CHAPTER **16**

Alternative Evaluation and Selection

CONSUMER BEHAVIOR
Building Marketing Strategy

Thirteenth Edition

Mc Graw Hill Education
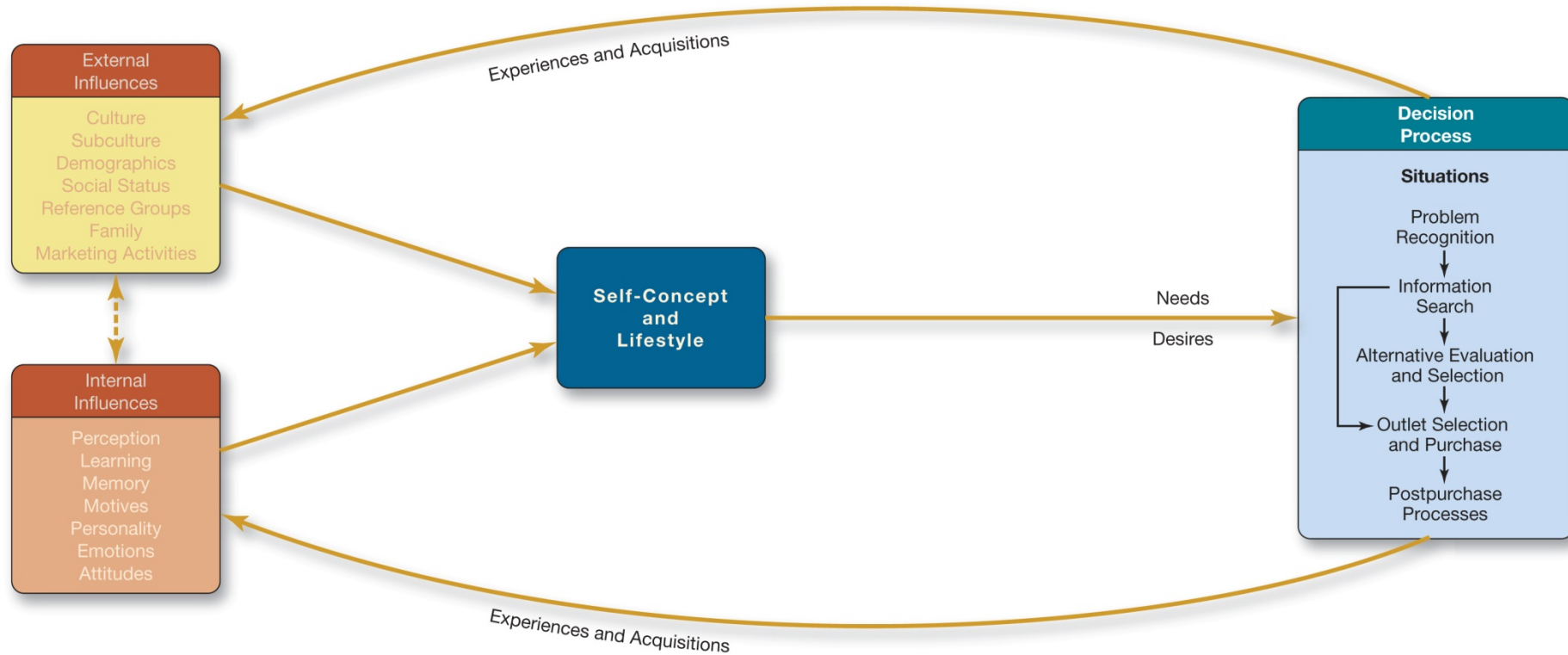
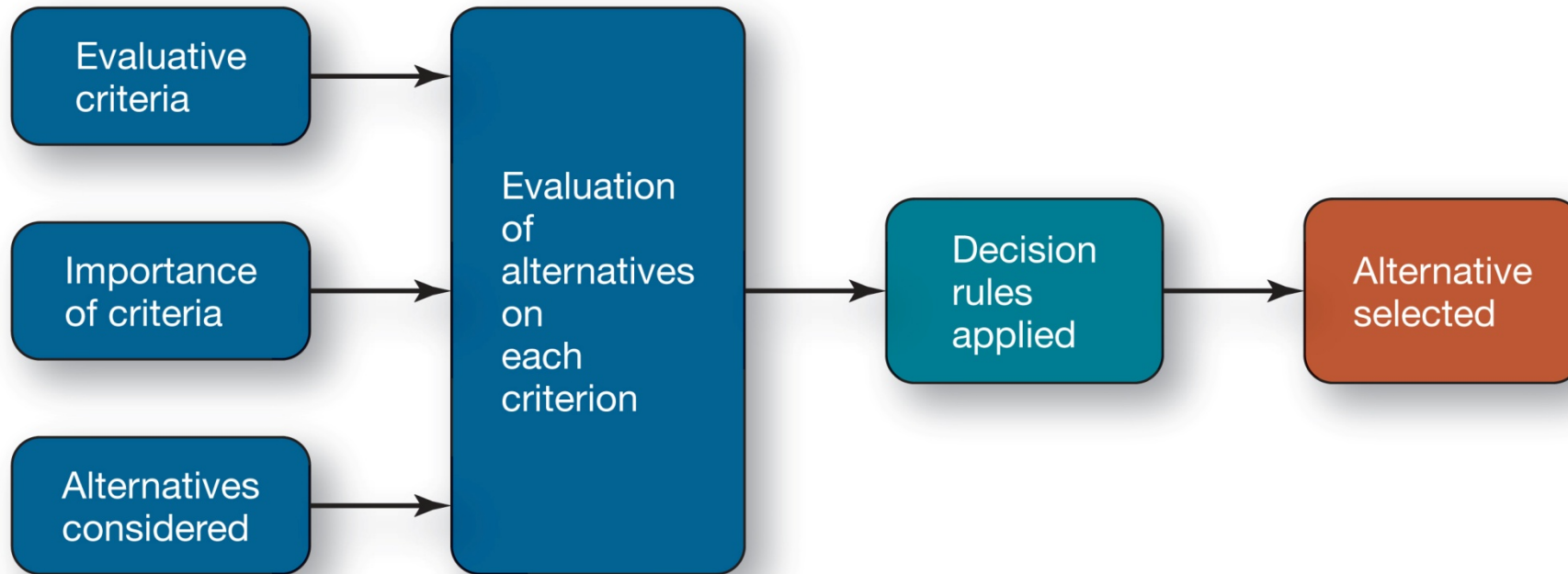MOTHERSBAUGH

