

The average supermarket has
30,000 individuals item

How many of these can catch your
attention

Things to Ponder

- Each television network shows 6,000 commercials per week.
- How many of these are we able to watch?
- How many of these are we able to watch and remember
- How many of these are we able to watch and remember and recall?

PERCEPTION

We are about to perceive the topic
perception

Learning Objectives

- Understand the nature of perception and be familiar with its determinants and effects.
- Understand the nature of exposure and how marketers can use this knowledge to develop communications strategies.
- Understand the nature of attention and how marketers can use this knowledge to develop communications strategies.

Learning Objectives

- Understand the nature of interpretation and how marketers can use this knowledge to develop communications strategies.
- Fully appreciate the critical importance of perception in the development of retail strategy, brand names and logos, media strategy, advertising and package design, warning labels and posters, and advertising evaluation.

What is this?

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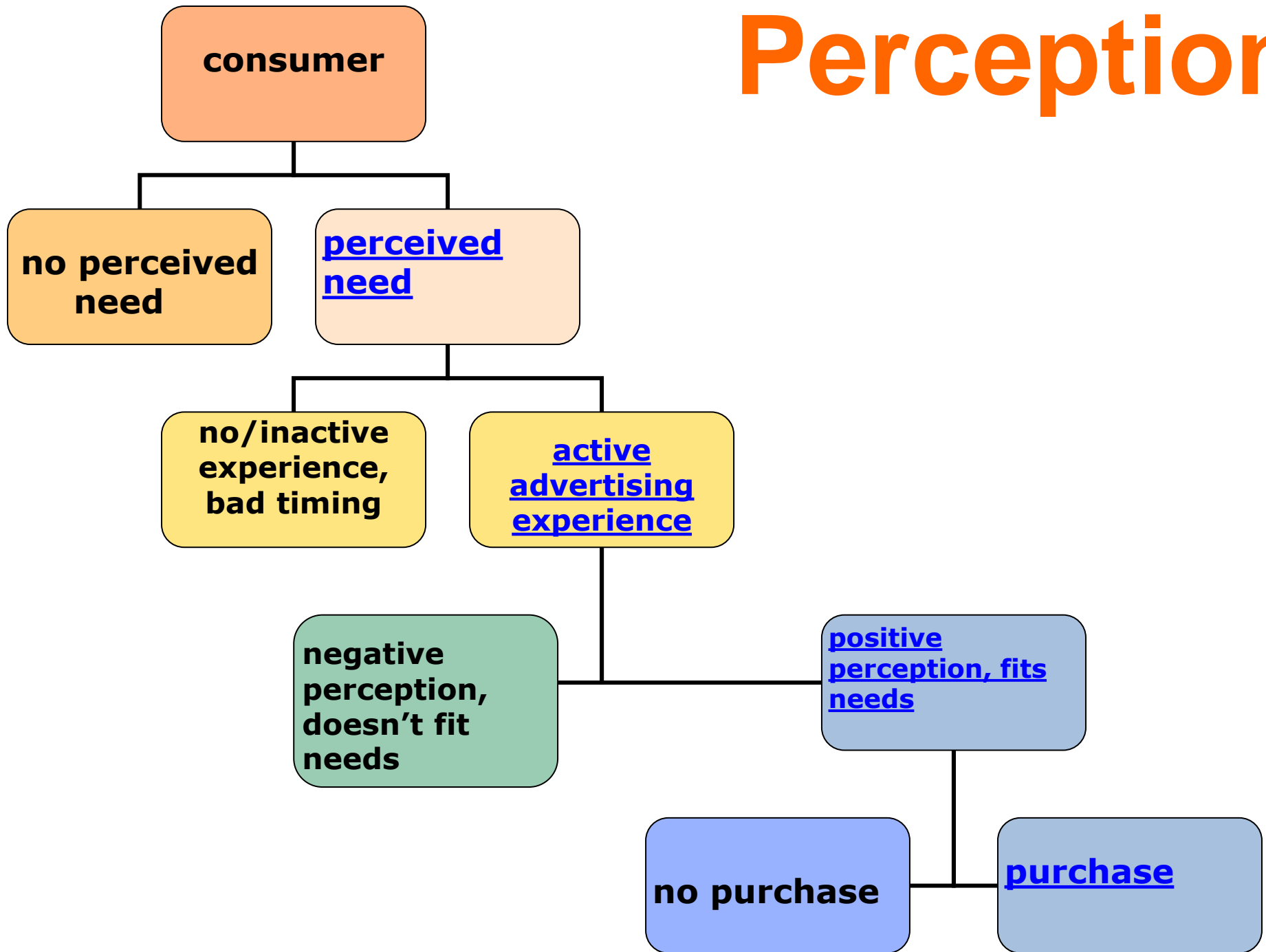
- Perception is defined as the process by which an individual *selects*, *organizes* and *interprets* stimuli into a meaningful and coherent picture of the world
- *Stimuli is any unit of input to any of the senses*
- *Sensory receptors are the human organs that receive sensory inputs.*

- The study of perception is largely the study of what we subconsciously **add to** or **subtract from** raw sensory inputs to produce our own private picture of the world

Exposure

Exposure occurs when there is physical proximity to a stimulus that allows one or more of our five senses the opportunity to be activated.

Perception



- Sunil and Harish are traveling to Nagarjuna Sagar. Will Sunil and Harish notice the billboard on the highway at the same time?

Absolute threshold

Activation happens when a stimulus meets or exceeds the *lower threshold* the minimum amount of stimulus intensity necessary for sensation to occur

- In the three hours journey from Hyderabad to NS for how long will Sunil and Harish be able to notice the Billboards that come on they way?

- Lux Ad keeps changing the Star in the Ad according to the new top heroin why?
- And why did lux use the Badshah once in its ad i.e., Shahrukh?

Adaptation

- In the field of perception the term adaptation refers to “getting used to.”
- Sensory adaptation is a problem that concerns many TV advertisers, which is why they try to change their advertising campaigns regularly.

- Did you feel you heard it from your mother or father.
- “The price of coffee has increased now, in our childhood it was not so high.”
- Do you feel that the price increased all of a sudden?

