



[Academic Script]

[Consumer Learning]

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Lecture No. & Title:	3: Consumer Learning

Consumer Learning

Objectives:

- 1) To study about consumer learning and its elements.
- 2) To understand the behavioral learning theories.
- 3) To study cognitive learning theory.

Introduction:

Consumer learning is the process by which individuals acquire the purchase and consumption knowledge and experience they apply to future related behavior. Most of the learning is incidental.

Here are the features of consumer learning

- Consumer learning is a process. A process which continually changes and acquires new knowledge.
- This knowledge can be obtained from reading, discussing, observing, thinking, etc.
- Newly acquired knowledge or personal experience, both serve as feedback.

Elements of consumer learning:

Timely changes are associated with this process, as new products keep on entering the market and consumers keep on learning about these products so the process of learning goes on. In order for learning to occur, the following elements must be present:

Motivation:

It is the driving force which acts as spur to learning. It is based on needs and goals. Our needs and desires motivate us to achieve our goal. And to achieve our goal or fulfill our desire we need to find the ways out to accomplish that, we will be motivated to seek information which will help fulfilling our needs. So in learning to take place, motivation is very important as it gives initiative to learning process.

Cues:

Cues act as stimuli and gives directions to our motives. For instance, we are home after 9 hours job, we are tired, at that very moment we watch an ad of a energy drink on the TV which makes us realize, we need that drink to boost our energy and feel fresh. So that ad acts as cue at that time, which motivated us to fulfill our salient need.

Responses:

Reaction of the consumers to the cue is the response. It's how we behave after getting visible to that cue, constitutes the response. Consumers may not immediately react to a cue, as it may not be there need at that time. But possibility is there that if consumers have learnt your cue, they may keep it in corner of the mind and whenever their need has arose they make use of that cue and respond in favorable way. For instance, in the example, energy drink may not be readily available to us, we may fulfill that need with water or some other drink. But if we remember that energy drink and in later time when we feel thirsty or tired we may buy it and respond to that ad now.

Reinforcement:

It increases the likelihood that a specific response will occur in the future as the result of particular cues or stimuli. In the example, if using that energy drink satisfies us and if we have gained all the benefits then we will likely to continue buying that product. Through positive reinforcement, learning has taken place, since energy drink lived up to the expectations

Behavioural learning theory:

Behaviorism as a movement in psychology appeared in 1913 when Watson published the classic article "**Psychology as the Behaviorist Views it**".

John Watson proposed that the process of classical conditioning (based on Pavlov's observations) was able to explain all aspects of human psychology.

Everything from speech to emotional responses were simply patterns of stimulus and response. Watson denied completely the existence of the mind or consciousness. Watson believed that all individual differences in behavior were due to different experiences of learning. He famously said:

"Give me a dozen healthy infants, well-formed, and my own specified world to bring them up in and I'll guarantee to take any one at random and train him to become any type of specialist I might select - doctor, lawyer, artist, merchant-chief and, yes, even beggar-man and thief, regardless of his talents, penchants, tendencies, abilities, vocations and the race of his ancestors" (Watson, 1924, p. 104).

Classical conditioning:

Classical conditioning theory involves learning a new behavior via the process of association. In simple terms two stimuli are linked together to produce a new learned response in a person or animal. There are three stages of classical conditioning. At each stage the stimuli and responses are given special scientific terms:

Stage 1: Before Conditioning:

In this stage, the **Unconditioned Stimulus (UCS)** produces an **Unconditioned Response (UCR)** in an organism. In basic terms, this means that a stimulus in the environment has produced a behavior / response which is unlearned (i.e. Unconditioned) and therefore is a natural response which has not been taught. In this respect no new behavior has been learned yet.

This stage also involves another stimulus which has no effect on a person and is called the **Neutral Stimulus (NS)**. The NS could be a person, object, place, etc. The neutral stimulus in classical conditioning does not produce a response until it is paired with the unconditioned stimulus.

Stage 2: During Conditioning:

During this stage a stimulus which produces no response (i.e. Neutral) is associated with the unconditioned stimulus at which point it now becomes known as the **Conditioned Stimulus (CS)**.

