

*chapter*

# 8

## Perception



## LEARNING OBJECTIVES

**L01** Describe the nature of perception and its relationship to consumer memory and decisions.

**L02** Explain exposure, the types of exposure, and the resulting marketing implications.

**L03** Explain attention, the factors that affect it, and the resulting marketing implications.

**L04** Explain interpretation, the factors that affect it, and the resulting marketing implications.

**L05** Discuss how perception can enhance strategies for retailing, branding, advertising, and packaging.

You may have noticed that brands are showing up more and more in your favorite TV shows, movies, music videos, and video games. This is not by accident. The technique is called *product placement*, and spending on product placements in the United States is \$4 billion and growing at an annualized rate of over 30 percent. There is now a whole area of the media and PR business devoted to matching brands and shows to hit the right demographics with the right branded message. One company that has devoted substantial resources to product placement is General Motors through its Chevy brand. Examples include:<sup>1</sup>

- *Glee*. This break-out hit TV show has an audience that trends younger female. Chevy aired one episode where Mr. Schuester, a teacher on the show, is shown driving a yellow convertible Corvette. Such placements will continue according to Chevy, who is also a sponsor and advertiser for the show.
- *Men of a Certain Age*. This show targets older men and centers heavily around Chevy since one of the main characters helps run a Chevrolet dealership and another main character also works there. This goes well beyond typical product placement because so much of the show happens at the

dealership. This may account for the fact that their placements here generate 75 percent more recall and 65 percent higher purchase consideration than other placement venues. However, GM also notes that it is much more work intensive than other placements, with folks from GM, the show, and the ad agency all playing a role.

- *Hawaii Five-O*. This TV show hits a broad demographic and Chevy brands are well integrated into the show. The main character, Steve McGarrett, drives a Chevy Silverado and his partner, Danny “Danno” Williams, drives a Camaro. The automobiles are featured extensively in the episodes, as the detectives move around the Island fighting crime.

There are a number of reasons for the increase in product placements. A major factor is the rise of the digital video recorder (DVR), which allows consumers to avoid advertising by fast-forwarding through it. At their best, product placements put brands into the natural flow of the storyline and thus create positive branded messages that are virtually impossible for consumers to avoid. According to Nielson, product placements work best when there is a good “fit” between the brand and the show (think sports cars and crime fighting on *Hawaii Five-O*), when

the characters praise the features of the brand (dialogue of this sort happens often on *Men of a Certain Age*, but notice that a character's use of the brand

is an implied endorsement), and when an ad for the product appears during the commercial break (Chevy does this as well).

Perception is a process that begins with consumer exposure and attention to marketing stimuli and ends with consumer interpretation. As the opening examples suggest, exposure and attention are highly selective—meaning that consumers process only a small fraction of the available information. And as we will see, interpretation can be a highly subjective process. Thus reality and consumer perceptions of that reality are often quite different. Marketers wishing to communicate their brand message effectively to consumers must understand the nature of perception and the many factors influencing it.

## THE NATURE OF PERCEPTION

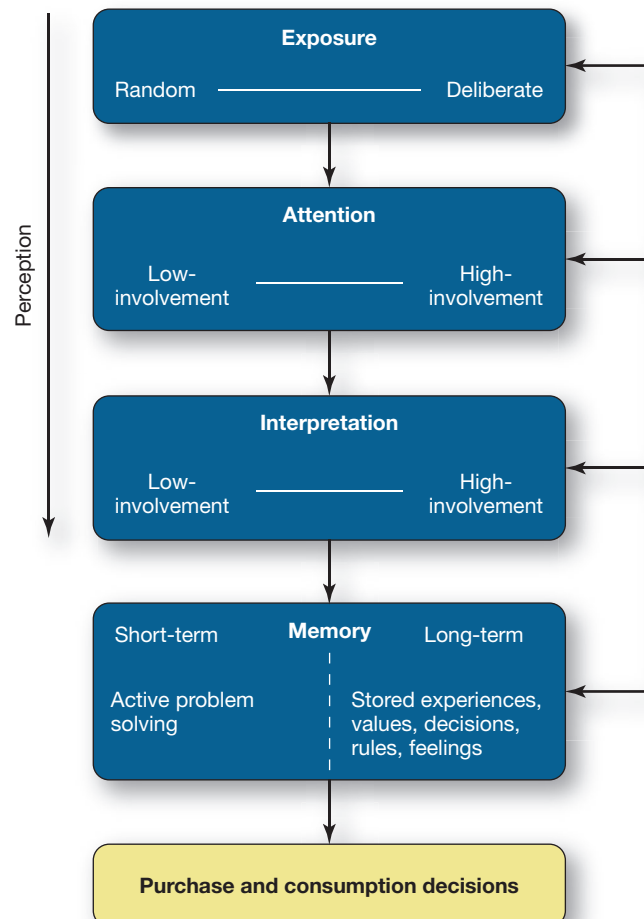
L01

**Information processing** is a series of activities by which stimuli are perceived, transformed into information, and stored. Figure 8–1 illustrates a useful information-processing model having four major steps or stages: exposure, attention, interpretation, and memory. The first three of these constitute **perception**.

FIGURE

8-1

Information Processing for Consumer Decision Making



*Exposure* occurs when a stimulus such as a banner ad comes within range of a person's sensory receptor nerves—vision, in this example. *Attention* occurs when the stimulus (banner ad) is “seen” (the receptor nerves pass the sensations on to the brain for processing). *Interpretation* is the assignment of meaning to the received sensations. *Memory* is the short-term use of the meaning for immediate decision making or the longer-term retention of the meaning.

Figure 8–1 and the above discussion suggest a linear flow from exposure to memory. However, *these processes occur virtually simultaneously and are clearly interactive*. For example, a person's memory influences the information he or she is exposed to and attends to and the interpretations the person assigns to that information. At the same time, memory itself is being shaped by the information it is receiving.

Both perception and memory are extremely selective. Of the massive amount of information available, individuals can be exposed and attend to only a limited amount. The meaning assigned to a stimulus is as much or more a function of the individual as it is the stimulus itself. Further, much of the interpreted information will not be available to active memory when the individual makes a purchase decision.

This selectivity, sometimes referred to as **perceptual defenses**, means that *individuals are not passive recipients of marketing messages*. Rather, consumers largely determine the messages they will encounter and notice as well as the meaning they will assign them. Clearly, the marketing manager faces a challenging task when communicating with consumers.

## EXPOSURE

**Exposure** occurs when a stimulus is placed within a person's relevant environment and comes within range of his or her sensory receptor nerves. Exposure provides consumers with the *opportunity* to pay attention to available information but in no way guarantees it. For example, have you ever been watching television and realized that you were not paying attention to the commercials being aired? In this case, exposure occurred, but the commercials will probably have little influence due to your lack of attention.

An individual can be exposed to only a minuscule fraction of the available stimuli. There are now hundreds of television channels, thousands of radio stations, and innumerable magazines and websites. In-store environments are also cluttered with tens of thousands of individual items and in-store advertising. Even in today's multitasking society there are limits.<sup>2</sup>

So what determines exposure? Is it a random process, or is it purposeful? Most of the stimuli to which individuals are exposed are “self-selected.” That is, people deliberately seek out exposure to certain stimuli and avoid others. Generally, people seek *information that they think will help them achieve their goals*. An individual's goals and the types of information needed to achieve those goals are a function of that person's existing and desired lifestyle and such short-term motives as hunger or curiosity.

Of course, people are also exposed to a large number of stimuli on a more or less random basis during their daily activities. While driving, they may hear commercials, see billboards and display ads, and so on that they did not purposefully seek out.

## Selective Exposure

The highly selective nature of consumer exposure is a major concern for marketers because failure to gain exposure results in lost communication and sales opportunities. For example, consumers are highly selective in the way they shop once they enter a store. One study found that only 21 percent of U.S. shoppers visited each aisle in the store. The remainder

avoided exposure to products in aisles they didn't shop. Consumers in France, Belgium, and Holland are also highly selective shoppers, while consumers in Brazil and the United Kingdom are more likely to shop all the aisles.<sup>3</sup>

Media exposure is also of great concern to marketers. Media are where marketers put their commercial messages and include television, radio, magazines, direct mail, billboards, and the Internet. The impact of the active, self-selecting nature of media exposure can be seen in the zipping, zapping, and muting of television commercials. **Zipping** occurs when one fast-forwards through a commercial on a prerecorded program. **Zapping** involves switching channels when a commercial appears. **Muting** is turning the sound off during commercial breaks. Zipping, zapping, and muting are simply mechanical ways for consumers to selectively avoid exposure to advertising messages, often referred to as **ad avoidance**.

The nearly universal presence of remote controls makes zipping, zapping, and muting very simple. Indeed, existing and emerging technologies give consumers more and more control over exposure to television commercials. One such technology is the digital video recorder (DVR) offered by companies such as TiVo. Consumer Insight 8–1 explores how the DVR is reshaping the media landscape and how marketers are responding.

