12.1 How Acceptable Is Data Sharing for Each of the Following Scenarios?

Scenario	*Acceptable (%)*	*It depends (%)*	*Not acceptable (%)*
Sharing health information	52	20	26
Retail loyalty cards	47	20	32
Auto insurance	37	16	45
Free social media	33	15	51
Smart thermostat	27	17	55

them and who can have access to it. About the same proportion of consumers agree that it is important that they not be watched or listened to without their prior permission. Despite a desire for privacy, a majority of consumers surveyed expressed doubts about marketers protecting their data, and few reported feeling much control over what data is collected about them and how it is used. Many consumers report using readily available measures to protect their data, e.g., clearing cookies and browser data, and refusing to provide data not directly relevant to a transaction. More advanced actions, e.g., using proxy servers or encryption, are less common.[9]

Another Pew study investigated consumers' willingness to share information in each of several scenarios. The results? It depends. What are your responses to these scenarios? What is your reasoning for each of your answers? Pew's findings are listed in Table 12.1.[10]

Sharing health information

A new health information website is being used by your doctor's office to help manage patient records. Your participation would allow you to have access to your own health records and make scheduling appointments easier. If you choose to participate, you will be allowing your doctor's office to upload your health records to the website and the doctor promises it is a secure site.[11]

Retail loyalty cards

A grocery store has offered you a free loyalty card that will save you money on your purchases. In exchange, the store will keep track of your shopping habits and sell this data to third parties.[12]

Auto insurance

Your insurance company is offering a discount to you if you agree to place a device in your car that allows monitoring of your driving speed and location. After the company collects data about your driving habits, it may offer you further discounts to reward you for safe driving.[13]

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Smart thermostat

A new technology company has created an inexpensive thermostat sensor for your house that would learn about your temperature zone and movements around the house and potentially save you on your energy bill. It is programmable remotely in return for sharing data about some of the basic activities that take place in your house like when people are there and when they move from room to room.[14]

The author discussed these scenarios with her business students and found from this anecdotal data that students are especially uneasy about sharing their location with a third party. Furthermore, many reported keeping the location trackers on their smartphones turned off. The author's attempts to probe these responses elicited an "It's just creepy!" from the more vocal students.

An article in the *New York Times* reports on a study by the Annenberg School for Communication that shows findings similar to those of the Pew surveys on privacy, i.e., many consumers do not feel that the rewards companies offer them are worth the loss of their privacy, but most feel resigned about their lack of control over who collects their data and how it is used.[15]

Is it enough for a company to be transparent about its collection and use of consumer data? If the legal language of privacy policies is offered up as transparent, the answer is an emphatic "No!" Most consumers have neither the time nor the expertise to make sense of these labyrinthine documents. Organizations that have a culture of transparency and authenticity ensure that their privacy policies are readily understood. Furthermore, these companies do not routinely share consumer data with third parties. An excellent and insightful *Harvard Business Review* article explores these issues in much greater depth.[16]

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https://t.me/PrMaB

Index

Page numbers in **bold** refer to figures, page numbers in *italic* refer to tables.

AAA Driving Costs survey 181
Abercrombie & Fitch 81
Acxiom 22
advergames 144–5
advertising 52, 137, 195–6; children 144; deceptive 5; impossible standards 34; low-involvement products 4; means–end chain analysis, 30–1; research 17; trust levels *116*
Advertising Age Encyclopedia 33–4
Airbnb 187, 192–3, 194–8
airline industry: customer satisfaction 20–1
Ajzen, I. 8
Alaska Airlines 21
Altimeter Group 189–90
Amazon 22, 186
ambient scent 86
American College of Sports Medicine 112–3
American Marketing Association Dictionary 6
American Medical Association 10
American Pet Products Association 152–7, **158**, 159, *159*, *160*
American Society for the Prevention of Cruelty to Animals 164
American Veterinary Medical Association 152–7, **158**
ANA Multicultural Excellence Awards 137–8
Anderson, Monica 204
animal rescue organizations: best practices 169–71
animals: animal rescue organizations best practices 169–71; decision to buy 162; evaluation stage 162–3; exotic pets 173–4; experience stage 164–9; health benefits of 165; impact 173–6; loss and death 166–8; needs 165–6; ownership demographics 160, 161; pet medicines 161; pet owner best practices 171–2; pet ownership 151–7, **158**, *159*, 159–61, *160*; pet ownership consumer journey 161–9, *163*; pet sources *163*; premium services 161; shopping stage 162–2; spay-neuter programs 168–9; spending on 156–7, 160–1; vulnerability 150–76
Annenberg School for Communication 211
Ansari, Aziz 204–6
anterograde amnesia 92, 100
anthropology 7, 9–10, 13
anticipation 82–3
Apple 26, 34, 52, 74–5, 95
Ariely, D. 10
ASD (Autism Spectrum Disorder) 139
aspirational reference groups 112
Atlantic, The 76
attitudes 8
authority 118
Autism Society of Minnesota 139
auto insurance 210
autobiographical memory 92, 97–9