HAWKINS

PART IV: CONSUMER DECISION PROCESS

Consumer Choice and Types of Choice Processes

http://historysdumpster.blogspot.com/2015/11/leggs-laura-lerin.html

Consumer Choice and Types of Choice Processes

An Examination of Rational Choice Theory

1. ***Assumption: Consumers seek one optimal solution to a problem and choose on that basis***
   - ***Reality: Consumers have all sorts of "metagoals" that are different from this***

2. ***Assumption: Consumers have the skill and motivation to find the optimal solution***
   - ***Reality: Consumers often lack both the skill or motivation to do so***

3. ***Assumption: The optimal solution does not change as a function of situational factors such as time pressure, task definition, or competitive context***
   - ***Reality: Context effects are common***

Consumer Choice and Types of Choice Processes

Three types of consumer choice processes:

1. Affective Choice

2. Attitude-Based Choice

3. Attribute-Based Choice

Consumer Choice and Types of Choice Processes

Affective Choice

Affective choices tend to be more holistic. Brand not decomposed into distinct components for separate evaluation.

Evaluations generally focus on how they will make the user feel as they are used.

Choices are often based primarily on the immediate emotional response to the product or service.

Tim Hall/Getty Images

Consumer Choice and Types of Choice Processes

Attitude- versus Attribute-Based Choice Processes

Attitude-Based Choice

- Involves the use of general attitudes, summary impressions, intuitions, or heuristics; no attribute-by-attribute comparisons are made at the time of choice.

Attribute-Based Choice

- Requires the knowledge of specific attributes at the time the choice is made, and it involves attribute-by-attribute comparisons across brands.

