**Class Note (Session 11 -20)**

**Attitude**

Attitude is a mental state involving beliefs, feelings and values and disposition to act in a certain way. In other words, attitudes refer to the favourable feelings one might have about a person, thing, or event. Attitudes are normally formed as a combination of several interrelated beliefs. They are thus, the psychological views that people develop about everything they know and come across or learn in their lives. Attitudes are formed based on experience, education, upbringing and the environment that surrounds us. How we choose to think, act and respond to everything in life is determined by our individual attitude. Therefore, it is extremely important for marketers to understand the attitudes of customers towards their products and services.

Three things that marketers must remember: A) Attitude is a learned predisposition b) it is consistence till some change happens c) occurs within a situation.

**Functional Theory of Attitudes**

The functions that attitudes perform are A) Utilitarian B) Value Expressive C) Ego Defensive D) Knowledge function

**The Utilitarian Function**

We hold certain brand attitudes partly because of a brand’s utility. When a product has been useful or helped us in the past, our attitude toward it tends to be favourable.

Example of Utilitarian function: ‘The taste that gets you started up’ of Nescafe. That has been captured in the jingle “Jagao, Jagao, Nescafe Pilao”

**The Ego-Defensive Function**

The ego-defensive function offers reassurance to the consumer’s self-concept. Advertisements related to skincare products, mouthwashes, deodorants, etc come under this category.

**The Value-Expressive Function:**  Attitudes are an expression or reflection of the consumer’s general values, lifestyle, and outlook. By knowing target consumers’ attitudes, marketers can better anticipate their values, lifestyle, or outlook and can reflect these characteristics in their advertising and direct-marketing efforts.

**The Knowledge Function**

Individuals generally have a strong need to know and understand the people and things they encounter. The consumer’s “need to know,” a cognitive need, is important to marketers concerned with product positioning. Many product and brand positioning are attempts to satisfy the need to know and to improve the consumer’s attitudes toward the brand by emphasizing its advantages over competitive brands

**Attitude Models**

In order to study the relationship between the attitudes of individuals and their behaviour, various models have been developed. Some of these models are described below

**Tri-component Model**: This model helps us understand how attitudes are the result of the interrelationship between a person’s knowledge, his or her feelings and finally the intensions of the people. Attitudes have been found to have three components namely cognitive, affective and behavioural component, I,e conative.

**Cognitive component**: It is all about knowing. The cognitive component of an attitude consists of the beliefs, knowledge and information held by a person regarding a product or services. The knowledge comprises the awareness about the existence of an object, belief about the different characteristics, the features about the product and also the relative importance he/she places on each of the characteristics. When Head & Shoulder claims that it is an anti- dandruff shampoo, it is the cognitive component, the brand is focussing on.

**Affective Component:** An individual’s emotions or feelings toward an object can be termed as an affective component. Such emotions as anger, happiness, shame, distress, guilt, etc lead the individual to develop a positive or negative attitude about an attitude object.

Clinic Plus has strong associations with the affective attributes like brand for my family, can trust the brand for my hair, makes me look beautiful, etc.

**Conative Component**: The likelihood or tendency that an individual will undertake a specific action or behave in a particular way with regard to the attitude object is called conative component. The conative component comprises the future actions and intentions of a person.

**Multi- Attribute Attitude Models**

Multi-attribute attitude models portray consumers’ attitudes with regard to an attitude object as a function of consumers’ perception and assessment of the key attributes or beliefs held with regard to the particular attitude object.

There are many variations of the attitude model, three to consider are: attitude-toward-object model, attitude-toward-behaviour model, and the theory-of-reasoned-action model.

**The attitude-toward-object model:** According to the attitude-toward-object model, the consumer’s attitude toward a product or specific brands of a product is a function of the presence (or absence) and evaluation of certain product-specific beliefs and/or attributes.

**The Attitude-Toward-Behavior Model:** The attitude-toward-behaviour model is designed to capture the individual’s attitude toward behaving or acting with respect to an object, rather than the attitude toward the object itself.

**Theory-of-Reasoned-Action Model:** Like the basic tri-component attitude model, the theory-of-reasoned-action model incorporates a cognitive component, an affective component, and a conative component; however, these are arranged in a pattern different from that of the tri-component model.  To understand intention, we also need to measure the subjective norms that influence an individual’s intention to act. A subjective norm can be measured directly by assessing a consumer’s feelings as to what relevant others (family, friends, roommates, co-workers) would think of the action being contemplated

**ATTITUDE-TOWARD-THE-AD MODELS:** As the attitude-toward-the-ad model depicts, the consumer forms various feelings (affects) and judgments (cognitions) as the result of exposure to an ad.  These feelings and judgments in turn affect the consumer’s attitude toward the ad and beliefs about the brand acquired from exposure to the ad.  Finally, the consumer’s attitude toward the ad and beliefs about the brand influence his or her attitude toward the brand. Consumer socialization has also shown itself to be an important determinant of a consumer’s attitudes toward advertising.