Avoidance of commercials is a global phenomenon that extends beyond TV to include radio, the Internet, magazines, and newspapers. Ad avoidance depends on numerous psychological and demographic factors. A study by Initiative examined ad avoidance globally and across various media. The study found that ad avoidance is increased by lifestyle (busy and hectic lifestyle), social class (higher social class), and demographics (men and younger consumers).<sup>4</sup>

In addition, ad avoidance appears to increase as advertising clutter increases and as consumer attitudes toward advertising become more negative. Consumers tend to dislike (and actively avoid) advertising when it is perceived to be boring, uninformative, and intrusive.<sup>5</sup> In China, for example, where the novelty of advertising and product variety is wearing off, ad avoidance is on the rise and feelings about advertising are becoming more negative.<sup>6</sup> In online settings, marketers have devised “pop-up” ads that are difficult or impossible for viewers to eliminate. At the extreme, movie theaters now air ads *prior* to the movie because the theater provides a captive audience and enhances ad recall beyond that of TV.<sup>7</sup> Such techniques should be used with care, however, because consumers may react very negatively to such forced exposure.<sup>8</sup> In fact, one study found that many online users are so turned off by pop-up ads that they use software or settings to avoid them completely!<sup>9</sup>

As seen in the opening example, in response to ad avoidance, marketers increasingly seek to gain exposure by placing their brands within entertainment media, such as in movies and television programs, in exchange for payment or promotional or other consideration. Such **product placement** provides exposure that consumers don't try to avoid—it shows how and when to use the product and enhances the product's image. Product placement agents read scripts and meet with set designers to identify optimal placement opportunities.<sup>10</sup> While product placement is commonplace in the United States, it is not universally accepted. In the United Kingdom, for example, product placement was illegal until just recently. Moreover, while product placements are now allowed, they must be accompanied by a “P” logo at the beginning, end, and after ad breaks, when there are “paid-for-references.” The logic behind the disclosure is that it will alert consumers that the placements are essentially advertisements.<sup>11</sup> *What effect do you think such disclosure will have on product placement effectiveness? Do you believe that such a requirement should be enforced in the United States? What are the ethical issues involved?*





## Living in a DVR World

DVRs allow for digital recording of programs and “time-shifted” viewing. Currently some 40 percent of U.S. households have a DVR and that number is expected to grow.<sup>12</sup> A major concern for marketers is increased ad avoidance. DVR viewers of prerecorded content skip ads at more than twice the rate of those who view the same content live. And 50 to 90 percent of DVR users fast-forward through at least some commercials.<sup>13</sup>

Other research is more optimistic. Several studies point out that most viewers who zip through DVR commercials still “notice” the ads and, in fact, will stop and view commercials they are interested in.<sup>14</sup> And Inner-scope Research recently found that DVR users who fast-forwarded through TV ads were more “engaged” with the ads than those who did not.<sup>15</sup>

Clearly, marketers need to think beyond traditional models as DVR technology transforms how consumers watch TV. One strategy being tested is compressing ads so consumers see a shortened version of the ad, which plays in real time during fast-forwarding.<sup>16</sup> With such a strategy, research suggests that the key is simplicity and having key brand information in the center of the screen, where it is most likely to be noticed.<sup>17</sup> Other strategies now in use include the following:<sup>18</sup>

- *Still-frame ads.* This strategy keeps the visual relatively static for 30 seconds, giving marketers a chance to present their package, brand, and logo and have it visible even during fast-forwarding. *Brotherhood*, a show set in Providence, Rhode Island, used the cityscape focal visual. When fast-forwarded, the clouds move and the audio is made to be quite dramatic.
- *Hybrid ads.* Hybrid ads mimic the show the audience is watching. These tie-ins to shows seem to be particularly effective at staving off ad skipping. Guinness used a hybrid to mimic *Mythbusters*, the show in which the ad aired. This ad yielded 41 percent higher recall than a regular Guinness ad!
- *Interactive ads.* TiVo recently added an interactive “tag” icon that appears while the ad is playing,

which takes consumers to more detailed brand information and additional ads. Sony has created ads with multiple endings that viewers select with their remote. Interactivity provides marketers with *more* freedom in a DVR context to deliver relevant brand information and content to consumers who want it.

- *Dynamic ad placement.* DirecTV is now using technology that allows “seamless insertion of household addressable ads into both live and recorded video content from the DVR hard drive.” Such micro-targeting can offer consumers ads that are much more relevant to their needs and goals, a critical factor in attitudes toward advertising in general and attention to specific ads in particular.<sup>19</sup>

Beyond such adaptations, networks are also eyeing alternative delivery platforms that would not involve the DVR. The goal would be to have such platforms replace the DVR. CBS did research that showed that many consumers would be willing to accept commercials in return for not having to pay \$10 per month for their DVR. This would appear to be dependent on the availability of “anytime” viewing of popular shows and that is just the type of strategy being examined. According to a CBS representative:

I call DVRs a transitional technology. The DVR will be supplanted by streaming and VOD [video on demand] that will give the consumer the ability to watch the shows any way they want to and to do so in a way that is much more advertiser-friendly.

### Critical Thinking Questions

1. Do you think that later adopters of DVRs will be less interested in “ad avoidance” capabilities? Will this change as they “learn” to use their DVR?
2. Can you think of other strategies beyond those discussed that could be used to reduce consumers’ tendency to skip ads even with a DVR?
3. Do you agree with CBS that the DVR is a transitional technology?

**ILLUSTRATION 8-1**

Marketers increasingly use non-traditional media approaches to gain exposure for their messages.



Movies and television are just some of the avenues being used. Marketers increasingly seek exposure by placing their messages in ever more unique media, such as on the side of trucks and taxis, in airplanes, at events, and in video games. Outdoor and video games are major growth areas for advertisers in this regard. Outdoor is branching out in many new ways beyond traditional billboards. Adidas created an outdoor display to launch a new store in Amsterdam that mimicked a shoe box, except that it was 6 feet tall, 6 feet deep, and 24 feet wide! And for the World Cup in Germany, Adidas used a 215-foot-long cutout image of Oliver Kahn (a goalkeeper for one of the German teams) diving for a soccer ball that spanned across the autobahn (see Illustration 8-1).<sup>20</sup> Such outdoor efforts provide eye-catching visuals that are virtually impossible to ignore.

Video game advertising is perhaps the fastest-growing alternative media. It allows for exposure to younger males, who tend to be the gamers and avoid traditional media. As one expert notes:

Advertisers have seen that young males, specifically 18- to 24-year-olds, are increasingly turning their backs on TV and multiplexes in favor of video games and the Internet. Making the area [ads in video games] even more attractive [is] a recent study from Nielson and game publisher Activision [which] shows that gamers not only accept brands embedded into games but can be persuaded to buy the products if the integration is relevant and authentic.<sup>21</sup>

As a result, the Yankee Group estimates that while ad spending in some media is growing in the 4 to 5 percent range (TV and magazines) and some is even shrinking (newspapers), ad spending in video games is growing by over 30 percent per year and is nearing the \$1 billion mark.<sup>22</sup>

## Voluntary Exposure

Although consumers often avoid commercials and other marketing stimuli, sometimes they actively seek them out for various reasons, including purchase goals, entertainment, and information. As we saw earlier, consumers actively seek out aisles containing items they want to buy.<sup>23</sup> And many viewers look forward to the commercials developed for the Super Bowl. Perhaps more impressive is the positive response consumers have to **infomercials**—*program-length television commercials with a toll-free number and/or web address through which to order or request additional information*. These positively affect brand attitudes and purchase intentions.<sup>24</sup> And they are more likely to be viewed by early adopters and opinion leaders.<sup>25</sup> This latter effect implicates a critical indirect influence of infomercials through word-of-mouth communications. It also highlights the role that information and relevance play in driving voluntary exposure to marketing messages.

Exposure to online messages and advertising can also be voluntary or involuntary. As we saw earlier, exposure to banner ads and pop-ups is generally *involuntary*, as consumers encounter them while seeking other information or entertainment. However, a consumer who clicks on the banner or pop-up (*click through*) is now *voluntarily* being exposed to the target site and its marketing message.

Consumers also voluntarily expose themselves to marketing messages by deliberately visiting firms' homepages and other marketer sites. For example, if you are buying a new car, you might visit manufacturer sites such as [www.toyota.com](http://www.toyota.com) and independent sites such as [www.edmunds.com](http://www.edmunds.com). You might also register online to receive coupons or regular updates or newsletters about a company's products and services. The voluntary and self-selected nature of such online offerings, where consumers "opt in" to receive e-mail-based promotions, is often referred to as **permission-based marketing**.<sup>26</sup> Consumers control the messages they are exposed to and, consequently, are more receptive and responsive to those messages. Permission-based marketing concepts are also being used to enhance the effectiveness of *mobile marketing* on cell phones.<sup>27</sup> Finally, note that online viral and buzz marketing (Chapter 7) rely heavily on consumer voluntary exposure and distribution of marketing messages.

## ATTENTION

**Attention** occurs when the stimulus activates one or more sensory receptor nerves, and the resulting sensations go to the brain for processing. Attention requires consumers to allocate limited mental resources toward the processing of incoming stimuli, such as packages seen on store shelves or banner ads on the web. As we discussed earlier, the marketing environment is highly cluttered and consumers are constantly bombarded by thousands of times more stimuli than they can process. Therefore, consumer attention is selective. As one advertising agency director stated,

Every year it gets more and more important to stand out and be noticed, to be loud but simple, and to say something relevant and compelling because there is less and less opportunity to talk to consumers and you can't waste any chances.<sup>28</sup>

The ad in Illustration 8–2 is very likely to attract attention. What factors determine and influence attention? Perhaps you are in the market for a DVD player. Once in the DVD



**ILLUSTRATION 8-2**

This ad uses stimulus factors including color and interest-ness to capture attention.



aisle, you focus your attention on the various brands to make a purchase. However, a loud announcement briefly pulls your attention away from the display. Later, you lose concentration and begin focusing on nearby products you hadn't noticed before. These products were available all the time but were not processed until a deliberate effort was made to do so. As this example demonstrates, attention always occurs within the context of a situation. The *same individual* may devote different levels of attention to the *same stimulus* in *different situations*. Attention is determined by these three factors: the *stimulus*, the *individual*, and the *situation*.

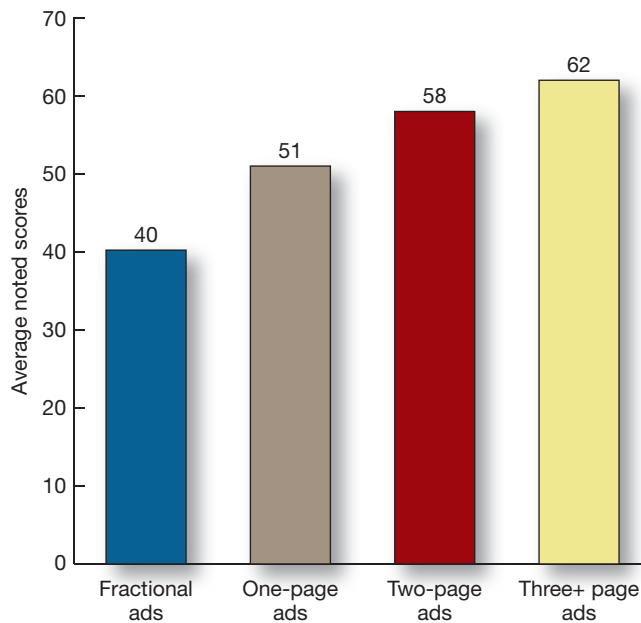
## Stimulus Factors

*Stimulus factors* are physical characteristics of the stimulus itself. Stimulus characteristics such as ad size and color are under the marketer's control and can attract attention independent of individual or situational characteristics. The attention garnered by stimulus factors tends to be relatively automatic. So even if you *think* you are not interested in a car (individual characteristic), a large and colorful car ad (stimulus characteristics) may be hard to ignore.