Evaluative Criteria

Nature of Evaluative Criteria

Evaluative criteria are typically associated with desired benefits and can differ in

- ➢ type
- ➢ number, and
- ➢ importance

Tide ℎℯ Turbo"Smart Suds" Commercial

YouTube Spotlight

Evaluative Criteria

Measurement of Evaluative Criteria

Involves a determination of:

➢ The Evaluative Criteria Used

➢ Judgments of Brand Performance on Specific Criteria

➢ The Relative Importance of Evaluative Criteria
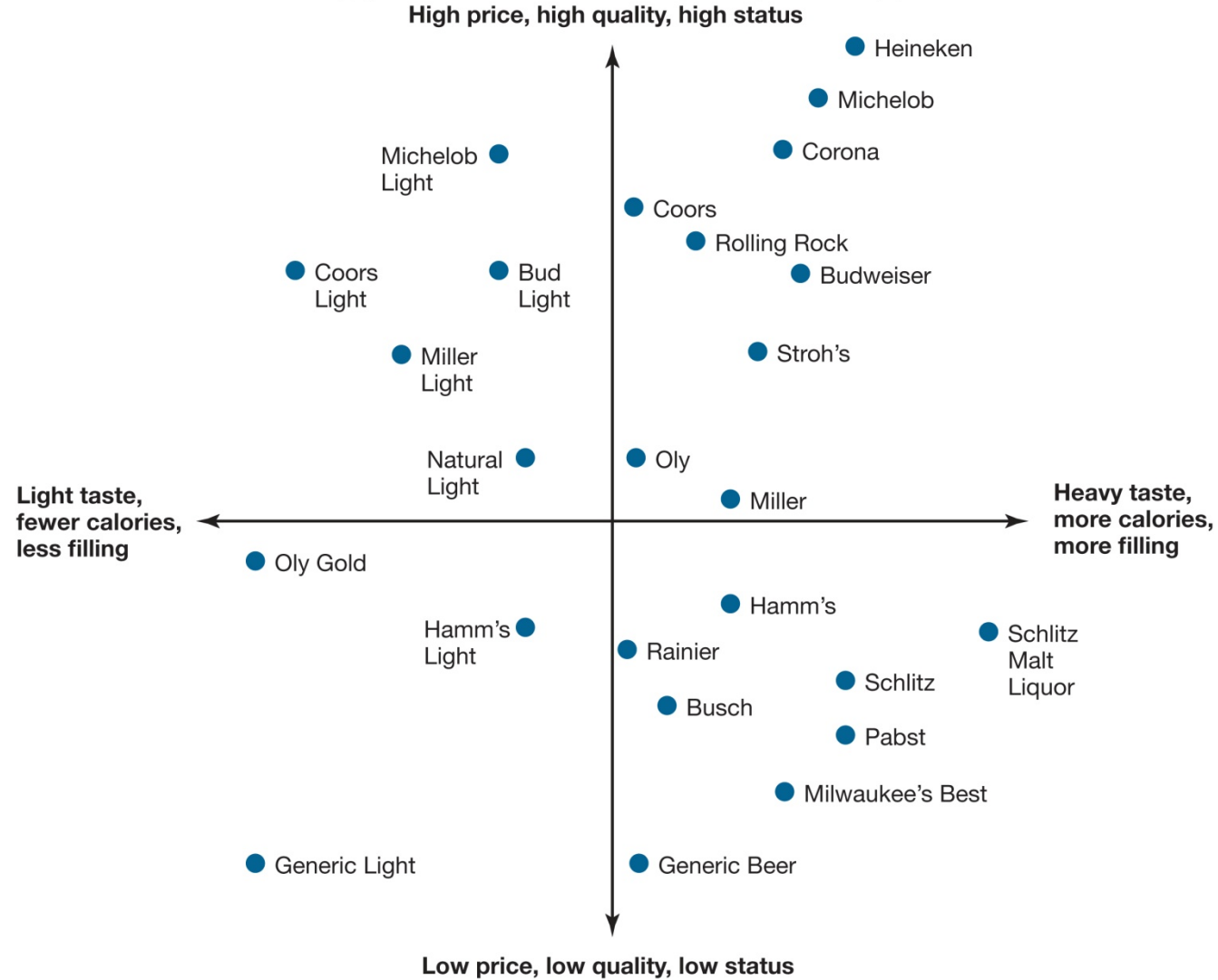
Evaluative Criteria

Determination of Which Evaluative Criteria Are Used

1. Direct methods include asking consumers what criteria they use in a particular purchase.

2. Indirect techniques assume consumers will not or cannot state their evaluative criteria.

   - Projective techniques - allow the respondent to indicate the criteria someone else might use.

   - Perceptual mapping - researcher uses judgment to determine dimensions underlying consumer evaluations of brand similarity.