**HOW ATTITUDES ARE LEARNED**

When we speak of the formation of an attitude, we refer to the shift from having no attitude toward a given object to having some attitude toward it. Consumers often purchase new products that are associated with a favourably viewed brand name. Their favourable attitude toward the brand name is frequently the result of repeated satisfaction with other products produced by the same company.

**STRATEGIES OF ATTITUDE CHANGE**

Attitude changes are learned; they are influenced by personal experience and other sources of information, and personality affects both the receptivity and the speed with which attitudes are likely to be altered. Altering attitudes is a key strategy for marketers, especially when taking aim at market leaders. Marketers have several attitude-change strategies from which to choose: a) Changing the consumer’s basic motivational function b) Associating the product with an admired group or event c) Resolving two conflicting attitudes d) Altering components of the multi-attribute model e) Changing consumer beliefs about competitors’ brands

**ELABORATION LIKELIHOOD MODEL (ELM)**

The elaboration likelihood model (ELM) involves a more global view that two different persuasive routes change attitudes. The central route is particularly relevant to attitude change when a consumer’s motivation or ability to assess the attitude object is high; that is, attitude change occurs because the consumer actively seeks out information relevant to the attitude object itself. i) When consumers are willing to exert the effort to comprehend, learn, or evaluate the available information about the attitude object, learning and attitude change occur via the central route.

In contrast, when a consumer’s motivation or assessment skills are low (e.g., low-involvement), learning and attitude change tend to occur via the peripheral route without the consumer focusing on information relevant to the attitude object itself. i) In such cases, attitude change often is an outcome of secondary inducements (e.g., cents-off coupons, free samples, beautiful background scenery, great package, or the encouragement of a celebrity endorsement).

**COGNITIVE DISSONANCE THEORY**

According to cognitive dissonance theory, discomfort or dissonance occurs when a consumer holds conflicting thoughts about a belief or an attitude object. Post purchase dissonance occurs after the purchase. Purchase decisions often require compromise. Post purchase dissonance is quite normal.

Dissonance gives consumers an uneasy feeling about their prior beliefs or actions – a feeling that they seek to resolve by changing their attitudes to conform to their behaviour.

Marketers can help reduce post purchase uncertainty by aiming specific messages at reinforcing consumer decisions by complimenting their wisdom, offering stronger guarantees or warranties, increasing the number and effectiveness of its services, or providing detailed brochures on how to use its products correctly.

**CONSUMER LEARNING**

Consumer learning is the process by which individuals acquire the purchase and consumption knowledge and experience they apply to future related Behavior. Although some learning is intentional; much learning is incidental. Basic elements that contribute to an understanding of learning are motivation (drives), cues, response, and reinforcement.

There are two schools of thought as to how individuals learn—behavioural theories and cognitive theories. Both contribute to an understanding of consumer behaviour. Behavioural theorists view learning as observable responses to stimuli; whereas cognitive theorists believe that learning is a function of mental processing.

**Three types of behavioural learning theories are**: classical conditioning, instrumental conditioning, and observational (vicarious) learning. The principles of classical conditioning that provide theoretical underpinnings for many marketing applications include: repetition, stimulus generalization, and stimulus discrimination. Neo-Pavlovian theories view traditional classical conditioning as cognitive associative learning rather than as reflexive action.

Instrumental learning theorists believe that learning occurs through a trial-and-error process in which positive outcomes (i.e., rewards) result in repeat behaviour. Both positive and negative reinforcement can be used to encourage the desired behaviour. Reinforcement schedules can be total (consistent) or partial (fixed ratio or random). The timing of repetitions influences how long the learned material is retained. Massed repetitions produce more initial learning than distributed repetitions; however, learning usually persists longer with distributed (i.e., spread out) reinforcement schedules.

Cognitive learning theory holds that the kind of learning most characteristic of humans is problem solving. Cognitive theorists are concerned with how information is processed by the human mind: how is it stored, retained, and retrieved. A simple model of the structure and operation of memory suggests the existence of three separate storage units: the sensory store, short-term store (or working memory), and long-term store. The processes of memory include rehearsal, encoding, storage, and retrieval.

Cues: If motives serve to stimulate learning, cues are the stimuli that give direction to the motives. In the marketplace, price, styling, packaging, advertising, and store displays all serve as cues to help consumers fulfil their needs in product-specific ways. Cues serve to direct consumer drives when they are consistent with their expectations.

Response: How individuals react to a cue—how they behave—constitutes their response.

Reinforcement: Reinforcement increases the likelihood that a specific response will occur in the future as the result of particular cues or stimuli. If a consumer is rewarded, that consumer has learnt to associate the purchase with a pleasant feeling and is likely to repeat the learnt behaviour and become a loyal customer.