The Differential Threshold

- The minimal difference that can be detected between two similar stimuli is the differential threshold or *j.n.d* (just noticeable difference)
- This concept is given by a German scientist named Ernst Weber in 19th century

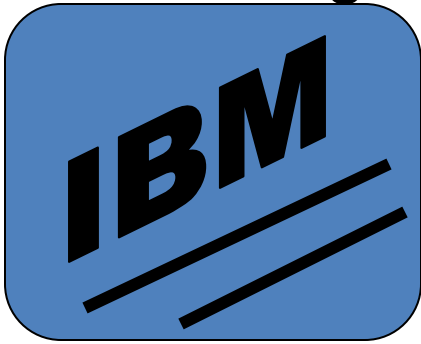
Marketing Application of JND

- **Useful in seeing negative changes** (e.g., reduction in product size or reduction in product quality, or increase in product price, or decrease in pack size) **are not readily discernible (visible) to public.**
- **So that the product improvements** (such as improved or updated packaging, larger size, lower price) are very apparent to consumers without being wastefully extravagant.

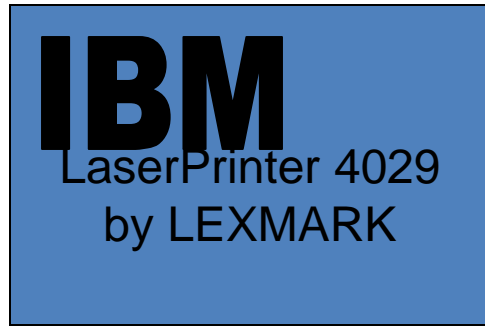
Negative Changes and j.n.d

- Mix of inferior quality of coffee beans (but within the j.n.d) when the cost of coffee beans increase without changing the price of the coffee.
- Change of number of Units of chocolates in a packet. Say 10 chocolates were costing 90 rupees. Instead 9 chocolates will be placed and the cost will be 90 rupees only and the consumer usually doesn't notice this change in the number of chocolates. But the company is actually increasing the price of chocolate by one rupee but still not increasing the pack price instead reducing the quantity by one

Stage 1



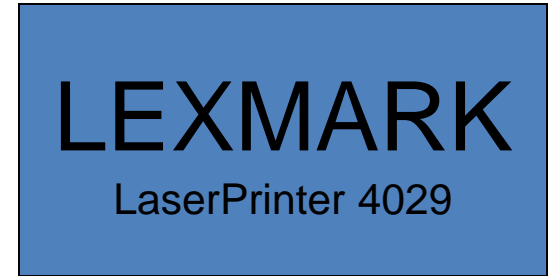
Example to illustrate the application
Of *j.n.d*



Stage 2



Stage 3



Stage 4

J.N.D

- Marketers often want to upgrade or change its labeling and packaging without losing the ready recognition by consumers who have been exposed to years of cumulative advertising impact. In such cases, they usually make a number of small changes, each carefully designed to fall below the j.n.d., so that consumers will not perceive any difference.
- IBM changing to Lexmark is one such example

Negative Changes and j.n.d

- Consumer reports magazine reported that for five rolls of P&G's paper napkin bought in succession, the contents dropped steadily from 85 to 70 square feet. Despite the fact that the adjusted quantity is usually listed on the package label, most consumers do not notice it, because the package size remains the same. (This practice is referred to as packaging-to-price or packaging-to-size)

J.N.D

- The Difference Threshold (or "Just Noticeable Difference") is the minimum amount by which stimulus intensity must be changed in order to produce a noticeable variation in sensory experience.

Aspects of Perception



Selection

Organization

Interpretation

Perceptual selection

- Nature of stimulus
- Expectations
- Motives
- Important selective perception concepts

Which stimuli get selected depends on two major factors in addition to the Nature of the stimulus itself: consumers' previous experience as it affects their Expectations (what they are prepared, or set to see) and their motives at the time (their needs, desires, interests). Each of these factors can serve to increase or Decrease the probability that a stimulus will be perceived.

Nature of stimulus

- Marketing stimuli include an enormous number of variables that affect the consumer's perception, such as the nature of the product, its physical attributes, the package design, the brand name, the advertisements and commercials (including copy claims, choice and model, positioning of model, size of ad)

Expectations

- People usually see what they expect to see and what they expect to see is usually based on familiarity, previous experience or preconditioned set.

Motives

- If you have decided to purchase a computer or laptop to learn SAP (SD or CRM) (motive) you will carefully read ads or discuss about this with experts in field than your friend who is not interested to learn SAP and buy the laptop.
- An individual's perceptual process simply attunes itself more closely to those elements in the environment that are important to that person

Perceptual Selection

Concepts

- Selective Exposure
 - Selective Attention
 - Perceptual Defense
 - Perceptual Blocking
- Consumers seek out messages which:
 - Are pleasant
 - They can sympathize
 - Reassure them of good purchases
 - heavy smokers avoid articles on cigarette smoking leading to cancer

Perceptual Selection

Concepts

- Selective Exposure
 - Selective Attention
 - Perceptual Defense
 - Perceptual Blocking
- Heightened awareness when stimuli meet their needs
 - Consumers prefer different messages and medium

Perceptual Selection

Concepts

- Selective Exposure
 - Selective Attention
 - **Perceptual Defense**
 - Perceptual Blocking
- Screening out of stimuli which are threatening

Perceptual Selection

Concepts

- Selective Exposure
- Selective Attention
- Perceptual Defense
- Perceptual Blocking

