

PERCEPTION AFFECTING CONSUMER BEHAVIOR

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Although consumers have many needs that are basically similar, they try to satisfy them in quite different ways, depending on how they perceive both their needs and the environment in which they operate. In fact, two individuals with identical needs may take different actions to fulfill them based on their perceptions of the situation. Consumer perception may be understood in different ways depending on the approach you take. There are quite a few factors that determine an individual consumer perception which marketers should understand. They should also be aware of the features of perception that influence consumer behavior. Moreover, it is also obvious for a marketer to know how prices, brands, and risks are perceived by consumers. In this unit, we shall highlight these factors in three separate lessons.

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Lesson - 1: Theories and Modes of Perception

Objectives of this lesson

After reading this lesson, you will be able to:

- Understand why the knowledge of consumer perception is essential to a marketer
- Define and describe consumer perception
- Explain both Gestalt and cognitive theories of perception
- Identify the basic modes of perception and understand their marketing significance.

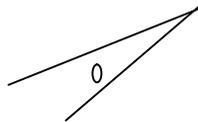
Introduction

Perception is the process through which one gathers, processes, and interprets information from the environment. How a consumer perceives a particular product is important for the marketer in the sense that it will affect consumer's decision. There are two basic theories that explain consumer behavior. Marketers should be aware of these theories. They should also understand different modes of perception to decide on the type of stimuli that they should give to the consumers.



Background of Studying Consumer Perception

Figure – 10.1: Showing How the Same Object May be Perceived Differently by Different Individuals



Is the above figure a duck or an albatross (a very large web-footed sea-bird)? It could be either depending on how you view or perceive it. Different individual perceives the same object at the same time in different ways. Similarly, the same individual at different times may perceive the same thing in different ways. When a consumer feels that he is having a need unmet, he will do something that is capable of satisfying his need. What he will do in such a situation depends on his perception of the situation. Though consumers have many needs that are basically similar, they try to satisfy them differently, depending on how they perceive both their needs and the environment in which they act. Two individuals with same type of need may undertake different actions to satisfy them depending on their perception of the situation. People look at the world and see things differently. Consumers' view of their environment is filtered by their perception, which is the unique way in which each person sees, organizes, and interprets things. They see the same thing differently for a variety of reasons. Whatever the reasons, they tend to act on the basis of their perceptions. It plays a major role in

Different individual perceives the same object at the same time in different ways.

the stage of the buying-decision process where alternatives are identified. Though we come in contact everyday, numerous number of commercial stimuli, but we pay attention by exception. Our senses are exposed to those with the power to capture and hold our attention have the potential of being perceived. For a marketer, the knowledge of consumer perception is essential. He should know what determines an individual consumer perception. As consumers' perceptions affect their consumption behavior, products and all marketing activities should be designed in a way that secures consumers' positive perception. It is, therefore, important for marketers to understand the whole notion of perception and its related concepts. They should be aware of each stage in the perception process in order to increase the probability that consumers will be exposed to, pay attention to, and assign the desired meaning to the message aimed at them. This understanding can help them determine what influence consumers' purchase decisions, and, adopting most appropriate marketing strategies. Successful marketing, thus, starts with a thorough understanding of consumers' perception.

Perception Defined and Described

Once buyer is aware of his needs, the next step in the decision process is to gather information on products and alternative solutions to his problem. Consumer becomes more aware of store sales and looks for the product information in newspapers, magazines, and in other media. All of the information collected tend to go through a series of filters in which it is often distorted. The said process of interpreting data is called perception. It is a process by which individuals select, organize, and interpret information to form a comprehensible picture of the world around them. It can be defined as the process a person uses to collect, evaluate, and retain internal stimuli and stimuli from the environment. In marketing context, perception means values attached to communications about products received from salespeople, friends, advertisements, and independent test reports. Variations in the behavior of buyers in the marketplace can be explained partly by individual differences in the way products and services are perceived. One author has defined it as the process of selecting, organizing, and interpreting information inputs in order to produce meaning. Whatever or however it is defined, it basically is a process of finding meaning or significance of the stimuli received by the individual from his both social and commercial environment as well as from his psyche. Individuals perceive themselves and their environment through their five senses, some say six senses, - sight, hearing, taste, smell, touch, and common sense.

Though individuals receive numerous information at once, only a few of them reach awareness.

If we analyze the definition, we find that perception is a three-step process. Though individuals receive numerous information at once, only a few of them reach awareness. They select some inputs and ignore many others as they do not have the ability to be conscious of all inputs at one time. This aspect is known as selective exposure. For example, if you are concentrating reading something in newspaper, you probably are not aware that somebody is making noise around you, that the fan is on, or

that you are touching the newspaper. Though you are receiving the above inputs, you ignore them until they are mentioned. A number of reasons may be associated with this. *First*, a particular input is more likely to reach awareness if it relates to an anticipated event. *Second*, an individual is likely to allow an input to reach consciousness if the information helps to satisfy an existing need. You are likely to notice an advertisement of refrigerator if you do not have one and plan to buy a refrigerator. Another reason is that, if the intensity of an input changes noticeably, it is more likely to reach awareness. When the price of a particular product is reduced slightly, you may not notice it because the price reduction is not significant. But, if the price is reduced significantly, you are more likely to notice it.

This selectivity of perceptual process leads to selective distortion as well as selective retention. It is the changing or twisting of currently received information to make it more consistent with the internal beliefs of the individual. It usually occurs when an information that one receives is not in conformity with either his feelings or beliefs. It lessens, to a great extent, the effect of the stimulus on the individual.

Selective retention, on the otherhand, is the phenomenon in which an individual remembers information inputs that bolsters or supports his feelings and beliefs and forgets inputs that do not. After viewing a television advertisement of a product, an individual may forget many of the points if they are inconsistent with his earlier beliefs.

The second step of the perceptual process is the organization of stimuli noticed by the individual. Information that reach the awareness of a person are not received in an organized form. He must organize them to get meaning out of them. This organization is done quickly to obtain meaning, and how an individual organizes information influences the meaning of information.

The third step of the perceptual process is interpretation of stimuli received and organized by the individual. Interpretation of stimuli or information is required to reduce ambiguity of the individual. Using his mental make-up or cognitive structure, an individual interprets information. A person usually bases interpretation on what is similar.

What individuals see or hear is not pure. It is rather influenced and filtered by the intensity and frequency of the stimuli, the other competing stimuli in the environment, and the needs, inner feelings, and experiences of them. An advertisement of a pain reliever, for example, may or may not be perceived by an individual watching television depending on how long it was on the air; how many other ads were on and the physical attributes of those ads; and, whether or not the individual had pain at the time of transmission of the ad.