**BEHAVIORAL LEARNING THEORIES**

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

Two theories relevant to marketing are classical conditioning and instrumental (or operant) conditioning

**Classical Conditioning**: Ivan Pavlov was the first to describe conditioning and to propose it as a general model of how learning occurs. For Pavlov, conditioned learning results when a stimulus that is paired with another stimulus elicits a known response and serves to produce the same response when used alone. He used dogs to demonstrate his theories. The dogs were hungry and highly motivated to eat. Pavlov sounded a bell and then immediately applied a meat paste to the dogs’ tongues, which caused them to salivate. After a sufficient number of repetitions of the bell sound, followed almost immediately by the food, the bell alone caused the dogs to salivate. In a consumer behaviour context, an unconditioned stimulus might consist of a well-known brand symbol. A previously acquired consumer perception of a brand is the unconditioned response. Conditioned stimuli might consist of new products under an existing brand name. The conditioned response would be consumers trying these products because of the belief that they embody the same attributes with which the brand name is associated. Recent conditioning theory views classical conditioning as the learning of associations among events that allow the organism to anticipate and “represent” its environment. The relationship (i.e., contiguity) between the conditioned stimulus and the unconditioned stimulus (the bell and the meat paste) influenced the dogs’ expectations, which in turn influenced their behaviour (salivation). Classical conditioning is seen as cognitive associative learning, not the acquisition of new reflexes, but the acquisition of new knowledge about the world.

Optimal conditioning—that is, the creation of a strong association between the conditioned stimulus (CS) and the unconditioned stimulus (US)—requires forward conditioning; that is, the CS should precede the US, repeated pairings of the CS and the US, a CS and US that logically belong together, a CS that is novel and unfamiliar, and a US that is biologically or symbolically salient. This model is known as neo-Pavlovian conditioning. Under neo-Pavlovian conditioning, the consumer can be viewed as an information seeker who uses logical and perceptual relations among events, along with his or her own preconceptions, to form a sophisticated representation of the world.

**Strategic Applications of Classical Conditioning:** Three basic concepts derive from classical conditioning: repetition, stimulus generalization, and stimulus discrimination.  Repetition works by increasing the strength of the association between a conditioned stimulus and an unconditioned stimulus and slows the process of forgetting. After a certain number of repetitions, attention and retention declines. This effect is known as advertising wear out and can be decreased by varying the advertising messages. Wear out may be avoided by varying the message through cosmetic variation or substantive variation. Some disagree about how much repetition is needed. a) The three-hit theory states that the optimum number of exposures to an ad is three. i) One to make the consumer aware of the product. ii) A second to show consumers the relevance of the product. iii) A third to remind them of its benefits. iv) Others think it may take 11 to 12 repetitions to achieve the three objectives.The effectiveness of repetition is somewhat dependent upon the amount of competitive advertising to which the consumer is exposed. a) As exposure increases, the potential for interference increases.

According to classical conditioning theorists, learning depends not only on repetition, but also on the ability of individuals to generalize. Making the same response to slightly different stimuli is called stimulus generalization. Stimulus generation explains why imitative “me too” products succeed in the marketplace: consumers confuse them with the original product they have seen advertised. It also explains why manufacturers of private label brands try to make their packaging closely resemble the national brand leaders. The principle of stimulus generalization is applied by marketers to product line, form, and category extensions. In product line extensions, the marketer adds related products to an already established brand, knowing that the new product is more likely to be adopted when it is associated with a known and trusted brand name. Marketers offer product form extensions that include different sizes, different colours, and even different flavours. Product category extensions generally target new market segments. The success of this strategy depends on a number of factors. For example, if the image of the parent brand is one of quality, consumers are more likely to bring positive associations to the new category extensions.

Family branding—the practice of marketing a whole line of company products under the same brand name—is another strategy that capitalizes on the consumer’s ability to generalize favourable brand associations from one product to the next. Retail private branding often achieves the same effect as family branding. For example, Wal-Mart used to advertise that its stores carried only “brands you trust.” Now, the name Wal-Mart itself has become a “brand” that consumers have confidence in, and the name confers brand value on Wal-Mart’s store brands.