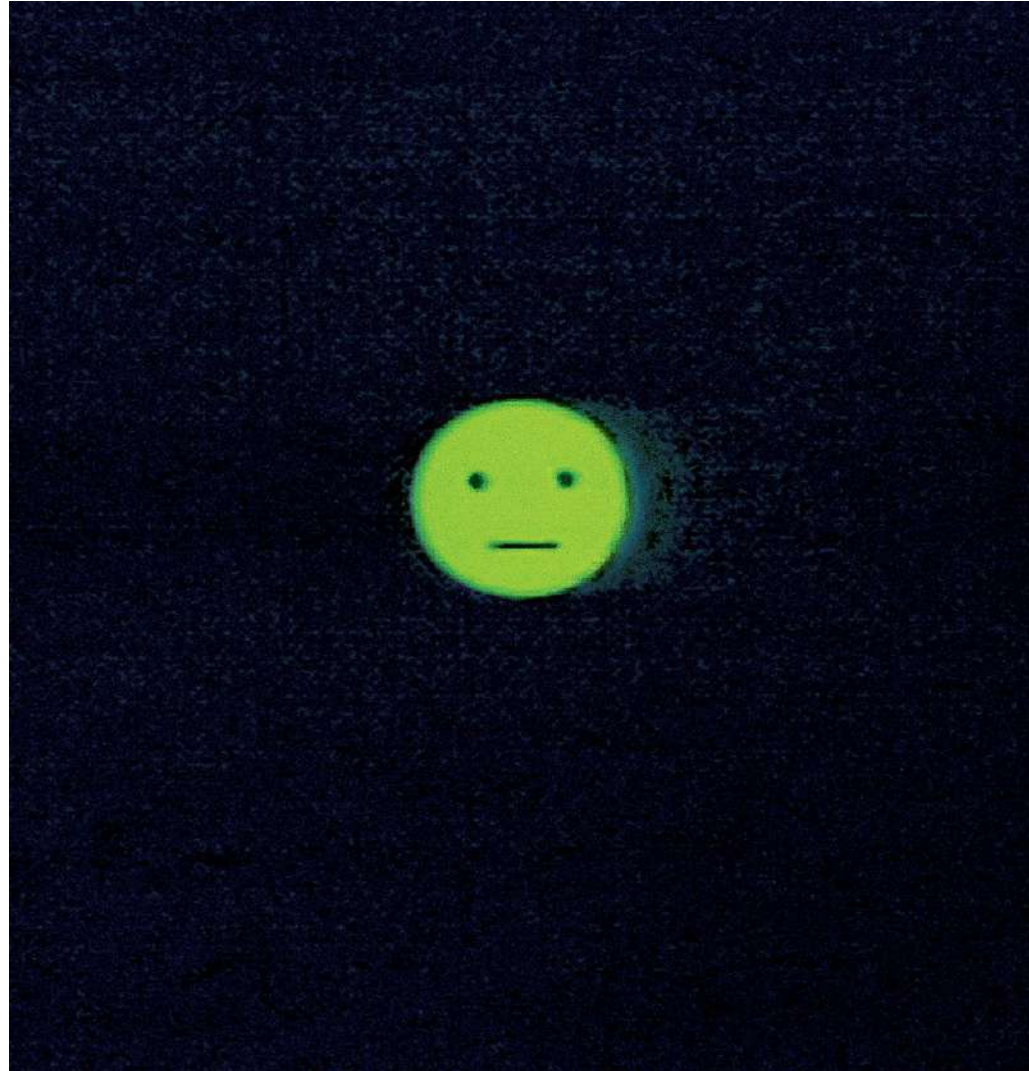
- Consumers avoid being bombarded by:
 - Tuning out

- **Attention: the amount of thinking focused in a particular direction**
- **Focus (direction of attention) and intensity (degree of attention) are key to understanding attention**
- **Before companies can expect to get consumers' money, they must get their attention**
- **With attention, products get into consumers' consideration sets (evoked set)**

Grabbing Consumers' Attention

- **Consumers are bombarded with product information and advertisements each day**
- **Companies have the formidable task of breaking through the clutter to attract consumers' attention**

Use of Isolation and Contrast



Grabbing Consumers' Attention

- **Connect with consumers' needs**
 - People are attentive to stimuli perceived as relevant to their needs
 - Gaining consumers' attention might require reminding them of their needs
- Use **permission marketing**: asking consumers for their permission to send them product-related materials

Grabbing Consumers' Attention

- **Pay consumers to pay attention**
- **Getting attention with motion**

Stimuli in motion are more likely to attract consumers than stationary ones

POP displays may use moving parts and ads may use simulated motion.

Example use of cartoons in premises of shopping complex

- **Use isolation**
 - **Place only a few stimuli in an otherwise barren perceptual field**

