GLOBAL EDITION

Consumer Behavior

TWELFTH EDITION

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Consumer Behavior

advertisements that consumers found relevant influenced their learning and attitudes much more than the number of exposures.[2] Recent research has concluded that up to 10 exposures will maximize advertising effects on attitudes, whereas more exposures are needed to maximize effects on brand recall.[3]

STIMULUS GENERALIZATION AND BRANDS' EXTENSIONS

According to classical conditioning theorists, learning depends not only on repetition but also on individuals' ability to "generalize." Pavlov, for example, found that a dog could learn to salivate not only to the sound of a bell but also to similar sounds such as jangling keys or coins. Responding the same way to slightly different stimuli is called **stimulus generalization**.

stimulus generalization
Responding the same way to slightly different stimuli.

Stimulus generalization explains why some imitative "me too" products succeed in the marketplace: Consumers confuse them with the original product they have seen advertised. It also explains why manufacturers of private-label brands try to make their packaging closely resemble that of the national brand leaders. They are hoping that consumers will confuse their packages with the leading brand and buy their product rather than the leading brand.

A court battle between two famous designers of women's shoes centered around stimulus generalization. Louboutin's red sole shoes—with a shade named "China Red"—have been popular with the rich and famous and are very expensive. Yves Saint Laurent ("YSL")—another high-end maker of women's shoes—also produced four models of all red shoes with red soles. Louboutin sued YSL saying that no one should be able to use the color red on the sole of the shoe even if the entire shoe is red. In other words, Louboutin was concerned that consumers will "generalize" upon seeing the red soles and assume that YSL's shoes were made by Louboutin. It claimed that the red soles are an iconic trademark that only it could use in order to avoid confusion among the two brands. Following extensive litigation, YSL discontinued making shoes with red soles.[4]

There are four strategic applications of stimulus generalization to branding and managing product lines: product line extensions, product form extensions, family branding, and licensing.[5]

product line extensions
Additions of related items to an established brand because they are likely to be adopted, since they come under a known and trusted brand name, which is a marketing application of stimulus generalization.

Product line extensions are additions of related items to an established brand; these are likely to be adopted because they come under a known and trusted brand name.[6] For example, what comes to mind when you see the Tide Laundry detergent symbol? The most likely answer is the color orange, clean clothes, and the distinctive container sold in supermarkets. Most consumers associate Tide with clean clothes. However, most consumers think of Tide as a product that is used at home or in laundromats for washing clothes in washing machines. So, although most consumers associate Tide with washing clothes in a washing machine, they do not associate Tide with dry cleaning. Why did Procter & Gamble (who owns Tide) "interfere" with consumers' long-established cognitions by introducing Tide Dry Cleaners? Each time consumers go to a Tide Dry Cleaner, they are "rewarded" with clean clothes and superior service. When the new Tide Dry Cleaners are advertised carrying the Tide brand name, consumers are likely to associate them with the many, prior rewarding experiences of using Tide laundry detergent. In learning terms, consumers will apply what they already know about Tide detergent to its new service and probably try the new service. The extension of the Tide line to services is also a form of family branding, which consists of marketing different products under the same brand name. Furthermore, dry cleaners in the U.S. market are one of the few industries that is still dominated by mom and pop stores. It is an industry that is ready for a trusted name brand to change the market.

The two Mr. Clean products shown in Figure 5.4 are examples of line extensions under a brand name that has been a best seller since the 1950s and represented by a mascot that consumers view as a strong, tenacious, competent, dependable, and friendly "person" (see Figure 3.1).

FIGURE 5.4
Mr. Clean's Product Line Extensions

Source: Procter & Gamble Co.

product form extension
Offering the same product in a different form but under the same brand, which is a marketing application of stimulus generalization.

family branding
Marketing a whole line of products under the same brand name, which is a marketing application of stimulus generalization.

licensing
An application of stimulus generalization that contractually allows affixing a brand name to the products of another manufacturer.

Offering the same product in a different form but under the same brand is a **product form extension**. For example, Listerine, a mouthwash in the form of liquid and a leading brand, introduced Listerine PocketPacks—a solid form of its product. Clorox Bleach—one of the most recognized brand names among clothing-care products—has been sold only as a liquid since its introduction many decades ago. Building on the brand's universal recognition as a quality product, the company introduced Bleach Gel.