What individuals see or hear is not pure.

Theories of Perception

There are two theories of perception that marketers use.

Regarding the interpretation of perception, there are two theories that marketers use. One is the older or traditional theory, commonly known as Gestalt theory of perception; and the other is modern or contemporary theory, generally known as Cognitive theory of perception. Let us now have a look at them in turn.

The Gestalt Theory of Perception

Gestalt theory focuses on how people organize or combine stimuli around them into a meaningful whole. Gestalt is a German term which means a pattern or configuration. According to the Gestalt theorists, we interpret stimuli in holistic terms. It means that stimuli are evaluated in the context of a total situation rather than isolation. Gestalists believe that, while developing perception to an object or stimulus, an individual does not perceive it part by part, rather he views it as a whole. Though, individual aspects of an object is predicted by an individual, ultimately these individual perceptions are combined into a one whole. To the Gestalists, individual perceives the form of an object above everything else, and as a result, if certain part or parts of his perception is even lost, his overall perception of it remains same. This is because of the holistic or totalistic perception of the object. Gestalt theorists also contend that, not only is an object interpreted in the context of its situation, all aspects of the object itself influence our interpretation. It can include our reaction to the overall aspects and background of the situation, as well as the explicit content and even lack of content in the said object or stimulus. Few principles of organization of perceptual stimuli have been identified by Gestalt psychologists. They are considered below:

Individuals tend to organize their perceptions into two major patterns – figure, and ground.

- ***Simplicity:*** It is found from Gestalt experiments that, we organize our perceptions into simple patterns. Even if a particular stimulus is found to be complex, an individual is likely to perceive it in a simple manner.
- ***Figure and Ground:*** Individuals tend to organize their perceptions into two major patterns – figure, and ground. Figure represents those elements within a perceptual field that are attended most by the individual. Ground, on the otherhand, represents less meaningful elements that constitute the background. “The figure is usually perceived clearly because, in contrast to its ground, it appears to be well defined, solid, and in the forefront. The ground, however, is usually perceived as indefinite, hazy, and continuous. The common line that separates the figure and the ground is perceived as belonging to the figure, rather than to the ground, which helps give the figure greater definition. Consider the stimulus of music. People can either “bathe” in the music or listen to music. In the first case, music is simply ground to other activities; in the second, it is figure. Figure is more clearly perceived because it appears to be dominant;

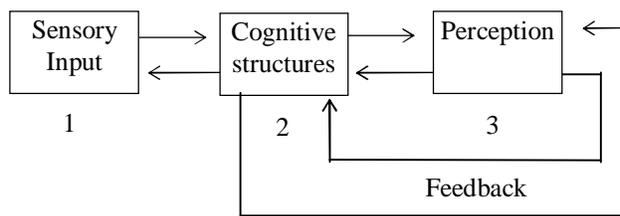
in contrast, ground appears to be subordinate and, therefore, less important.”¹

- **Proximity:** It refers to a tendency to perceive things that are close to one another as being related. Individuals usually perceive objects or events same or related if they are close to each other.
- **Closure:** If individuals are presented with incomplete stimuli, they feel a need to fill in the missing elements in order to complete the meaning of them. It occurs out of our need for completeness.

Cognitive Theory of Perception

The contemporary explanation of perception is the cognitive explanation or approach. The cognitive theorists believe that, there is no doubt about our perceptions of the whole. That is, we perceive something as a whole. But, to them this is done using the cognitive structures of the individuals. The cognitive structure is composed of an individual’s experiences, values, beliefs, images, ideas, and attitudes. By using this structure, he tries to differentiate between stimuli, and find different meanings out of them. Cognitive theorists believe that consumers are unlike other animals. They process incoming stimuli to arrive at decisions concerning them. And, the processing is done in a way that helps him to adapt with the changing circumstances. Perceptual process helps him bringing changes in his beliefs, and knowledge to accept new ideas and maintain internal cognitive balance. The relationship between perception and cognitive structure of an individual may be represented by the cognitive model of perception developed by Rom J. Markin, Jr. shown in the figure below:

Figure-10.2: Showing the Cognitive Model of Perception Developed by Markin R. J.



Cell 1 in the above figure indicates the senses an individual uses to receive information from his environment. Once a stimulus is attended by an individual’s sense(s), he feeds it to cell 2, which stands for his central nervous system consisting of his values, beliefs, experiences, images, and attitudes(cognitive structure). In the cognitive structure, the stimulus so fed by the senses, is processed and evaluated. The outcome of such a processing and evaluation is the perception of the stimulus

¹ Schiffman L.G., and Kanuk L.L., *Consumer Behavior*, Prentice-Hall of India Private Limited, 1998, p.,164.

shown in cell 3. Whatever the perception the individual forms regarding the stimulus, he stores that in his cognition to help him process similar stimuli in the future.

The cognitive theory of perception, thus, is the explanation of how we interpret incoming stimuli using our knowledge or cognitive structures. Since we are human being, a very complex creature, we indeed form our perceptions toward different objects, items, or situations using our cognitive structures.

Modes of Perception and their Marketing Significance

How our senses react to external stimuli determine our perceptions.

As mentioned earlier, we respond to stimuli using our senses, that ultimately determine our perceptions. These receptors are our organs such as eyes, ears, nose, mouth, and skin. These organs help us to see, hear, smell, taste, and touch or feel the world around us. Thus, how our senses react to external stimuli determine our perceptions. Thus, there are four basic modes of perception. Four in the sense that, smell and taste go side by side, and as a result, considered here as one mode. These modes will be now described in brief in the following sections:

Sounds also convey messages to our brain.