**Size** Larger stimuli are more likely to be noticed than smaller ones. This is certainly the case on store shelves where shelf space is at a premium and more shelf space can translate into greater attention and sales.<sup>29</sup> As a consequence, consumer-products companies often pay what are called *slotting allowances* to retailers to secure shelf space. The Federal Trade Commission estimates that companies spend \$9 billion annually on such slotting fees.<sup>30</sup>

## The Impact of Size on Advertising Readership

## FIGURE 8-2



Source: © D. L. Mothersbaugh, G. R. Franke, and B. A. Huhmann 2015.

Size also affects attention to advertising. Figure 8–2 indicates the relative attention-attracting ability of various sizes of magazine ads, with larger ads garnering more attention than smaller ads. Larger banner ads also attract more attention, which might help explain why banner and online ads continue to increase in size.<sup>31</sup> And larger Yellow Pages ads get more attention and have higher call rates. In one study, consumers seeking a business from the Yellow Pages attended to more than 90 percent of the quarter-page ads but only a quarter of the small listings.<sup>32</sup>

**Intensity** The *intensity* (e.g., loudness, brightness, length) of a stimulus can increase attention. For instance, the longer a scene in an advertisement is held on-screen, the more likely it is to be noticed and recalled.<sup>33</sup> In online contexts, one aspect of intensity is *intrusiveness*, or the degree to which one is forced to see or interact with a banner ad or pop-up in order to see the desired content. A study in which the banner ad was the only thing on the screen for a brief period before the consumer was connected to the sought-after site produced over three times the level of noticing the ad compared with a standard banner format, and almost 25 times the click-through rate.<sup>34</sup> As we saw earlier, however, caution is advised in using intrusiveness because of negative attitudes and ad avoidance.

*Repetition* is related to intensity. It is the number of times an individual is exposed to a given stimulus, such as an ad or brand logo, over time. Attention generally decreases across repeated exposures, particularly when those exposures occur in a short period of time (intensity is high). For example, attention to multiple inserts of the same print ad within the same magazine issue has been found to drop by 50 percent from the first to the third exposure.<sup>35</sup>

However, the decrease in overall attention caused by repetition needs to be interpreted in view of two factors. First, consumers may shift the *focus* of their attention from one part of the ad to another across repetitions. Have you ever noticed something new about an ad after you've seen it a couple of times? This is a result of a shift in your attention as you become more familiar with the ad. One study suggests that consumers shift their attention away from the brand component of the ad (name, logo, etc.) and toward the text component.<sup>36</sup> This *attention reallocation* is important because many of a brand's features can be communicated through the ad's text, but convincing consumers to read is difficult. The second factor is that repetition often increases recall.<sup>37</sup> As we will discuss in Chapter 9, subsequent exposures, while generating less attention, appear to reinforce the learning that occurred on the first exposure.

**Attractive Visuals** Individuals tend to be attracted to pleasant stimuli and repelled by unpleasant stimuli. This explains the ability of *attractive visuals*, such as mountain scenes and attractive models, to draw consumer attention to an advertisement. In fact, an ad's visual or pictorial component can have a strong influence on attention independent of other characteristics. One study found that greater graphics content increased how much time consumers spent at an online retailer's website.<sup>38</sup> Another study of over 1,300 print ads found that the ad's picture garnered more attention than any other ad element (e.g., brand and text elements) regardless of its size. This *picture superiority* effect on attention demonstrates the importance of an ad's visual component and suggests why the heavy use of pictures in contemporary print advertising may be justified. However, since attention is limited, drawing attention to one element of an ad can detract from others. For example, increasing picture size in a print ad reduces the amount of attention consumers pay to the brand.<sup>39</sup>

Any factor that draws attention to itself and away from the brand and its selling points has to be used with caution. An ad's visual component represents one such factor. Attractive models represent another. One company found that putting a provocatively dressed model in its print ad drew attention away from their product and toward the model. As a consequence, consumer recall of their brand name 72 hours after exposure to the ad was reduced by 27 percent!<sup>40</sup>

**Color and Movement** Both *color* and *movement* serve to attract attention, with brightly colored and moving items being more noticeable. Certain colors and color characteristics create feelings of excitement and arousal, which are related to attention. Brighter colors are more arousing than dull. And *warm* colors, such as reds and yellows, are more arousing than *cool* colors, such as blues and grays.<sup>41</sup>

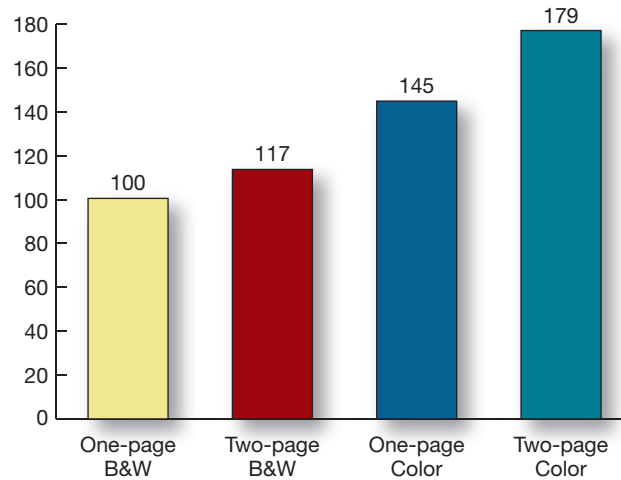
In-store, a brightly colored package or display is more apt to receive attention. Retailers interested in encouraging impulse purchases may utilize red in their displays given its ability to attract attention and generate feelings of excitement.<sup>42</sup> Also, point-of-purchase displays with moving parts and signage are more likely to draw attention and increase sales. Thus, companies like Eddie Bauer are choosing dynamic digital signage over static displays.<sup>43</sup>

Color and movement are also important in advertising. Thus, banner ads with dynamic animation attract more attention than similar ads without dynamic animation.<sup>44</sup> In a study of Yellow Pages advertising, color ads were attended to sooner, more frequently, and longer than noncolor ads.<sup>45</sup> Figure 8–3 shows the relative attention-attracting ability of black-and-white and of four-color magazine ads of different sizes.

Illustration 8–3 shows two Konica Copier ads that are identical except for the use of color. The ad with the color was noticed by significantly more readers than was the black-and-white ad.

## Color and Size Impact on Attention\*

FIGURE 83

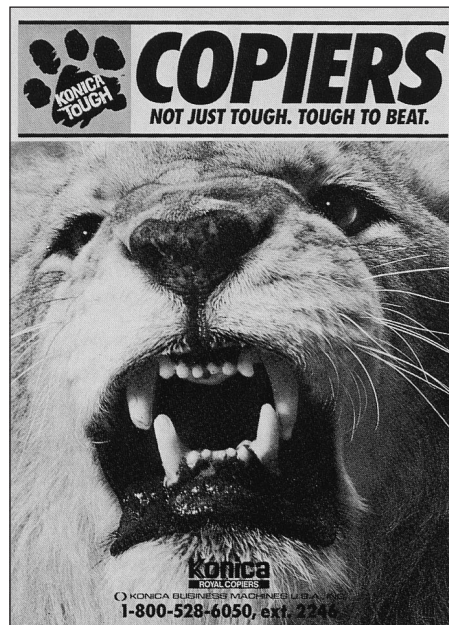
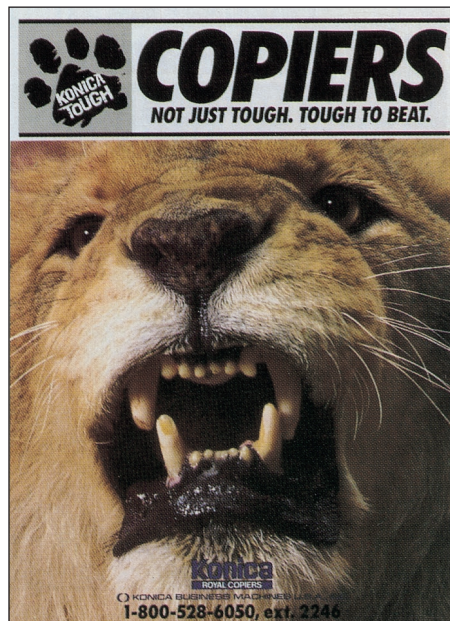


\*Readership of a one-page black-and-white ad was set at 100.

Source: "How Important Is Color to an Ad?," *Starch Tested Copy*, February 1989, p. 1, Roper Starch Worldwide, Inc.

**Position** *Position* refers to the placement of an object in physical space or time. In retail stores, items that are easy to find or that stand out are more likely to attract attention. End caps and kiosks are used for this reason. In addition, because items near the center of a consumer's visual field are more likely to be noticed than those on the periphery, consumer goods manufacturers compete fiercely for eye-level space in grocery stores.<sup>46</sup>

Position effects in advertising often depend on the medium and how consumers normally interact with that medium. In print contexts, ads on the right-hand page receive more



## ILLUSTRATION 8-3

Color can attract attention to an ad. In this case, the color Konica ad had a noted score of 62 percent, compared with 44 percent for the identical Konica black-and-white ad.

