

# New Age Consumer Behavior

## Week 5

Exam feedback

### SESSION 9

#### Purpose of consumption

#### 12. Consumer Attitudes

Purpose: understand consumption decisions

#### 13. Consumer Satisfaction Mechanisms

Purpose: conceptualize consumer satisfaction when acquiring goods

### SESSION 10

Readings discussions

# New Age Consumer Attitudes

Consumption involvement with a product brings about an attitude – consumer attitude

It is the result of consumers having passed judgment relative to their intention and associated expectations.



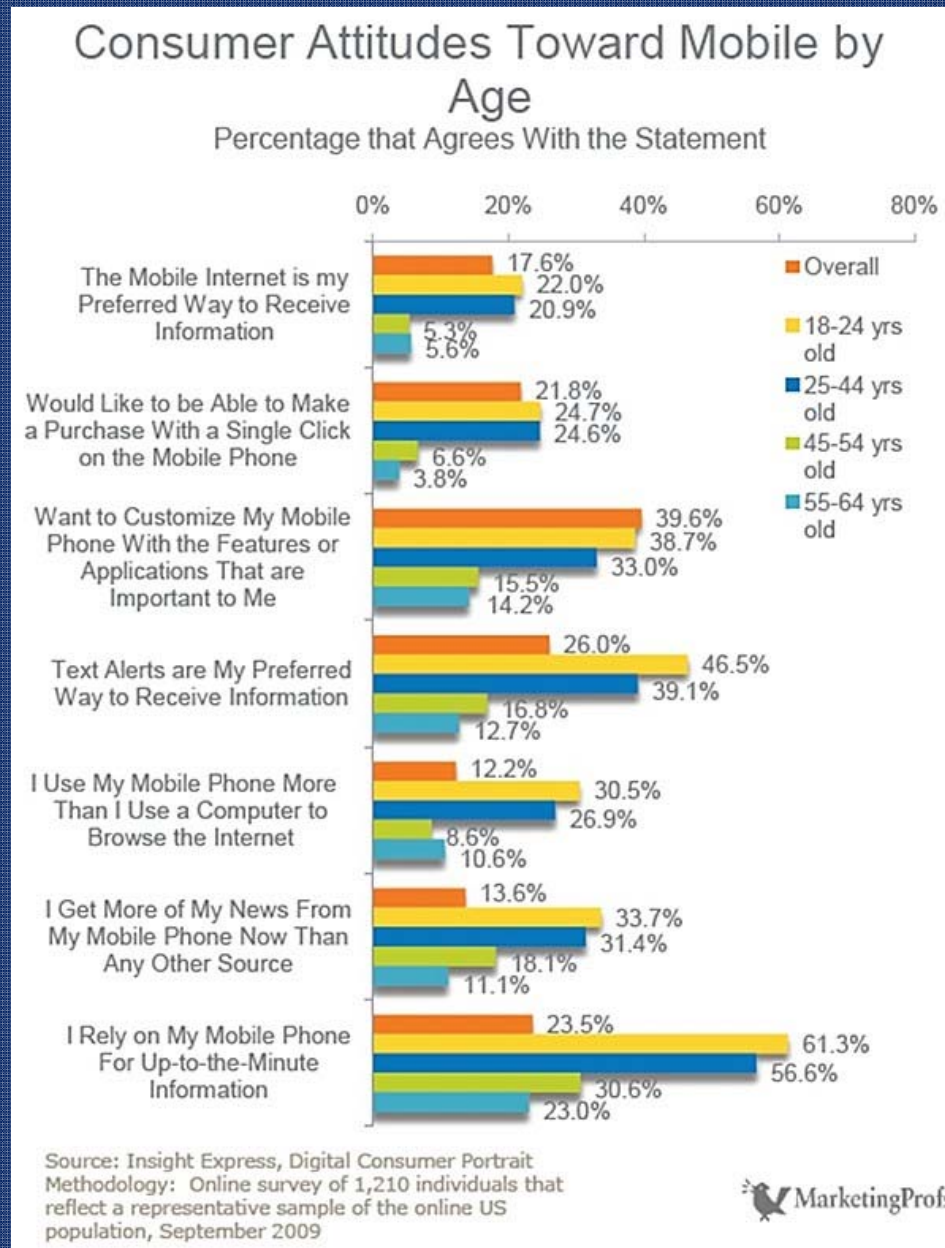
## Attitudes help consumers:

- Organize and simplify experiences
- Seek rewards
- Express personal values
- Construct defense against threats to the self
- Facilitate, maintain and disrupt social relations



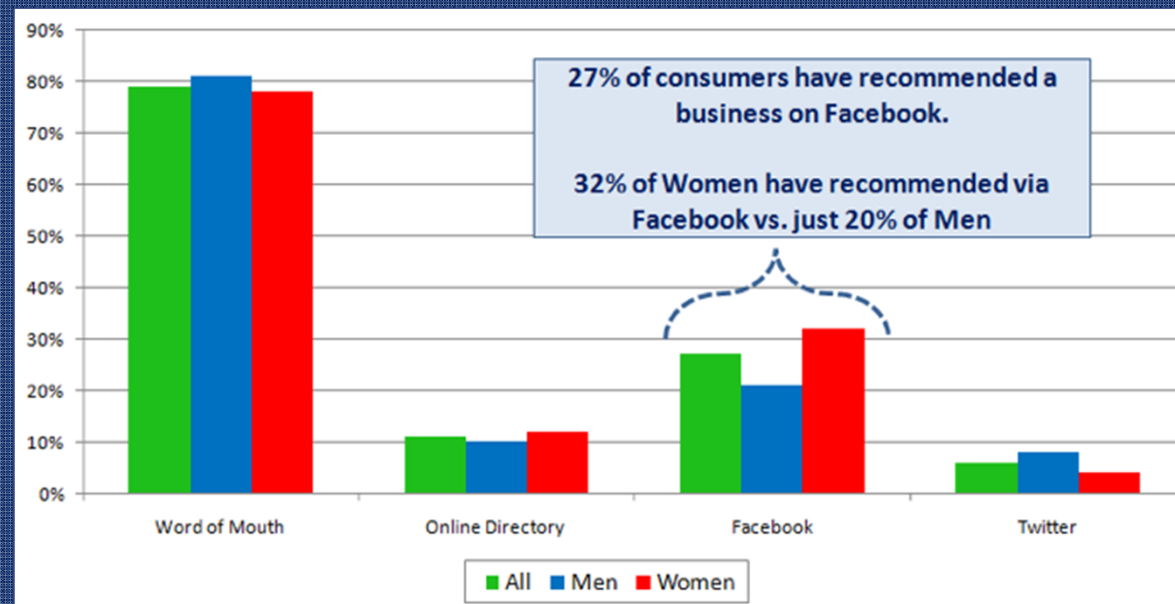
From all the possible attitudes some dominate.

This is because attitudes are the expression and therefore result of evaluated experiences.

