

# Marketing

## Real People, Real Decisions

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Pearson

**Third  
European  
Edition**

# Marketing

Real People, Real Decisions

Many people believe that even messages they can't see will persuade them to buy advertised products. Claims about **subliminal advertising**, when messages are hidden in advertisements in order to affect consumers in their subconsciousness, have been surfacing since the 1950s. Coca-Cola tried using subliminal advertising by very quickly flashing pictures of a Coke bottle during films shown in a cinema, hoping that this would result in a sudden craving for the drink among the cinema-goers. A survey of US consumers found that almost two-thirds believed in the existence of subliminal advertising, and over one-half were convinced that this technique could get them to buy things they did not really want.<sup>9</sup> In 2007, the American Food Network show *Iron Chef* apparently mistakenly aired a single frame of the McDonald's logo and the slogan during the final few moments of a show, which was captured on video by two boys and exposed. The network denies it was an attempt at subliminal advertising.

When the European Union banned tobacco advertising in July 2005, Marlboro was a sponsor of Ferrari – one of the most successful Formula One racing teams. Keen not to lose out on the visibility of this lucrative partnership, the cigarette brand decided to make the most of a legal loophole. Forbidden from plastering the car with the Marlboro logo, the brand opted to stamp a rather peculiar barcode on Ferrari's racing cars. This may seem like an odd decision, but the barcode bore more than a passing resemblance to the Marlboro logo when flashing past F1 spectators at home and on the track. But stunts like this certainly can make consumers pay more attention to a brand or ad advertisement, which is the second crucial element.<sup>10</sup>

As you drive down the road, you pass hundreds of other cars. But how many do you pay attention to? Probably only one or two – the bright pink and purple VW and the Honda with the broken rear light that cut you up at the motorway exit. **Attention** is the extent to which mental processing activity is devoted to a particular stimulus. Consumers are more likely to pay attention to messages that speak to their current needs. For example, you're far more likely to notice an ad for a fast-food restaurant when you're hungry, while smokers are more likely than non-smokers to block out messages about the health hazards of smoking.

Grabbing consumers' attention is getting harder than ever, because people's attention spans are shorter than ever. Now that people are accustomed to *multitasking*, flitting back and forth between their Tweets, emails, TV, Facebook Messenger, mobile, iPad and so on, advertisers have to be more creative in the mix and type of messages they send. That's why we're seeing on the one hand long (60-second) commercials that almost feel like miniature movies and, on the other hand, short (some as brief as

five seconds) messages that are meant to have surprise value: they are usually over before commercial-haters can zap or zip past them. Indeed, brief blurbs that are just long enough to tantalise viewers but just short enough not to bore them are becoming commonplace. As we stream more TV and videos online, advertising executives are facing the dilemma of who even allows a 30-second advert to play with out clicking the box invitingly marked 'Skip Ad'? By the close of 2017, Google will stop allowing businesses to run their adverts on YouTube unless they can be skipped and is instead pushing a new six-second format, known as a 'bumper'.<sup>11</sup>

Another cutting-edge strategy to grab attention by increasing the relevance of ads is to



**Photo 4.1** Marlborough's attempt at subliminal advertising with a barcode that looks like their logo at speed

Source: Richard Weaver/Alamy Stock Photo

actually customise them to the audience that's viewing them. Uniquely in the US, for now, a TV station called Fox plans to offer *tweakable ads*, which can be digitally altered to contain elements relevant to particular viewers at the time they are seen. By changing voiceovers, scripts, graphic elements or other images, for instance, advertisers could make an ad appeal to teens in one instance and retired people in another. As this approach becomes refined, a cola company could have actors refer to the particular teams in a sporting event, for instance. Or a soup company could direct viewers' attention to a snowstorm brewing outside to encourage people to stock up on soup.<sup>12</sup> In the US presidential election race of 2016, Donald Trump's campaign team built an identity database, using Facebook's 'Audience Targeting Options' feature, to allow advertisements to be targeted at people based on their Facebook activity, ethnic affinity, or location and demographics such as age, gender and interests. The campaign was so sophisticated, the team were even able to target their election campaign adverts at people based on what they do, based on their Facebook activity.