- **Visual Mode of Perception:** By seeing an object, we form an idea about it. If we like it from the very first sight, or if it draws attention of our eyes, we take it into active consideration for future decision. Therefore, marketers are keen about visual stimuli. By developing attractive product or packages, they basically try to give positive visual stimuli to consumers for their positive perceptions to develop. Finally, this perception will lead them to actual purchase decision of the advertised brand.
- **Hearing or Aural Mode of Perception:** Sounds also convey messages to our brain. Our ears are sensitive to sounds of certain frequencies. It is found from different studies that, we can perceive sounds coming at frequencies between 12,000 and 15,000 cycle per second. If the intensity of sounds goes beyond 20,000 cycle per second, we do not perceive those sounds though we hear the sounds. Marketers have important lesson to take from this observation. In their commercials, they must keep this into active consideration. Because, increasing intensities of sound beyond the upper limit may irritate consumers which will go against their interests.
- **Smell and Taste or Olfactory Mode of Perception:** In most of the time we smell and taste things together. Since they go side by side, they are discussed together here as olfactory mode of perception. Both our nose and tongue are very sensitive perceptors. Nose gives us idea about whether the smell of the item under consideration is desirable or not. Tongue gives us ideas about sweetness, sourness, saltiness, bitterness, solidity, liquidity, hotness, or coldness of something. If an individual's perceptions of smell and taste are positive toward an item, his chance of buying that item increases to a

great extent. Marketers should, therefore, take note of it. Depending on their target customers' smell and taste perceptions, they should decide on the smells and tastes of their products in order them to be accepted by the customers.

- ***Perception of Touch or Tactile Mode of Perception:*** Perception of touch is very important for consumers to decide on a particular brand of a product. We touch thing with our fingertips which are very sensitive perceptors as nerve endings are closely clustered there. By touching an object, we can understand whether it is soft, hard, silky, coarse or other. It touch gives you a good feel, you may consider buying an item. Marketers should remember that tactile perception varies from country to country. Therefore, in deciding on the softness or silkiness, as well as hardness or coarseness, they should understand the tactile perception of people of the country or culture in question.

Understanding the above modes of perception is very important from marketing point of view. A marketer who can best understand his customers' above few modes of perceptions, and takes marketing programs accordingly, can easily excel his competitors.

Self Evaluation

Objective Questions

1. Though consumers have many needs that are basically similar, they try to satisfy them differently, depending on –
 - a. How they perceive their needs
 - b. How they perceive the environment in which they act
 - c. Both a & b
 - d. None of the above.

2. Perception is the unique way in which –
 - a. Each person sees, organizes, and interprets things
 - b. Each person sees, organizes, and interprets things
 - c. Each person sees, organizes, and interprets things
 - d. All of the above.

3. Our senses are exposed to those with the power –
 - a. To capture and hold our attention
 - b. Of being perceived
 - c. Both a & b
 - d. None of the above.

4. Marketers should be aware of each stage in the perception process in order to –
 - a. Increase the probability that consumers will be exposed to the message aimed at them
 - b. Increase the probability that consumers will pay attention to meaning to the message aimed at them
 - c. Increase the probability that consumers will assign the desired meaning to the message aimed at them
 - d. All of the above.

5. Perception can be defined as the process a person uses –
 - a. To collect internal stimuli and stimuli from the environment
 - b. To evaluate internal stimuli and stimuli from the environment
 - c. To collect retain internal stimuli and stimuli from the environment
 - d. All of the above.

6. Individuals perceive themselves and their environment through their senses, such as –
 - a. Sight, hearing, taste, smell, and touch
 - b. Sight, hearing, taste, smell, touch, and common sense
 - c. Both a &
 - d. None of the above.

7. You are likely to notice an advertisement of refrigerator –
 - a. If you do not have one
 - b. If you plan to buy a refrigerator
 - c. Both a & b
 - d. None of the above

8. Selective distortion is –
 - a. The changing or twisting of currently received information
 - b. The changing or twisting of currently received information to make it more consistent with the internal beliefs of the individual
 - c. Both a & b
 - d. None of the above.

9. Gestalists believe that, while developing perception to an object or stimulus, an individual –
 - a. Does not perceive it part by part
 - b. Does view it as a whole
 - c. Both a & b
 - d. None of the above.

10. The cognitive structure is composed of –
 - a. An individual's experiences and values
 - b. An individual's beliefs and images
 - c. An individual's ideas and attitudes
 - d. All of the above.

Answers:

1. c, 2. d, 3. c, 4. d, 5. d, 6. c, 7. c, 8. b, 9. c, 10. d.

Descriptive Questions

1. Explain why the knowledge of consumer perception is essential to a marketer. Define and describe consumer perception.
2. Explain both Gestalt and cognitive theories of perception. Identify and explain the basic modes of perception.



Lesson – 2: Determinants and Features of Perception Affecting Consumer Behavior

Objectives of this lesson

After reading this lesson, you will be able to:

- Identify and explain the stimulus factors determining an individual's perception
- Explore the individual response factors determining one's perception
- Realize the marketing significance or implications of the factors determining consumer perception
- Understand the features of perception affecting consumer behavior.

Introduction



In the previous lesson, we have mentioned that perception is the process through which we gather, process, and interpret information from the environment. In this lesson we shall highlight the determinants and features of perception that play the important role in shaping the consumer behavior. Let us have a brief discussion on the same.

Determinants of Perception and their Marketing Significance

Consumers are constantly bombarded with numerous stimuli – both by his social and commercial environment. Some of the stimuli are: advertisements, products, stores, lifestyles of others in the same social class etc. But, we may not hear or see everything that are presented to us. Our eyes and minds seek out and notice only information that interests us. That is, we do not perceive everything to which we are exposed. We screen out or modify ideas, messages, and information that conflict with previously learned attitudes and beliefs. We remember only what we want to remember. This implies that all people are not affected by all advertising. The nature of the stimuli, our needs, and cognitive structures, are among others that determine our perceptions. In general, factors that determine an individual's perception may be divided into two broad categories. They are: (1) stimulus factors, and (2) individual response factors. These two sets of factors contribute significantly in an individual's perceptual process. Let us now have a look at them in turn:

- **Stimulus Factors**

Perception occurs when the stimulus activates one or more sensory receptors, and, when the resulting sensations are processed by the brain. We are constantly exposed to numerous stimuli, but we do not perceive all of them. The nature and characteristics of the stimuli determine our perceptions. Thus, stimulus factors determine our perceptions. They are the physical characteristics of the stimuli concerned. These are the factors solely deriving from the nature of the physical stimuli. According

The nature and characteristics of the stimuli determine our perceptions.

to the Gestalt psychologists, perception is determined primarily by the physiological events occurring in the nervous system of the individual in direct reaction to the stimulation by the physical objects. Since the characteristics of a stimulus have an impact on the attention process of an individual, they determine his perception. Marketers should pay serious attention to these characteristics, that is the stimulus factors, as they can significantly influence the effectiveness of various efforts to communicate with consumers. The characteristics of the stimuli that influence consumer perception are: (a) color, (b) contrast, (c) size, (d) loudness, (e) brightness, (f) position, (g) movement, (h) directionality, (I) isolation, (j) introductory questions, (k) novelty, (l) use of attractive spokesman, etc. We shall now discuss them in short in the following few paragraphs.

