consumer

BEHOVIOR and

mainaigeric Dealsion

making

second edition

Editional Partional

Frank R. Kardes



Preface xv

#### Chapter 1 The Scientific Study of Consumer Behavior 1

Amazon.com 1

Introduction 3

What Is Consumer Behavior? 5

Consumer Responses 5

The Scientific Method 10

Correlational Relationships 13

Causal Relationships 14

Confounding Variables 16

The Behavioral Sciences versus the Physical Sciences 16

Reduction of Uncertainty 17

Behavioral Science and Probability 20

Taking Issue SUPERMARKETS AND SUPPLIERS: SHARE AND SHARE

ALIKE? 6

Making the Decision THE VARIABLES OF VACCINATION 12

Making the Decision DID INFORMIX PUT THE CART BEFORE THE

HORSE? 19

Chapter Summary 21

Key Concepts 21

Discussion Questions 21

# SECTION I HOW CONSUMERS ACQUIRE, REMEMBER, AND USE PRODUCT KNOWLEDGE 23

#### Chapter 2 Consumer Attention and Comprehension 24

Ben & Jerry's Homemade 24

Introduction 25

Product Knowledge Acquired through Firsthand Experience 26

Product Trial of Consumer Durables 26

Product Knowledge Acquired through Secondhand Experience 27

Limits of Attention 29

Attention Intensity 31

Arousal 31

Selective Attention 32

Voluntary and Involuntary Attention 33

Novelty 33

Vividness 37

Personal Interest 37 Concreteness 39 Proximity 41 Comprehension 41 Believability 41 Miscomprehension (Famous Federal Trade Commission Cases) 44 Comparison Omission 45 Piecemeal Data Affirmation of the Consequent 46 Demonstrations 47 Making the Decision SHOW OR TELL? 28 Making the Decision WHO'S GETTING FRAMED? 36 Taking Issue BELIEVING THE GOOD HOUSEKEEPING SEAL 45 Chapter Summary 47 Key Concepts 48 **Discussion Questions** Chapter 3 **Consumer Memory** 50 7-Eleven 50 Introduction 51 Short-Term Memory 53 Long-Term Memory 55 The Organization Principle of Long-Term Memory 56 The Encoding-Specificity Principle of Long-Term Memory The Association Principle of Long-Term Memory 63 The Priming Effect 65 Associative Interference 69 Combating Marketplace Rumors 70 Combating Media Clutter 73 Implicit Memory 75 Making the Decision SUBARU'S OUTBACK IMAGE 57 Making the Decision FROM YO-YOS TO ZIPPOS, MEMORY SERVES 64 Taking Issue STRIKES: WHO'S IN AND WHO'S OUT? 71 Chapter Summary 76 Key Concepts 77 Discussion Ouestions 77 Chapter 4 Consumer Judgment 79 Star Wars 79 Introduction 80 Nonevaluative Judgment (Belief) 82 Types of Beliefs 83 Evaluative Judgment (Attitude) 85 The Theory of Reasoned Action 88 Information Integration Theory 89

Zanna and Rempel's (1988) Model 90

Preference Judgment 90 How Are Preferences Determined? 91
Satisfaction Judgment 94 Expectancy Disconfirmation Model 96
Prediction and Intention Judgment 97 Heuristics 98
Judgment and Behavior *99  Norms 100  Individual Differences and Personality Processes 101  Properties of Attitudes 101  The MODE Model 102  Making the Decision THE BRITISH ARE COMING 81  Taking Issue WHEN CUSTOMERS "CAN'T GET NO SATISFACTION" 95
Chapter Summary 105  Key Concepts 105  Discussion Questions 106
Chapter 5 Consumer Choice 107  Benjamin Moore, Ralph Lauren, and Martha Stewart 107
Introduction 108
The Consideration Set 108 Part-List Cuing 109 The Attraction Effect 111 The Trade-off Contrast Effect 112 The Compromise Effect 113
Stimulus-Based versus Memory-Based Choice 113 Mixed Choice 114
Attitude-Based versus Attribute-Based Choice 116 The Accessibility – Diagnosticity Model 116
Choice Heuristics 120 Attitude-Based Strategies 120 Attribute-Based Strategies 122
Processing Goals 125 Processing Load 125 Processing Load 125 Contextual Variables 125 Taking Issue IS INTERNATIONAL CALLBACK FAIR PLAY? 127 Making the Decision USING THE FRAMING EFFECT: ROGAINE 129 Chapter Summary 130 Key Concepts 130 Discussion Questions 131