However, all these techniques rely on the consumer interpreting the message in the way the company wants. **Interpretation** is the process of assigning meaning to a stimulus based upon prior associations a person has with it and assumptions he or she makes about it. A Pepsi drink called 'Pepsi Blue' flopped despite heavy marketing and advertising campaigns. Consumers didn't associate its blue colour with a fruity and refreshing beverage (as the marketing department hoped) but rather with too many artificial ingredients and chemicals. Another example would be the BMW C1, which is a motorcycle with a roof and the possibility for the driver to wear a seatbelt, which made it much safer than other motorcycles and reduced the risk of severe injury in accidents. BMW therefore specifically stressed this safety aspect in all of its marketing and advertising approaches. However, the company did not consider that many consumers who drive motorcycles are looking for fun and speed rather than for protection, and thought that the C1 was a boring vehicle. If we don't interpret the product the way it was intended because of other experiences, the best marketing ideas will be 'wasted'.

## Motivation

**Motivation** is an internal state that drives us to satisfy needs. Once we activate a need, a state of tension exists that drives the consumer towards some goal that will reduce this tension by eliminating the need.

For example, think about Brian and his old car. Brian began to experience a gap between his present state (owning an old car) and a desired state (having a car that gets him noticed and is fun to drive). The need for a new car is activated, motivating Brian to test different models, to talk with friends about different makes, and finally to buy a new car.

Psychologist Abraham Maslow developed an influential approach to motivation.<sup>13</sup> He formulated a **hierarchy of needs** that categorises motives according to five levels of importance, the more basic needs being at the bottom of the hierarchy and more sophisticated needs at the top. The hierarchy suggests that before a person can meet needs at a given level, he must first meet the lower level's needs – somehow those hot new Diesel jeans don't seem so enticing when you don't have enough money to buy food.

As you can see from Figure 4.6, people start at the lowest level with basic physiological needs for food and sleep and then progress to higher levels to satisfy more complex needs, such as the need to be accepted by others or to feel a sense of accomplishment. Ultimately, people can reach the highest level of self-actualisation. Brian's need for a new car would be an example of the fourth level of Maslow's hierarchy, referring to esteem needs. Brian hopes to gain prestige and to be admired while taking a ride in his new car. If marketers understand the level of needs relevant to consumers in their target market, they can tailor their products and messages to them.

# Marketing ethics and sustainability

## Car finance deals and mounting consumer borrowing

To fulfil their prestige and esteem needs, consumers like Brian often resort to borrowing money. New finance issued by car dealerships has more than doubled in the past five years. Over £30 billion in new credit was issued by auto finance dealers in 2016 alone. Cheap finance deals mean that consumers can drive the car home with little or no deposit and with monthly payments from as little as £100. However, the bill can stretch over a two-to-four-year period and car finance has seen the fastest

expansion in making up the £200bn debt accumulated by British consumers.

While some dealerships do inform of making checks under FCA regulations and warn of repossessions in the event of failure to repay, very few questions appear to be asked about affordability of the customer. Buying a car, it seems, is now as simple as taking out a new mobile phone contract. However, this could mean bigger risks for buyers and encourage a rise in consumer debt.