Licensing—allowing a well-known brand name to be affixed to products of another manufacturer—is

Stimulus discrimination is the opposite of stimulus generalization and results in the selection of specific stimulus from among similar stimuli. The consumer’s ability to discriminate among similar stimuli is the basis of positioning strategy, which seeks to establish a unique image for a brand in the consumer’s mind. The key to stimulus discrimination is effective positioning, a major competitive advantage. The image, or position, that a product or service has in the mind of the consumer is critical to its success. Unlike the imitator who hopes consumers will generalize their perceptions and attribute special characteristics of the market leader’s products to their own products, market leaders want the consumer to discriminate among similar stimuli

**INSTRUMENTAL CONDITIONING**

Like classical conditioning, instrumental conditioning requires a link between a stimulus and a response. However, in instrumental conditioning, the stimulus that results in the most satisfactory response is the one that is learned. Instrumental learning theorists believe that learning occurs through a trial-and-error process, with habits formed as a result of rewards received for certain responses or behaviours. According to American psychologist B. F. Skinner, most individual learning occurs in a controlled environment in which individuals are “rewarded” for choosing an appropriate behaviour. In consumer behaviour terms, instrumental conditioning suggests that consumers learn by means of a trial-and-error process in which some purchase behaviours result in more favourable outcomes (i.e., rewards) than other purchase behaviours. A favourable experience is instrumental in teaching the individual to repeat a specific behaviour. In a marketing context, the consumer who tries several brands and styles of jeans before finding a style that fits her figure (positive reinforcement) has engaged in instrumental learning. Reinforcement of Behavior:Skinner distinguished two types of reinforcement (or reward) influence, which provided that the likelihood for a response would be repeated. The first type, positive reinforcement, consists of events that strengthen the likelihood of a specific response. Negative reinforcement is an unpleasant or negative outcome that also serves to encourage a specific behaviour. Fear appeals in ad messages are examples of negative reinforcement. Either positive or negative reinforcement can be used to elicit a desired response. Negative reinforcement should not be confused with punishment, which is designed to discourage behaviour. Extinction and forgetting—when a learned response is no longer reinforced, it diminishes to the point of extinction; that is, to the point at which the link between the stimulus and the expected reward is eliminated. Forgetting is often related to the passage of time; this is known as the process of decay. Marketers can overcome forgetting through repetition and can combat extinction through the deliberate enhancement of consumer satisfaction.

**Strategic Applications of Instrumental Conditioning**

Marketers effectively utilize the concepts of consumer instrumental learning when they provide positive reinforcement by assuring customer satisfaction with the product, the service, and the total buying experience. The objective of all marketing efforts should be to maximize customer satisfaction. Some hotels provide reinforcement to guests in the form of small amenities.

Companies that create personal connections with customers, and offer diverse product lines and competitive prices, are the ones providing the best reinforcement, resulting in satisfaction and repeat patronage. Most frequent shopper programs are based on enhancing positive reinforcement and encouraging continued patronage. Relationship marketing—developing a close personalized relationship with customers—is another form of non-product reinforcement.

Reinforcement schedules—marketers have found that product quality must be consistently high and provide customer satisfaction with each use for desired consumer behavior to continue.

Marketers have identified three types of reinforcement schedules: total (or continuous) reinforcement, systematic (fixed ratio) reinforcement, and random (variable ratio) reinforcement.

Shaping—the reinforcement of behaviours that must be performed by consumers before the desired Behavior can be performed is called shaping. Shaping increases the probabilities that certain desired consumer behaviour will occur

**Modelling or Observational Learning**

Learning theorists have noted that a considerable amount of learning takes place in the absence of direct reinforcement, either positive or negative, through a process psychologist’s call modelling or observational learning (also called vicarious learning). They observe how others behave in response to certain situations (stimuli), the ensuing results (reinforcement) that occur, and they imitate (model) the positively-reinforced behaviour when faced with similar situations.

**INFORMATION PROCESSING AND COGNITIVE LEARNING THEORY**

Not all learning is the result of repeated trials. Learning also takes place as the result of consumer thinking and problem solving. Cognitive learning is based on mental activity. Cognitive learning theory holds that the kind of learning most characteristic of human beings is problem solving, and it gives some control over their environment

Information Processing: The human mind processes the information it receives as input much as a computer does. Consumers process product information by attributes, brands, comparisons between brands, or a combination of these factors. Consumers with higher cognitive ability generally acquire more product information and consider more product attributes and alternatives that consumer with lesser abilities. The more experience a consumer has with a product category, the greater his or her ability to make use of product information.

**How Consumers Store, Retain, and Retrieve Information**

The structure of memory: because information processing occurs in stages, it is believed that content is stored in the memory in separate storehouses for further processing; a sensory store, a short-term store, and a long-term store.

Sensory store—all data comes to us through our senses; however, our senses do not transmit information as whole images. The separate pieces of information are synchronized as a single image.

This sensory store holds the image of a sensory input for just a second or two.

Short-term store—if the data survives the sensory store, it is moved to the short-term store. This is our working memory. If rehearsal takes place, then the data is transferred to the long-term store. If data is not rehearsed and transferred, it is lost in a few seconds. Long-term store—once data is transferred to the long-term store it can last for days, weeks, or even years. Rehearsal and encoding—the amount of information available for delivery from the short-term store to the long-term store depends on the amount of rehearsal an individual give to it. Encoding is the process by which we select and assign a word or visual image to represent a perceived object. Information overload takes place when the consumer is presented with too much information. The result of overload is frustration and confusion, resulting in poor purchase decisions.