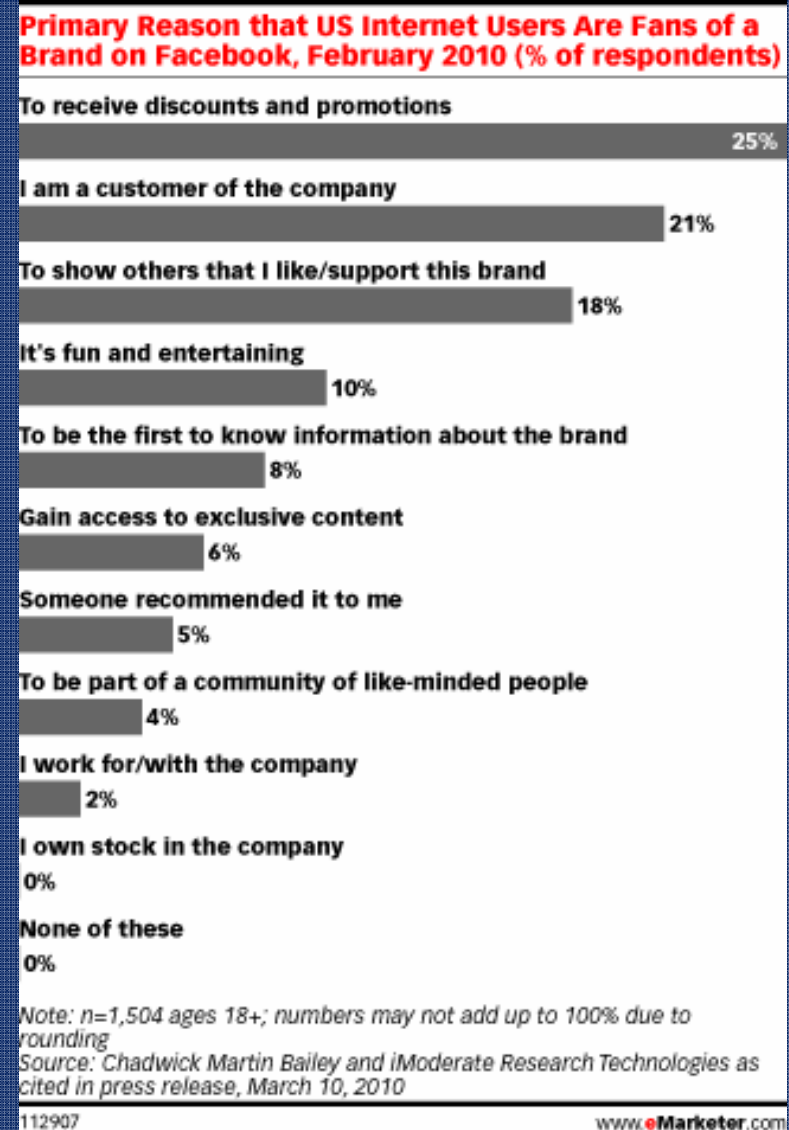


Dominant attitudes are repeated and stable over time because there are matched to the positive symbolic aspects of consumption– matching hypothesis (Hatfield).

Example: using Facebook to recommend businesses (recommendation = attitude matched to FB usage)



But since consumption is a social phenomenon as it involves interactions with other consumers or/and producers, attitudes are socially constructed: the attitudes one has depend on the attitudes others have – balance theory (Heider).



Consumer attitudes involve consumer judgments: value estimates by setting an initial value with the first consumer experience (anchor) which is subsequently adjusted relative to subsequent experiences – anchor-and-adjust process (Tversky and Kahneman) .

**Types of Media on Which US Internet Users Hate Advertising, by Age, April 2010 (% of respondents in each group)**

	<b>18-24</b>	<b>25-38</b>	<b>39-54</b>	<b>55+</b>
YouTube and Hulu	40%	20%	14%	10%
Radio	36%	36%	26%	16%
TV	34%	41%	45%	59%
E-mail	31%	33%	32%	43%
Mobile phone or device	28%	32%	31%	23%
Websites	24%	34%	37%	38%
Outdoor	8%	6%	7%	9%
Magazines	8%	5%	7%	8%
Newspaper	3%	3%	3%	5%

Note: n=1,430

Source: Econsultancy survey, provided to eMarketer, April 28, 2010

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www.eMarketer.com



Consumer attitudes are influenced by the nature of the context consumption processes occur.

For analog products, the context is

- exclusively sociocultural

For digital products the context / environment is

- sociocultural;
- functional (digital medium or device)