Another strategy stemming from stimulus generalization is **family branding**, which consists of marketing different products under the same brand name. For example, Campbell's, originally a marketer of soups, continues to add new food products to its product line under the Campbell's brand name, such as chunky, condensed, kids, and lower-sodium soups; frozen meals named Campbell's Super Bakes; and tomato juice.

Licensing is contractually allowing a well-known brand name to be affixed to the products of another manufacturer. The names of designers, manufacturers, celebrities, corporations, and even cartoon characters are attached, for a fee (i.e., "rented out") to a variety of products, enabling the licensees to achieve instant recognition and implied quality for the licensed products. Some successful licensors include Liz Claiborne, Tommy Hilfiger, Calvin Klein, and Christian Dior, whose names appear on an exceptionally wide variety of products, from sheets to shoes and luggage to perfume.[7] For example, the Italian automobile brand, Ferrari, continues to expand with licensing agreements with theme parks (e.g., mega-rollercoaster in Abu Dhabi); Oakley (sunglasses); Puma (clothing and sport accessories); Cobra (golf equipment); Microsoft, Sony Polyphony, and EA (video games); Movado (watches); and LEGO. Licensing is big business. Companies that license their brand names are able to grow their brand awareness with licensing deals. Companies that make products are able to enter into a market with a well-known brand name (e.g., Ferrari) without having to build brand recognition. Figure 5.5. presents the top five companies that license their brand names, along with sales from licensing and examples of branded licensed products.

Corporations also license their names and trademarks to marketers of related products. For example, Godiva chocolates licensed its name for Godiva liqueur. Corporations also license their names and logos for purely promotional purposes: for example, the phrase

FIGURE 5.5
Top Five Licensing Companies, 2016

Adapted from "The Top 150 Global Licensors," April 1, 2017, by License Global. http://www.licensemag.com/license-global/top-150-global-licensors-3

The Walt Disney Company
- Licencing Sales $56.6 B
- Examples - Disney princesses, *Frozen, Star Wars*

Source: carlos cardetas / Alamy Stock Photo

Meredith Corporation
- Licensing Sales $22.8 B
- Examples - Better Homes & Gardens, EatingWell, Shape and Allrecipes

Source: digital-reflections / Shutterstock

PVH Corp.
- Licensing Sales $18 B
- Examples - Calvin Klein, Tommy Hilfiger

Source: B Christopher / Alamy Stock Photo

Iconix Brand Group
- Licensing Sales $12 B
- Examples - *Peanuts* - based on the iconic comic strip, by Charles Schulz.

Source: Entertainment Pictures / Alamy Stock Photo

Warner Bros. Consumer Products
- Licensing Sales $6.5 B
- Examples - Batman, Superman, Wonder Woman, Justice League

Source: tanuha2001 / Shutterstock

"Always Coca-Cola" is printed on clothing, toys, coffee mugs, and the like, none of which are made by Coca-Cola.

The number of different products affiliated with a given brand—originating in line and form extensions, family branding, and licensing—will strengthen the brand name, as long as the brand's owner ensures that the additions are of high quality and consistent with the brand's image and positioning. Failure to do so will negatively affect consumer confidence and evaluations of all the brand's products. One study showed that brands that include diverse products are likely to offer more successful brand extensions than brands that include similar products. The study also confirmed that consumers' reactions to the brand's extensions are strongly related to the distinct benefits these items provide.[8]

STIMULUS DISCRIMINATION AND BRAND DIFFERENTIATION

stimulus discrimination
The strategy that is the opposite of stimulus generalization aimed at getting consumers to select a specific stimulus from among similar stimuli, whose objective is to position products and services in such a way that differentiates them effectively from competitive offerings.

Stimulus discrimination, the opposite of stimulus generalization, is the selection of a specific stimulus from among similar stimuli. The core objective of **positioning** (see Chapter 4) is to "teach" consumers to discriminate (or distinguish) among similar products (i.e., similar stimuli) and form a unique image for a brand in their minds. Therefore, the objective of marketers' persuasive messages is to convey a brand's unique benefits effectively and differentiate it from competition, which is termed ***brand differentiation***. Unlike the marketers of brands known as ***imitators***—which are often obscure or store brands—who hope that consumers will ***"generalize"*** by confusing their brands with well-positioned ones, market leaders' objective is to convince and enable consumers to clearly ***distinguish*** (***"discriminate"***) between their products and the imitators.