Stage 3: After Conditioning:

Now the Conditioned Stimulus (CS) has been associated with the Unconditioned Stimulus (UCS) to create a new Conditioned Response (CR).

Instrumental conditioning:

" A behavioral theory of learning based on a trial and error process, with habits forced as the result of positive experiences resulting from certain responses or behaviors."

It requires a link between a stimulus and a response. The stimulus that results in the most satisfactory response is the one that is learned. It suggests that consumers learn by trial and error process in which some purchase behaviors results in more favorable outcomes than other purchase behaviors. A favorable experience is "instrumental" in teaching the individual to repeat a specific behavior.

It occurs as the individual learns to perform behaviors that produce positive outcomes and avoid behaviors that yield negative outcomes.

Reinforcement of a behavior:

B.F.Skinner distinguished two types of reinforcement that influence the likelihood that a response will be repeated. The first type, **positive reinforcement**, is defined as the positive outcomes that strengthen the likelihood of a specific response. It consists of events that strengthen the likelihood of a specific response. Ex. Using a shampoo that leaves your hairs, feeling silky and clean is likely to result in a repeated purchase of the shampoo. **Negative reinforcement** is an unpleasant outcome that also serves to encourage a specific behavior.

Ex. Buying of an antivirus software for a computer. Fear appeals in ad messages are examples of negative reinforcement such as life insurance commercials rely on negative reinforcement to encourage consumers to encourage the purchase.

Punishment:

It is defined as "choose reinforcement rather than punishment"

Forgetting and extinction:

Forgetting is defined as a "combat with repetition" and Extinction is defined as a "combat with consumer satisfaction"

Factors involving forgetting:

- 1) Time: A forgetting is rapid at first and then levels off.
- 2) Interference: An old information in memory interferes with learning similar, new material.

When a learned response is no longer reinforced, it diminishes to the point of extinction, i.e. to the point at which the link between the stimulus and the expected reward is eliminated. If a consumer is no longer satisfied with the service a retail store provides the link between the stimulus and the response is no longer reinforced, it is "unlearned". There is a difference however between extinction and forgetting. 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.

Marketing applications of instrumental conditioning:

Marketers effectively utilize the concepts of consumer instrumental learning when they provide positive reinforcement by assuring consumer instrumental learning when they provide positive reinforcement by assuring customer satisfaction with the product, the service, and the total buying experience.

Customer Satisfaction:

The objective of all marketing efforts should be to maximize customer satisfaction. Marketers must be certain to provide the best possible product for the money and to avoid raising consumer expectations for product performance beyond what the product can deliver.

Aside from the experience of using the product itself, consumers can receive reinforcement from other elements in the purchase situation, such as the environment in which the

transaction or service takes place, the attention and service provided by employees and the amenities provided.

Relationship Marketing:

This develops a closed personalized relationship with customers- it is another form of non product reinforcement and in knowing that it will be advised of a forthcoming sale or that selected merchandise will be set aside for the next visit cements the loyalty that a consumer may have for a retail store.

Reinforcement Schedules:

Marketers have found that product quality must be consistently high and provide customer satisfaction with each use for desired consumer rewards do not have to be offered each time the transaction takes place; even an occasional reward provides reinforcement and encourages consumer patronage. The promise of possibly receiving a reward provides positive reinforcement and encourages consumer patronage. Marketers have identified three types of reinforcement schedules:

- 1) **Total or continuous reinforcement:** The basic product or service rendered is expected to provide total satisfaction each time it is used.
- 2) **Systematic reinforcement:** It provides reinforcement every n^{th} time the product or service is purchased
- 3) **Random reinforcement:** This schedule rewards consumers on a random basis. Variable ratios tend to engender high rates of desired behavior and are somewhat resistant to extinction-perhaps because for many consumers, hope springs eternal.