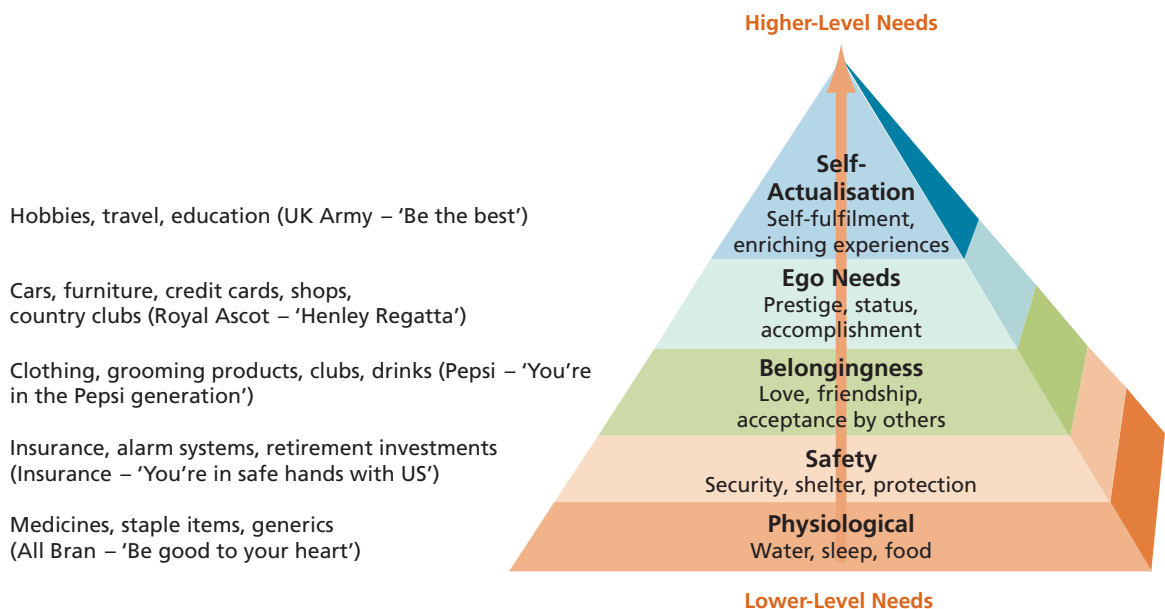
## Debate, discuss, disagree

- 1 What do you think a good solution to this problem might be?
- 2 Who do you think should be responsible/blamed for the situation?

Source: adapted from Richard Partington, 'Car Finance: The Fast Lane to Debt?', *The Guardian* (19 September 2017), <https://www.theguardian.com/money/2017/sep/19/car-finance-debt-dealers-consumer-credit> (accessed July 2018).

## Learning

**Learning** is a change in behaviour caused by information or experience. Learning about products can occur deliberately, as when we set out to gather information about different MP3 players before buying one brand. We also learn even when we are not trying.



**Figure 4.6** Maslow's hierarchy of needs and related products

Abraham Maslow's proposed hierarchy of needs categorises motives. Savvy marketers know they need to understand the level of needs that motivates a consumer to buy a particular product or brand.

Consumers recognise many brand names and can hum many product jingles, even for products they themselves do not use. Learning theories to explain the learning process are important because a major goal for marketers is to ‘teach’ consumers to prefer their products. Let’s briefly review the most important perspectives on how people learn.

## Behavioural learning

**Behavioural learning theories** assume that learning takes place as the result of connections that form between events that we perceive. In the first type of behavioural learning, **classical conditioning**, a person perceives two stimuli at about the same time. After a while, the person transfers his response from one stimulus to the other. This theory was primarily developed by Ivan Pavlov, a Russian scientist, who executed an experiment in which his dog received two stimuli in the form of dog food and the ringing sound of a bell at the same time. After a while the dog did indeed transfer his response from one stimulus to the other, because he started salivating when the bell was ringing, even when there was no food in sight. Marketers also try to make use of this phenomenon. For example, an ad shows a product and a breathtakingly beautiful scene so that (the marketer hopes) you will transfer the positive feelings you get from looking at the scene to the advertised product. (Did you ever notice that ads often show a new car on a beautiful beach at sunset or speeding down a mountain road with brightly coloured leaves blowing across the pavement?)

Another common form of behavioural learning is called **operant conditioning**, which occurs when people learn that their actions result in rewards or punishments. This influences how they will respond in similar situations in the future. Just as a rat in a maze learns the route to a piece of cheese, consumers who receive a reward, such as a prize in the bottom of a box of cereal, will be more likely to buy that brand again. We don’t like to think that marketers can train us like lab mice, but that kind of prize feedback does reward us for our behaviour.

These acquired associations in classical and operant conditioning have a tendency to transfer to similar things in a process called **stimulus generalisation**. This means that the good or bad feelings associated with a product will ‘rub off’ on other products that resemble it. For example, some marketers create *product line extensions* in which new products share the name of an established brand so that people’s good feelings about the current product will transfer to the new one. Dove, which is associated with gentle soap, was able to also establish itself as a producer of bodylotions and moisturisers without great difficulty. The consumer already trusted the product and mentally connected it with soothing body care. (More on this in Chapter 7.)

## Cognitive learning

In contrast to behavioural theories of learning, **cognitive learning theory** views people as problem solvers who do more than passively react to associations between stimuli. Supporters of this point of view stress the role of creativity and insight during the learning process. Cognitive learning occurs when consumers make a connection between ideas or by observing things in their environment. **Observational learning** occurs when people watch the actions of others and note what happens to them as a result. They store these observations in memory and at some later point use the information to guide their own behaviour. Marketers often use this process to create advertising and other messages that allow consumers to observe the benefits of using their products. Health clubs and manufacturers of exercise equipment feature well-muscled men and women using their products, while mouthwash makers show that fresh breath is the key to romance.