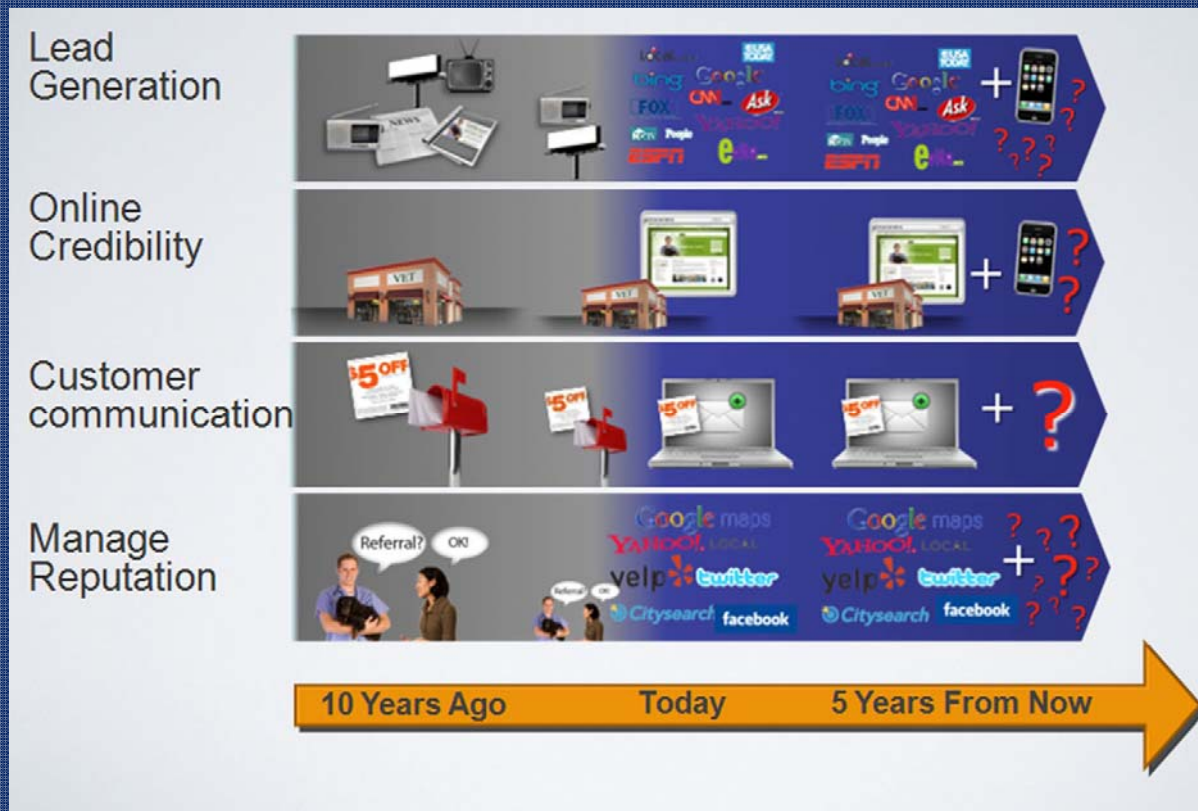
If consumer attitudes towards analog products change with focus, time and dimension, i.e. context, so do consumer judgments and so do consumption decisions.



Likewise for digital consumption.



# Consumer attitudes towards digital products evolve



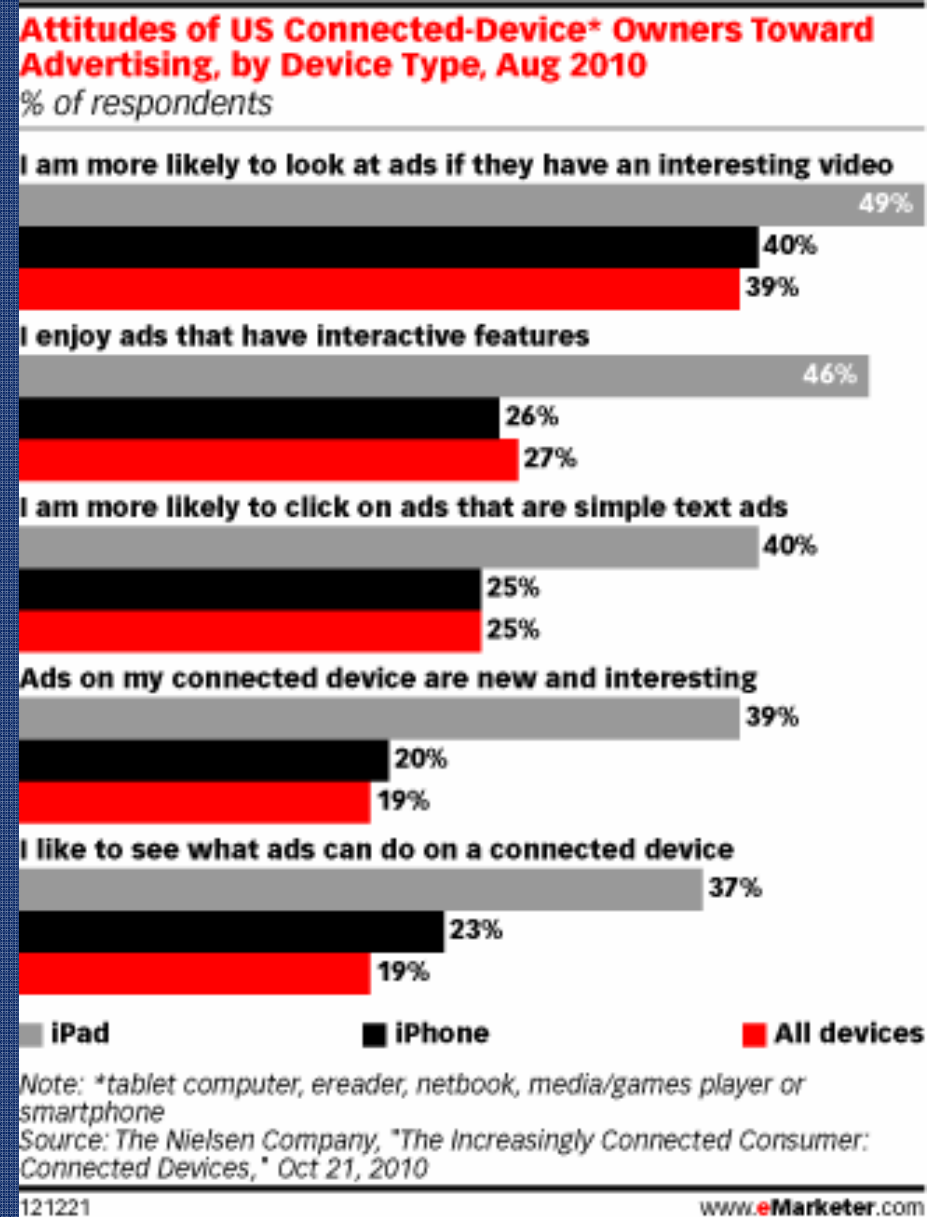
- Over time
- Across cultures
- Across functions