Shaping:

"It is the reinforcement for incremental steps towards the desired behavior. This is the same principle that underlies animal training"

Reinforcement performed before the desired consumer behavior actually takes place is called shaping. Shaping increases the probability, that certain desired consumer behavior will occur. Many retailers provide some form of preliminary reinforcement to encourage consumers to visit only their store. For e.g. some retailers offer loss leaders-popular products

at several discounted prices to the first hundred or so customer to arrive, since those customers are likely to stay to do so much of their shopping.

Observational learning:

"It is the process by which individuals observe the behavior of others and consequences of such behavior. It is also known as modeling learning."

It occurs when people watch the actions of others and note reinforcements received for their behaviors. Learning occurs as a result of modeling rather than direct experience. It has been seen that a considerable amount of learning takes place in the absence of direct reinforcement, either positive or negative, through a process called by psychologists modeling or observational learning.

Modeling:

"It is the processes through which individuals learn behavior by observing the behavior of others and the consequences of such behavior." Their role models are usually people they admire because of such traits as appearance, skill, and so on. Consumer models with which the target audience can identify are shown achieving positive outcomes to common problem situations through the use of the advertised product.

Cognitive learning theory:

It is the theory which holds that the kind of learning most characteristic of human being is problem solving, which enables individuals to gain some control over their environment.

A considerable amount of learning takes place as a result of consumer thinking and problem solving. Sudden learning is also a reality. When confronted with a problem, we sometimes see the solution instantly. It is likely to search for information on which to base decision possible for our purposes. Learning based on mental activity is called "**cognitive learning**". Human beings learn through problem solving which enables individuals to gain some control over their environment. Learning involves complex mental processing of information.

1) Information processing:

A cognitive theory of human learning patterned after computer information processing that focuses on how information is stored in human memory and how it is retrieved.

It is related to both the consumer's cognitive ability and the complexity of the information to be processed. Consumer processes product information by attributes, brands, comparisons between brands or a combination of these factors.

Consumers also differ in terms of imagery i.e. In their ability to form mental images- and these differences influence their ability to recall information. Individual differences in imagery processing can be measured with tests of imagery vividness, processing style and daydream content and frequency.

How consumers store, retain and retrieve information:

Of central importance to the processing of information is the human memory. A basic research concern of most cognitive scientists is discovering how information gets stored in memory, how it is retained and how it is retrieved.

Structure of the memory: As because information processing occurs in stages it is believed that the 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 stage: All data come to us through our senses, however , the senses do not transmit whole images as a camera does. Instead each sense receives a fragmented piece of information like smell, color, shape and feel of a flower and transmits it to the brain in parallel, where the precipitations of a single instant are synchronized and perceived as a single image, in a single moment of time. The image of a sensory input lasts for a just a second or two in the mind's sensory store. If it is not processed, it is lost immediately.

Short term store: It is a temporary storage of information while being processed which holds about seven chunks of information at a time. It has a limited capacity that may lead to information overload.

It is the stage of real memory in which information is processed and held for just a brief time. If information in the short term store undergoes the process known as "rehearsal", it

is then transferred to the long term store. The transfer process takes from 2-10 seconds. If information is not rehearsed and transferred, it is lost in about 30 seconds or less.

The amount of information that can be held in short term storage is limited to about 4 or 5 times.

Long-term store: It can retain information for a long period of time and transfer from short term memory to long term memory which facilitated by chunking, rehearsal, recirculation and elaboration. The long term store retains information for relatively extended periods of time. Although it is possible to forget something within a few minutes after the information has reached long term storage to last for days, weeks or even years.

Rehearsal: The amount of information available for delivery from short-term storage to long-term storage depends on the amount of rehearsal if it is given. Failure to rehearse an input, either by repeating it or by relating it to other data, can result in fading and eventually loss of the information. Information can also be lost because of competition for attention.

Encoding: It is the process by which we select a word or visual image to represent a perceived object. When consumers are presented with too much information, they may encounter difficulty in encoding and storing it all.

Retention: Information does not just sit in long term storage waiting to be retrieved. Instead, 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 concepts with links between and among them.