Baby Boomers 19
Baker, Stacey M. 123

https://t.me/PrMaB

Bardhi, Fleura 197–8
Barefoot Running Magazine 36, 37
basic attributes 39
Bath & Body Works 68
behavior measurement 21–4
behavioral economists 10, 13
beliefs 4
belonging 196–8
Berger, Jonah 101–2
Berkeley Media Studies Group 6
Best Buy 139
bias 10, 176; consumption 79–80, **81**
big data 22–3
Born Free USA 173
Botsman, Rachel 182–3, 184
brain, the 91, 92; children 141–2, *143*, 145–6; computational model 8–9
brand advantage 76–7
brand ambassadors 68
brand attributes: and purchase decisions 35–9
brand identity 82
brand names 75
brand recognition 66, 96
brands and branding 7–9, 73; emotional 36–7
Bugaboo strollers 94–5
Bureau of Alcohol, Tobacco, and Firearms 4
Bureau of Labor Statistics 156–7
Burghelea 82
Büttner, Oliver B. 146–7

California Labor commission 193
California Milk Fluid Processors' Board 16–8
Campaign for a Commercial-Free Childhood 20
Captive Wild Animal Protection Coalition (CWAPC) 173
car sharing 181, 186–7
Carey, Benedict 92
Carr, Austin 198
Center for Science in the Public Interest 6
Centers for Disease Control and Prevention 173
child development 141–2, *143*, 145–6
children: advertising 144; allowances 20; best practices 145–8; brain development 141–2, *143*, 145–6; cognitive flexibility 142, *143*; with a disability 133; inhibitory control 141, *143*; logo recognition 76; marketing tactics 144–5; population numbers 142; poverty 142; self-control 146–8; sense of reality 144; vulnerability 141–9; working memory 141, *143*
Chipotle 9
Choi, Kyungho 34
choice 4
Cialdini, Robert 118
Coca-Cola 73
coffee 4
cognitive flexibility: children 142, *143*
cognitive processes: goal-oriented 7
cognitive psychology 8–9, 12, 92
collaborative consumption 181–200; advantages 183, 188–9; best practice 189; best practices 199–200; collaborative lifestyles 184; consumer journey 185–9; definition 182–3; drivers 189–91, **190**; Internet-based technology 183; market relationship phases 189–90; nonproduct assets 184; obstacles 191; product-service systems 183; redistribution markets 183–4, 184; underused assets 181–2, 188; value creation 199; *see also* sharing economy
collaborativeconsumption.com 199
collectivism 107
color: perceptual cues 101–2
consensus 119
consideration set 47
considered purchase pathway 104; decision to buy or change 50–4; evaluation stage 54–9, *56*, *58*; experience 61–4; open to possibility 49–50; opportunities 63–4; purchase decision journey **48**; shopping 59–61
consistency 119
consumer behavior: benefits of studying 3–6; definition 6–7; disciplines informing the study of 7–13; range 7
Consumer Decision Funnel 46–8, **47**
consumer loyalty 47
consumer perceptions 6
Consumer Product Safety Commission 4