Example:

Environment = tablets

Product = iads

Finding = iPad owners  
are likely to be more  
sensitive to iads



# New Age Consumer Satisfaction Mechanisms

In consuming digital and analog products there are three key moments and two (?) areas:

### Demand

1. Deciding on consumption (what, how much etc.)

### Consumption

2. Consuming and taking pleasure in doing so
3. Appreciating the overall experience, hence a degree of satisfaction

## Deciding

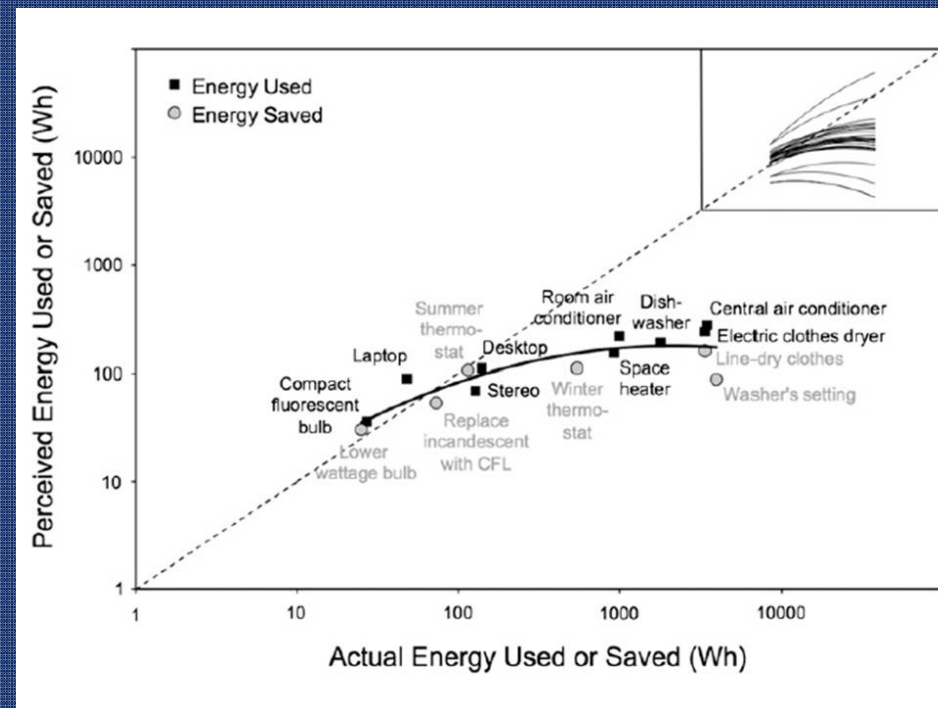
- Expected utility theory: emphasis placed on what consumers can derive as satisfaction from consuming an optimum quantity of products; example: anticipated satisfaction derived from e-shopping