**ILLUSTRATION 8-4**

This Volkswagen print ad makes effective use of isolation to capture and hold attention.



attention than those on the left based on how we peruse magazines and newspapers. Attention within an ad is also affected by the positioning of elements<sup>47</sup> and how we read. U.S. readers tend to scan print ads from top left to bottom right, much the same way we read. As a consequence, so-called *high-impact* zones in print ads and other print documents tend to be more toward the top and left of the ad. In online contexts, vertical banners attract more attention than horizontal banners, perhaps because they stand out from the typically horizontal orientation of most print communications.<sup>48</sup> In television, the probability of a commercial being viewed and remembered drops sharply as it moves from being the first to air during a break to the last to air because consumers often engage in other activities during commercial breaks.<sup>49</sup>

**Isolation** *Isolation* is separating a stimulus object from other objects. In-store, the use of stand-alone kiosks is based on this principle. In advertising, the use of “white space” (placing a brief message in the center of an otherwise blank or white advertisement) is based on this principle, as is surrounding a key part of a radio commercial with a brief moment of silence.<sup>50</sup> The Volkswagen ad in Illustration 8-4 shows an effective print ad that uses isolation.

**Format** Catalog merchants wishing to display multiple items per page often create an environment in which the competition for attention across items reduces attention to all the items. However, with proper arrangement and formatting, this competition for attention can be reduced and sales improved.<sup>51</sup> *Format* refers to the manner in which the message is presented. In general, simple, straightforward presentations receive more attention than complex presentations. Elements in the message that increase the effort required to process the message tend to decrease attention. Advertisements that lack a clear visual point of reference or have inappropriate movement (too fast, slow, or “jumpy”) increase the processing effort and decrease attention. Likewise, audio messages that are difficult to understand because of foreign accents, inadequate volume, or a speech rate that is too fast<sup>52</sup> also reduce attention.

**Contrast and Expectations** Consumers pay more attention to stimuli that *contrast* with their background than to stimuli that blend with it. Nissan’s use of color ads in newspapers demonstrates an effective use of contrast.<sup>53</sup>

Contrast is related to the idea of expectations. Expectations drive our perceptions of contrast. Packaging, in-store displays, and ads that differ from our expectations tend to get noticed. For example, ads that differ from the type of ad consumers *expect* for a product category often motivate more attention than ads that are more typical for the product category.<sup>54</sup>



## ILLUSTRATION 8-5

This print ad will likely generate considerable attention because of its original approach.

One concern of marketers is that once a promotion becomes familiar to consumers, it will lose its ability to attract attention. **Adaptation level theory** suggests that if a stimulus doesn't change, over time we adapt or habituate to it and begin to notice it less. Thus, an ad that we initially notice when it's new may lose its ability to capture our attention as we become familiar with it. This familiarity effect is not uncommon. However, one study finds that by being original (that is, unexpected, surprising, unique), an advertisement can continue to attract attention even after consumers are familiar with it.<sup>55</sup> Illustration 8–5 shows a print ad that is unique and original, when compared with the typical ad for this product.

**Interestingness** What one is interested in is generally an individual characteristic. Snowboarders would be likely to attend to ads or shop in stores related to that activity, whereas nonboarders would not. However, there are characteristics of the message, store, and in-store display themselves that cause them to be of interest to a large percentage of the population. For example, in-store displays that use “tie-ins” to sporting events and movies appear to generate considerably more interest, attention, and sales than simple brand signs.<sup>56</sup>

In advertising, factors that increase curiosity, such as a plot, the possibility of a surprise ending, and uncertainty as to the point of the message until the end, can increase interest and the attention paid to the ad. In fact, while many DVR users skip commercials, one study found that more than 90 percent watched *certain* ads because they found them interesting.<sup>57</sup> Another study found that consumers were more likely to continue watching TV ads that were highly entertaining.<sup>58</sup>

**Information Quantity** Finally, *information quantity* represents the number of cues in the stimulus field. Cues can relate to the features of the brand itself, typical users of the brand, typical usage situations, and so on. This information can be provided on packaging, in displays, on websites, and in ads.

Information helps consumers make decisions. But is more information better? In advertising, the answer is that it depends on a number of factors, including the media used. In print advertising, information appears to attract attention, while in TV advertising, information appears to reduce attention. One explanation is that increases in information quantity in TV ads quickly lead to **information overload** because (unlike the situation with print ads) consumers have no control over the pace of exposure.<sup>59</sup> Information overload occurs when consumers are confronted with so much information that they cannot or will not attend to all of it. The result can be suboptimal decisions.<sup>60</sup>

## Individual Factors

*Individual factors* are characteristics that distinguish one individual from another. Generally speaking, consumer motivation and ability are the major individual factors affecting attention.

**Motivation** *Motivation* is a drive state created by consumer *interests* and *needs*. Interests are a reflection of overall lifestyle as well as a result of goals (e.g., becoming an accomplished guitar player) and needs (e.g., hunger). *Product involvement* indicates motivation or interest in a specific product category. Product involvement can be temporary or enduring. You might be temporarily involved with dishwashers if yours stops working, but involved with guitars and music your entire life. Either way, product involvement motivates attention. For example, several studies show that product involvement increases the amount of attention paid to print ads and, in particular, to the ad's body copy rather than picture.<sup>61</sup> So the picture superiority effect we discussed earlier may play less of a role when consumers are highly involved with the product being advertised. Another study found that consumers were more likely to click on banners for products they were involved with. *External* stimulus characteristics like animation had less influence on these consumers because they were already *internally* motivated.<sup>62</sup>

One way marketers have responded to consumer interests and involvement is by developing smart banners for the Internet. **Smart banners** are *banner ads that are activated based on terms used in search engines*.<sup>63</sup> Such *behavioral targeting* strategies are available for general websites as well, and they appear to be quite effective. For example, during one ad campaign, surfers on www.wsj.com who visited travel-related columns were targeted as potential travelers and "were 'followed' around the site and served American Airlines ads, no matter what section of wsj.com they were reading."<sup>64</sup> Attention was higher for these targeted ads, as was brand and message recall.

**Ability** *Ability* refers to the capacity of individuals to attend to and process information. Ability is related to knowledge and familiarity with the product, brand, or promotion. An audiophile, for example, is more capable of attending to highly detailed product information about stereo equipment than a novice. As a consequence, experts can attend to more information, more quickly and more effectively, than novices can and tend to be less plagued by information overload. One study found that consumers with higher education and greater health-related experience were more likely to pay attention to the highly detailed technical information in "direct-to-consumer" pharmaceutical ads.<sup>65</sup>

**Brand familiarity** is an ability factor related to attention. Those with high brand familiarity may require less attention to the brand's ads because of their high existing

knowledge. For example, one exposure appears to be all that is needed to capture attention and generate click-through with banner ads when brand familiarity is high. In contrast, the click-through rate is very low on the first exposure when brand familiarity is low, but increases dramatically on the fifth exposure.<sup>66</sup> Consumers with low brand familiarity appear to require more banner attention to yield the knowledge and trust needed to drive further attention via click-through to the site.

## Situational Factors

*Situational factors* include stimuli in the environment other than the focal stimulus (i.e., the ad or package) and temporary characteristics of the individual that are induced by the environment, such as time pressures or a crowded store. Clutter and program involvement are two major situational factors affecting attention.

**Clutter** *Clutter* represents the density of stimuli in the environment. In-store research suggests that cluttering the environment with too many point-of-purchase displays decreases the attention consumers pay to a given display. This explains why companies such as Walmart have made a concerted effort to reduce the number of displays in their stores.<sup>67</sup> In advertising, consumers pay less attention to a commercial in a large cluster of commercials than they do to one in a smaller set.<sup>68</sup> You may have noticed cable channels moving more to a single-sponsor format and actually promoting the fact that their programs will have fewer commercials!

**Program Involvement** *Program involvement* refers to how interested viewers are in the program or editorial content surrounding the ads (as opposed to involvement with the ad or brand). In general, the audience is attending to the medium because of the program or editorial content, not the advertisement. So the question remains: Does involvement with the program or editorial content influence attention to the ad? The answer is clearly yes, in a positive direction, as demonstrated by Figure 8-4.

However, research shows that even when program involvement is low, marketers can increase attention by enhancing the quality of the ad itself. *Ad quality* represents how well a message is constructed in terms of being believable and appealing, and in communicating the core message effectively.<sup>69</sup>

## Nonfocused Attention

Thus far we have been discussing a fairly high-involvement attention process in which the consumer focuses attention on some aspect of the environment as a result of stimulus, individual, or situational factors. However, stimuli may be attended to without deliberate or conscious focusing of attention. A classic example is the *cocktail party effect*, whereby an individual engaged in a conversation with a friend isn't consciously aware of other conversations at a crowded party until someone in another group says something relevant such as mentioning her name. This example suggests we are processing a host of stimuli at a subconscious level, and mechanisms in our brain evaluate this information to decide what warrants deliberate and conscious attention.<sup>70</sup> In fact, the idea behind *hemispheric lateralization* is that different parts of our brain are better suited for focused versus non-focused attention.

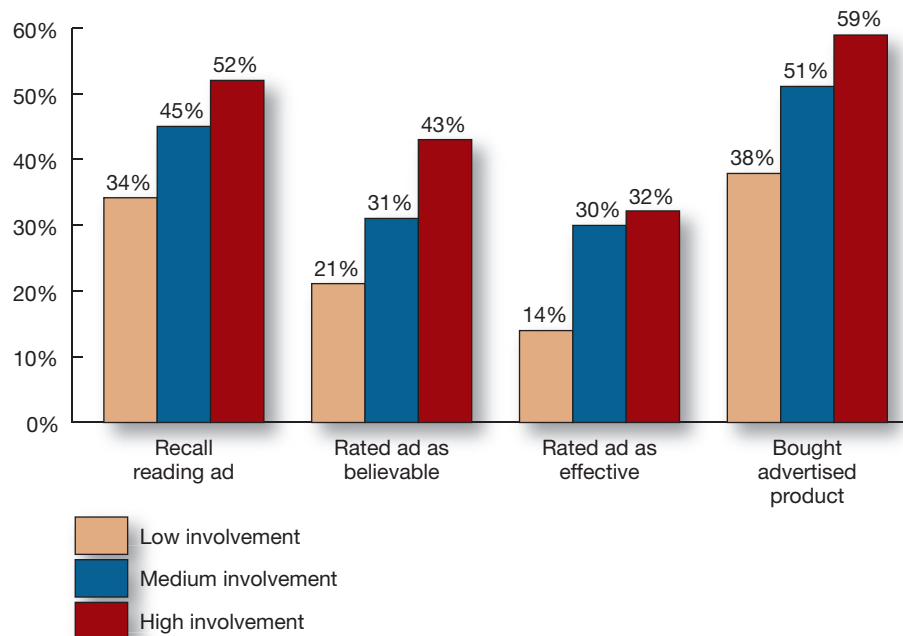
**Hemispheric Lateralization** **Hemispheric lateralization** is a term applied to activities that take place on each side of the brain. The left side of the brain is primarily responsible for verbal information, symbolic representation, sequential analysis, and the ability



FIGURE

8-4

## Involvement with a Magazine and Advertising Effectiveness



Source: *Cahners Advertising Research Report 120.1 and 120.12* (Boston: Cahners Publishing, undated).

to be conscious and report what is happening. It controls those activities we typically call *rational thought*. The right side of the brain deals with pictorial, geometric, timeless, and nonverbal information without the individual being able to verbally report it. It works with images and impressions.