https://t.me/PrMaB

consumer protection 4–5
consumer responses 17–8
consumer satisfaction 57
Consumer Technology Association 207
Consumer Union 6
ConsumerLab.com 130
consumers: knowledge 35; need for touch (NFT) 87; purchase decision journey 44–69; sharing economy and 190–1; young 20
consumers with disabilities 130–9; access 138–9; best practices for marketing to 137–9; Convention on the Rights of Persons with Disabilities (CRPD) 134–5; demographics 133, 135, *136*; discrimination 131–2; exclusion 131; inclusion 137–8; income 133, 135, *136*; lack of autonomy 132; and product development 139; visibility 133, 135
Consumersearch 35
consumption bias 79–80, **81**
consumption preferences 55
contagion 87
context-driven technology 206–9
convenience 4
Convention on International Trade of Endangered Species of Wild Fauna and Flora (CITES) 173
Convention on the Rights of Persons with Disabilities (CRPD) 134–5
core values 52
Coupland, Jennifer Chang 25
coupons 68
credence attributes 37–8
culture: definition 106–7; dimensions 107–9; influence 106–9; national 109
curly fry conundrum, the 9
customer satisfaction 38–9; surveys 20–1

data brokers 22–3
data sharing 209–11, **210**
dating 204–6
decision making 4, 13; *see also* purchase decisions
declarative memory 92
Deloitte 68
demographic research methods 19–20
desired end-states 32–3
Dey, Anind K. 206
diabetics 5
Dieline Awards 77
Dillman, DOn 153–4
direct observation 23
disability-related practices: and profitability 135, 137
discrimination 131–2
disintermediation 190
Disney 208–9
dissociative reference groups 112
Dornbusch, Jane 78
Downing; Jim 151–7
driving costs 181
Dublino, Jennifer 85–6
Duracell 137
Duranton, Giles 191

Eagleman, David 99, 100–1
eBay 186
Eckhardt, G. M. 197–8
economics 7, 8, 10, 12
Economist, The 186
Ellison, Sarah 66
emotional branding 36–7
emotional motives 117
emotional tags 35
Endangered Species Act 173
enjoyment 57
environmental cues 101–3
Environmental Working Group 130
Envirosell 23
eSSENTIAL Accessibility 138–9
Estep, Daniel Q. 165
ethnography 25–6
European directives 5
excitement 52
excitement attributes 39
exclusion 131
exotic pets 173–4
expectations 67–8
experience: pet ownership 164–5; post-purchase 61–4; sharing 68–9
experience attributes 37–8
experiencing self, the 98–9
explicit memory 100

Facebook 22
familiarization 47

https://t.me/PrMaB

fascinators 10–3
Faunalytics 165–6
Federal Trade Commission 22
Federal Trade Commission (FTC) 4, 5
feedback 57
femininity 107
Ferrante, Anna 152–3
Fifth Quadrant Analytics 135, 137
first impressions 66
First Moment of Truth (FMOT) 66–7
Fishbein, M. 8
Fitzsimons, Gráinne 101–2
Flint water crisis 142
Flynn, Dan 124–39
focus groups 24–5
Food and Drug Administration (FDA) 4, 5
Found Animals 152, 157
frustration 18, 61–3
functional motives 117
future selves: contracts with 104

General Product Safety Directive 5
geodemographic market segmentation 9
George Mason University 185
Gerber Baby Formula 5
Germany 194
Gilbert, Avery 85
Gilbreath, Aimee 152, 157
goals 36, 52, 104
Golbeck, J. 9
Goodby Silverstein 16–8, 25
Google 66
Google Analytics 22
Google Docs 188
"Got Milk?" marketing campaign 16–8
government agencies 4–5
Granskog, Sharon 153, 154
Great Recession, the 4
Green Mountain Coffee 4
Groopman, Jessica 208

