

Welcome!

Consumer Behavior



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BEFORE WE START

- Next Week **(Early) Midterm Exam: Thursday!**
- Please TEST **HonorLock System in Advance**
- **Study Guide** → I will upload soon (Before this weekend)
- Extra Credit for the In-class Experiment (this Thursday)

(Also see the announcement)





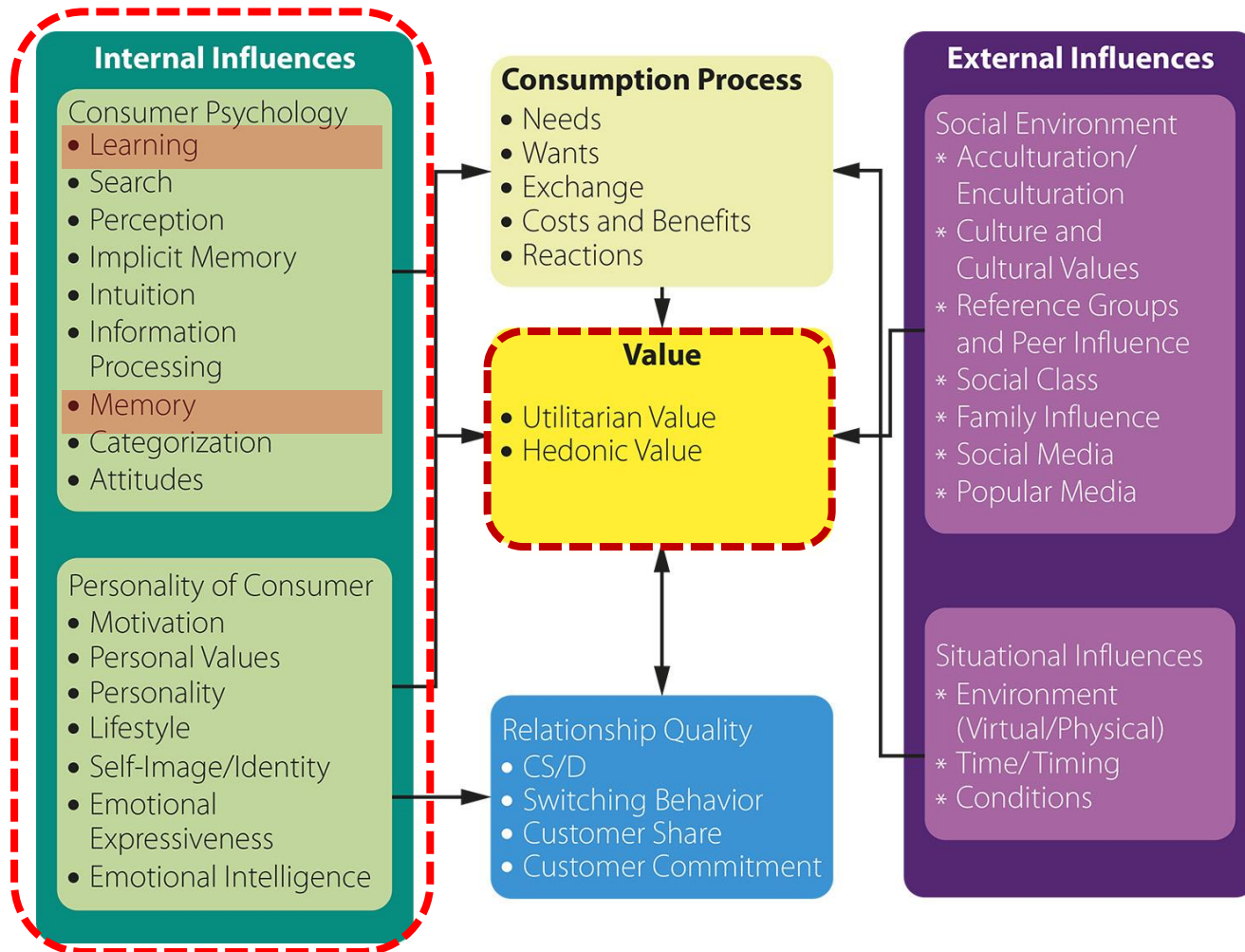
CHAPTER 4

Learning and Memory

Where are we?



Big Picture



Agenda

- What is Learning?
- Behavioral Learning Theory
 - Classic Conditioning
 - Instrumental Conditioning
- Cognitive Learning Theory
 - Observational Learning
 - Modeling



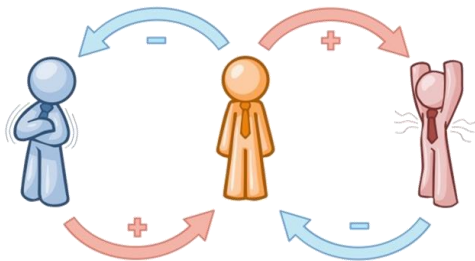
How do we learn?