Most product differentiation strategies are designed to distinguish a product or brand from that of competitors on the basis of an attribute that is relevant, meaningful, and valuable to consumers. It is always difficult to unseat a brand leader after stimulus discrimination

has occurred. One explanation is that the leader is usually first in the market and has had a longer period to "teach" consumers (through advertising and selling) to view the brand as the best alternative within a given product category. Apple is a prominent example of differentiating a product. Its early ads explicitly stated that Apple's innovative products represent a distinctive and extraordinary way of thinking. These ads' tagline was ***"Think Different,"*** and they brilliantly conveyed this notion by featuring famous geniuses, such as Albert Einstein and Jim Henson, who thought "outside the box" and came up with ideas that changed the world.

Classical conditioning theory underpins many ways of influencing consumer behavior through repetition, stimulus generalization, and stimulus discrimination. However, although a great deal of consumer behavior is shaped by repeated advertising messages stressing the unique attributes of various brands, consumers also buy the same brands repeatedly because they are continuously rewarded. The role of reinforcements (or rewards) in shaping learning is discussed next.

Instrumental Conditioning

Learning Objective

5.3 To understand instrumental conditioning and the objectives and methods of reinforcement.

instrumental conditioning (operant conditioning)
A form of behavioral learning based on the notion that learning occurs through a trial-and-error process, with habits formed as a result of rewards received for certain responses or behaviors.

Instrumental conditioning (operant conditioning) is based on the notion that learning occurs through a trial-and-error process, with habits formed as a result of rewards received for certain responses or behaviors. Like classical conditioning, instrumental conditioning requires a link between a stimulus and a response. However, in instrumental conditioning, the stimulus that results in the most rewarded response is the one that is learned. For example, after visiting stores, consumers know which stores carry the type of clothing they prefer at prices they can afford to pay. When they find a store that carries clothing that meets their needs, they are likely to patronize it to the exclusion of other stores. Every time they purchase a shirt or a sweater there that they really like, their store loyalty is rewarded (reinforced), and they are likely to become repeat customers.

The American psychologist B. F. Skinner constructed the model of instrumental conditioning. According to Skinner, most learning occurs in environments where individuals are ***rewarded*** for choosing an appropriate behavior. In consumer behavior terms, instrumental conditioning suggests that consumers learn by means of a ***trial-and-error*** process in which some purchase behaviors result in more favorable outcomes (i.e., rewards) than others. A favorable experience is the ***instrument*** of teaching the individual to repeat a specific behavior.

Like Pavlov, Skinner developed his model of learning by working with animals. Small animals, such as rats and pigeons, were placed in his "Skinner box." If they behaved as Skinner desired—such as pressing a particular lever or pecking certain keys—he rewarded them with food pellets. Skinner and his many adherents have done amazing things with this learning model, including teaching pigeons to play ping-pong and even to dance. In a marketing context, the consumer who tries several brands and styles of jeans before finding a style that fits her figure (i.e., reinforcement) has engaged in instrumental learning. Presumably, the brand that fits best is the one she will continue to buy. This model of instrumental conditioning is presented in Figure 5.6.

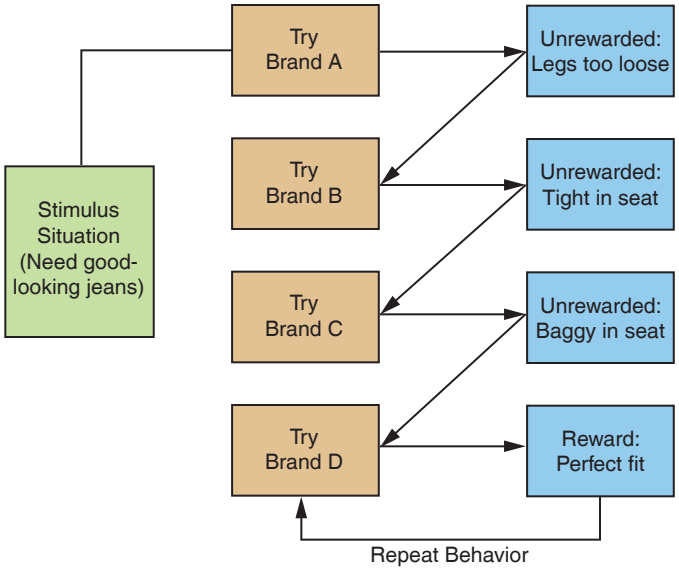
REINFORCEMENT

positive reinforcement
Rewarding a particular behavior and strengthening the likelihood of a specific response during the same or similar situation in the future.

negative reinforcement
Removing an unpleasant stimulus.