habitual purchase pathway **64**, 64–5, 76
Halitosis 33–4
haptic sense 86–7
Harris Interactive 20
Harvard Business Review 184, 197, 211
Health and Fitness Journal 112–3
health fitness industry 112–4
health information: sharing 210
health related behaviors 88
Hello Pandora 187
Hennig-Thurau, Thorsten 115
Hershey 77
Hetts, Suzanne 165
hippocampus, the 92
Hodson, Gordon 176
Hofstede, Geert 107
homophily 9
Humane Society of the United States 155, 160, 167–8

identity: brand 82
implicit memory 100
incidental exposure 74–5
in-depth interviews 25, 27–8; laddering 31–2
individualism 107
indulgence 107
inferences **79**, **80**
influences: purchase decisions **62**
information: consumer access 47; product tracking 49–50; sources 68, *69*
information sources: consumers 35
inhibitory control: children 141, *143*
instrumental values 32
Intel 84
Interbrand: brand valuation study 73, 75, 84
Internet 183, 184, 185–6, 190–1, 204
Internet of Things 208
interviews: flexibility 27; in-depth 25, 27–8, 31–2; laddering 31–2; questions 27
involvement: dimensions 40, 41–2; measurement 40–1; probability of error 41; products 39–42
iTunes 22

J. D. Power survey 20–1
JetBlue 21
Jhaveri, Aditi 5
Jobs, Steve 34

Kahneman, Daniel 98
Kapferer, Jean-Noel 40–2
Kelly, Thomas 67
Kentucky Fried Chicken 75
Keurig K-cups 4

https://t.me/PrMaB

KFC 75
Kickstarter 187
Kim, Sujin 34
Kit Kat 31
Kline, Daniel B. 109
Klinenberg, Eric 204–6
knowledge: consumers 35
Kowalski, Rick 206–7

labelling 5
laddering 31–2
Lambert, Jordan Wheat 33–4
Lau, Edie 151
Laurent, Gilles 40–2
lifestyle research 19–20
likeability 118
List of Values (LOV) 32–3
Lister, Joseph 33–4
Listerine 33–4
logos 74–6, 96, 195
logoscents 85–6
long term memory 92
long term orientation 107
Los Angeles 157
low involvement purchases 4, 42
loyalty: consumer 47
loyalty cards 210

McDonald's 73, 84
MacInnis, Cara C. 176
market research 137
marketing communications 5
masculinity 107
Massive Open Online Courses (MOOCS) 188
means–end chains 30–2, 50–2
media choices 22
memory 35, 91–9; aids to 96; autobiographical 92, 97–9; children 141, *143*; declarative 92; explicit 99–103; implicit 99–103; interconnections 94; long term 92; procedural 92, 99; semantic 92, 93–7; short term 92; types 92; working 92, 141, *143*
mere exposure effect 100–1
message targeting 22
Mini Cooper 26
Mintel 142
moments of truth **65**, 65; First Moment of Truth (FMOT) 66–7; Second Moment of Truth (SMOT) 67–8; Ultimate Moment of Truth (UMOT) 68–9, *69*; Zero Moment of Truth (ZMOT) 66, 204
money: value for 7
motivation: emotional 117; functional 117; social 116–7; word of mouth 116–7
mouthwash 33–4
music 81–2, 86, 88

National Consumer Panel 21
need for touch (NFT) consumers 87
needs: animals 165–6; awareness of 46; creation of 33–4; hierarchy of 32–3
Nelson, Emily 66
netnography 26
network analysis 9
neuroscience 7
new product categories 95
New York Times 211
Nickelodeon 144–5
Nielsen 20
Nike+ 26
nonproduct assets: collaborative consumption 184
Nutella 10, 26