### SECTION II PERSUASION AND INFLUENCE 133

**Chapter 6** The Message-Learning Approach to Persuasion 134

Jane 134

Introduction 135 Exposure Control 136 Source Factors 139 Credibility 140 Attractiveness 140 Message Factors 142 Message Complexity 142 One-Sided versus Two-Sided Messages 144 Rational versus Emotional Appeals 145 Order of Presentation 149 The Sleeper Effect 150 Recipient Factors 151 Medium Factors 154 Taking Issue HOW REPUTATIONS ARE WON AND LOST 141 Making the Decision SATURDAY NIGHT AD FEVER 153 Making the Decision FRUIT LABEL STICKS TO A NEW MEDIUM 155 Chapter Summary 156 Key Concepts 157 Discussion Ouestions 157 Chapter 7 Cognitive Approaches to Persuasion 158 Software Publications Inc. 158 Introduction 159 Theories of Comparative Judgment 160 Adaptation Level Theory 160 Social Judgment Theory 163 Perspective Theory 167 Influencing Consumers' Reference Points 169 Attribution Theories 171 Self-Perception Theory 171 Kelley's Attribution Theory: 1. Covariation Principles Kelley's Attribution Theory: 2. Causal Schemata 176 Taking Issue PUBLIC SCHOOLS—AND RETAILERS—TAKE THE UNIFORM APPROACH 164 Making the Decision BEST BUYS AREN'T ALWAYS BEST 173 Chapter Summary 178 Key Concepts 179 Discussion Ouestions 179 Chapter 8 Affective and Motivational Approaches to Persuasion 181 Squirrel Brand Co. 181 Introduction 182 Affective Approaches 183 Classical Conditioning 183

Color and Affect 188

The Mere Exposure Effect 188

Zillmann's Theory of Emotion 191

Mandler's Theory of Emotion 192

Motivational Approaches 194

Balance Theory 194

Cognitive Dissonance Theory 196

Impression Management Theory 199

Attitude Functions 200

Taking Issue IS MASTERCARD SMART MONEY? 189
Making the Decision HALLOWEEN'S NEW HYPE 201

Chapter Summary 207

Key Concepts 208

Discussion Questions 208

#### Chapter 9 Self-Persuasion Principles 210

McDonald's 210

Introduction 211

Philosophies of the Leading Ad Agencies 212

Facts versus Emotions 212

Soft Sell versus Hard Sell 213

The Elaboration Likelihood Model 216

Central versus Peripheral Routes to Persuasion 216

Role Playing 223

Attitude Polarization 223

Indirect Persuasion 225

The Syllogistic Inference Rule 227

Taking Issue SELLING HARD: THE TABLOIDS WON'T GO SOFT 215

Making the Decision MIKE VEECK PLAYS HARDBALL 217
Making the Decision SOFT SELL BY MAIL ORDER 231

Chapter Summary 232

Key Concepts 233

Discussion Questions 233

#### Chapter 10 Social Influence Principles 235

The NBA 235

Introduction 236

The Automaticity Principle 237

Different Types of Heuristics 237

The Commitment and Consistency Principle 240

The Foot-in-the-Door Technique 240

The Low-Ball Technique 241

The Reciprocity Principle 245

The Door-in-the-Face Technique 245

The That's-Not-All Technique 249

The Multiple-Deescalating-Requests Technique 251 The Even-a-Penny Technique 251

The Scarcity Principle 252

The Social Validation Principle 254

Normative versus Informational Influence 255 Individual Differences in Susceptibility to Conformity 256

The Liking Principle 257

Factors in the Liking Principle 257

The Authority Principle 259

The Confusion Principle 260

Making the Decision WHO WANTS A CHEAP MERCEDES? 239
Taking Issue COKE'S MONEY: IT'S THE REAL THING 246
Making the Decision WATCHING THE WATCH MARKET 252

Chapter Summary 262

Key Concepts 263 Discussion Questions 263

#### SECTION III MANAGERIAL DECISION MAKING 265

#### Chapter 11 Online Consumer Behavior 266

Dell Computer 266

Introduction 267

The Age of Interactivity 268

Information Search in Bricks-and-Mortar versus Electronic Retail Environments 270