The left brain needs fairly frequent rest. However, the right brain can easily scan large amounts of information over an extended time period. This led Krugman to suggest that “it is the right brain’s picture-taking ability that permits the rapid screening of the environment—to select what it is the left brain should focus on.”<sup>71</sup> One study of banner ads found evidence of preconscious screening. Web surfers seem able to spot a banner ad without actually looking directly at it. As a consequence, direct attention to banner ads occurred only 49 percent of the time. It seems that experience with the web allows consumers to build up knowledge about banner characteristics (typical size and location) that is used to avoid direct attention.<sup>72</sup>

However, just because consumers don’t pay direct attention to an advertisement doesn’t mean it can’t influence them. For example, brands contained in ads to which subjects are exposed but pay little or no attention (incidental exposure) nonetheless are more likely to be considered for purchase.<sup>73</sup>

**Subliminal Stimuli** A message presented so fast or so softly or so masked by other messages that one is not aware of seeing or hearing it is called a **subliminal stimulus**. A subliminal ad is different from a “normal” ad in that it “hides” key persuasive information within the ad by making it so weak that it is difficult or impossible for an individual to physically detect. Normal ads present key persuasive information to consumers so that it is easily perceived.



Subliminal advertising has been the focus of intense study and public concern. It's one thing for consumers to decide not to pay attention to an ad. It's quite another for advertisers to try to bypass consumers' perceptual defenses by using subliminal stimuli.

Two books triggered public interest in masked subliminal advertising.<sup>74</sup> The author "documents" numerous advertisements that, once you are told where to look and what to look for, appear to contain the word *sex* in ice cubes, phalli in mixed drinks, and nude bodies in the shadows. Such masked symbols, deliberate or accidental, do not appear to affect standard measures of advertising effectiveness or influence consumption behavior. Likewise, research on messages presented too rapidly to elicit awareness indicates that such messages have little or no effect.<sup>75</sup> In addition, there is no evidence marketers are using subliminal messages.<sup>76</sup>

## INTERPRETATION

**Interpretation** is the assignment of meaning to sensations. Interpretation is related to how we comprehend and make sense of incoming information based on characteristics of the stimulus, the individual, and the situation.

L04

Several aspects of interpretation are important to consider. First, it is generally a relative process rather than absolute, often referred to as **perceptual relativity**. It is often difficult for people to make interpretations in the absence of some reference point. Consider the following actual scenario:

An episode of QVC Network's *Extreme Shopping* program offers Muhammad Ali's boxing robe (priced at over \$12,000), followed by Jane Mansfield's former mansion (almost \$3.5 million), and a Volkswagen Beetle painted by Peter Max (\$100,000). Then, signed and personalized Peter Max prints were offered for about \$200.

In line with the notion of relativity, consumers interpreted the print price as lower when it followed the higher-priced items.<sup>77</sup>

A second aspect of interpretation is that it tends to be subjective and open to a host of psychological biases. The subjective nature of interpretation can be seen in the distinction between *semantic meaning*, the conventional meaning assigned to a word such as found in the dictionary, and *psychological meaning*, the specific meaning assigned a word by a given individual or group of individuals based on their experiences, their expectations, and the context in which the term is used.

Marketers must be concerned with psychological meaning as it is the subjective experience, not objective reality, that drives consumer behavior. A firm may introduce a high-quality new brand at a lower price than competitors because the firm is more efficient. However, if consumers interpret the lower price to mean lower quality (and they often do), the new brand will not be successful regardless of the objective reality.<sup>78</sup>

A final aspect of interpretation is that it can be a cognitive "thinking" process or an affective "emotional" process. **Cognitive interpretation** is a process whereby stimuli are placed into existing categories of meaning.<sup>79</sup> As we saw earlier, ads are categorized as expected or unexpected, a process that can vary by culture and individual.<sup>80</sup> In countries like France where ads are more sexually explicit, nudity may be seen as more appropriate than in the United States. Products are also categorized. When DVD players were first introduced, most consumers probably grouped them in the same category as VCRs, but with further experience put them in separate categories. Radically "new" products (discontinuous innovation) are the most difficult to categorize, and marketers need to provide consumers with assistance to gain understanding and acceptance.<sup>81</sup>

**ILLUSTRATION 8-6**

Consumers have emotional responses to or interpretations of ads as well as cognitive ones. This ad is likely to produce an emotional or feeling response in many members of its target audience.



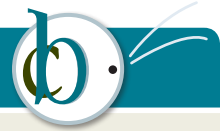
**Affective interpretation** is the emotional or feeling response triggered by a stimulus such as an ad. Emotional responses can range from positive (upbeat, exciting, warm) to neutral (disinterested) to negative (anger, fear, frustration). Like cognitive interpretation, there are “normal” (within-culture) emotional responses to many stimuli (e.g., most Americans experience a feeling of warmth when seeing pictures of young children with kittens). Likewise, there are also individual variations to this response (a person allergic to cats might have a negative emotional response to such a picture). Consumers confronting new products or brands often assign them to emotional as well as cognitive categories.<sup>82</sup> The ad shown in Illustration 8–6 is likely to trigger an emotional interpretation as well as a cognitive one.

Consumer Insight 8–2 deals with the issue of how consumers deal with multiple cues simultaneously in interpreting a brand, service, or experience, and how marketers are tapping into the skills of specialists called *synners* to help them design appropriate multifaceted “cue sets.”

## Individual Characteristics

Marketing stimuli have meaning *only* as individuals interpret them.<sup>83</sup> Individuals are not passive interpreters of marketing and other messages but actively assign meaning based on their needs, desires, experiences, and expectations.

**Traits** Inherent physiological and psychological traits, which drive our needs and desires, influence how a stimulus is interpreted. From a *physiological* standpoint, consumers differ in their sensitivity to stimuli. Some children are more sensitive to the bitter taste of certain chemicals found in green, leafy vegetables such as spinach.<sup>84</sup> Tab (a diet cola containing



## I Smell Orange, I Taste Blue, I Feel Silver, I Hear Squiggles

The critical importance of cues—brand name, logo, sound, packaging, color, font, smell, feel, taste—to product perception, and particularly interpretation, is widely accepted by marketers. Companies spend heavily to develop the right brand names and design the right logos to communicate who they are, what they stand for, what they promise—in some cases, cleverly so, with special messages—the arrow in FedEx, the kiss in Hershey’s kisses, the 31 in Baskin Robbins 31 flavors.<sup>85</sup>

Microsoft’s understanding of the importance of sound to its brand led it to use many musicians from around the world to compose the “inspiring, universal, optimistic, futuristic, sentimental, sexy, emotional . . .” musical notes for a new system launch. Intel’s use of the four note “Intel bong” is so well known that consumers can sing it on request. Harley-Davidson deemed the sound of its HOG engine to be so important to its identity that it sought, although unsuccessfully, to trademark it.

Each cue is a part that together creates the perception of the whole product. Marketers know that the whole is more than the sum of its parts, but understanding how all the parts fit together is challenging. This is where synners, as people with synesthesia call themselves, come in. Synners have a neurological condition that crosses two or more senses—letters have colors, sounds have tastes—and puts them in a particularly good position to evaluate how the parts interact and contribute to the whole. An estimated one out of 27 people is a synner, including musician John Mayer, Nobel laureate physicist Richard Feynman, and rapper Kanye West. As a group, synners appear to have better memories and score higher on tests of creativity.

Marketers have come to appreciate synners’ unique potential and have begun to incorporate their input into product planning and design. Ford Motor Co., for example, recently created the custom position *specialist*

*in cross-sensory harmonization* for one of its engineers who is a synner. As his job title implies, he is responsible for working with the designers and engineers to coordinate the parts of the car—sound, look, feel, smell—into a harmonizing whole that Ford wants consumers to have of its cars.

Marketing attention afforded to synners reflects the increased usage of multisensory marketing to carve out brand image in a world of ever greater competition for consumer attention. This is one reason, for example, that organizations such as Zappos (e-tailer of clothing and shoes renowned for its customer care) are conducting workshops to expose their employees to an appreciation of consumer experiences with a multisensory consideration. Of course, there have been previous instances of multisensory marketing—Skittles’ tagline “Taste the Rainbow”—but these were scattered. What we are witnessing now is a more focused, defined, and formal strategy that recognizes the potential of synners. Some synners are not waiting for incumbent firms to recognize their potential and have formed their own businesses such as 12.29, an olfactory branding firm founded by two synners that helps hotels, banks, and fashion runways choose the right scent.

### Critical Thinking Questions

1. Did you know about the insider messages in the FedEx, Hershey’s and Baskin-Robbins logos? Do you know of any others?
2. What sensory cues do you strongly associate with brands? Stores?
3. When the cues are at odds with one another, consumers get mixed messages that can lead to confusion and declines in sales (e.g., Pepsi Crystal’s taste was cola, but its color was like water). What are other products that flopped because of the mismatch of cues?

## ILLUSTRATION 8-7

Colors often have learned associations that are used in ads to convey product characteristics and meanings.



saccharine) maintains a small but fiercely loyal customer base, most likely among those who (unlike most of us) don't physiologically perceive saccharine as bitter.