Grabbing Consumers' Attention

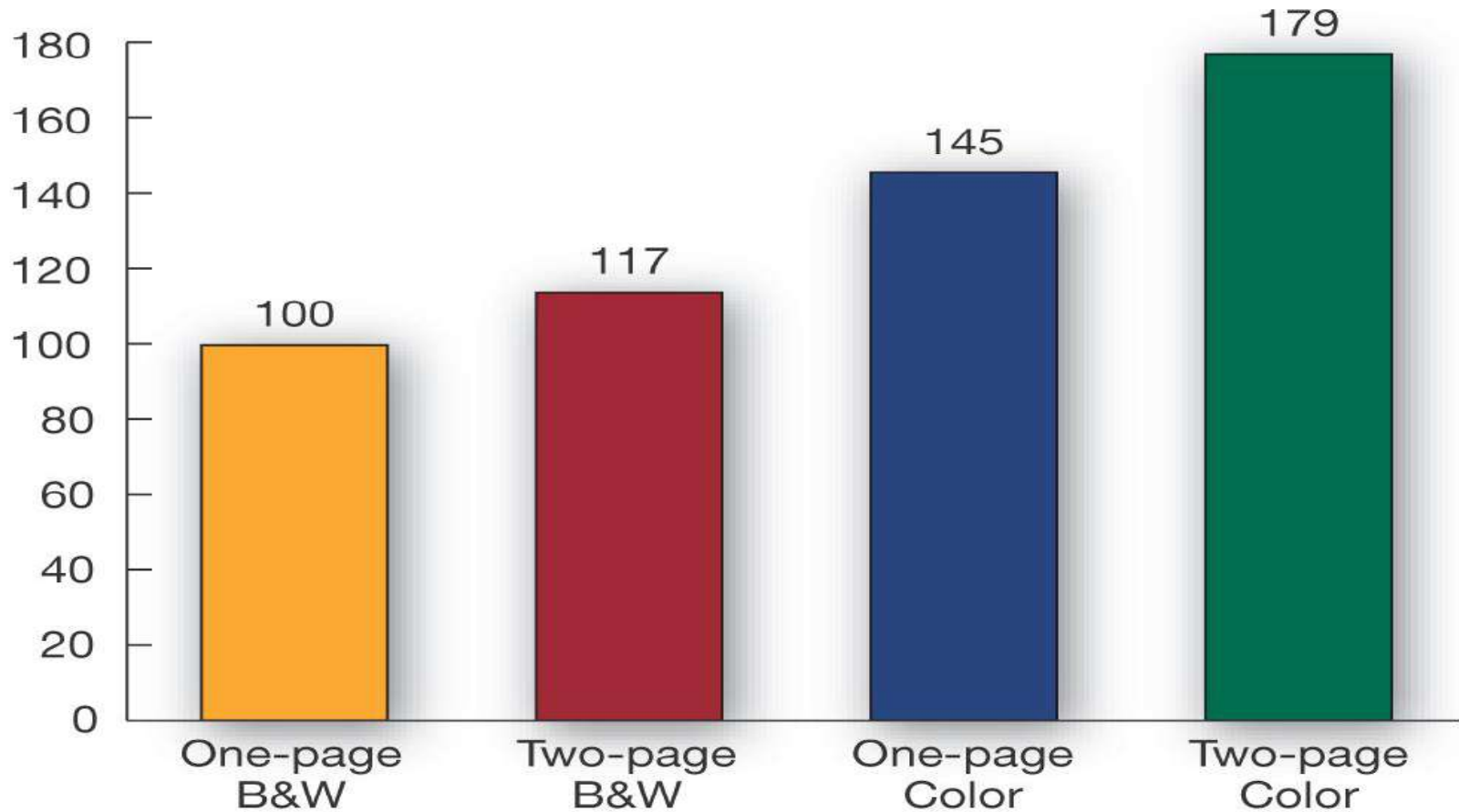
- **Make it bigger**

- **Larger ads and larger pictures within those ads tend to grab more attention than smaller ones**
- **Products have a greater chance of being noticed as the size or amount of shelf space allotted to them increases**

- **Colors are nice**

- **The attention-grabbing and holding power of an ad may be increased sharply with use of color**

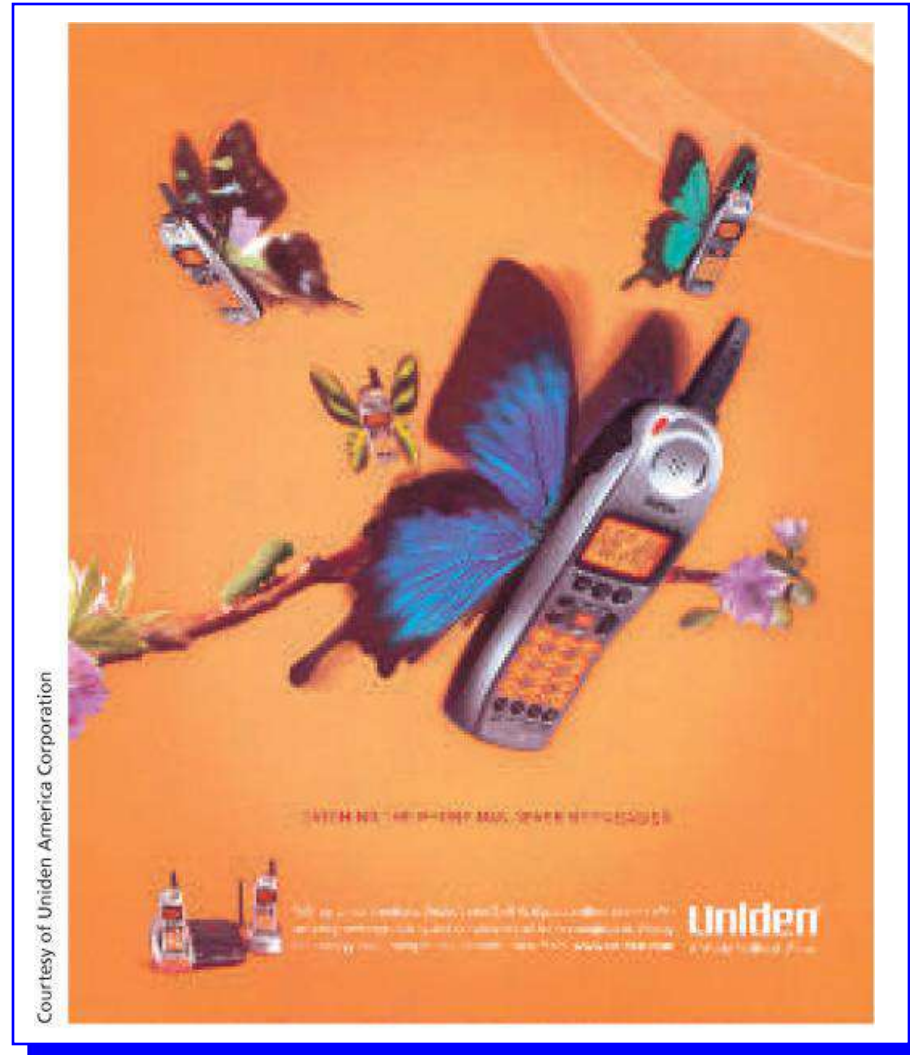
Color and Size Impact on Attention



Grabbing Consumers' Attention

- **Make it more intense**
 - Loud sounds and bright colors are more likely to attract attention
- **Location affects attention**
 - Products may gain more attention depending on where in the store they are located (end-of-aisle or eye-level)
 - More attention is given to ads appearing in the front of magazines
 - Upper-left corner gets most attention

Using Unexpected Stimuli to Grab Attention



Grabbing Consumers' Attention

The surprise factor

Stimuli congruent with our expectations may receive less attention than those which deviate from what is expected

Ads and packaging may feature unusual elements to gain attention

Distinctiveness

Products, ads, and packaging may be altered to stand-out from others using color and other elements of design

Grabbing Consumers' Attention

- **The human attraction**

- Celebrities can attract attention in ads and on packaging
- Attractive people, often scantily dressed, attract attention for a variety of products and brands

- **The entertainment factor**

- Stimuli that entertain and amuse us draw our attention, even if they happen to come in the form of an ad.