- (a) **Color:** Color serves to attract attention quickly. We know that brightly colored items are noticed quickly than dull colored items. In case of advertisement, you have observed that, color advertisements draw our attention before the black and white advertisements. The reasons for such a difference in perception of black and white or dull and color items are many. Some of the reasons are mentioned below. The attention drawing and holding power of colored items are more than the black and white items. The other reason is that, in modern urban societies, people want to add colors to every sphere of their lives, and as a result they favor brightly colored items. The reality suggests that many products look better in colors than black and white. Moreover, color can be used to create mood, which secures our attention, and as a result influence our perceptions.

Before deciding on the color, marketers should note that color perception is subjective. A particular color may be perceived positively by one group, where the same color may be perceived negatively by the other group. Again, certain products have a large range of attractive colors, such as dress materials, while others have a limited range of acceptable colors, such as hair-dye.

Color perception is subjective.

- (b) **Contrast:** It refers to the tendency individuals have to attend more closely to those stimuli that contrast with their background than they do to those that blend with it. You came to know that colored items are perceived quickly and better by the consumers. But, research suggests that, we attend more closely to those stimuli that contrast with their background. If the color of the stimulus is not consistent with its background, it creates conflict, and increases an individual's attention. You may have noticed that, in the middle of a full color background, a black and white advertisement draws your attention quicker, and you perceive that easily. Again, a radio advertisement, that is louder than other advertisements, is perceived readily. This happens because of the distinctiveness of

the stimulus. This suggests that, marketers should use the concept of contrast in their product design, package, and advertisement to gain attention of their target consumers.

Consumers' attention is also influenced by the size of the stimulus that is offered to them.

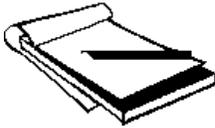
- (c) **Size:** Consumers' attention is also influenced by the size of the stimulus that is offered to them. We know that large sized items are noticed quicker than smaller sized ones. In case of advertisements, you have noticed that, larger advertisements are attended first instead of smaller advertisements. In case of the product size, it also happens true. Larger sized products are noticed more than smaller sized products. But, marketers should keep in mind that, the decision to increase the size of the stimulus must have a relevance with its initial size. The increase should be proportionate to the initial size for it to be noticed as an increase by the consumers.
- (d) **Loudness:** The intensity of a stimulus will often influence attention. A loud stimulus will be more likely to be perceived than one of less intensity. The reason for television and radio advertisements to begin with a loud noise is to just attract viewers' or listeners' attention. Marketers should note that, doubling the intensity of sound always does not guarantee double the perception. You know that human ears are sensitive to sounds coming in a frequency of 12,000 to 20,000 cycles per second. Therefore, whatever marketers decide regarding the intensity of sounds of their advertisements, they should keep in mind the tolerable range or intensity of sound to produce perception.
- (e) **Brightness:** Brightness of colors also secures attention more than dull colors. That is why, marketers now rely more on brightly colored print and broadcast advertisements. The intensity of colors, that is brightness, operates in much the same way as the size and loudness.
- (f) **Position:** It refers to the placement of an object in an individual's visual field. Position can also influence perception. It is found from different studies that objects placed near the center of the visual field of an individual are more likely to be attended than those near the border of the field. You may have noticed that, items stored or displayed in shelves close to the eye level of individuals of normal height are noticed quickly than those displayed below this level. In case of print advertisements, it is seen that, the left side of the page and the upper half get slightly more readership than other positions because of people's reading habits. Starch has concluded that ads on the back of a magazine will attract about 65% more readers than those toward the middle. Ads on the inside front and back covers will attract about 30 percent more readers. This again varies from country to country. In countries where right to left reading occurs, the opposite tendency should present.

- (g) **Movement:** If a stimulus is moving in nature, it will be perceived more readily than a stationary one. Sometimes illusion of movement also secures attention. Movement attracts attention more because moving items are more noticeable. This is because of what marketers now-a-days heavily rely on moving advertisements and moving point-of purchase displays. We may have noticed so many moving outdoor displays such as vertical rotating neon signs as well as moving displays at sales outlets. These are for greater attention to be given by the consumers to the advertised products. Marketers should keep one thing in mind that, moving outdoor advertising materials may create traffic hazards leading to even fatal accidents. Therefore, in selecting the places of such advertisements, they should be careful enough so that such ads do not create traffic hazards.
- (h) **Directionality:** Stimuli that show certain directions, that viewers eyes should take, secure more attention than non directional stimuli. An advertisement that uses arrows or other signs/symbols directing the readers or viewers toward a particular aspect/fact/area is perceived more readily because of this very feature.
- (i) **Isolation:** Isolation separates a stimulus object from other stimuli. You may have noticed that a small advertisement is printed in the middle of a full blank page of the newspaper. The basic idea is to isolate the advertisement (stimulus) from other advertisements so that it is noticed by the readers without fail. The principle of isolation may also be used in television commercial.
- (j) **Introductory Questions:** The use of questions in an advertisement may secure more attention drawn to it than an ordinary advertisement. If an ad starts with question or questions (e.g. what do you thing of cleanliness?) thrown to the reader or audience, that ad is very likely to be at least read or seen by the reader or audience.
- (k) **Novelty:** Stimuli that are considered unusual or unexpected by the target audience are perceived quickly by them. Several studies have investigated the impact of an ad's collative properties on the amount of attention given to them. Holbrook and Lehmann found that ads rated as surprising, incongruous, or funny were more likely to have been read or seen.
- (l) **Use of Attractive Spokesman:** Advertisements that use attractive models or celebrities are noticed quickly and easily leading to consumer perception. Marketers should be careful in selecting models or celebrities for their advertisements, because

Sometimes illusion of movement also secures attention.

inappropriate use of such may give negative impression to the consumers that will adversely affect their sales.

- (m) **Other Stimulus Factors:** Research also identified some other stimulus factors that affect consumer perception. It is found that, 'speeding up' messages may increase attention affecting consumer behavior. Advertisements that come in compressed form are found to be more interesting to the audiences that influence their perceptions of the advertised brands. It is also found that stimuli or information that are concrete rather than abstract, imagery provoking, emotionally interesting, containing a great deal of detail and specificity about objects, actions, outcomes, and situational context are perceived better by the consumers. It has been found that advertising phrased in concrete, detailed, and specific terms will attract more attention than will advertisements phrased in abstract and general terms.