Retention—information is constantly organized and reorganized as new links between chunks of information are forged. In fact, many information-processing theorists view the long-term store as a network consisting of nodes (i.e., concepts) with links among them. As individuals gain more knowledge, they expand their network of relationships, and sometimes their search for additional information. This process is known as activation, which involves relating new data to old data to make the material more meaningful. The total package of associations brought to mind when a cue is activated is called a schema. One study demonstrated that brand imprinting—messages that merely establish the brand’s identity—conducted before the presentation of the brand’s benefits facilitates consumer learning and retention of information about the brand. Studies also showed that a brand’s sound symbolism and the brand’s linguistic characteristics impacted the encoding and retention of the brand name. Consumers recode what they have already encoded to include larger amounts of information (chunking). The degree of prior knowledge is an important consideration.

Knowledgeable consumers can take in more complex chunks of information than those who are less knowledgeable in the product category. Information is stored in long-term memory in two ways: episodically (i.e., by the order in which it is acquired) and semantically (according to significant concepts). Many learning theorists believe that memories stored semantically are organized into frameworks by which we integrate new data with previous experience.

Retrieval is the process by which we recover information from long-term storage. Retrieval is most often triggered by situational cues. Research findings suggest that incongruent (e.g. unexpected) elements pierce consumers’ perceptual screens and improve the retention of an ad when these elements are relevant to the advertising message. Interference effects are caused by confusion with competing ads and result in a failure to retrieve. Advertisements can act as retrieval cues for a competitive brand.

**Involvement Theory**

Involvement theory is focused on the degree of personal relevance that the product or purchase hold for that consumer. High-involvement purchases are those that are very important to the consumer and thus provoke extensive problem solving and information processing. Low-involvement purchases are purchases that are not very important to the consumer, hold little relevance, and have little perceived risk, and thus, provoke very limited information processing. Highly involved consumers find fewer brands acceptable (they are called narrow categorizers). Uninvolved consumers are likely to be receptive to a greater number of advertising messages regarding the purchase and will consider more brands (they are broad categorizers).

**MARKETING APPLICATIONS OF INVOLVEMENT**

A marketer aspires to have consumers who are involved with the purchase also view its brand as unique. Many studies showed that high purchase involvement coupled with perceived brand differences lead to a high favourable attitude toward the brand, which in turn leads to less variety seeking and brand switching and to strong brand loyalty. Therefore, many studies have focused on the factors that increase involvement. Online, many

**HEMISPHERAL LATERALIZATION AND PASSIVE LEARNING**

Hemispheral lateralization or split-brain theory originated in the 1960’s and became popular in the 1980s. The premise is that the right and left hemispheres of the brain specialize in the kinds of information they process. The left hemisphere is the centre of human language; it is the linear side of the brain and primarily responsible for reading, speaking, and attributional information processing. The right hemisphere of the brain is the home of spatial perception and nonverbal concepts; it is nonlinear and the source of imagination and pleasure. The left side of the brain is rational, active, and realistic. The right side is emotional, metaphoric, impulsive, and intuitive.

**Passive Learning and Media Strategy:**  Individuals passively process and store right-brain information. Because it is largely pictorial, TV viewing is considered a right hemisphere activity.

Passive learning is thought to occur through repeated exposures to low-involvement information processing. TV commercials were thought to produce change in consumer behaviour before it changed consumer attitudes. The left hemisphere is associated with high-involvement information. i) Print media (newspapers and magazines) are considered left hemisphere or high-involvement activity

**BRAND LOYALTY**

Brand loyalty is the ultimate desired outcome of consumer learning. a) There is no single definition of this concept. Attitudinal measures are concerned with consumers’ overall feelings (i.e., evaluation) about the product and the brand, and their purchase intentions. Behavioural measures are based on observable responses to promotional stimuli—purchase behaviour, rather than attitude toward the product or brand

**REFERENCE GROUP AND OPINION LEADERSHIP**

**Reference Groups**

Reference groups are groups that serve as frames of reference for individuals in their consumption decisions because they are perceived as credible sources . Reference groups influencing broadly defined values or behaviour are called normative reference groups.

Reference groups serving as benchmarks for specific or narrowly defined attitudes or behaviour are called comparative reference groups. A group to which a person either belongs or would qualify for membership is called a membership group. There are groups in which an individual is not likely to receive membership, despite acting like a member by adopting the group’s values, attitudes, and behaviour. This is called a symbolic group.