Effects of Reduced Search Costs on Sensitivity to Price and Quality 274

Interactive Decision Aids and Electronic Satisfaction 277

Taking Issue IS E\*TRADE FOR EVERYONE? 272

Making the Decision THE WEB GETS REEL 278

Chapter Summary 280

Key Concepts 280 Discussion Questions 281

#### Chapter 12 Segmentation and International Marketing 282

Volvo 282

Introduction 283

Segmentation versus Aggregation Strategies 283

Consumer Preference Heterogeneity 284

The Majority Fallacy 284

The Sales – Costs Trade-off 287 Cannibalization 288

Bases of Segmentation 289
Geographic Bases 290
Demographic Bases 293

Psychographic Bases 294 Behavioral Bases 295

The Customer × Product × Usage Situation Matrix 300

Making the Decision CHINESE READERS LOVE "READERS" 286

Taking Issue BUSINESS TRAVELERS DON'T LOVE DISNEY 298

Chapter Summary 302

Key Concepts 302 Discussion Questions 302

#### Chapter 13 New Product Development 304

Gateway versus Dell 304

Introduction 305

Proactive versus Reactive Strategies 305

The Pioneering Advantage 308

Three Hypotheses about Pioneering 310

Opportunity Identification 314

Positioning Strategies 315

Positioning Pioneering Brands 315 Positioning by Attributes/Benefits 317

Positioning by Price 319 Positioning by User 321

Positioning by Usage Situation 321

Repositioning the Competition 323

Consumer-Driven Engineering 325

Constructing a Perceptual Map 325

Preference Analysis 327

Making the Decision PEDDLING FOR PROFIT 322

Chapter Summary 329

Key Concepts 329

Discussion Questions 329

#### Chapter 14 Product Management 331

Ferrari 331

Introduction 332

Entry Strategy and Innovation Diffusion 332

Rapid Takeoff Strategy 334

Rapid Acceleration Strategy 335

Maximum Penetration and Long-Run Franchise Strategies 335

Product Life Cycle Management 335

Extending the Product Life Cycle 337

Brand Equity Management 339

Brand Equity 340

Brand Extensions 342

Measuring Brand Equity 344

Product Line Management 348 Product Line Breadth 348 Cannibalization 349 Managing Market Leaders 351 Increasing Ambiguity 352 Managing Market Underdogs 354 Making the Decision BASKIN-ROBBINS GETS A FACELIFT 338 Making the Decision JAMBA JUICE STAYS SMOOTH 342 Taking Issue BIRTHDAY BASHES: BOOM OR BUST? 353 Taking Issue HEARTLAND CANDLES ARE MADE WITH HEART 356 Chapter Summary 357 Key Concepts 358 Discussion Questions 358 Chapter 15 Biases in Managerial Decision Making 359 Wireless Phone Companies Go Retail 359 360 Introduction Biases Resulting from Attention- and Memory-Related Constraints 360 Salience and Vividness Effects 361 Context Effects 363 Biased Assimilation 365 Pseudodiagnosticity 366 Group Decision Making 367 Biases Resulting from Underprocessing 369 The Representativeness Heuristic 369 The Availability Heuristic 372 The Simulation Heuristic 373 The Anchoring-and-Adjustment Heuristic 374 Biases Resulting from Overprocessing 377 Correspondence Bias 377 Using Irrelevant Analogies 379 The Perseverance Effect 379 The Dilution Effect 380 Premature Cognitive Commitment 380 Overcorrection 381 Making the Decision DECIDING ON DEFENSE 378 Chapter Summary 381 Key Concepts 382 Discussion Questions 382

## Chapter 16 Strategies for Improving Managerial Decision Making 384 Levi Strauss & Co. 384

Levi Strauss & Co. 384

Introduction 385

Decision Frame Management 386

Epistemic Unfreezing 387

#### xiv Contents

Increasing Predictive Accuracy 388
What's the Base Rate? 390
Assessing the Reliability and Validity of Information 390
Distinguishing between Convergence and Redundancy 39
Resisting Scenario Thinking 398
Avoiding Overconfidence 399

Judgment Updating and Revision 400
Taking Issue ARE PRICE WARS WORTH THE FIGHT? 389

Chapter Summary 402
Key Concepts 402
Discussion Ouestions 403

Glossary 405 References 417 Name Index 441 Subject Index 447