Activity:

Find three examples of marketing promotions that specifically use stimulus factors to create attention. For each example, evaluate the effectiveness of the stimulus factors used.

• **Individual Response Factors**

In addition to stimulus factors there is another set of factors that determines an individual's perception. They are the characteristics of the individual, which influence or direct the individual's attention. Marketers must recognize them and develop their strategies that best match with this set of factors for consumers to perceive their products or messages. Major individual response factors are: (a) interest, (b) attention, (c) needs/motives, (d) past experiences, (e) personality, (f) attitudes, (g) values, and (h) mental set. Let us now turn our attention to them:

Interest affects one's perception.

- (a) **Interest:** Interest is the first individual response characteristic that affects one's perception. It is the reflection of overall lifestyle as well as result of long-term and short-term goals and plans. The short-term goals and plans are basically situational and vary according to situations. People tend to notice stimulus or information that is interesting to them. In turn, they are interested in subjects with which they are involved. They are essentially interested in themselves and in various extensions of themselves. As interests vary among people, the same object may be perceived differently by different individuals. It also varies according to the gender difference. Men are found to be interested in certain things where women do not find any interest in those. Research found that there is a desire to keep watch over things in which one has invested one's ego. For example, one reads in the newspaper about

an event in which one personally participated; one reads advertisements for the product one bought; smokers choose to read material supporting the smoking-lung cancer relationship no less than material disclaiming the relationship, and much more avidly than nonsmokers. Thus people are more apt to look at and remember things in which they are interested than things in which they are not.

- (b) **Attention:** It can be defined as the allocation of processing capacity to the incoming stimuli. The degree of attention one puts to a stimulus object determines his perception of that stimulus object. Attention, we know changes very frequently. Research revealed that attention to anything shifts after every five seconds. If attention is withdrawn from a stimulus, it is unlikely to be perceived. In order to hold consumer attention, marketers must develop interesting, useful, and outstanding products as well as presenting them in an interesting way. This may ensure consumers' perception of the product or message more easily.
- (c) **Needs/Motives:** We know that both our bodily and mental needs determine which object we shall perceive. Let us take the simple example of two men seated at a lunch-room counter surveying the posted menu on the wall. One is extremely hungry; the other, only thirsty. Both are exposed to the same physical object, yet the first will notice the burger and sandwiches, while the tea, coffee, and cola items will be neglected or relatively so. The second man will react in the opposite manner. Ask both men to tell you what they saw on the menu, and the first will respond with a list of food items "and other stuff"; the second will enumerate the drink items "and other things". In one case the food items have been clearly and specifically perceived and organized against a background of non-differentiated "other stuff"; in the second case it was reverse. Thus needs, rewards, and punishments can even determine how a simple visual stimulus will be perceived.
- (d) **Past Experiences:** Our past experiences or memories also determine our perceptions. Past experiences influence the categorization process of stimuli. Because of the past experience an individual is likely to classify the similar stimuli to the same perceptual group and display the same pattern of behavior to them. For example, if you were not satisfied with one of the particular company's products, you are very likely to perceive other products of the same company negatively. The reason for such a perception is because of your past bitter experience with one of the said company's products.
- (e) **Personality:** One's personality type and characteristics also determine his perception of different stimuli. As personalities vary among people, different individual may find different meanings

Our past experiences or memories also determine our perceptions.

from the same stimulus. “One study found that individuals who find it difficult to tolerate uncertain situations tend to be influenced by seals of approval, to a greater degree than do other consumers.”²

Consumer perception of stimuli is also affected by their attitudes.

(f) **Attitudes:** Consumer perception of stimuli is also affected by their attitudes. Consumers use their held attitudes and frames of reference in evaluating stimuli received from various sources. Individuals interpret and respond to stimuli in a way consistent with their attitudes already held. They perceive a particular stimulus in a positive way if their attitudes support that. For example, if you hold negative attitude toward a particular brand of ball point pen, you will view and interpret any advertisement of that brand of ball point pen negatively.

(g) **Values:** Values are our ideas about what is correct by which we conduct ourselves. Values we hold also have an impact in the way we perceive different stimuli. Values are taught by different social organizations. The taught values remain fairly persistent for long. They in turn influence an individual in his process of perception. We usually perceive those stimuli negatively that are inconsistent with the values held by us to support values that we hold and to enhance our self images.

Our cognitive or mental set is a very important determinant of our perceptions.

(h) **Mental Set:** Finally, our cognitive or mental set is a very important determinant of our perceptions. Here, too, illustrations abound in everyday experiences. “It is the “map” one makes of one’s world, through which some persons, skills, experiences, needs, values, and goals are elevated and others flattened. Cognitive set accounts for the selectivity of perception in that the same objective event is perceived very differently by different observers.”³ With our changed mental set different objects are selected out for perception, and our resulting cognitive structures become much more differentiated and detailed. For example, the policeman, the social worker, the ward politician, and the foreign visitor walking through the same slum not only interpret what they see differently but actually perceive different objects. The reason is that their mental sets vary, resulting in different perceptions of the same object by the different individuals.

Features of Perception Affecting Consumer Behavior

How an individual perceives a stimulus or information depends on a number of characteristics of the perception itself. An individual’s processing, evaluation, and explanation of a particular information depend largely on the features or characteristics of perception. They are:

² Loudon D. L., and Bitta A. J. D., *Consumer Behavior – Concepts and Applications*, McGraw-Hill, INC., USA, 1993, p., 370.

³ Berkman H. W., and Gilson C. C., *Consumer Behavior – Concepts and Strategies*, Dickenson Publishing Company, Inc, USA, 1978, p., 258.