The total package of associations brought to mind when a cue is activated is called a schema. Product information stored in memory tends to be brand based, and consumers interpret new information in a manner consistent with the way in which it is already organized. Consumers are confronted with thousands of new products each year and their information search is often dependent upon how similar or dissimilar these products

are to product categories already stored in memory. Consumers recode what they have already encoded to include larger amounts of information.

Information is stored in long term memory in two ways: episodically which means by the order in which it is acquired and semantically which means according to significant concepts.

Retrieval: It is the process by which we recover information from long term storage. In this process, the person accesses the desired information. Marketers maintain that consumers tend to remember the products benefits rather than its attributes, suggesting that advertising messages are most effective when they link the product's attributes with the benefits that consumers seek from the products. Incongruent elements that are not relevant to an ad also pierce the consumer's perceptual screen but provide no memo ability for the product.

Interference: Old information in memory interferes with learning similar new material. The greater the number of competitive ads in a product category, the lower the recall of brand claims in a specific ad. These interference effects are caused by confusion with competing ads and make information retrieval difficult.

2) Involvement theory:

"It is a theory of consumer learning which postulates that consumers engage in a range of information processing activity from extensive to limited problem solving, depending on the relevance of the purchase." Involvement theory developed from a stream of research called hemispherical lateralization or split-brain theory.

Building on the notion of hemisphere lateralization, a pioneer consumer researcher theorized that individuals passively process and store right brain information i.e. Without active involvement. Ex. T.v. Is primarily holistic processing of images viewed on the screen and the t.v itself was therefore considered a low involvement medium. This research concluded that passive learning occurs through

repeated exposures to t.v. Commercial and produces changes in consumer behavior prior to changes in the consumer's attitude towards the product.

The right-brain processing theory stresses the importance of the visual component of advertising, including the creative use of symbols.

Under this theory, highly visual t.v commercials; packaging, and in-store displays generated familiarity with the brand and induce purchase behavior. Pictorial cues are more effective at generating recall and familiarity with the product, whereas verbal cues generate cognitive activity that encourages consumers to evaluate the advantages and disadvantages of the product. Some individuals are integrated processors i.e. They readily engage both hemispheres during information processing.

From the conceptualization of high and low involvement media, involvement theory next focused on the consumer's involvement theory with products and purchases. It was hypothesized that there are high and low involvement consumers; then that there are high and low involvement purchases. These two approaches led to the notion that a consumer's level of involvement depends on the degree of personal relevance that the product holds for that consumer. Under this definition, high involvement purchases are those that are very important to the consumer and thus provoke extensive problem solving i.e. Information processing. Highly involved consumers find fewer brands acceptable and they are called **narrow categorizers**; uninvolved consumers find fewer brands be receptive to a greater number of advertising messages regarding the purchase and will consider more brands and they are called **broad categorize**.

Involvement theory evolved from the notion of high and low involvement media, to high and low involvement consumers, to high and low involvement products and purchases to appropriate methods of persuasion in situation of high and low product relevance. There is a great variation in the conceptualization and measurement of involvement itself. Involvement can be defined and conceptualize in a variety of ways, including ego involvement, commitment, communication, involvement, purchase importance, extent of information search, persons, products, situations and purchase decisions. It makes more sense to develop an environmental profile rather than to measure a single involvement level.

Recognition and recall measures:

Recognition and recall tests are conducted to determine whether consumers remember seeing an ad, the extent to which they have read it or seen it and can recall their purchase intentions. Recognitions tests are based on aided recall, whereas recall tests use unaided recall. In recognition tests, the consumer is shown an ad and asked whether he or she remembers seeing it and can remember any of its salient points.

Summary:

So, friends in today's session we studied about:

Modeling which is the processes through which individuals learn behavior by observing the behavior of others and the consequences of such behavior.

Consumer learning which is the process by which individuals acquire the purchase and consumption knowledge and experience they apply to future related behavior. Other topics that we studied were: Elements of consumer learning, Behavioral learning theories which includes classical, instrumental and observational theories, cognitive learning theory which includes information processing and involvement theory and finally we studied was the recognition and recall measures.