From a *psychological* standpoint, consumers have natural cognitive, emotional, and behavioral predispositions. As just one example, some people experience emotions more strongly than others, a trait known as *affect intensity*. A number of studies have found that consumers who are higher in affect intensity experience stronger emotional reactions to any given advertisement.<sup>86</sup> We discuss other personality differences in Chapter 10.

**Learning and Knowledge** The meanings attached to such “natural” things as time, space, relationships, and colors are learned and vary widely across cultures, as we saw in Chapter 2. Consumers also learn about marketer-created stimuli like brands and promotions through their experiences with them. This experience and knowledge affect interpretations. One general finding is that consumers tend to interpret information in ways that favor their preferred brands. In one study, those higher in loyalty to a firm tended to discredit negative publicity about the firm and thus were less affected by it.<sup>87</sup> Similarly, another study found that consumers infer more positive motives from a company's price increase if the company has a strong reputation.<sup>88</sup>

The ad in Illustration 8–7 uses color to reinforce an interpretation that consumers have learned. *What meanings are associated with the colors in Illustration 8–7?*

**Expectations** Individuals' interpretations of stimuli tend to be consistent with their *expectations*, an effect referred to as the *expectation bias*. Most consumers expect dark brown pudding to taste like chocolate, not vanilla, because dark pudding is generally chocolate flavored and vanilla pudding is generally cream colored. In a taste test, 100 percent of a sample of college students accepted dark brown *vanilla* pudding as chocolate.<sup>89</sup> Thus, their expectations, cued by color, led to an interpretation that was inconsistent with objective reality.

Consumers' expectations are the result of learning and can be formed very quickly, as the old saying "first impressions matter" suggests. Once established, these expectations can wield enormous influence<sup>90</sup> and can be hard to change. Many consumers expect, for example, that well-known brands are higher quality. As a consequence, consumers frequently evaluate the performance of a well-known brand as higher than that of an *identical* product with an unknown brand name. Many consumers have also come to expect that brands with some sort of in-store signage are on sale. As a consequence, one study found that brands with promotional signs on them in retail stores are interpreted as having reduced prices even though the signs don't indicate a price reduction and the prices aren't actually reduced.<sup>91</sup>

## Situational Characteristics

A variety of situational characteristics have an impact on interpretation, including temporary characteristics of the individual, such as time pressure and mood,<sup>92</sup> and physical characteristics of the situation, such as the number and characteristics of other individuals present and the nature of the material surrounding the message in question.

Basically, the situation provides a context within which the focal stimulus is interpreted. The **contextual cues** present in the situation play a role in consumer interpretation *independent* of the actual stimulus. There are innumerable contextual cues in any given marketing context—here we examine just a few examples. *Color* can be a contextual cue. A recent study of online advertising examined various aspects of background color present during web page loads. Certain color characteristics were found to elicit feelings of relaxation (blue was more relaxing than red) and these feelings increased perceptions of faster web page loading even when actual speeds were identical.<sup>93</sup>

The *nature of the programming* surrounding a brand's advertisements can also be a contextual cue. Both Coca-Cola and General Foods have refused to advertise some products during news broadcasts because they believe that "bad" news might affect the interpretation of their products. According to a Coca-Cola spokesperson:

It's a Coca-Cola corporate policy not to advertise on TV news because there's going to be some bad news in there, and Coke is an upbeat, fun product.<sup>94</sup>

The previous example expresses a concern about the impact that the content of the material surrounding an ad will have on the interpretation of the ad. As Coca-Cola suspects, it appears that ads are evaluated in a more positive light when surrounded with positive programming.<sup>95</sup> In addition, effects can be even more specific and have implications for marketing globally. Research finds that death-related content, which is prevalent in news programming, cues consumer thoughts of patriotism and thus increases consumer preferences for domestic versus foreign brands. Foreign brands can overcome this, however, with pro-domestic claims.<sup>96</sup>

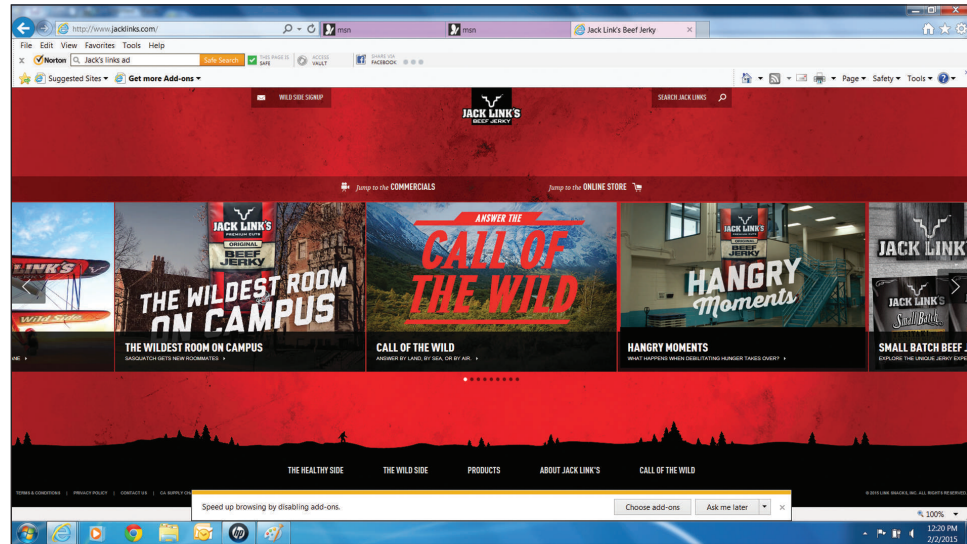
## Stimulus Characteristics

The stimulus is the basic entity to which an individual responds and includes the product, package, advertisement, in-store display, and so on. Consumers react to and interpret basic traits of the stimulus (size, shape, color), the way the stimulus is organized, and changes in the stimulus. As we have seen, all these processes are likely to be heavily influenced by the individual and the situation.

**Traits** Specific traits of the stimulus, such as size, shape, and color, affect interpretation. The meaning of many stimulus traits is learned. Color is one trait in which learning

## ILLUSTRATION 8-8

Consumers are exposed to many more ads than they can read or even notice. Marketers often use rhetorical figures to capture the audience's attention.



affects meaning. Canada Dry's sugar-free ginger ale sales increased dramatically when the can was changed to green and white from red. Red is interpreted as a “cola” color and thus conflicted with the taste of ginger ale.<sup>97</sup> White space in ads is another trait involving learned meaning. That is, over time consumers have come to believe that white space in an ad means prestige, high price, and quality. As a consequence, marketers can positively influence product perceptions by what they *don't* say in an ad!<sup>98</sup>

Another general trait is the extent to which the stimulus is unexpected, a trait sometimes referred to as *incongruity*. Incongruity increases attention, as we saw earlier. However, it also increases liking, in part because of the pleasure consumers derive from “solving the puzzle” presented by the incongruity. As a consequence, products and ads that deviate somewhat from established norms (without going too far) are often better liked. Incongruity often requires that consumers go beyond what is directly stated or presented in order to make sense of the stimulus. These inferences, which we discuss later in the chapter, are an important part of interpretation. Rhetorical figures such as rhymes, puns, and metaphors have been shown to increase consumer attention and influence their feelings and perceptions of the brand. **Rhetorical figures** involve the use of an unexpected twist or artful deviation in how a message is communicated either visually in the ad's picture or verbally in the ad's text or headline.<sup>99</sup> Illustration 8–8 provides an example of how Jack Link's® uses Rhetorical Figures in their promotions to grab attention.

**Organization** Stimulus organization refers to the physical arrangement of the stimulus objects. Organization affects consumer interpretation and categorization. For example, you likely perceive the letters that make up the words you are reading as words rather than as individual letters. This effect is enhanced by the fact that each word has letters that are close together and is separated by larger spaces, a principle called *proximity*. We discuss this and other principles next.



**Proximity** refers to the fact that stimuli positioned close together are perceived as belonging to the same category. Sometimes proximity comes from the stimulus itself. For example, when consumers read the headline “Have a safe winter. Drive Bridgestone Tires,” they tend to infer from the proximity of the two statements that the ad means Bridgestone Tires will help them have a safe winter. However, the headline does not explicitly make that claim. *What ethical implications exist?*

Sometimes proximity results from the relationship of the stimulus to its context, as in ambush marketing. **Ambush marketing** involves *any communication or activity that implies, or from which one could reasonably infer, that an organization is associated with an event, when in fact it is not.* A common form of ambush marketing is to advertise heavily during the event. Proximity would lead many to believe that the company was a sponsor of the event even if it was not.<sup>100</sup>

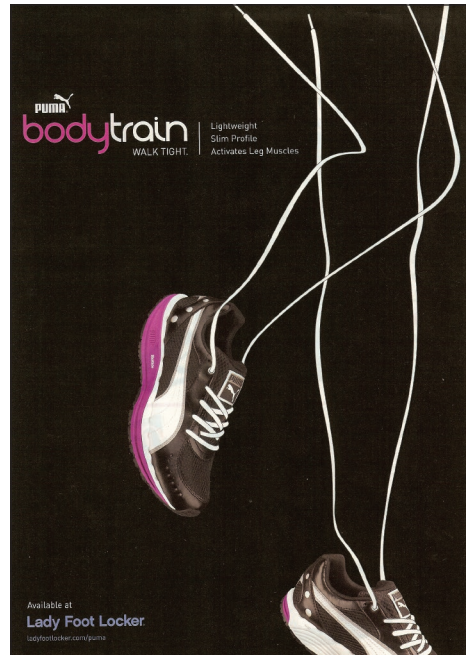
**Closure** involves *presenting an incomplete stimulus with the goal of getting consumers to complete it and thus become more engaged and involved.* Advertisers will often use incomplete stimuli in this manner because closure is often an automatic response engaged in by consumers in order to interpret message meaning. Not surprisingly, increasing consumer ad involvement also increases recall, as we will discuss more in Chapter 9.<sup>101</sup>

**Figure-ground** involves *presenting the stimulus in such a way that it is perceived as the focal object to be attended to and all other stimuli are perceived as the background.* This strategy is often used in advertising, where the goal is to make the brand stand out as the prominent focal object to which consumers will attend. Absolut, a Swedish vodka, uses figure-ground very effectively. Each ad uses the natural elements in the ad to “form” the figure of a bottle, as with Absolut Mandarin where the bottle is formed by pieces of orange peel. The Puma ad in Illustration 8–9 provides another example.