Learning is an ongoing process

- Our knowledge about the world constantly updates as we are exposed to **new stimuli** and as we receive **ongoing feedback**
- **Modify behavior** when we find ourselves in similar situations at a later time



CONSUMER LEARNING



Theories of Learning

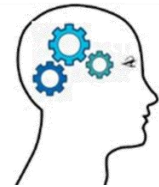
- Psychologists advance several theories to explain the learning process
- Several theories based on different assumptions

Behavioral learning theories

- Assume that learning takes place as the result of responses to external events
 - Classical conditioning (build associations)
 - Instrumental conditioning (reward and punish)

Cognitive learning theory

- Highlights the importance of internal mental processes
- This perspective views people as problem solvers who actively use information from the world around them to master their environment.





Behavioral Learning

$$15 + 20 = 35$$

$$15 - 5 = 10$$

$$11 + 10 = 21$$

$$12 - 3 = 9$$

$$11 + 9 = 20$$

$$10 + 3 = 13$$

$$10 + 1 = 11$$

$$10 + 10 = 20$$

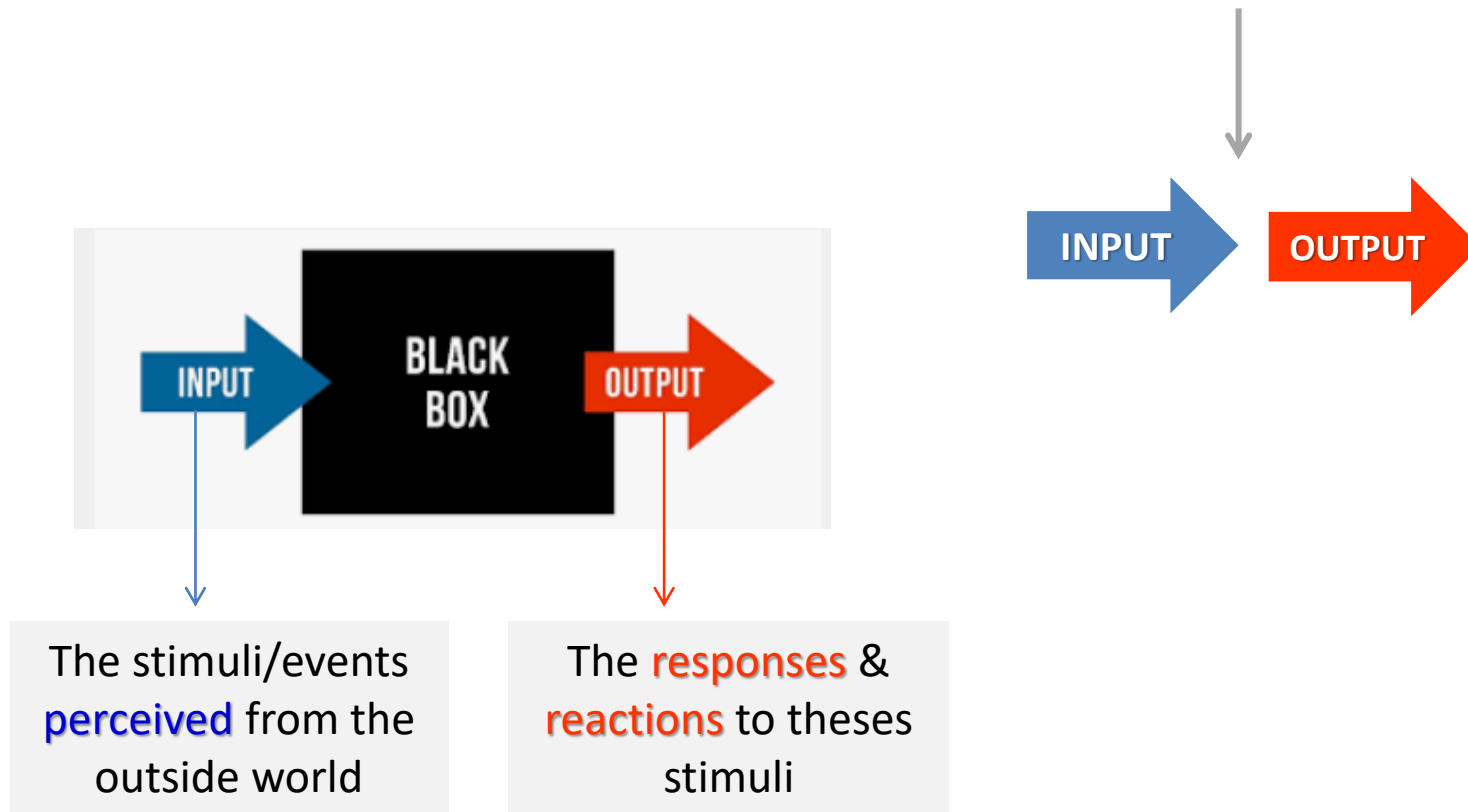
$$10 + 10 = 20$$

$$10 + 10 = 20$$

$$10 + 10 = 20$$

Behavioral Learning

- Researchers **do not** focus on **internal thought processes**
- The **feedback** we receive as we go through life shapes our experiences
- Approach the mind as a “**black box**” & emphasize observable aspects of behavior



Behavioral Learning

- The **feedback** we receive in our lives shapes our **experiences**
 - rewards & punishments
- This feedback influences the way we will respond in similar situation in the future



rewards



punishment

- 1) **Classical conditioning** (build associations)
- 2) **Instrumental conditioning** (reward and punish)

Classical Conditioning

Behavioral learning

- Conditioning is basically “pairing” (a bell) (meat)
- Learning by **pairing** a neutral stimulus with a stimulus to cause a salivation response of dogs.