An opinion leader may become an opinion receiver later on. Opinion leadership tends to be category specific. One of those people who indulge in informal product related communication, usually provides information about a product or product category, whether it would useful to buy, how it would be used etc. He would also offer advice as to which of several brands is the best and from where it should be bought. This person is known as the Opinion Leader and the process is known as Opinion Leadership. In some cases, the Opinion Leader just likes to talk and discuss about a product or service category. He voluntarily provides information about the product and product category and/or about brands. The people who form the audience and listen to him are called Opinion Receivers. In other cases, prior to a purchase, people could approach an Opinion Leader and request him for information and advice about the product category and/or about brands. That is, the Opinion Leader would provide information only when asked for. In such cases, the persons (audience/or the receiver of information) are known as Opinion Seekers. Individuals who on their own seek information and advice about products and brands are called Opinion Seekers. There is a two-way exchange of information, and both opinion leaders and opinion receivers/seekers interact with each other. Opinion leaders provide the receivers/seekers with product information, advice, and relate to them their experiences. In return for this, they gather more information, personal opinion and personal experiences from the receivers/seekers. Opinion Leaders are not generic in nature; they are specific to a product category and the Opinion Leader for a product category would become an Opinion Receiver/Seeker for another product category.

**ROLE PLAYED BY OPINION LEADERS**: Opinion leaders play a key role and act as a vital role between the marketer and the consumer. He communicates informally about product and service offerings and/or brands; he gives product news and advice to consumers (current and potential) and also narrates his personal experience to others. The major roles played by opinion leaders are, i) authority figure; ii) trend setter; and These roles are discussed as follows:

**Authority figure:** The role that is played by an Opinion Leader when he/she gives product news and advice, and also narrates his/her personal experiences to consumers, is known as the authority figure role. By providing product news and advice, as also narrating his personal experiences, he/she helps current and potential consumers satisfy their needs and wants. Opinion leaders are highly involved with a product category. They gather information about new, technically complex and risky products by reading about them in newspapers, journals and magazines (also special interest magazines). category. They are aware of the various evaluative criteria on which the product and service offerings should be assessed and they are also aware of the decision rules that need to be applied to make a final purchase decision. Opinion Leaders are also aware of the various brands that are available, and the value associated with each. So, they are in the best position to provide information and advice to consumer as to i) whether to make a purchase? ii) If yes, which brand to buy? Because of this role that they perform as experts, consumers prefer approaching them for information and advice. This helps the consumers i) reduce the level of physical and cognitive effort associated with a purchase; ii) reduce the level of risk associated with the purchase.

**MOTIVES BEHIND OPINION LEADERSHIP:**

Both Opinion Leaders and Opinion Receivers/seekers have their own reasons for providing information and receiving/seeking product information and advice. Opinion Leaders give product related information and advice sometimes voluntarily on their own and sometimes when are approached and asked for. Similarly, Opinion Receivers/Seekers request for information or listen with listen with patience to all that the Opinion Leader has to say. There are various reasons as to why such communication exchange takes place between Opinion Leaders and Opinion Receivers/Seekers, be they relatives, friends, acquaintances or even strangers. Some of the reasons why Opinion Leaders provide information and why Opinion Receivers/Seekers receive or seek information and advice are discussed below. These explain the motives behind the Opinion Leadership process

**Why do Opinion Leaders provide information?**

Opinion Leaders like to give product news, provide expert advice and also love to share their experiences with others. This is because they are involved and interested in a product or service category, and love to talk about it (product involvement). - WOM communication gives them an opportunity to talk about their interests to others. Further they may feel so positively and favourably or negatively and unfavourably about a product and/or brand that they feel like telling about it to others (product involvement, self-involvement and social involvement) - As they possess knowledge, expertise and experience with a product category, they feel important and powerful when people approach them for information and advice. It confers upon them a sense of superiority or special status over others. They take pride in providing information and advice (self-gratification, power and pride). They also feel that others to whom they have given information and advice on new products or services have bought them because of them

**DYNAMICS OF OPINION LEADERSHIP PROCESS:**

The Opinion Leadership process is highly dynamic in nature. Opinion Leaders communicate informally about product and service offerings and/or brands. They offer product information and advice, and narrate experiences. They are not generic in nature; they are specific to a product category, and an expert in one product category would not be an expert for another product category. Thus, a person may be an Opinion Leader for a product category and an Opinion Receiver for another. The dynamic nature of Opinion Leadership is discussed as follows:

Opinion Leaders provide product information, advice and narrate experiences: Opinion Leaders communicate informally about product and service offerings and/or brands; they give product news and advice to consumers (current and potential) and also narrate their personal experience to others. As such they act as authority figures, trend setters and local opinion leaders. Opinion Leaders provide both positive and negative information: Opinion Leaders provide both favourable and unfavourable information about product and service offerings and/or brands, and this adds to their credibility. Compared to positive and neutral information and/or evaluation, the impact of negative information and/or evaluation is much greater and has a bigger impact on Opinion Receivers/Seekers. Thus, they would avoid such product and service offerings and/or brands that are spoken negatively by Opinion Leaders. Opinion Leaders are influential and persuasive: Opinion Leaders are highly influential and very effective at persuading people around them. They are credible informal sources of product knowledge, information and advice. People look up to them for advice and they are good at influencing the former because of the following:

they are regarded as subject experts, i.e. it is believed that opinion leaders are knowledgeable and experienced about a product or service category. - since they receive no monetary compensation, their information, advice, opinion and experiences about a product or service category, are perceived as genuine, objective and unbiased. - they are thought to have no selfish, ulterior or hidden motives, and this adds to their credibility (unlike a marketer who wants to make a sale). - because they have no self-interest, their advice is regarded as being in the best interests of others (potential and actual consumers)