Skinner distinguished between two types of reinforcement that influence the likelihood that a response will be repeated. The first type, **positive reinforcement**, rewards a particular behavior and thus strengthens the likelihood of a specific response during the same or similar situation. For example, a child receives ice cream when passing an ice cream stand and receives pleasure from eating it. Then, whenever he passes by the stand, he asks for ice cream. **Negative reinforcement** is the removal of an unpleasant stimulus and it strengthens the likelihood of a given response during the same or similar circumstances. For example, a child

FIGURE 5.6
Instrumental Conditioning



has a cold and also hates swallowing pills. Her mother convinces her to take Advil and her cold symptoms go away (i.e., the unpleasant stimulus is removed). The next time she has a cold, most likely the girl will readily agree to swallow a pill, and might even ask specifically for an Advil. Therefore, marketers of headache remedies use negative reinforcement when they illustrate the unpleasant symptoms of an unrelieved headache, as do marketers of mouthwash when they show the loneliness suffered by someone with bad breath. In each of these cases, the consumer is encouraged to avoid the negative consequences and remove the unpleasant stimulus by buying the advertised product.

Either positive or negative reinforcement can be used to elicit a desired response. However, negative reinforcement should ***not*** be confused with ***punishment,*** which is designed to *discourage* behavior. For example, receiving a speeding ticket and having to pay a fine is not negative reinforcement; instead, it is a form of punishment designed to discourage future speeding. But what constitutes "punishment" is tricky. For example, a driver can perceive the fine as "paying" for a bad behavior and continue speeding; this individual apparently believes that each time he speeds he will merely have to pay for his bad behavior. Therefore, in addition to paying fines, speeding drivers receive "points" on their licenses and can lose their driving rights (and the opportunities to speed) if they speed too many times. In a frequently cited study, researchers discovered that when a daycare center started "punishing" parents who picked up their kids late by charging them about $3, late pickups actually ***increased*** because parents viewed the fine as the price for being tardy.[9] The "punishment" actually legitimized being late and ***encouraged*** the behavior it was designed to lessen.

A relatively new application of positive reinforcement is **incentivized advertising**. In many instances, consumers look for ways to avoid watching advertising (e.g., internet ad blockers, recording TV programs and skipping ads) and marketers are looking for ways to increase viewership of their ads (e.g., product placement and incentivized ads). Incentivized advertising provides consumers with rewards for watching ads. For example, gamers can be rewarded with extra lives or game boosters for watching an ad.[10]

Product quality must be consistently high and satisfy customers every time they buy the product. Additional rewards do not have to be offered during every transaction however, primarily because ***occasional*** rewards often effectively reinforce consumers' patronage. For example, airlines occasionally upgrade a passenger at the gate; here, the ***possibility*** of receiving a reward is the reinforcement and incentive for continued patronage. Psychologists have identified three ***reinforcement schedules: continuous, fixed ratio, and variable ratio***. These are presented in Figure 5.7.