The results of the internal processes of perception, motivation and learning influence how consumers absorb and interpret information. This also depends on some unique consumer characteristics. Let's talk next about some of these characteristics: existing consumer attitudes, the personality of the consumer and consumer age groups.

## Attitudes

An **attitude** is someone's lasting evaluation of a person, object or issue.<sup>14</sup> Consumers have attitudes towards brands, such as whether McDonald's or Burger King has the best beefburgers, as well as towards more general consumption-related behaviours – for example, whether high-fat foods including beefburgers are a no-no in a healthy diet. A person's attitude has three components: affect, cognition and behaviour.

*Affect* refers to the overall emotional response a person has to a product. Affect, the feeling component, is usually dominant for expressive products such as perfume. In this case, our attitude towards the product is simply determined by our immediate reaction of whether we like the smell of the perfume or not. Some marketing researchers are trying to understand how consumers' emotional reactions influence how they feel about products. A company called Sensory Logic, for example, studies videotape of people's facial reactions – to products and commercials – in increments as fleeting as 1/30th of a second. Staffers look for the difference between a so-called true smile (which includes a relaxation of the upper eyelid) and a social smile (which occurs only around the mouth). Whirlpool hired the company to test consumers' emotional reactions to a yet-to-be-launched generation of its Duet washers and dryers. Its perhaps ambitious goal was to design appliances that would actually make people happy. The research led Whirlpool to change some design options on the Duet products, including geometric patterns and certain colour combinations.<sup>15</sup> Research has also concluded that while smiling has little effect in **service encounters**, employees displaying authentic emotions do affect consumers' emotional states.<sup>16</sup>

**Cognition**, the knowing component, is the beliefs or knowledge a person has about a product and its important characteristics. You may believe that a Mercedes is built better than most cars or that a Volvo is very safe. Cognition is especially important for complex products, such as computers, where we may develop beliefs on the basis of technical information.

*Behaviour*, the doing component, involves a consumer's intention to do something, such as the intention to purchase or use a certain product. For products such as cereal, consumers purchase and try the product on the basis of limited information and then form an evaluation of the product simply on the basis of how the product tastes or performs.

Depending on the nature of the product, one of these three components – feeling, knowing or doing – will be the dominant influence in creating an attitude towards a product. Marketers need to decide which part of an attitude is the most important

# Marketing metrics

## Consumer intention metrics

When measuring consumer intention, some of the metrics that can be used have been rated by marketing managers. Here are those metrics and what percentage of marketing managers found them 'very useful': consumer

beliefs 48 per cent, purchase habits 43 per cent, purchase intentions 39 per cent, willingness to search 20 per cent, trial volume 19 per cent and net promoter score 19 per cent.<sup>17</sup>

driver of consumers' preferences. For example, Pepsi's advertising focus changed from its typical emotional emphasis on celebrities, jingles and music to an attempt that offers rational reasons to drink the beverage. The new campaign portrayed the soft drink as the perfect accompaniment to foods and social situations like football matches and dates.<sup>18</sup>

## Personality

**Personality** is the set of unique psychological characteristics that consistently influence the way a person responds to situations in the environment. One adventure-seeking consumer may always be on the lookout for new experiences and cutting-edge products, while a different consumer may prefer familiar surroundings and want to use the same brands over and over again. The German brewery Beck's, for example, tries to position its product as a beer for thrill-seeking consumers. Its commercials always show young, outgoing people who are looking for the ultimate adventure in exotic locations and the slogan invites consumers to join the 'Beck's Experience'. A contrasting example would be Nivea, which puts its main focus on pointing out its long tradition, experience and expertise with skincare products. Nivea tries to create a very close bond with its customers and consumers nominated it to be the most trusted brand in skincare in the 'Reader's Digest European Trusted Brands Study 2015'.<sup>19 20</sup>

For marketers, differences in *personality traits*, such as thrill seeking, underscore the potential value of considering personality when they are crafting their marketing



**Photo 4.2** Observational learning means we learn by observing the behaviour of others

Source: Richard Naude/Alamy Stock Photo