**THE WORD-OF-MOUTH ENVIRONMENT AND e-WOM**

 Constantly emerging new technologies allow people to compile and post increasingly sophisticated, appealing, and attention-getting materials online and vividly share their consumption experience with others. Word of mouth taking place online is called e-WOM. e-WOM occurs online in social networks, brand communities, blogs, and consumer message boards.

Social Networks

Online social networks are virtual communities where people share information about themselves with others.. A recent study identified three dimensions underlying consumers’ engagement in e-WOM in online social networks: (1) Tie strength, (2) Similarity and (3) source credibility

STRATEGIC MARKETING APPLICATIONS OF WORD OF MOUTH

Word-of-mouth is often more effective than paid promotional messages initiated by manufacturers.

Stimulating WOM is not a new strategy, but the emergence of e-WOM brought upon a huge surge in the amount of money and creativity devoted to campaigns and strategic initiatives centered on WOM, including using buzz agents, viral marketing, e-referrals and recommendations, and responding effectively to negative rumours.

**Buzz Agents**

Many firms enlist typical consumers to serve as their buzz agents; these agents agree to promote products by bringing them to family gatherings, read books while riding on mass transit, etc. These “agents” typically do not receive payment but are motivated by being called upon to serve as opinion leaders.

**Viral Marketing**

 Viral marketing consists of encouraging individuals to pass on an e-mail message to others, thus creating the potential for exponential growth in the message’s exposure and influence. Another effective form of viral marketing is online referrals and recommendations.

**FAMILY AND SOCIAL CLASS**

The predominant form of the family is largely influenced by the culture within which the families exist. Important demographic changes reflect the dynamic nature of the family. Research results indicate that there is little to no difference between working and non-working wives with respect to the purchases of timesaving durables. A husbands’ behaviour with respect to household chores remained the same whether the wife was or was not employed, and the ultimate responsibility for household management still belonged to the wife. There is no doubt that the “typical” or “traditional” family household has changed. Attitudes with respect to children and child-rearing have also been changing.

**SOCIALIZATION OF FAMILY MEMBERS**

 The socialization of family members is a central family function. In the case of young children, this process includes imparting to children the basic values and modes of behaviour consistent with the culture. These generally include moral and religious principles, interpersonal skills, dress and grooming standards, appropriate manners and speech, and the selection of suitable educational and occupational or career goals. Parental socialization responsibility seems to be constantly expanding. A sign of parents’ constant pressure to help their young children secure an “advantage” or “keep ahead” are the demanding daily schedules that rule the lives of many children. Marketers frequently target parents who are looking for assistance in the task of socializing their children. To this end, marketers are sensitive to the fact that the socialization of young children provides an opportunity to establish a foundation on which later experiences continue to build throughout life.

**CONSUMER SOCIALIZATION OF CHILDREN**

The aspect of childhood socialization that is particularly relevant to the study of consumer behaviour is consumer socialization, which is defined as the process by which children acquire the skills, knowledge, and attitudes and experiences necessary to function as consumers. A variety of studies have focused on how children develop consumption skills. Many preadolescent children acquire their consumer behaviour norms through observation of their parents and older siblings who function as role models and sources of cues for basic consumption learning. In contrast, adolescents and teenagers are likely to look to their friends for models of acceptable consumption behaviour. Shared shopping experiences (i.e., co-shopping is when mother and child shop together) also gives children the opportunity to acquire in-store shopping skills. Co-shopping is a way of spending time with one’s children while at the same time accomplishing a necessary task.

Consumer socialization also serves as a tool by which parents influence other aspects of the socialization process. a) For instance, parents frequently use the promise or reward of material goods as a device to modify or control a child’s behaviour. According to research, adolescents reported that their parents frequently used the promise of chocolate candy as a means of controlling their behaviour (e.g., getting them to complete homework or to clean their rooms).

**OTHER FUNCTIONS OF THE FAMILY**

Other basic functions include economic well-being, emotional support, and suitable family lifestyles.

**Economic Well-Being**

 Providing financial means to its dependents is unquestionably a basic family function. How the family divides its responsibilities for providing economic well-being has changed considerably during the past 30 years. a) No longer are the traditional roles of husband as economic provider and wife as homemaker and child-rearer still valid.