Ogilvy, David 83
Old Spice 77; "The Man Your Man Could Smell Like" campaign 4
olfaction 85–6
online purchases 60–1
online word of mouth (eWOM) 115–6
open to possibility 49–50
Ott, Jackie 39

packaging 25; distinctive 77; logos 74–6; misleading 77–8; norms 76; and purchase decisions 76–7; recognition 66; and sound 82–3
parents: attitudes 20
People for the Ethical Treatment of Animals (PETA) 168–9
Pepperidge Farm 77
perceptions 4
perceptual cues 101–3

https://t.me/PrMaB

performance attributes 39
persuasion 117–9
pet medicines 160–1
pet ownership 151–7, **158**, *159*, 159–61, *160*; consumer journey 161–9, *163*
pets: *see* animals
Pew Research Center 153–4
Pierantozzi, Chris 170–1
Pixie Project 169–70
pley.com 188
portion sizes 80, **81**
Portland, University of 111–2
positive contagion 87
power distance index 107
Price Waterhouse Coopers 191, 194
prices and pricing 35–6
priming 101–3
Pringles 76, 78
privacy: and technology 209–11, **210**
procedural memory 92, 99
Procter & Gamble 66, 77
product information 47
product tracking behaviors 49–50
products 29–42; appearance **78**, 78–80, **79**, **80**, **81**; basic attributes 39; benefits 30; choice 30–4; customer satisfaction 38–9; evaluation 37–8, 54–9, *56*, *58*; excitement attributes 39; involvement 39–42; new categories 95; performance attributes 39; purchase decisions 35–9; purchase reasons 29; sound 83–4; touch 86–7; unsafe 124–30
profitability: and disability-related practices 135, 137
Progressive Grocer 161
promotional characters 144
psychology 7, 7–9, 12
Public Health Advocacy Institute 147–8
Puma 102–3
purchase decision journey 44–69; awareness of 46; awareness of need 46; consideration set 47; considered pathway **48**, 48–64, *56*, *58*, **62**, 104; consumer decision funnel 46–8, **47**; consumption preferences 55; decision to buy or change 49–50, 162; differing 44–6; evaluation stage 54–9, 162–3; excitement 52; experience 61–4, 164–9; familiarization 47; habitual pathway **64**, 64–5; mapping 48, **48**, 48–65, *56*, *58*, **62**, **64**; moments of truth **65**, 65–9, *69*; open to possibility 49–50; pet ownership 161–9, *163*; shopping 59–61, 162–2; touchpoints 48
purchase decisions: brand attributes 35–9; customer satisfaction 38–9; funnel 46–8, **47**; goals 36; influences **62**; information sources 35; low involvement 42; and packaging 76–7; perceptual cues 101–3; prices and pricing 35–6; product involvement 39–42
purchase reasons: products 29
purchase tracking 21–2
purchase triggers 6, 50

qualitative research 26–8; ethnography 25–6; focus groups 24–5; in-depth interviews 25, 27–8; netnography 26; sample sizes 26
quality claims 52
quantitative research 18–9, 26–8; behavior measurement 21–4; demographics 19–20; self-reporting 20–1; statistical analysis 23–4
questions 27

Ranchordas, Sofia 194
rational analysis 4
reciprocity 118–9
recommendations 68
Recursive Neural Tensor Network: Stanford University 207–8
reenerChoices.org 6
reference groups 110–4, **111**
referent others 112
regulation 130, 192, 193–4
remembering self, the 98–9
research: product evaluation 54–9, *56*, *58*
research methods 16–28, 153–4; behavior measurement 21–4; choice 26–8; data analysis 20; demographics 19–20; direct observation 23; ethnography 25–6; focus groups 24–5; in-depth interviews 25, 27–8; lifestyle research 19–20; netnography

https://t.me/PrMaB

26; purchase tracking 21–2; qualitative 24–6, 26–8; quantitative 18–24, 26–8; sample sizes 26; self-reporting 20–1; statistical analysis 23–4; surveys 20–1
restaurants 82
restraint 107
retail settings: music 81–2
retailers 59
rewards 104, 208, 210
Richards, Chris 82
risk: sharing economy 192–4
Rite of Spring (Stravinsky) 67–8
Rogers, Roo 184
Rokeach, Milton: *The Nature of Human Values* 32, 33
Rosen, E. 7
Rowan, Andrew 155–6
running community: minimalist movement 36, 37