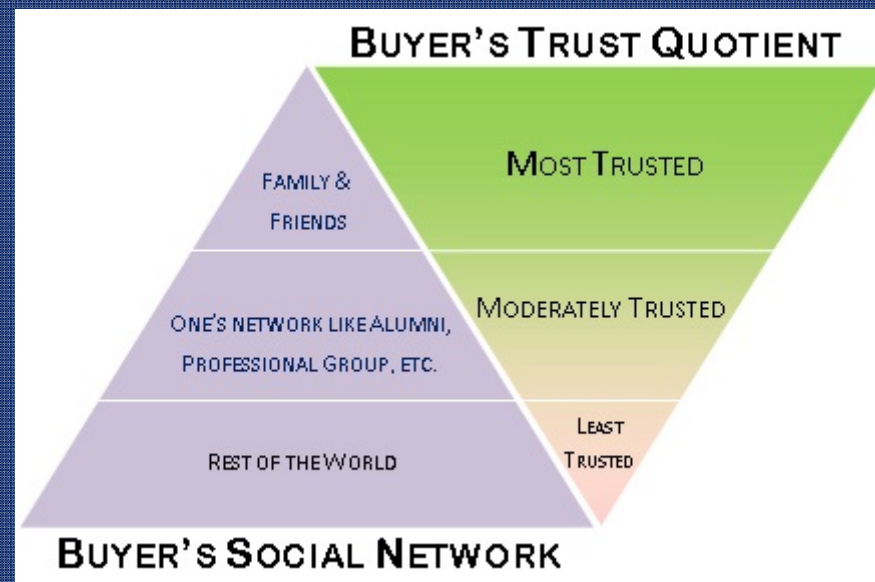
## Deciding

- Prospect theory: emphasis placed on how consumers value potential gains and losses that result from making losses; example: anticipated time savings from e-shopping



## Deciding

- Satisficing theory: emphasis placed on how consumers try to make acceptable rather than optimal decisions; example: purchasing shoes online is not an optimal process



## *Satisfaction*

Consumer satisfaction, as both an internal and social state, refers to the judgment of the degree to which consumer intentions are fulfilled. The consumption of digital products is no different.

Consumer satisfaction may thus be under-fulfilled or over-fulfilled.



# Satisfaction

Consumer satisfaction is brought about through:

- Product performance
- Service quality
- Choice criteria t
- Satisfaction drivers

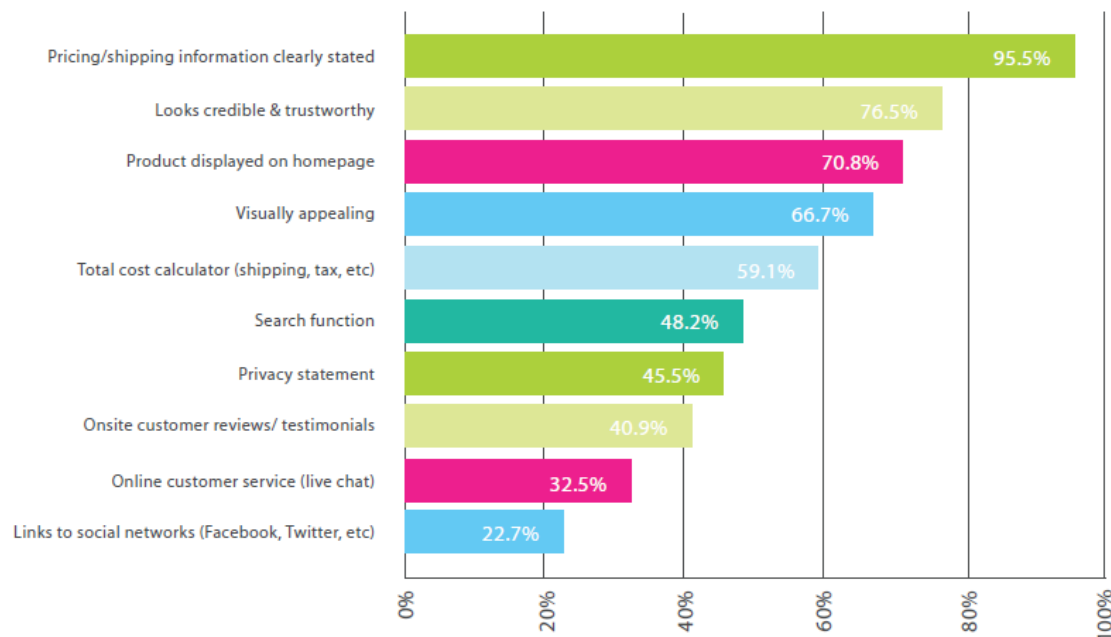
**U.S. Tablet Owners' Likelihood that They Would Recommend Their Tablet Brand to Friends and Family Members (Rating on Scale of Zero to 10, with Five Indicating a Neutral Stance)**