**Emotional Support**

The provision of emotional nourishment (including love, affection, and intimacy) to its members is an important core function of the contemporary family. The family provides support and encouragement and assists its members in coping with decision making and personal or social problems. If the family cannot provide adequate assistance when it is needed, it may turn to a counsellor, psychologist or other helping professional as an alternative.

**Suitable Family Lifestyles**

Another important family function in terms of consumer behaviour is the establishment of a suitable lifestyle for the family. Upbringing, experience, and the personal and jointly held goals of the spouses determine the importance placed on education or career, on reading, television viewing, the learning of computer skills, the frequency and quality of dining out, and on the selection of other entertainment and recreational activities.

Family lifestyle commitments, including the allocation of time, are greatly influencing consumption patterns.

**FAMILY DECISION MAKING AND CONSUMPTION-RELATED ROLES**

Marketers most frequently examine the attitudes and behaviour of the one family member whom they believe to be the major decision maker. Sometimes they also examine the attitudes and behaviour of the person most likely to be the primary user of the product or service.

DYNAMICS OF HUSBAND-WIFE DECISION MAKING

 Marketers are interested in the relative amount of influence that a husband and a wife have when it comes to family consumption choices.

 Family consumption decisions can be classified as

: a) Husband dominated

b) Wife dominated

c) Joint—equal

d) Autonomic—solitary or unilateral

The relative influence of a husband and wife on a particular consumer decision depends in part on the product and service category. The relative influence has changed over time. Husband-wife decision-making also appears to be related to cultural influence. In the People’s Republic of China, there were substantially fewer “joint” decisions and more “husband-dominated” decisions for many household purchases than among Chinese in the United States.

Traditional Family Life Cycle

Traditional family life cycle is a progression of stages through which many families pass.

The model has five basic stages. a) Stage I—Bachelorhood. Young single adult living apart from parents.

b) Stage II—Honeymooners. Young married couple.

c) Stage III—Parenthood. Married couple with at least one child living at home.

d) Stage IV—Post parenthood. An older married couple with no children living at home.

e) Stage V—Dissolution. One surviving spouse.

Stage I—Bachelorhood

The first FLC stage consists of young single men and women who have established households apart from their parents. Most members of this FLC stage are fully employed; many are college or graduate students who have left their parents’ homes. Young single adults are apt to spend their incomes on rent, basic home furnishings, the purchase and maintenance of two wheelers, travel and entertainment, and clothing and accessories. Members of the bachelorhood stage frequently have sufficient disposable income to indulge themselves. Marketers target singles for a wide variety of products and services. Marriage marks the transition from the bachelorhood stage to the honeymooner stage.

Stage II—Honeymooners

The honeymoon stage starts immediately after the marriage vows are taken and generally continues until the arrival of the couple’s first child. This FLC stage serves as a period of adjustment to married life.

 These couples often have available a combined income that often permits a lifestyle that provides them with the opportunities of more indulgent purchasing of possessions or allows them to save or invest their extra income. Honeymooners have considerable start-up expenses when establishing a new home (major and minor appliances, bedroom and living room furniture, carpeting, drapes, dishes, and a host of utensils and accessory items). During this stage, the advice and experience of other married couples are likely to be important to newlyweds.

Stage III—Parenthood

 When a couple has its first child, the honeymoon is considered over. The parenthood stage (sometimes called the full-nest stage) usually extends over more than a 20-year period. a) Because of its long duration, this stage can be divided into shorter phases.

 i) Preschool phase

ii) Elementary school phase

iii) High school phase

iv) College phase

Throughout these parenthood phases, the interrelationships of family members and the structure of the family gradually change and the financial resources of the family change significantly. Many magazines cater to the information and entertainment needs of parents and children

Stage IV—Post parenthood

Post parenthood, when all the children have left home, is traumatic for some parents and liberating for others. This so-called empty-nest stage signifies for many parents almost a “rebirth,” a time for doing all the things they could not do while the children were at home and they had to worry about soaring educational expenses.

Stage V—Dissolution

Dissolution of the basic family unit occurs with the death of one spouse. The surviving spouse (usually the wife) often tends to follow a more economical lifestyle.

WHAT IS SOCIAL CLASS?

 Some form of class structure or social stratification has existed in all societies throughout the history of human existence. Social class can be thought of as a continuum – a range of social positions on which each member of society can be placed.

Researchers define each social class by the amount of status (social status) the members of that class have in comparison to members of other social classes. In social class research (sometimes called social stratification), status is frequently thought of as the relative rankings of members of each social class in terms of specific status factors. Examples include: a) Relative wealth—amount of economic assets b) Power—degree of personal choice c) Prestige—the degree of recognition received from others. Although social comparison theory and its related activity of status consumption have the potential of being very enlightening about status and how it operates, consumer and marketing researchers most often approach the actual study of status in terms of one or more of the following demographic variables: a) Family income b) Occupational status or prestige

c) Educational attainment

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