Example: Cheer blossom shoe polish Ad

Grabbing Consumers' Attention

- **Learned attention-inducing stimuli**
 - **Some stimuli attract attention because we have learned to react to them**
 - **We react to sounds, such as doorbells, and words, such as *free* and *sale***
- **Find a less-cluttered environment**
 - **This includes less-cluttered advertising mediums and consumer environments.**

Attracting Consumers' Attention

- **Can consumers be influenced if they don't pay attention?**
 - **Subliminal persuasion: notion that people are influenced by stimuli below our conscious level of awareness**
 - **The use of subliminal messages is prevalent today**
 - **The ability of subliminal stimuli to affect consumer behavior is highly questionable**

Subliminal perception

- Stimuli that are too weak or too brief to be consciously seen or heard may nevertheless be strong enough to be perceived by one or more receptor cells.
- Perception of stimuli that are above the level of conscious awareness is called *supraliminal* perception

Types of Subliminal Perception

- Briefly presented visual stimuli
- Accelerated speech in low-volume auditory messages
- Embedded or hidden imagery or words in print ads or on product labels
- Embeds are defined as disguised stimuli not readily recognized by readers that are “planted” in print advertisements to persuade consumers to buy their products

Experiment

- The effectiveness of so called subliminal advertising was reportedly tested at a drive-in-movie in New Jersey in 1957, where the words “Eat popcorn” and “Drink Coca-Cola” were flashed on the screen during the movie.
- Exposure time was so short that the viewers were unaware of seeing a message.

Results of the Experiment

- It was reported that during the 6 week test period, popcorn sales increased 58% and Coca-Cola sales increased 18%.

Research

- In one study, people were visually exposed to the word “beef” for $1/200^{\text{th}}$ of a second every seven seconds.
- At the end of the experiment, the people in the test group reported being hungrier than those in the control group, who did not receive the messages.
- However when asked to choose from a menu where beef was also a dish few chose beef

Social Implications of Subliminal Perception

- Useful in learning a foreign language
- Or breaking a bad habit
- Improve willpower
- To reduce weight

- The tapes play relaxing music or some sound of ocean waves and contain subliminal messages not perceptible to the ear but supposedly recognizable to the subconscious mind. (I chew slowly, I eat less, I am capable, and so on)

Marketing Implications of Subliminal Perception

- Along with the use in purchase of the product by the subconsciously entering into the evoked set there are other uses like:
 1. Motivate the employees
 2. Discourage the shoplifting

Aspects of Perception

Selection

Organization

Interpretation

Perceptual Organization

- People do not experience the numerous stimuli they select from the environment as separate and discrete sensations; they tend to organize them into groups and perceive them as unified wholes.
- Specific principles underlying perceptual organization are referred to as Gestalt psychology.
- Meaning of Gestalt, in German, means *patterns or configuration*

Organization

Principles

- Figure and ground
 - Grouping
 - Closure
- People tend to organize perceptions into figure-and-ground relationships.
 - The ground is usually hazy.
 - Marketers usually design so the figure is the noticed stimuli.

Figure and Ground Principle



Figure and Ground Principle

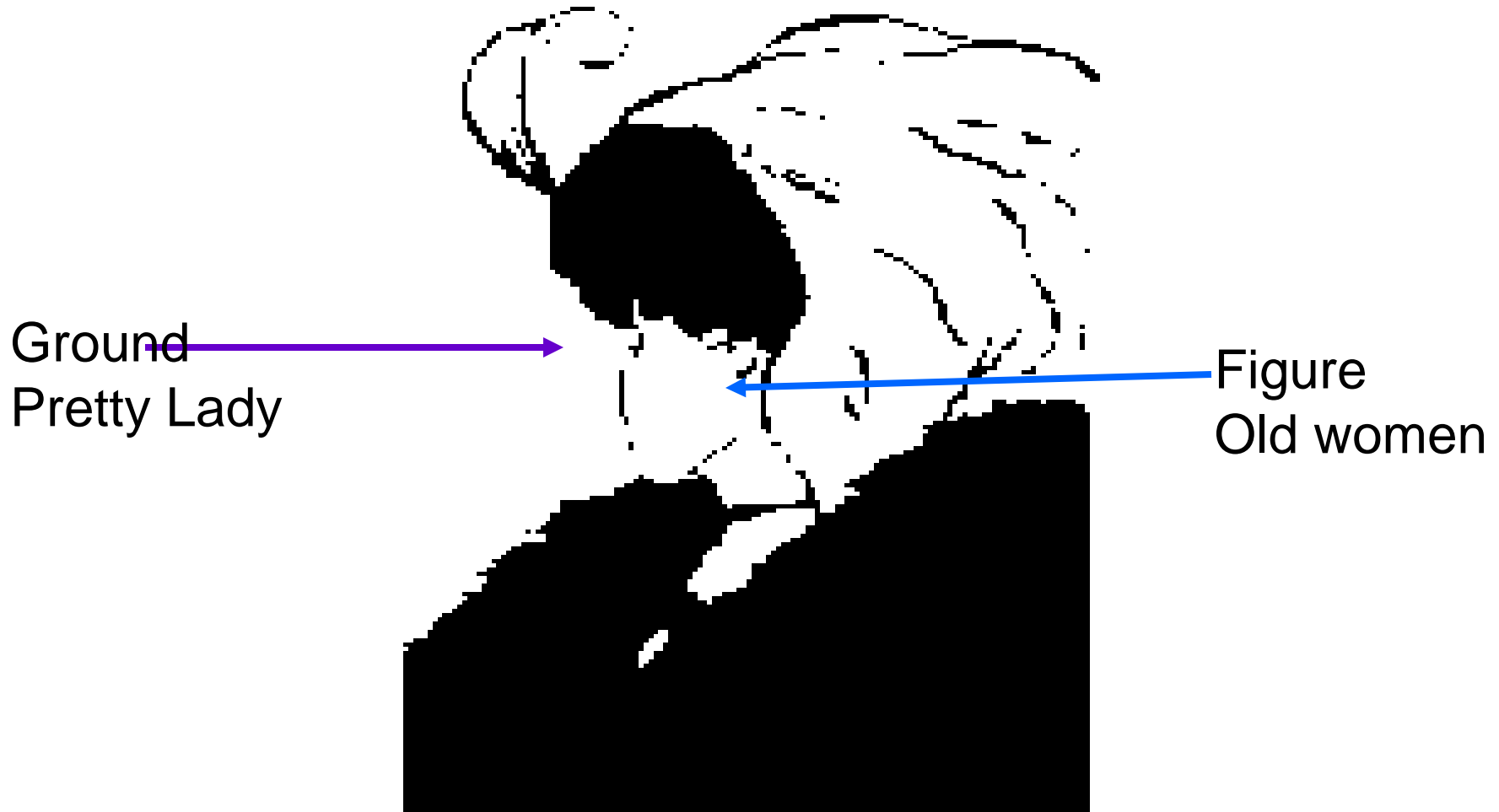


Figure and Ground Principle

- When this figure was shown to one 35 year-old lady secretary after returning to work following an automobile accident.
- She described that there was an old lady.
- It took great deal of time to explain to her that the picture has a smartly dressed young woman.