Saatchi & Saatchi 137
Samuels, Debra 110–1
scarcity 119
scent 85–6
schema 93
search attributes 37–8
Second Moment of Truth (SMOT) 67–8
self-control 80, 146–8
self-esteem 34
semantic memory 92, 93; interconnections 94; malleability 94–5; organization 93–4; scripts 96–7; searchability 95–6
sensory marketing 66, 73–89; music and sound 81–4, 86; scent 85–6; subliminal 74; taste 87–8; touch 86–7; vision 74–80, **78**, **79**, **80**, **81**, 84, 88
shared resources 188
sharing economy: access 191; advantages 185, 188–9; and belonging 196–8; best practice 189; best practices 199–200; challenges 192–4; and choice 198; consumer journey 185–9; consumer risk 192; consumers and 190–1; definition 182–3, 186; drivers 189–91, **190**; growth experience 194–8; Internet-based technology 183; market relationship phases 189–90; product-service systems 183, 184; regulation 192, 193–4; roadblocks 184–5; sharers risk 192–3; trust 194, 199; value 194; value creation 185; workers risk 193; *see also* collaborative consumption
Shavitt, Sharon 106
Shirky, Clay 191
shopping 59–61
short term memory 92
short term normative orientation 107
Silicon Valley Humane Society 30
Simonson, I. 7
slogans 84
smart thermostats 211
smartphones 203–4, 206–7
Snickers 31
social influence: principles of 118–9
social media 4, 22
social motives 116–7
social networking 204
social psychology 8, 12
socialization 32
sociology 7, 9, 13
Solis, Brian 66
sonic branding 84
sound: and packaging 82–3; product 83–4; and scent 86; sonic branding 84; and vision 84
Southwest Airlines 21
Spotify 187
standards: impossible 34
Stanford University: Recursive Neural Tensor Network 207–8
Starbucks 4, 75
statistical analysis 23–4
stores 59
Stravinsky, Igor: *Rite of Spring* 67–8
subliminal perception 74
Sunchips 82
Sunstein, C. R. 10
supermarkets 82
surveys 20
sustainability 77

target market 22
target market characteristics 82
taste 87–8

https://t.me/PrMaB

technology: access 203–4; advantages 204–6; anonymity 205; anticipatory context-awareness 207; context-driven 206–9; and dating 204–6; digital devices 203–4; expectation raising 205–6; facilitation 208–9; impacts of 203–11; information and decision making 208; innovation 209; and privacy 209–11, **210**; rewards 208; service 209; use 203
terminal values 32–3
Tesla 209
Thaler, R. 10
thrift culture 186
Tide Pods 77
Tinder 205
tip of the tongue phenomenon 95
touch 86–7
touchpoints 48
transition zones 23
trust 36–7, 60, 194, 199
Turo 181, 187
Twitter 22

Uber 181, 189, 193, 194, 197, 198
Ultimate Moment of Truth (UMOT) 68–9, *69*
Ulysses 103–4
Ulysses Contract 104
uncertainty avoidance index 107
unconscious, the 99–103
Underhill, Paco 9, 23
underused assets 181–2, 188
unfair treatment: risk 124, 124–30
United Nations: Convention on the Rights of Persons with Disabilities (CRPD) 134–5
Universal Product Code scanners 21–2
unpackaging 25
unsafe products 124–30
U.S. Census 19
utility maximization 8

values 32–3, 52
veganism 176
vegetarianism 176
vision 74–80, **78**, **79**, **80**, **81**, 84, 88
visual cues **78**, 78–80, **79**, **80**, **81**, 88
vulnerability 123–39; animals 150–76; children 141–9; conditions for 123–30, 131; consumers with disabilities 130–9; definition 123–4; discrimination 131–2; exclusion 131; lack of autonomy 132; watchdogs 130

websites 138–9
weight reduction programs 80
Westbrook, Robert A. 115
Wharton School 191
Wieden+Kennedy 4
word of mouth 35, 50, 52, 114; definition 115; motivation 116–7; online 115–6; trust in 115
working memory 92; children 141, *143*
World Health Organization 132
Worldwide Developers Conference, 1997 34

Yoplait 77
young consumers 20

Zero Moment of Truth (ZMOT) 66, 204
Zilok 184–5
Zipcar 181, 182, 186–7

https://t.me/PrMaB