(1) perceptual cues; (2) perceptual selectivity; (3) perceptual organization; and (4) perceptual thresholds. These features will now be discussed in brief in the following few paragraphs:

- **Perceptual Cues:** Cues are basically stimuli that arouse curiosity or sensation in people. How a given stimulus will be perceived depends largely on the cues given to the individual concerned. Individuals use cues to perceive situations, objects, stores, persons or any other things. Cues help consumers in arriving at purchase decisions. Different studies revealed that consumers use two types of cues to take purchase decisions. Some of the cues are termed as relevant cues, while others are irrelevant cues. Purchase decisions are first of all influenced by the relevant cues. Relevant cues are those directly associated with the products, such as the size, shape, color, packaging, and the price. They work as cues or stimuli to consumers helping them taking purchase decision of a particular product. Normally, consumers depend on relevant cues in taking their purchase decisions. When consumers find a particular purchase decision very complex, and where relevant cues cannot help them reasonably in taking purchase decisions, they depend on irrelevant cues. Irrelevant cues are those not directly associated to the product or service under consideration, such as the presentation of the salesperson, his apparent goodwill or lack of it and so on. When consumers senses ambiguity with regards to relevant cues, they may rely on irrelevant cues to take purchase decisions.
- **Perceptual Selectivity:** You know that consumers are constantly bombarded with numerous stimuli coming from their environments. An individual is constantly exposed to thousands of times more stimuli that he can process. Since they cannot cope up with this intensity of stimuli, they exercise selectivity as to which stimuli they will perceive. Every individual is selective in attending to marketing as well as other messages. It is found from one study that consumers consciously attend to only 5 to 25 percent of stimuli to which they are exposed. When you enter into a grocery shop for example, you may be exposed to hundreds of items, but you will attend to those that you require, and come out of the shop with your preferred brands. Thus, your perception is selective, that is you do not perceive everything to which you are exposed. But, question remains, how you do that – that is what influences your selectivity? This is influenced by a number of factors such as your needs, experiences, values, mental set, and so on that we have discussed before. Because marketers cannot afford unlimited advertising exposure, they try to design ads that stand out and will not be ignored by consumers.
- **Perceptual Organization:** Another characteristic/feature of perception affecting consumer behavior is perceptual organization. Once an individual is exposed to an information he may take interest

Cues are basically stimuli that arouse curiosity or sensation in people.

in it. If he takes interest in it, it gains his attention. After attention is gained, the individual will try to find meaning out of it – that is he will try to comprehend the information or message. Perceptual organization results in comprehension of the stimulus. By using his personal frame of reference, he will try to reduce the ambiguity of the stimulus through organizing different parts of it. When you see an advertisement on television, for example, what you do is, relate one aspect with other, organize different elements of it, thus trying to understand its meaning resulting in your perception of the advertisement.

Threshold is the intensity of stimulus energy required to activate various sensation levels.

- **Perceptual Thresholds:** Threshold is the intensity of stimulus energy required to activate various sensation levels. It is basically the point of minimum stimulus needed to produce perception. You know that our senses are the basic perceptors, and, as a result, threshold is the term related to our senses. For each of our five senses, there are three levels of threshold. They are: lower threshold, terminal threshold, and the difference threshold. Lower threshold is that intensity of the stimulus input that is essential for it to be noticed by the senses. Terminal threshold is that point of intensity of the stimulus input, beyond which the increases in stimulus cannot create any extra sensation to our senses. The difference threshold or Just Noticeable Difference (JND) is that smallest increase in stimulus intensity that is perceived as an increase by a person. Marketers should note that the intensity of their stimuli should not be less than the lower threshold as well as the upper threshold to produce consumer perception. It should also be noted that these levels always do not remain the same. The lower threshold level of a particular stimulus may change as the consumers get used to the said stimulus. Therefore, marketers should constantly measure the levels of thresholds for their stimuli to produce desired perceptions. With regards to difference threshold or J.N.D., Weber's Law states that the stronger the initial stimulus, the greater the additional intensity needed for the second stimulus to be noticed and perceived as different than the first one. For example, if the price of an earlier Tk. 10 pen is increased by Tk. 5, it will be perceived as a significant increase. On the otherhand, if the price of one Tk. 20,00,000 apartment is reduced by Tk. 10,000, it will not be perceived as a decrease. Therefore, the increase or decrease of stimulus intensity in order to be noticed as an increase or decrease, should be related to the initial intensity of the said stimulus – that is the change should be noticeable to produce consumer perception. The marketers in two areas may successfully use this concept. One, to ensure that reduction in product size, increase in price, or decrease in quality are not noticed by the consumers. Second, to make sure that quality improvement, size increase, change in packaging, and price reduction are noticed readily by the consumers.

From the above discussion, one can note that stimulus must come at an intensity of at least lower threshold to have an influence on consumers. Different studies proved otherwise. These studies noted that certain stimuli may also be perceived even when they are presented below the lower threshold or 'limen'. This has created the concept of *subliminal perception*. Individuals may even be stimulated by the stimuli presented below their level of conscious awareness. Such stimuli at times are perceived by one of our five senses subconsciously. This is subliminal perception. Thus, subliminal perception is the process of perceiving stimuli that are presented below the lower threshold. Different studies found that subliminal perceptions do take place and influence consumer behavior. One study identified that during mid 1950s in an ad campaign, the message " DRINK Coca Cola and Eat Popcorn" was shown on cinema screen for 1/3000 of a second after every five second for six week period in a particular area's theatre. Researchers noted that sales of Coke increased by 57.7 percent and Popcorn by 18.1 percent during the campaign period. It clearly suggests that subliminal perception works in consumers and influence their purchase behavior which marketers should note seriously.

Self Evaluation

Objective Questions

1. Our eyes and minds seek out and notice only information that –
 - a. Interests us
 - b. Bothers us
 - c. Both a & b
 - d. None of the above.

2. We screen out or modify –
 - a. Ideas that conflict with previously learned attitudes and beliefs
 - b. Messages that conflict with previously learned attitudes and beliefs
 - c. Information that conflict with previously learned attitudes and beliefs
 - d. All of the above.

3. Perception occurs when –
 - a. The stimulus activates one or more sensory receptors
 - b. Sensations created to stimulus are processed by the brain
 - c. Both a & b
 - d. None of the above.

4. The characteristics of the stimuli that influence consumer perception are –
 - a. Color, contrast, size, and loudness
 - b. Brightness, position, movement, and directionality
 - c. Isolation, introductory questions, novelty and use of attractive spokesman
 - d. All of the above.

5. If the color of the stimulus is not consistent with its background –
 - a. It creates conflict
 - b. It increases an individual's attention
 - c. Both a & b
 - d. None of the above.

6. It is found from different studies that objects placed near the center of the visual field of an individual are more likely to be attended than –
 - a. Those near the border of the field
 - b. Those far from the border of the field
 - c. Both a & b
 - d. None of the above

7. It has been found from different studies that –
 - a. Advertising phrased in concrete term will attract more attention than will advertisements phrased in abstract and general terms
 - b. Advertising phrased in detailed term will attract more attention than will advertisements phrased in abstract and general terms
 - c. Advertising phrased in specific term will attract more attention than will advertisements phrased in abstract and general terms
 - d. All of the above.
8. Major individual response factors are:
 - a. Interest, attention, needs/motives, and past experiences
 - b. Personality, and attitudes
 - c. Values, and mental set
 - d. All of the above.
9. Individuals use cues to perceive –
 - a. Situations or objects
 - b. Stores
 - c. Persons or any other thing
 - d. All of the above.
10. Perceptual threshold is basically –
 - a. The point of minimum stimulus needed to produce perception
 - b. The point of maximum stimulus needed to produce perception
 - c. Increase in stimulus needed to produce perception
 - d. All of the above.

