Chapter 10 – Buying and Disposing

- What situational factors affect our buying behavior?
- How do we perceive the shopping experience?
- How do we determine if we are satisfied with a product?
- What do we do with the product after we're finished using it?

Situational Effects on Consumer Behavior

- Consumption Situation:
  - Factors beyond characteristics of the person and of the product that influence the buying and/or using of products and services
- Situational Self-Image:
  - The role a person plays at any one time.
    - (e.g., party girl vs. academic student)

Social and Physical Surroundings

- Co-consumers:
  - Other patrons in the setting
- Density
  - The actual number of people occupying a space
- Crowding:
  - Exists only if a negative affective state occurs as a result of density

Temporal Factors

- Economic Time:
  - Time is an economic variable (i.e., it is a resource that must be allocated)
    - Time Poverty: A consumer’s feeling that they are pressed for time
- Psychological Time
  - Time Categories
    - Linear Separable Time:
      - Events proceed in an orderly sequence and different times are well defined.
    - Procedural Time:
      - When people ignore the clock and do things “when the time is right”
    - Circular or Cyclic Time
      - Time is governed by natural cycles
    - Queuing Theory
      - The mathematical study of waiting in lines

Psychological Time

- If It Feels Good, Buy It…
- Pleasure and Arousal:
  - Two dimensions which determine if a shopper will react positively or negatively to a consumption environment
- Mood:
  - Some combination of pleasure and arousal
– Consumers give more positive evaluations when they are in a good mood
– Can be affected by store design, weather, or other factors specific to the consumer

Dimensions of Emotional States

Shopping: A Job or An Adventure?

- Reasons for Shopping:
  - Shopping Orientation: General attitudes about shopping
  - Hedonic Shopping Motives:
    - Social Experiences
    - Sharing of Common Interests
    - Interpersonal Attraction
    - Instant Status
    - The Thrill of the Hunt
  - E-Commerce

Retailing as Theater

In-Store Decision Making

- Spontaneous Shopping
  - Unplanned buying: Occurs when a person is unfamiliar with a store’s layout or when under some time pressure; or, a person may be reminded to buy something by seeing it
  - Impulse buying: Occurs when the person experiences a sudden urge that cannot be resisted
  - Impulse items: Items conveniently placed near a checkout

Categorizing Shoppers by Advance Planning

- Planners
  - Tend to know what products and specific brands they will buy beforehand.
- Partial Planners
  - Know they need certain products, but do not decide on a specific brand until they are in the store
- Impulse Purchasers
  - Do no advance planning

Point-of-Purchase Stimuli

- Point-of-Purchase Stimuli (POP)
  - An elaborate product display or demonstration, a coupon-dispensing machine, or someone giving out free samples
  - Some more dramatic POP displays:
    - Timex
    - Kellogg’s Corn Flakes
    - Elizabeth Allen
    - Tower Records
    - Trifari
    - Charmin
    - The Farnam Company

The Salesperson

- Exchange Theory:
  - Every interaction involves an exchange of value.
- Commercial Friendships:
When service personnel and customers form relationships

**Identity Negotiation:**
- A relationship in which some agreement must be reached about the roles of each participant

**Interaction Styles:**
- Salespeople can adapt their approach according to customer’s traits and preferences

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**Postpurchase Satisfaction**

**Consumer satisfaction/dissatisfaction (CS/D):**
- Determined by the overall feelings, or attitude, a person has about a product after it has been purchased.

**Perceptions of Product Quality:**
- Consumers use a number of cues to infer quality

**Quality Is What We Expect It To Be:**
- *Expectancy Disconfirmation Model:* Consumers form beliefs about product performance based on prior experience with the product and/or communications about the product that imply a certain level of quality.
- *Managing Expectations:* Customer dissatisfaction is usually due to expectations exceeding the company’s ability to deliver.

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**Customer Expectation Zones**

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**Acting on Dissatisfaction**

- **Three Possible Courses of Action**
  - *Voice Response:* The consumer can appeal directly to the retailer for redress.
  - *Private Response:* Express dissatisfaction about the store or product to friends and/or boycott the store.
  - *Third-Party Response:* The consumer can take legal action against the merchant, register a complaint with the Better Business Bureau, or write a letter to the newspaper.

- **TQM: Going to the Gemba**
  - *Gemba:* The one true source of information.

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**Product Disposal**

- **Disposal Options:**
  - (1) Keep the item
  - (2) Temporarily Dispose of it
  - (3) Permanently dispose of it

- **Lateral Cycling: Junk Versus “Junque”**
  - *Lateral Cycling:* When already purchased objects are sold to others or exchanged for other things.
  - *Underground Economy:* Secondary markets (e.g. eBay)

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**Discussion Question**

- How do secondary markets created by such sites as eBay affect the sales of new goods from traditional retailers? What can they do to compete with these products?