Ranking	Brand	Average Rating
1	Apple	8.8
2	Zenithink	8.75
3	Samsung	8.5
4	Archos	8.4
5	Motorola	8.4
6	ViewSonic	8.25
7	Dell	7.8
8	Acer	7.6
9	HP	7.6
10	Coby	7
11	Toshiba	6.7
	Other	6.8

Source: IHS iSuppli July 2011

## Satisfaction

### CONSUMER EXPECTATIONS: INFLUENTIAL FACTORS IN PURCHASE DECISION

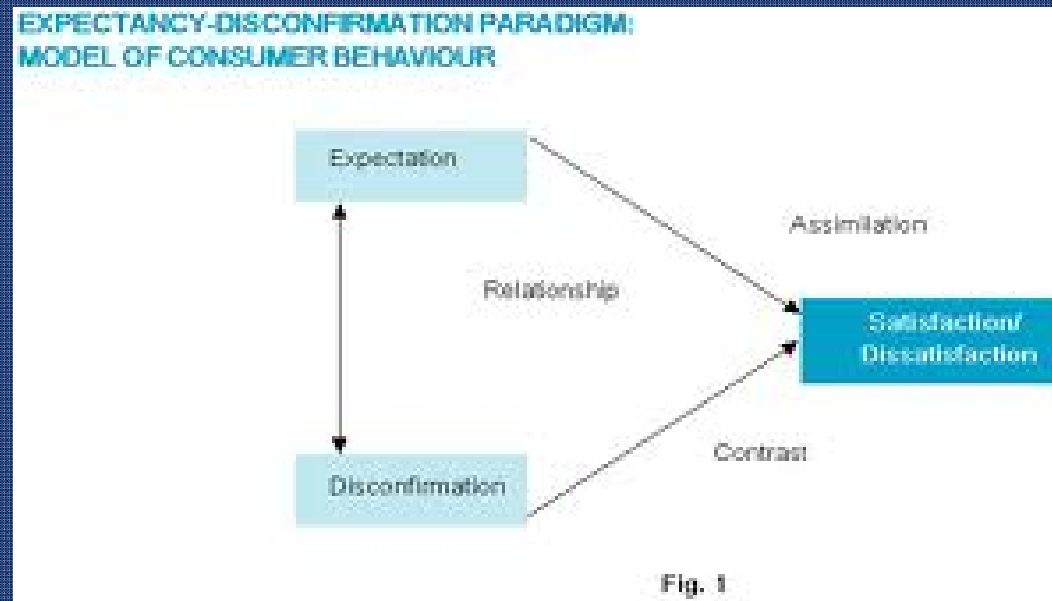


**Figure 11.** The most important factors that come into play when deciding to make a purchase online support the claim that consumers want to know the precise cost of the transaction upfront before proceeding through the checkout process. Secondly, the results corroborate the evidence that suggests consumers decide in the first five seconds whether or not they trust a website. A dazzling website with online customer service won't win over a customer unless the website communicates security and trustworthiness first.

Consumer satisfaction is largely based on expectations relative to consumer knowledge and experience about products and services.

## Satisfaction

The expectancy-disconfirmation model (EDM) states that those expectations that are disconfirmed to be the key influences of consumer satisfaction.



# Reading discussions