**Changes** In order to interpret stimulus change, consumers must be able to categorize and interpret the new stimulus relative to the old. Interpreting change requires the ability to both detect change and then assign meaning to that change. Sometimes consumers won’t be able to detect a change. Sometimes they can detect a change but interpret it as unimportant.

The physiological ability of an individual to distinguish between similar stimuli is called **sensory discrimination**. This involves such variables as the sound of stereo systems, the taste of food products, or the clarity of display screens. The minimum amount that one brand can differ from another (or from its previous version) with the difference still being noticed is referred to as the **just noticeable difference (j.n.d.)**. The higher the initial level of an attribute, the greater that attribute must be changed before the change will be noticed. Thus, a small addition of salt to a pretzel would not likely be noticed unless that pretzel contained only a small amount of salt to begin with.

As a general rule, *individuals typically do not notice relatively small differences between brands or changes in brand attributes.* Makers of candy bars have used this principle for years. Since the price of cocoa fluctuates widely, they simply make small adjustments in the size of the candy bar rather than altering price. Since marketers want some product changes, such as reductions in the size, to go unnoticed, they may attempt to make changes that fall below the j.n.d. This strategy, sometimes referred to as *weighting out*, appears to be on the increase. However, if and when consumers do notice, the potential backlash may be quite severe.<sup>102</sup> *What is your evaluation of the ethics of this practice?*



#### ILLUSTRATION 8-9

This Puma Body Train ad draws on figure-ground to make the focal image stand out from the background.





After *noticing* a change or difference, consumers must *interpret* it. Some changes are meaningful and some are not. The relationship between change and consumers' valuation of that change tends to follow the pattern discussed for j.n.d. The higher the initial level of an attribute, the greater the attribute must change before it is seen as meaningful. For example, consumers underestimate the calories in a meal more as the portion size of the meal increases. This *misinterpretation* has important individual and societal consequences for obesity and portion control.<sup>103</sup>

Change is often interpreted with respect to some *referent state*. The referent state might be a brand's prior model or a competitor's model. *Reference price* is also a referent state. Consumers can bring *internal* reference prices with them based on prior experience. Also, marketers can provide a reference in the form of *manufacturer's suggested retail price (MSRP)*. Consumers then are more likely to interpret the sale price with respect to the MSRP, which, if favorable, should increase perceived value of the offer and likelihood of purchase.<sup>104</sup>

## Consumer Inferences

When it comes to marketing, "what you see is not what you get." That's because interpretation often requires consumers to make inferences. An **inference** *goes beyond what is directly stated or presented*. Consumers use available data *and* their own ideas to draw conclusions about information that is not provided.

**Quality Signals** Inferences are as numerous and divergent as consumers themselves. However, some inferences related to product quality are relatively consistent across consumers. Some consumers use their own experiences and knowledge to draw inferences about product quality based on a nonquality cue.

*Price-perceived quality* is an inference based on the popular adage "you get what you pay for." Consumers often infer that higher-priced brands possess higher quality than do lower-priced brands.<sup>105</sup> Consumers sometimes take price discounts as a signal of lower quality, which is a major concern for companies such as General Motors that rely heavily on such tactics.<sup>106</sup>

*Advertising intensity* is also a quality signal. Consumers tend to infer that more heavily advertised brands are of higher quality.<sup>107</sup> One reason is that effort is believed to predict success, and ad spending is seen as an indicator of effort. Any factor related to advertising expense such as medium, use of color, and repetition can increase quality perceptions and choice.<sup>108</sup>

*Warranties* are another quality signal, with longer warranties generally signaling higher quality. Consumers infer that a firm wouldn't offer a longer warranty if it weren't confident in the quality of its products because honoring the warranty would be expensive.<sup>109</sup>

Price, advertising, and warranties are just a few quality cues. Others include *country of origin (COO)*, in which consumers interpret products more positively when they are manufactured in a country they perceive positively,<sup>110</sup> as well as *brand* effects, where well-known brands are perceived as higher quality than are unknown brands.

In general, quality signals operate more strongly when consumers lack the expertise to make informed judgments on their own, when consumer motivation or interest in the decision is low, and when other quality-related information is lacking.

**Interpreting Images** Consumer inferences from visual images are becoming increasingly important as advertisers increase their use of visual imagery.<sup>111</sup> Note how visuals dominate many print ads. For example, Clinique ran an ad that pictured a tall, clear glass of mineral water and ice cubes. A large slice of lime was positioned on the lip of the glass. In the glass with the ice cubes and mineral water were a tube of Clinique lipstick and a container of cheek base. Nothing else appeared in the ad. *What does this mean?*

**ILLUSTRATION 8-10**

Pictures and imagery do more than merely represent reality. They convey feelings and meanings that often cannot be expressed in words.

Obviously, in order to interpret the Clinique ad, consumers must infer meaning. Until recently, pictures in ads were thought to convey reality. If so, the Clinique ad is nonsensical. Is Clinique guilty of ineffective advertising? No. All of us intuitively recognize that pictures do more than represent reality; they supply meaning. Thus, one interpretation of the Clinique ad is “Clinique’s new summer line of makeup is as refreshing as a tall glass of soda with a twist.”

The verbal translation of the meaning conveyed by images is generally incomplete and inadequate. A picture is worth a thousand words not just because it may convey reality more efficiently than words but because it may convey meanings that words cannot adequately express.

Marketers must understand the meanings their audiences assign to various images and words, and use them in combination to construct messages that will convey the desired meaning. They must be sensitive to cultural differences since interpretation is highly contingent on shared cultural experience. For example, consumers in some cultures (termed high-context cultures) tend to “read between the lines.” These consumers are very sensitive to cues in the communications setting such as tone of voice. On the other hand, consumers in low-context cultures tend to ignore such cues and focus more on the message’s literal or explicit meaning. One study has found that consumers in high-context cultures such as the Philippines are more likely to infer implicit meanings from ad visuals than are those in low-context cultures such as the United States.<sup>112</sup> Illustration 8–10 is an example of an ad based heavily on imagery. *What does this ad mean to you? Would it mean the same to older consumers? Consumers from other cultures?*

**Missing Information and Ethical Concerns** When data about an attribute are missing, consumers may assign it a value based on a presumed relationship between that attribute and one for which data are available; they may assign it the average of their assessments of the available attributes; they may assume it to be weaker than the attributes for which data are supplied; or any of a large number of other strategies may be used.<sup>113</sup>

Consider the following hypothetical ad copy:

- The Subaru Outback gets better gas mileage than the Toyota Camry.
- It has more cargo space than the Chevy Volt.
- It has more power than the Toyota RAV4.



Some consumers would infer from this that the Subaru gets better gas mileage than the Volt and the RAV4; has more cargo space than the Camry and the RAV4; and has more power than the Volt and the Camry.<sup>114</sup> These claims are not stated in the ad, making it clear that certain types of information portrayal may lead to incorrect inferences and sub-optimal consumer decisions. Thus, a factually correct ad could still mislead some consumers. *Are such ads ethical?*

Consumers can be misled in a number of different ways. One way is that companies can make *direct claims* that are false. Claiming that a food or food ingredient is “mushroom in origin” when it is really a fungus or mold appears to fall into this category. This is the easiest form of deception to detect and prosecute under the law. However, other types of deception are more subtle. These fall under the broad category of *claim-belief discrepancies*, whereby a communication leads consumers to believe something about the product that is not true even though it doesn’t present a direct false claim. For example, the Federal Trade Commission (FTC) felt that Kraft Foods’ early ads for Kraft Cheese Singles might be misleading based on claim-belief discrepancy. That’s because their ads focused on the importance of calcium and the fact that each slice was made from five ounces of milk. The FTC’s concern was that reasonable consumers would infer that Kraft Cheese Singles contained the same amount of calcium as five ounces of milk even though this was not directly stated in their ads. This inference is wrong because processing milk into cheese reduces calcium content. Since parents might use Kraft Cheese Singles as a calcium source for their kids, this was of particular concern. Although more difficult from a legal standpoint, the FTC can and does hold companies responsible for claim-belief discrepancies as we see with Kraft.<sup>115</sup> Our understanding and regulation of deception continue to evolve as we gain a better understanding of consumer information processing. This is discussed in more detail in Chapter 20.

## PERCEPTION AND MARKETING STRATEGY

L05

Perception holds critical implications for marketing strategy in a number of areas. We turn to these next.

### Retail Strategy

Retailers often use exposure very effectively. Store interiors are designed with frequently purchased items (canned goods, fresh fruits and vegetables, meats) separated so that the average consumer will travel through more of the store. This increases total exposure. High-margin items are often placed in high-traffic areas to capitalize on increased exposure.

Shelf position and amount of shelf space influence which items and brands are allocated attention. Point-of-purchase displays also attract attention and boost sales.<sup>116</sup> And **cross-promotions**, whereby signage in one area of the store promotes complementary products in another (milk signage in the cookie aisle), can also be effective. Recently, retailers have begun to reduce clutter by cutting out marginal, unimportant, and redundant SKUs (stock-keeping units—individual items such as brands, sizes, and versions) within a category. Consumer perceptions and sales tend to go up when the reduction in clutter does not reduce variety and choice.<sup>117</sup>

Another important aspect of the retail environment is *ambient scent*. Pleasant smells in a retail store can increase product evaluations by boosting emotions. In some cases this occurs even when the scent is inconsistent with the product being evaluated (e.g., pine scent and orange juice).