Evaluative Criteria

Perceptual Mapping of Beer Brand Perception

Evaluative Criteria

Determination of Consumers' Judgments of Brand Performance on Specific Evaluative Criteria

Measuring consumer judgments of brand performance on specific attributes can include:

➢Rank ordering scales

➢Semantic Differential Scales

➢Likert Scales

Evaluative Criteria

Determination of the Relative Importance of Evaluative Criteria

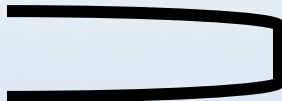The importance assigned to evaluative criteria can be measured either by direct or by indirect methods.

➢ The constant sum scale is the most common direct method.

➢ Conjoint Analysis is the most common indirect method.

Individual Judgment and   Evaluative Criteria

➢ Accuracy of Individual Judgments

➢ Use of Surrogate Indicators

➢ The Relative Importance and Influence of Evaluative Criteria

➢ Evaluative Criteria, Individual Judgments, and Marketing Strategy

Decision Rules for Attribute-Based Choices

➢ Conjunctive Rule

➢ Disjunctive Rule

➢ Elimination-by-Aspects Rule

Non-compensatory

➢ Lexicographic Rule

➢ Compensatory Rule

Decision Rules for Attribute-Based Choices

Conjunctive Rule:

Establishes minimum required performance for each evaluative criterion.

Selects the first (or all) brand(s) that meet or exceed these minimum standards. If minimum performance was:

Price	*3*
Weight	*4*
Processor	*3*
Battery life	*1*
After-sale support	*2*
Display quality	*3*

Decision Rules for Attribute-Based Choices

Conjunctive Rule

Lenovo, Acer, Dell, and Toshiba are eliminated because they fail to meet all the minimum standards.

Performance Levels on the Evaluative Criteria for Six Laptop Computers — TABLE 16-1

Evaluative Criteria	Consumer Perceptions*						Minimum
	Acer	HP	Compaq	Dell	Lenovo	Toshiba	
Price	5	3	3	4	2	1	3
Weight	3	4	5	4	3	4	4
Processor	5	5	5	2	5	5	3
Battery-life	1	3	1	3	1	5	1
After-sale support	3	3	4	3	5	3	2
Display quality	3	3	3	5	3	3	3

*1 = Very poor; 5 = Very good.

Decision Rules for Attribute-Based Choices

Disjunctive Rule:

Establishes a minimum required performance for each important attribute (often a high level).

All brands that meet or exceed the performance level for <u>any</u> key attribute are acceptable. If minimum performance was:

Price	*5*
Weight	*5*
Processor	*Not critical*
Battery life	*Not critical*
After-sale support	*Not critical*
Display quality	*5*

Decision Rules for Attribute-Based Choices

Disjunctive Rule

Acer, Compaq, and Dell meet minimum for **at least one** important criterion and thus are acceptable.

Performance Levels on the Evaluative Criteria for Six Laptop Computers — TABLE 16-1

Evaluative Criteria	Consumer Perceptions*						Minimum
	Acer	HP	Compaq	Dell	Lenovo	Toshiba	
Price	5	3	3	4	2	1	5
Weight	3	4	5	4	3	4	5
Processor	5	5	5	2	5	5	-
Battery-life	1	3	1	3	1	5	-
After-sale support	3	3	4	3	5	3	-
Display quality	3	3	3	5	3	3	5

*1 = Very poor; 5 = Very good.

Decision Rules for Attribute-Based Choices

Elimination-by-Aspects Rule

First, evaluative criteria ranked in terms of importance

Second, cutoff point for each criterion is established.

Finally (in order of attribute importance) brands are eliminated if they fail to meet or exceed the cutoff. If rank and cutoff were:

	Rank	Cutoff
Price	1	3
Weight	2	4
Display quality	3	4
Processor	4	3
After-sale support	5	3
Battery life	6	3

Decision Rules for Attribute-Based Choices

Elimination-by-Aspects Rule

Step 1: Price eliminates Lenovo and Toshiba

Step 2: Weight eliminates Acer

Step 3: Of remaining brands (HP, Compaq, Dell), only **Dell** meets or exceeds display quality minimum.

Performance Levels on the Evaluative Criteria for Six Laptop Computers TABLE 16-1

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Weight	3	4	5	4	3	4	4
Processor	5	5	5	2	5	5	4
Battery-life	1	3	1	3	1	5	3
After-sale support	3	3	4	3	5	3	3
Display quality	3	3	3	5	3	3	3

*1 = Very poor; 5 = Very good.