Answers:

1. a, 2. d, 3. c, 4. d, 5. c, 6. a, 7. b, 8. d, 9. d, 10. a.



Descriptive Questions

1. Identify and explain the stimulus factors determining an individual's perception and show their marketing implications.
2. Trace the individual response factors determining one's perception. Show how a marketer can exploit those. Discuss the features of perception affecting consumer behavior.

Lesson - 3: Areas of Perception Bearing Marketing Significance

Objectives of this lesson

After reading this lesson, you will be able to:

- Understand the multimediational role of perception in consumer behavior
- Know how the price is being perceived by consumers
- Realize the aspects of risk perception by consumers
- Identify the ways in which perceived risks may be reduced or eliminated.

Introduction



Identifying or revealing consumers' hidden motives may help marketers to add features in products best appealing consumers' motives. Few widely used techniques of motivational research are available. Knowledge of these techniques helps marketers to undertake motivational research study to explore consumers' motives.

The Multimediational Role of Perception in Consumer Behavior

Selectivity is a basic principle of consumer behavior.

Consumers tend to relate the benefits of products to their own needs. To want a product enough to seek it out in the marketplace, we must become aware both of its existence and of our desire or potential use for it. We tend to perceive those things or objects that are both meaningful to us and consistent with our experiences and beliefs. Marketers do not expect that consumers will attend to all the products on the retail shelves as they move around the shops. Thus, they design special packaging and even display cases so that their products will stand out amidst hundreds of items available at shops in the marketplace. Marketers know that selectivity is a basic principle of consumer behavior. Therefore, it is of constant interest to students of consumer behavior and, indeed, to all marketers. Marketers spend a great deal of effort and money to catch consumers' attention to their products and with advertising messages. Consumers pay attention to advertisements and products when they are already interested in a product. Marketers, therefore, spend a great deal of efforts in gaining the acceptance of their products in consumers' minds. Once a particular brand gains attention, the buyer perceives its price. He inquires about the prices of alternative brands, compares them, and tries to find out whether the price is justifiable considering the value that he may derive from the specific brand. A particular consumer may think that higher price suggest superior quality, where the other consumer may perceive something different. Thus price perception is subjective and varies from consumer to consumer. If the price is perceived positively, the buyer finds out the risks associated with the

purchase of a particular brand. That is, he may perceive different types of risks involved in a particular purchase. One perception affects others. For example, perception of quality may affect price perception. Again, price perception of a brand may affect perception of risk involved with the purchase of that brand. Thus, perception plays multidimensional roles in consumer behavior. The more marketers learn about perception, the better they can tailor messages that will have the desired perceptual penetration and impact.

Perception plays multidimensional roles in consumer behavior.

How Brand Perception Takes Place?

In order to increase the sale of his brand, a marketer must make sure that his brand is perceived favorably by the majority of his target customers. How the consumers perceive the image of a particular brand? This is though subjective, but number of factors contribute in the perception of image of a brand. Perception of a brand is influenced among others by the individual's mood of frame of mind, his physical abilities to experience sensation, his personality and motivation, the social and physical context in which he is perceiving the brand, the social and physical context of the brand related stimuli. One's perception of a brand is also influenced by the size, color, shape, quality, service, characteristics, distinctiveness, advertising, and packaging of the brand as well as the name /image of the producing company and stores where it is sold. Marketer should decide, what image of his brand he wants to create in the minds of the buyers. If he, for example, wants to create a quality or value image in the buyers' minds, he should not offer any price related inducements, which will create a discount image of his brand in consumers' minds.

Perception of Price

Consumers' perception of price is an issue of major concern to many marketers. If the price of a particular brand is perceived to be appropriate by the target customers, chances are that it will sell well. Commonsense says that higher actual prices suggest higher financial risks. Marketers are, therefore, very much interested in revealing how prices are perceived by consumers. In order to know how price is being perceived by consumers, a marketer may ask him, questions like: "does a relationship exist between a product's price and its perceived quality"? "Are product prices ending with an odd number perceived differently than prices ending in an even number"? A marketer may find different answers to such questions from different groups of customers as they may respond differently to price related stimuli. Number of studies were conducted to find out answers to such and other price perception related questions. In the following few paragraphs we are going to present some of the important findings on price perception revealed from different studies. These findings may be considered as lessons by the marketers in selecting price stimuli to be given to customers.

Finding – 1: There is no clear or consistent set of findings about price-consciousness. It is not evident what kind of consumers are price-conscious or for what set of products price-consciousness is most likely to develop.

Finding– 2: Although research findings are not yet conclusive, there appears to be a positive relationship between price and perceptions of product quality at least within some product categories. Consumers seem to rely more on price in situations involving high risk, when they have low self-confidence, and when other indicators of product quality are absent. When a clear-cut brand image is present, it is more important than price as an indicator of quality. Generally, the larger the stimuli available about a product, the less price is used as an indicator of product quality.

Finding–3: It appears that consumers maintain absolute thresholds/ lower thresholds, that is, they have an upper and lower limit on prices they are willing to pay. Consumers, therefore, shop for a product whose price is within the upper and lower limits.

Finding–4: Monroe raises an important, but largely unaddressed question: “When and under what circumstances are differentially priced but similar products perceived as different offers?” This involves the concept of difference threshold, which concerns the amount of change, which has to occur to be noticeable to consumers. It may be that for some products consumers perceive an upward change in price more readily than they would perceive an equally large but downward change in price.

Finding – 5: There are good reasons for believing that consumers’ price perceptions depend on the relationship between the actual price and the price consumers use as a reference point. Consumers may develop a set of standard prices for different product categories and quality levels which serve as a frame of reference. The standard price may be derived in a number of ways, such as by averaging prices, or by referring to the price of the leading brand. Consumers use this standard price when evaluating the price of a particular brand or product.

Overall, the researchers conclude that despite a large literature we know very little about how price affects a buyer’s perceptions of alternative purchase offers, and how these perceptions affect his consumption or purchase decisions.