Figure and Ground Principle

- The figure is usually perceived clearly because, in contrast to its ground, it appears to be well defined, solid and in the forefront.
- The ground, however, is usually perceived as indefinite, hazy and continuous.
- The common line that separates the figure and the ground is perceived as belonging to the figure, rather than to the ground, which helps give the figure greater definition.



Figure and Ground

- In fact, the word Gestalt means a unified or meaningful whole

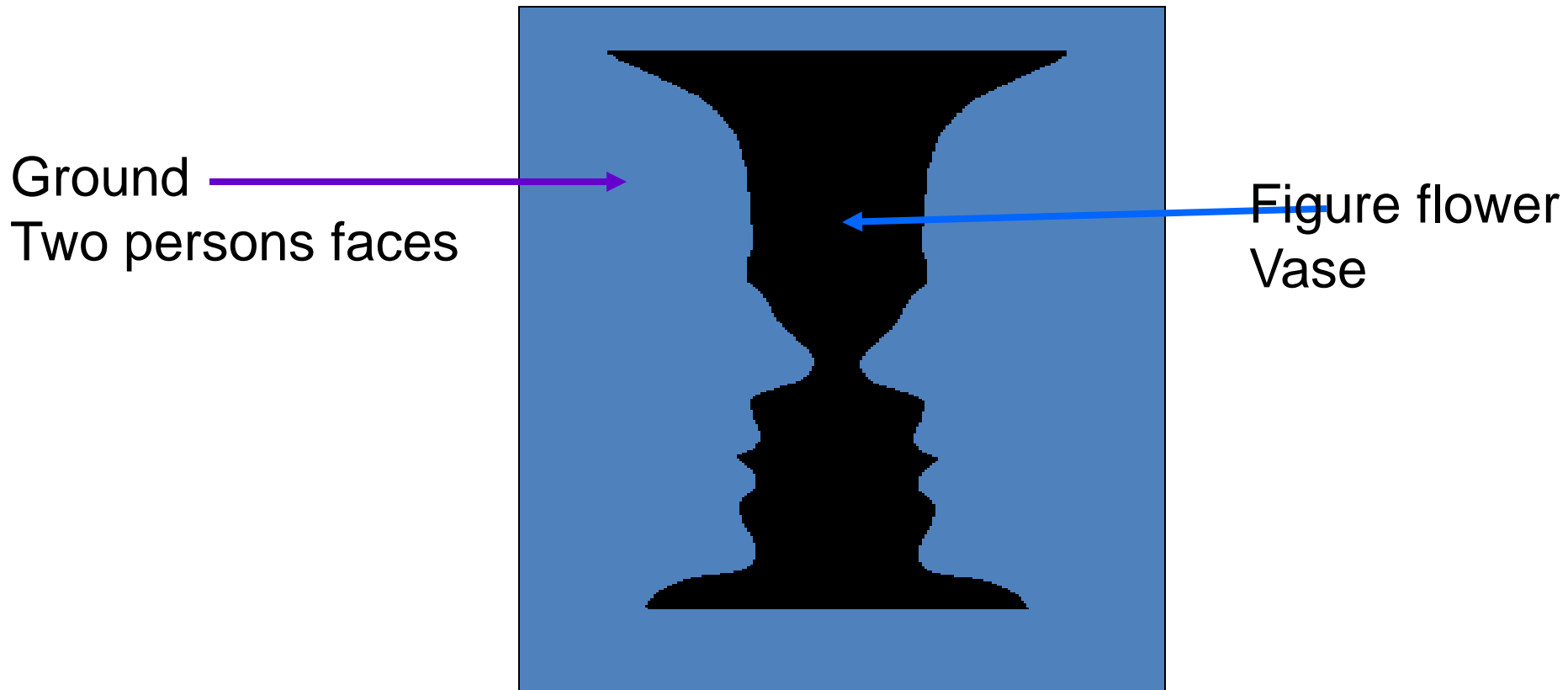
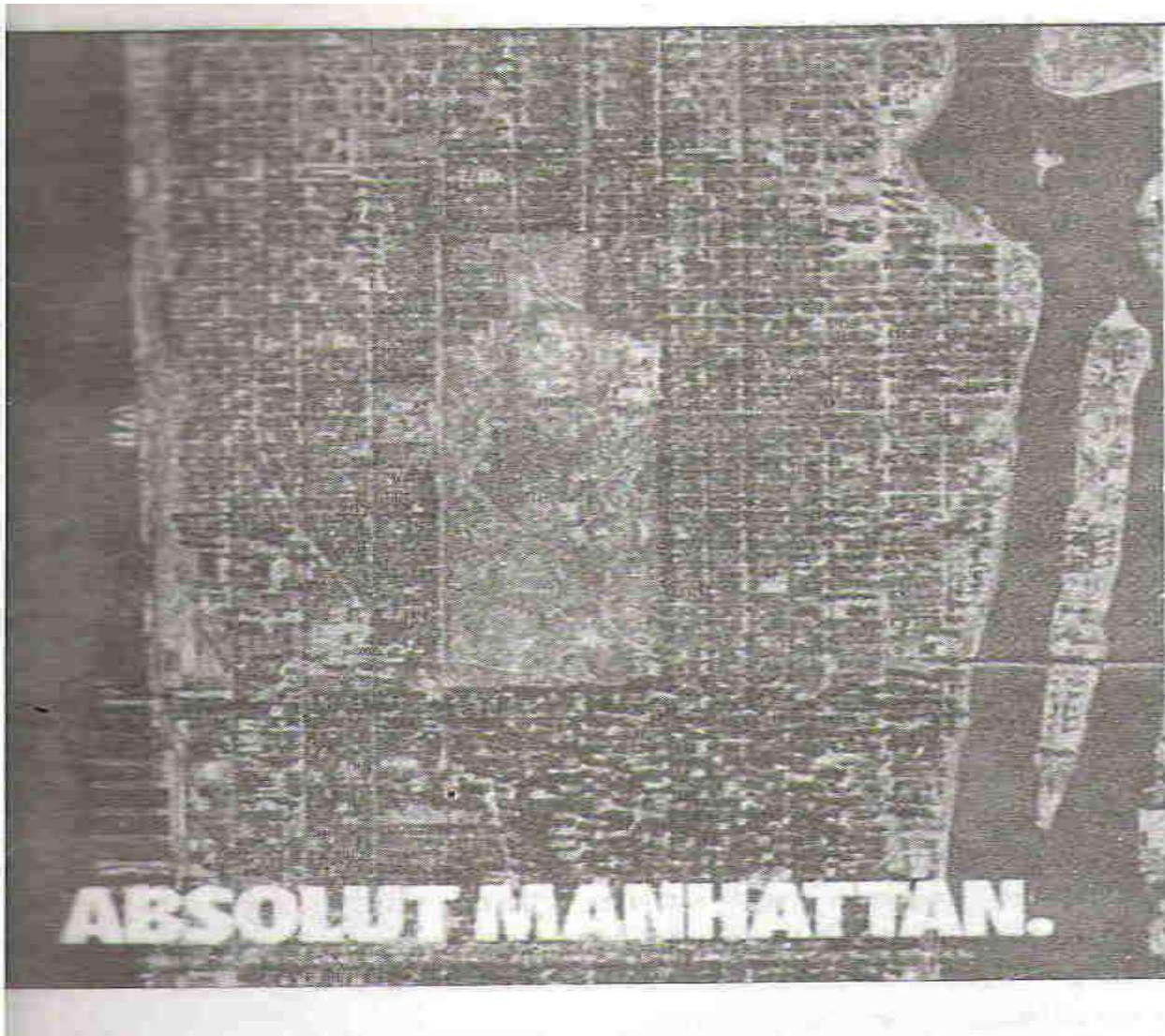
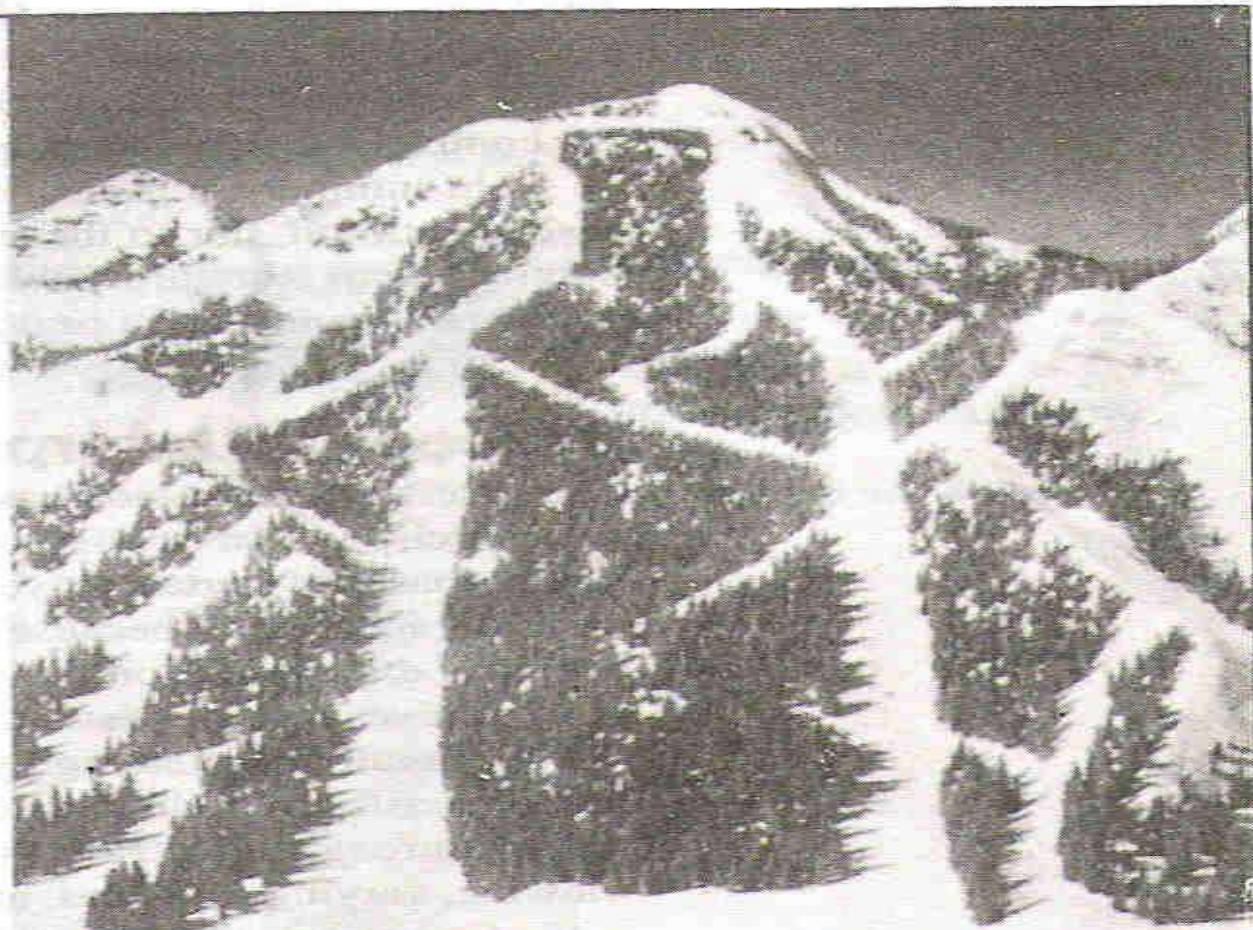


Figure and Ground

- Basically, we seem to have an innate tendency to perceive one aspect of an event as the figure or fore-ground and the other as the ground or back-ground. There is only one image here, and yet, by changing nothing but our attitude, we can see two different things. It doesn't even seem to be possible to see them both at the same time





ABSOLUT PEAK.