Decision Rules for Attribute-Based Choices

Lexicographic Decision Rule

Consumer ranks the criteria in order of importance.

Then selects brand that performs best on the most important attribute.

If two or more brands tie, they are evaluated on the second most important attribute. This continues through the attributes until one brand outperforms the others.

Acer would be chosen because it performs best on Price, our consumer's most important attribute.

Decision Rules for Attribute-Based Choices

Compensatory Decision Rule

The compensatory decision rule states that the brand that rates highest on the sum of the consumer's judgments of the relevant evaluative criteria will be chosen.

$$R_b = \sum_{i=1}^{n} W_i B_{ib}$$

where

R_b = Overall rating of brand b
W_i = Importance or weight attached to evaluative criterion i
B_{ib} = Evaluation of brand b on evaluative criterion i
n = Number of evaluative criteria considered relevant

Decision Rules for Attribute-Based Choices

Compensatory Decision Rule

Assume the following importance weights:

Using this rule, **Dell** has the highest preference and would be chosen.

The calculation for Dell is:

	Importance Score
Price	*30*
Weight	*25*
Processor	*10*
Battery life	*05*
After-sale support	*10*
Display quality	*20*
Total	*100*

$$R_{\text{Dell}} = 30(4) + 25(4) + 10(2) + 5(3) + 10(3) + 20(5)$$
$$= 120 + 100 + 20 + 15 + 30 + 100$$
$$= 385$$

Decision Rules for Attribute-Based Choices

Summary of Resulting Choices from Different Decision Rules

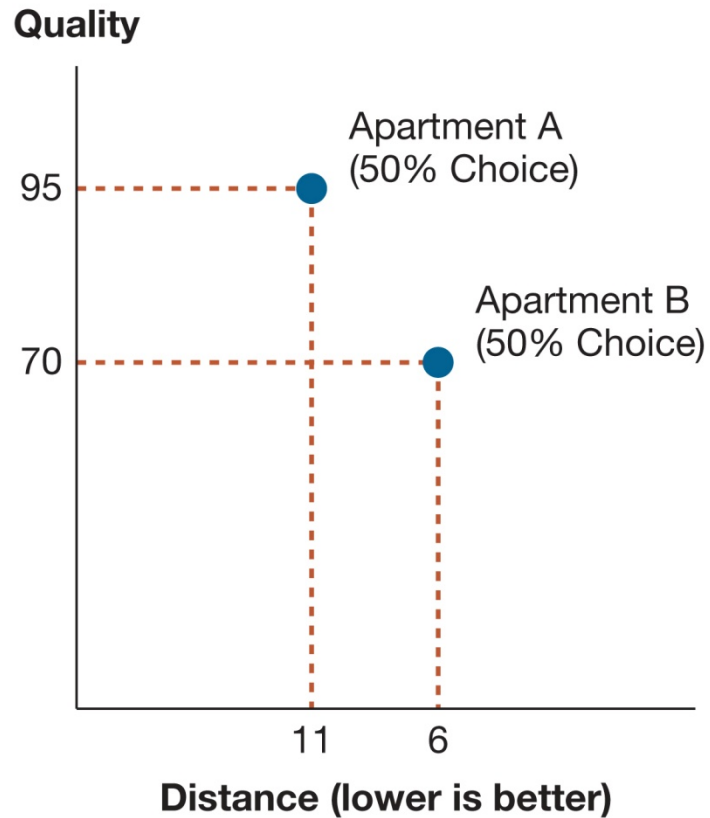| Decision Rule	Brand Choice
Conjunctive	HP, Compaq
Disjunctive	Dell, Compaq, Acer
Elimination-by-aspects	Dell
Lexicographic	Acer
Compensatory	Dell

Situational Influences on Consumer Choice

➢ Choices are not independent of the competitive situation, an effect sometimes called context effects

➢ One such effect is when an additional competitor makes an existing competitor appear to be the "compromise" option

➢ Choice of the compromise brand increases even though:

    a) Consumers are still using the same decision rule (compensatory)

    b) The compromise brand's attribute levels have not changed

Situational Influences on Consumer Choice

Compromise Effect

Choice Context 1

Quality

95 — Apartment A (50% Choice)

70 — Apartment B (50% Choice)

11   6

Distance (lower is better)

Choice Context 2

Quality

95 — Apartment A (34% Choice)

70 — Apartment B (66% Choice)

60 — Apartment C (unavailable)

11   6   1

Distance (lower is better)