(Note: This part, that is the findings on price perception, has been borrowed from the book “Consumer Behavior”, written by Gerald Zaltman and Melanie Wallendorf)

Risk Perception

Besides providing information about products for consumers, marketers assess the amount of risk consumers attach to the purchase of an item. Buyers perceive different types of risks associated with the purchase of a particular product. Perceived risk enters the buying process when consumers are uncertain about their buying goals. The amount of risks buyers believe is associated with a purchase decision also affects their behaviors. The degree of risk varies with the costs at stake in a decision and the buyers' degree of certainty that the outcome of the decision will be satisfactory. The costs of an inappropriate decision include monetary loss, time loss, ego loss, and losses related to the failure to satisfy the aroused need. Even when decisions are made, there may be doubts concerning negative consequences. If one or more of these conditions exist, the buyer must deal with the perceived risk that an incorrect purchase decision may result in undesired consequences. When contemplating an expensive purchase, the amount of perceived risk is usually greater. For instance, buying a new car with bank loan while interest rates are especially high is likely to increase one's perception of risk. Whether real or imaginary, a perceived risk is often a major influence on purchase decisions. The perception of risk arises either from uncertainty that the product will match the buying purpose or from fear of consequences relating to the product's performance and quality and its ability to fulfill social and psychological needs. Perceived risk may be physical, financial, or social. One can observe two levels of risk in different purchase situations. Inherent risk is the first or basic risk one may observe involving a purchase decision. The other level of risk is handled risk. It is the risk that arises after the information is processed, and the buyer usually tries to reduce it by following different mechanisms. For instance, a buyer could associate a great amount of risk with guns. On the otherhand, he may buy a well-known brand with confidence. In this case, inherent risk is high, but handled risk is low or tolerable.

Perceived risk enters the buying process when consumers are uncertain about their buying goals.

Perceived risk may be physical, financial, or social.

Marketers are aware of the many uncertainties and possible adverse consequences that consumers weigh when making purchase decisions. Consumers often pursue different risk reduction strategies. Marketers should also attempt to reduce or eliminate troublesome perceptions of risk. Now we shall discuss how perceived risks may be reduced or eliminated by the efforts of both consumers and marketers.

Ways of Reducing or Eliminating Perceived Risks

Perceived risks may be reduced or eliminated by the consumer himself, or marketers may contribute in risk reduction by the consumer. Marketers may help reducing risks perceived by the consumers by offering facilities like, money-back guarantees, exchange of unsatisfactory merchandise, and, marketing communications that emphasize product quality and desirability. These attempts may be taken

by the marketers to decrease levels of perceived risk. Focused promotional efforts emphasizing quality and reliability become an important marketing strategy in helping consumers reduce their perceived risks. Marketers may also provide enough relevant information to the consumers, and should take special efforts to increase consumer confidence in such information. This is possible using testimonials taken from credible people and transmitting them through reliable media.

Consumers themselves may also take number of measures to reduce their perceived risks. To reduce risk related to quality, they may buy expensive items as an assurance of quality. The financial risk may be minimized by purchasing least expensive items. Consumer may engage himself in word-of-mouth communication to reduce perceived risk. He may talk to someone who has already bought or used a particular brand, which will help him reduce or eliminate risk involved in the purchase of a particular brand of a product. Developing loyalty toward specific brand or store may also help a consumer reduced his perceived risk. One may also reduce or eliminate perceived risk by reading articles on use tests, and by reading or listening to advertisements. Perceived risk may also be reduced by a consumer by examining a product in a store display or buying and using sample of a product before he goes for regular purchase. Consumers may also seek reassurance from the sellers in the form of guarantee or warranty and thus can minimize their perceived risks. It is obvious that the less risk involved in purchase, the more likely that the consumer will make the purchase and remain happy.

Self Evaluation

Objective Questions

1. Consumers tend to perceive those things or objects –
 - a. That are meaningful to them
 - b. That are consistent with their experiences and beliefs
 - c. Both a & b
 - d. None of the above.

2. Marketers know that –
 - a. Selectivity is a basic principle of consumer behavior
 - b. Distortion is a basic principle of consumer behavior
 - c. Both a & b
 - d. All of the above.

3. A particular consumer may think that –
 - a. Higher price suggest inferior quality
 - b. Higher price suggest superior quality
 - c. Both a & b
 - d. None of the above.

4. Perception of a brand is influenced by –
 - a. The individual's mood of frame of mind, and his physical abilities to experience sensation
 - b. The individual's personality and motivation
 - c. The individual's social and physical context in which he is perceiving the brand
 - d. All of the above.

5. One's perception of a brand is also influenced by –
 - a. The size, color, shape, quality, service, characteristics of the brand
 - b. The distinctiveness, advertising, and packaging of the brand
 - c. The name /image of the producing company and stores where it is sold
 - d. All of the above.

6. In order to know how price is being perceived by consumers, a marketer may ask him, questions like –
 - a. "Does a relationship exist between a product's price and its perceived quality"?
 - b. "Are product prices ending with an odd number perceived differently than prices ending in an even number"?
 - c. Both a & b
 - d. None of the above.

7. The standard price set by a consumer of a product category may be derived in a number of ways, such as –
 - a. By averaging prices
 - b. By referring to the price of the leading brand
 - c. Both a & b
 - d. None of the above.

8. The degree of risk that a consumer perceives, varies –
 - a. With the costs at stake in a decision
 - b. With the buyers' degree of certainty that the outcome of the decision will be satisfactory
 - c. Both a & b
 - d. None of the above.

9. The perception of risk arises from –
 - a. Uncertainty that the product will match the buying
 - b. Fear of consequences relating to the product's performance
 - c. Fear of consequences relating to the product's quality and its ability to fulfill social and psychological needs
 - d. All of the above.

10. Perceived risk may be –
 - a. Physical
 - b. Financial
 - c. Social
 - d. All of the above.

11. Marketers may help reducing risks perceived by the consumers by –
 - a. Offering facilities like money-back guarantees
 - b. Offering facilities like exchange of unsatisfactory merchandise
 - c. Both a & b
 - d. None of the above

12. A consumer may reduce or eliminate perceived risk by –
 - a. Reading articles on use tests
 - b. Reading or listening to advertisements
 - c. Both a & b
 - d. None of the above.

Answers:

1. c, 2. a, 3. b, 4. d, 5. d, 6. c, 7. c, 8. c, 9. d, 10. d, 11. c, 12. d.



Descriptive Questions

1. Describe the multimediation role of perception in consumer behavior. Discuss how the price is being perceived by consumers.
2. Explain different aspects of risk perception by consumers. Discuss the ways in which perceived risks may be reduced or eliminated.