Marketing Application

- Advertisers have to plan their advertisements carefully to make sure that the stimulus they want noted is seen as figure and not as ground.
- Example the musical background must not overwhelm the jingle

Marketing Application

- In some cases for extra attention there is a blurring of figure and ground is deliberate.
- The Absolut Vodka campaign- which started in 1981 – often runs prints ads in which the figure (the shape of Absolut bottle) is poorly delineated against its ground, but readers are conditioned to search for the shape of the Absolut bottle, which is usually cleverly hidden in the ad.

Organization

Principles

- Figure and ground
 - Grouping
 - Closure
- People group stimuli to form a unified impression or concept.
 - Grouping helps memory and recall.

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The **law of similarity** says that we will tend to group similar items together, to see them as forming a gestalt, within a larger form.

It is just natural for us to see the o's as a line within a field of x's.

- Another law is the *law of proximity*. Things that are close together as seen as belonging together. For example...

- *****

- *****

- *****

Organization

Principles

- Figure and ground
 - Grouping
 - Closure
- People have a need for closure and organize perceptions to form a complete picture.
 - Will often fill in missing pieces
 - Incomplete messages remembered more than complete



Closure

- The **law of closure** says that, if something is missing in an otherwise complete figure, we will tend to add it. A triangle, for example, with a small part of its edge missing, will still be seen as a triangle. We will “close” the gap.

Perceptual Interpretation

Perceptual Interpretation

- Distorting influences: individuals are subject to a number of influences that tend to distort their perception
 - Physical Appearance
 - Stereotypes
 - Irrelevant cues
 - First impressions
 - Jumping to conclusions
 - Halo effect

Physical Appearance

- Studies on physical appearance have found that attractive models are more persuasive and have more positive influence on consumer attitudes and behaviour than average-looking models

Stereotypes

- The stereotypes serve as expectations of what specific situations, people or events will be like and they are important determinants of how such stimuli are subsequently perceived.

Kingfisher Airlines



But due to Stereotype
Impact of kingfisher
beverages Consumers
tend forget the kingfishers
airlines



Irrelevant cues

- When required to form a difficult perceptual judgment, consumers often respond to irrelevant stimuli
- Example: many high-priced automobiles are purchased because of their colour or because of luxury options rather than on the basis of mechanical or technical superiority

First impressions

Jumping to conclusions

- Many people tend to jump to conclusions before examining all the relevant evidence.
- So, many copywriters are careful not to save their most persuasive arguments are benefits in the last part of the message

Halo effect

- Historically, the halo effect has been used to describe situations in which the evaluation of a single object or person on a multitude of dimensions is based on the evaluation of just one or a few dimensions (e.g., a man is trustworthy, fine and noble because he looks into your eyes when he speaks)

Marketing Implication Halo effect

- The consumer behaviorists broaden the notion of the halo effect to include the evaluation of multiple objects (e.g., a product line) on the basis of the evaluation of just one dimension (a brand name or a spokesperson)
- Using this broader definition, marketers take advantage of the halo effect when they extend a brand name associated with one line of products to another.

Consumer Imagery

- Product and services images
- Perceived price
- Perceived quality
- Retail store image
- manufacturer's image
- Brand image

Product and Services Images

- The image that a product or service has in the mind of the consumer – that is, its positioning – is probably more important to its ultimate success than are its actual characteristics
- Marketers try to position their brands so that they are perceived by the consumer as fitting into a distinctive niche in the marketplace

Product and Services Images

- Positioning strategy
- Perceptual mapping

Perceived Price

- How a consumer perceives a price – as high, as low, as fair – has a strong influence on both purchase intentions and purchase satisfaction.
- Reference price is any price that a consumer uses as a basis for comparison in judging another price
- Reference price can be external or internal

Price Images

- External reference price: this is what the company puts as price tag.
- Usually an advertiser uses a higher external reference price
- Internal reference price: are those prices retrieved by the consumer from memory.

- ITC wills plain shirts –discounts upto 30%
- ITC wills on all products – 20 to 30%

Price Images

- The semantic cues (i.e., specific wording) of the phrase used to communicate the price-related information may affect consumers' price perception.
- Save 10 to 40%, save up to 40% or save 20% or more are **Tensile Price claims**
- Save 25% is **Objective price claims**
- Bundle pricing has more positive impact than single pricing

Perceived Quality

- Consumers often judge the quality of a product or service on the basis of a variety of informational cues that they associate with the product.
- Some of these cues are intrinsic or extrinsic to the product or service

Intrinsic Perceived Quality

- Physical characteristic of the product
- Colour (white, red, brown)
- Size (75ml, 100ml)
- Flavor (light, strong)
- Aroma (mild, pungent)



Extrinsic Perceived Quality

- These are external to product
 - Price
 - Brand image
 - Manufacturer's image
 - Retail store image
 - Even the country of origin

Retail Store Image

- When a low-priced store carries a brand with a high-price image, the image of the store will improve, while the image of the brand will be adversely affected.

Manufacturer's Image

- Researchers have found that consumers generally have favorable perception of pioneer brands (the first in a product category).
- Manufacturers who enjoy a favorable image generally find that their new products are accepted more readily than those of manufacturer who have a less favorable image.

Brand Image

- Brand image is defined as the set of associations linked to the brand that consumers hold in memory.

Perceived Risk

- Perceived risk is defined as the uncertainty that consumers face when they cannot foresee the consequences of their purchase decisions

Types of Risk

- Functional risk
- Physical risk
- Financial risk
- Social risk
- Psychological
- Time risk

Types of Risk

- Functional risk: is the risk that the product will not perform as expected.
- Physical risk: is the risk to self and others that the product may pose
- Financial risk: is the risk that the product will not be worth its cost

Types of Risk

- Social risk: is the risk that a poor product choice may result in social embarrassment.
- Psychological: is the risk that a poor product choice will bruise the consumer's ego.
- Time risk: is the risk that the time spent in product search may be wasted if the product does not perform as expected

Perception of Risk Varies

- High-risk perceivers are often described as narrow categorizers (brand loyal)
- Low-risk perceivers have been described as broad categorizers
- An individual's perception of risk varies with the product categories
- The degree of risk perceived by a consumer is also affected by the shopping situation (a traditional shopping, by mail, or telephone)

Consumers Handle Risk

- Seek information
- By being brand loyal
- By selecting product with brand image
- Relying on store image
- Buying most expensive model
- Seek reassurance