## Brand Name and Logo Development

Shakespeare notwithstanding, marketers do not believe that “a rose by any other name would smell as sweet.” Mountain Dew’s marketing director ascribes part of the success of Code Red to its name: “Had it been called ‘Mountain Dew Cherry’ it would’ve done very differently.”<sup>118</sup> Brand names can influence anything from color preference to food taste. One study found that people preferred avocado to light green even though the actual color was exactly the same. Another found that young kids liked the taste of foods such as carrots, milk, and apple juice more when they came in a McDonald’s package!<sup>119</sup> Effects such as this can be related back to expectation biases. That is, the name sets up an expectation that, in turn, biases people’s perceptions of the actual experience. Given the tendency toward global brands, it is easy to imagine how complex creating an appropriate name can be.<sup>120</sup>

**Linguistic Considerations** Sometimes brand names start out having no inherent meaning but gain associations over time as consumers gain experience with them. Ford and Toyota are examples. However, marketers increasingly tap into linguistic characteristics of words to create brand names with inherent meaning right from the start. One aspect is inherent *semantic meaning* or *morpheme*. NutraSweet took advantage of morphemes to imply nutritious and sweet. And Dodge has brought back its “Hemi” engine, a name associated with high performance.<sup>121</sup> A second aspect is sound or *phonemes*. Sounds of letters and words can symbolize product attributes. For example, heavier sounding vowels (Frosh) might be better used to suggest richer, creamier ice cream than lighter sounding vowels (Frish).<sup>122</sup>

Lexicon and other naming companies such as NameLab use these concepts to create names that convey appropriate meanings. Lexicon selected the BlackBerry name for Research in Motion’s handheld device because *berry* suggests small, the “b” sound is associated strongly with relaxation, and the two “b” sounds at the beginning of *black* and *berry* are light and crisp, suggesting speed. Thus, a name that suggests a handheld that is small, easy to use, and fast—every consumer’s dream!<sup>123</sup>

**Branding Strategies** Marketers engage in numerous strategies to leverage strong existing brand names. One is **brand extension**, where an existing brand extends to a new category with the same name such as Levi Strauss putting its Levi name on a line of upscale men’s suits. Another is **co-branding**, an alliance in which two brands are put together on a single product. An example is “Intel Inside” Compaq computers. Brand extensions and co-branding can be positive or negative, as we’ll discuss in Chapter 9. A key issue is *perceived fit* between the core brand and the extension or the two co-brands. Really poor fit (too much incongruity) is bad, as people find it hard to categorize and make sense of the new brand. For example, the Levi men’s suit was a flop because the core Levi image of relaxed and casual did not fit a formal, upscale suit.<sup>124</sup>

**Logo Design and Typographics** How a product or service name is presented—its *logo*—is also important.<sup>125</sup> Figure 8–5 shows a number of brands that have changed their logos over time. *Do you think the new logos are better or worse? In what ways are they better or worse?*

FIGURE

85

## Recent Logo Redesigns

Brand	Original	Update
Pepsi		
Reebok		
BP		
Belk		

Perhaps in trying to answer these questions, you realized that you don't have any criteria for making suggestions. Such criteria are hard to come by and we are just now beginning to understand why some logos work better than others. One study provides guidance, finding that logo symbols (such as Prudential's Rock) that are natural, moderately elaborate, and symmetrically balanced lead to higher levels of logo liking. *Natural* logos depict commonly experienced objects; *elaborate* logos entail complexity; *symmetrical* logos are visually balanced.

Beyond the logo symbol is also the shape and form of the letters in their name, which relates to typeface and type font. Intuitively, for example, you might think that a fancy *scripted* font signals elegance and is better suited for a fountain pen than for a mountain bike. Turns out you would be right! Different fonts do evoke different meanings and an appropriate fit between the font and product can increase choice of the brand, independent of the name.<sup>126</sup> *Given these various criteria, can you now assess the logo redesigns?*<sup>127</sup>

Selective Exposure to Magazines Based on Demographic Characteristics

TABLE 8-1

Demographic Characteristics	<i>Better Homes &amp; Gardens</i>	<i>Cosmopolitan</i>	<i>Maxim</i>	<i>National Geographic</i>	<i>Family Circle</i>
<b>Gender</b>					
Male	26	29	151	120	17
Female	169	166	52	85	177
<b>Age</b>					
18–24	33	263	169	64	17
25–34	50	143	195	56	39
35–44	78	112	132	86	93
45–54	108	76	76	89	87
55–64	131	41	43	132	126
65+	174	23	14	161	207
<b>Education</b>					
College graduate	107	109	123	126	99
High school graduate	108	90	105	75	118
<b>Household income</b>					
Less than \$25,000	95	74	60	106	119
\$25,000–49,999	105	98	84	91	123
\$50,000–59,999	104	120	113	107	93
\$60,000–74,999	99	113	105	103	89
\$75,000 or more	99	106	126	100	80

Note: 100 = Average level of use, purchase, or consumption.

Source: *Simmons National Consumer Study 2010*, Experian Information Solutions (Costa Mesa, CA 2014).

## Media Strategy

The explosion of media alternatives makes it difficult and expensive to gain exposure to key target audiences.<sup>128</sup> However, the fact that the exposure process is often selective rather than random is the underlying basis for effective media strategies. Specifically, firms must determine to which media the consumers in the target market are most frequently exposed and place ad messages in those media. As one executive stated:

We must look increasingly for matching media that will enable us best to reach carefully targeted, emerging markets. The rifle approach rather than the old shotgun.<sup>129</sup>

Consumer involvement can drive media exposure and strategy. For high-involvement products, ads should be placed in media outlets with content relevant to the product. Specialized media such as *Runner's World* or *Vogue* tend to attract readers who are interested in and receptive to ads for related products. In contrast, ads for low-involvement products should be placed in reputable media independent of content, as long as they are frequented by the target market.<sup>130</sup> In a situation such as this, the marketer must find media that the target market is interested in and place the advertising message in those media. Target markets as defined by age, ethnic group, social class, or stage in the family life cycle have differing media preferences, which can then be used to select media outlets. Table 8–1 illustrates selective exposure to several magazines based on demographic characteristics.

As we saw earlier, video game player demographics skew toward young males (for console games, average age is 26 and 68 percent are male). Companies like Burger King,

who are desperate to obtain media exposure among this demographic, are moving ad dollars to in-game video ads and product placements.<sup>131</sup>

Technology continues to radically alter media targeting choices. Consider the impact of GPS technology on outdoor mobile ads:

While a cab travels from one end of a city to the other, an electronic billboard on top changes according to location and time of day. Thanks to a satellite feed and global positioning system, the bright, attention-getting ads on the taxi roof keep changing. As the cab passes by a college, an ad for a bookstore appears. While the cab moves through the business district at noon, an ad for a local deli fills the screen. As the cab travels through a Hispanic neighborhood, a Spanish-language ad for a snack food is shown.<sup>132</sup>

## Advertisements

Advertisements must perform two critical tasks: capture attention and convey meaning. Unfortunately, the techniques appropriate for accomplishing one task are often counterproductive for the other.

What if you had to design a campaign to increase users for your firm's toilet bowl freshener, but research shows your target market has little inherent interest in the product. What do you do? Two strategies seem reasonable. One is to *utilize stimulus characteristics* such as bright colors or surrealism to attract attention. The second is to *tie the message to a topic in which the target market is interested*.

However, using factors unrelated to the product category to attract attention must be done with caution. First, it may detract attention away from the core brand message because stimuli compete for limited attention. That's why companies often try to use humor, sex appeal, and celebrities in ways that are relevant to the product or message. Second, it may negatively affect *interpretation*. For example, humor in an insurance ad may result in the brand's being interpreted as unreliable.

## Package Design and Labeling

Packages must attract attention and convey information, and various aspects from color to shape to typography can interact in complex ways in affecting consumer perceptions.<sup>133</sup> Packaging has functional and perceptual components. Consider the candy coating of M&M's. It is functional because it keeps the chocolate from melting in your hands. But it is also perceptual. The bright colors are interesting and unique even though they don't taste different. One study varied the color variety (7 versus 10 colors) in a bowl of M&M's and found that as variety went up, consumers ate more!<sup>134</sup> M&M's has refocused on color by introducing bolder colors and emphasizing color in its ads. As one executive states, "We've always had color as a unique point of difference, but we wanted to reinforce that message in a fresh, contemporary way."<sup>135</sup>

Bright colors, tall packages, and unusual shapes can be used to attract attention, convey meaning, and influence consumption.<sup>136</sup> For example, consumers tend to believe that taller, more elongated packages contain more than shorter packages of the same volume (e.g., a can of soda). As a consequence, a recent study shows that consumers of beverages buy fewer bottles than cans but perceive that the volume they buy is the same. Notice how package options such as an elongated bottle can influence perceived consumption in ways that reduce product sales and revenues.<sup>137</sup> Look at Illustration 8–11. Which appears to contain more? If you said Acqua Panna, you were influenced by the elongation bias (they all contain exactly the same amount of liquid: one liter).



ILLUSTRATION 8-11

Package design can strongly influence perceived volume and consumption levels. Which package do you think contains more beverage?

Packages also contain product information and warnings. Ethical and legal considerations require marketers to place warning labels on a wide array of products such as cigarettes, alcoholic beverages, and many over-the-counter drugs. On the one hand, there is the desire to effectively alert users to potential risks. On the other hand, there is a desire to avoid detracting unduly from product image. The key from an ethical and legal standpoint is to not err on the side of image at the expense of the consumer. Well-designed warnings appear to be at least somewhat effective. Factors reducing their effectiveness include overly technical or complex language and a failure to indicate the positive consequences of compliance.<sup>138</sup>



## SUMMARY

### LO1: Describe the nature of perception and its relationship to consumer memory and decisions

*Perception* consists of those activities by which an individual acquires and assigns meaning to stimuli. Perception occurs in three stages, namely, exposure, attention, and interpretation. If and when perception occurs, the meaning derived from a stimulus is typically transferred to memory, where it is stored and can be later retrieved when consumers are making purchase decisions.

### LO2: Explain exposure, the types of exposure, and the resulting marketing implications

*Exposure* occurs when a stimulus comes within range of one of an individual's primary sensory receptors. People are exposed to only a small fraction of the available stimuli. And when consumers actively avoid certain marketing stimuli, this is referred to as *selective exposure*. Selective exposure in the advertising area is termed *ad avoidance*. Marketers try to overcome avoidance by using tactics such as *product placement* and *hybrid ads*. It should be noted, however,