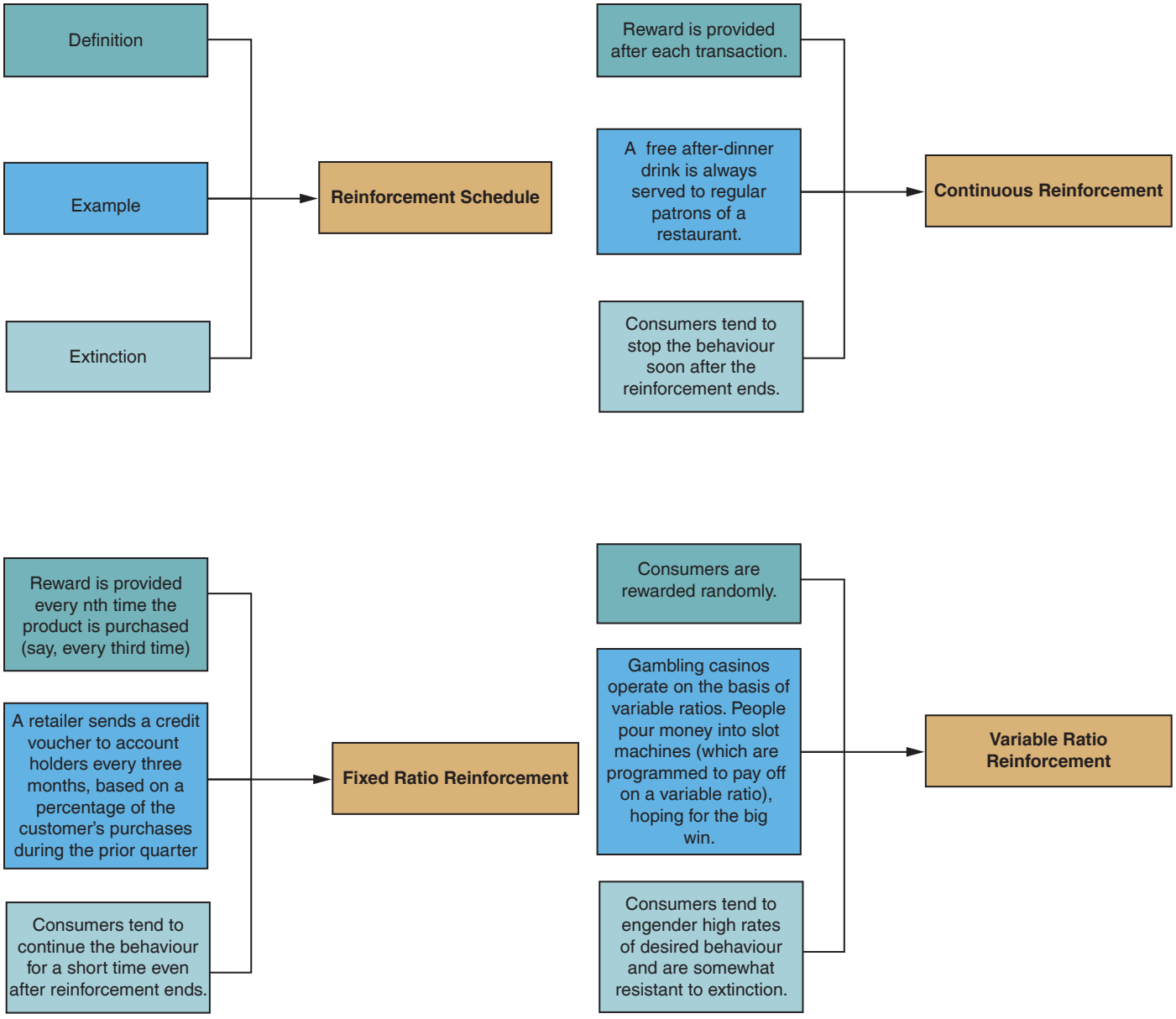


FIGURE 5.7
Reinforcement Schedules

EXTINCTION AND FORGETTING

extinction
A phenomenon that occurs when a learned response is no longer reinforced and the link between the stimulus and the expected reward is eliminated.

forgetting
A point at which the link between the stimulus and the expected reward ceases to exist because of lack of engagement in the applicable purchase situation for a lengthy period.

Extinction occurs when a learned response is no longer reinforced and the link between the stimulus and the expected reward breaks down. When consumers become unsatisfied with a service (e.g., at a restaurant), the link between the stimulus (i.e., the restaurant) and expected satisfaction is no longer reinforced and the consumers won't come back. Behavior that is not reinforced becomes "unlearned."

Note that there is a difference between extinction and forgetting. Diners who have not visited a once-favorite restaurant for a long time simply forget how much they used to enjoy eating there and their behavior is "unlearned" because of lack of use rather than lack of reinforcement. **Forgetting** is often related to the passage of time, and thus is also called "decay." Marketers overcome forgetting by contacting customers who stopped buying their products and giving them incentives aimed at persuading the customers to start buying their products again.