

MKTG2112 - Lecture 7

CHAPTER 9

PURCHASING

- There's often a dead period after purchase – pattern approximates to a Poisson distribution over periods longer than the mean interpurchase interval
- Heavy half: small number of heavy (loyal) users account for majority of sales
 - 80% of sales account for 20% of purchasers (dwindles to 90/10)

SALES EFFECT OF ADVERTISING

- Repeated exposure may give diminishing returns
- **Law of diminishing returns** – favours coverage over frequency (more time slots to reach greater % ppl)
 - Also favours drip-feeding over burst
 - Three different ads more effective than the same ad three times (Adams, Burnkrant, Unnava)

ATR MODEL

- Advertising operating post purchase to remind routine purchasers

LEARNING AND MOTIVATION

- **Learning** – any change in content / organisation of long term memory
- Most internal psychological processes are acquired through learning
- Learning occurs when consumers are trying to fit into a new social class and in maintaining established social norms / attitudes / behavioural patterns
- Marketing aims for consumers to learn about a product and focus it towards positive brand associations – **consumer learning**

HIGH INVOLVEMENT LEARNING

is where the consumer is motivated to process the material

(operant conditioning, vicarious learning and reasoning)

LOW INVOLVEMENT LEARNING

is where the consumer has no motivation to process

(classical conditioning, iconic rote learning and vicarious learning)

Advertisers prefer highly involved customers as they are more responsive to messages

CONDITIONING

Learning by association of a stimuli with a response

CLASSICAL CONDITIONING (OFTEN LOW INVOLVEMENT)

- Using the relationship between a naturally occurring stimulus and a natural response (*unconditioned*) to create **association** of that same response to a different stimulus (*conditioned*)
- Demonstrated by Pavlov (dogs experiment from first year)
- Hearing popular music elicits a positive emotion – if paired with a brand, the brand will come to elicit the same response

OPERANT CONDITIONING (OFTEN HIGH INVOLVEMENT)

- **Reinforcement:** Consumer is conditioned by consequences that occur *after* the behaviour
 - **Positive reinforcement:** pleasant or desired consequence
 - **Negative reinforcement:** removal of an unpleasant consequence
- Demonstrated by Skinner rats experiment
- Learning occurs through **trial and error** – encouraged by reinforcement and extinguished by punishment
 - Subject must first be **induced to try** the desired behaviour which must then be reinforced
 - Process of encouraging a partial response (free sample) leading to final desired response is called **shaping** (successive approximations to the final behaviour)

- Marketers may give out product trials to increase the chance of consumers repeating the behaviour
 - Heinz 'Get Well Soup' campaign – personalised orders with a friend's name on it reinforced 'desirable' behaviour of later repurchase
 - Loyalty programs are designed to reward – but must not be seen as 'add-ons' for rewarding brand loyalty but as secondary reinforcers of value
 - Other strategies incl.: direct mail following a sale, 'extra' add-ons or prizes for purchasing
- **Punishment** reduces chance of future purchase – consistent product quality and consumer **satisfaction** are important

COGNITIVE LEARNING

ICONIC ROTE LEARNING

- Learning through repetition
 - Consumers may form beliefs about attributes without being aware of the source e.g. Woolies 'Fresh Food People'
- Association of two concepts without conditioning
- Often used in early stages of learning something new

VICARIOUS LEARNING / MODELLING

- Learning by **observing** outcomes of others' behaviour (**socialisation**)
 - e.g. learning which brand of car needs repairs more frequently through family/friends
 - Ads may 'allow' consumers to view the results of others who use a product
- Children learn primarily by observing adults – socialised to learn by **imitation**
- Tweens are now making independent purchases at an earlier age and are becoming opinion leaders within their family / peer groups
- Travellers learn culture by observing the locals

REASONING

- Consumer **recombines** existing info and new info to form new associations and concepts
- Credible sources that **contradict** existing info will trigger reasoning