Classical Conditioning

Classical Conditioning



[Classical Conditioning - Ivan Pavlov](#)

Discussion

Real world examples?

Branding, advertising using classical condition?



Discussion

Hint?

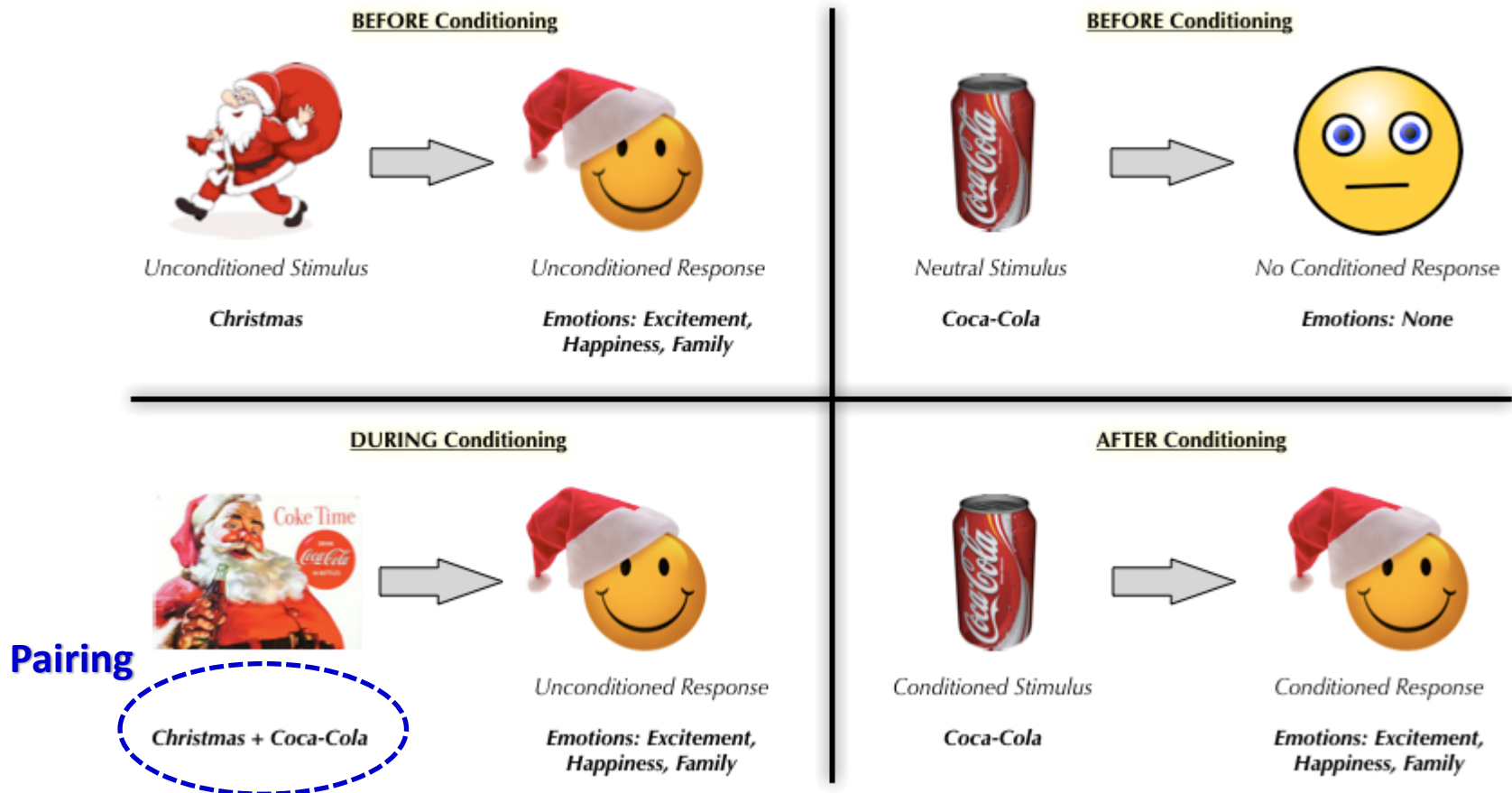
**CLASSICAL CONDITIONING
IN ADVERTISING**



GALLERY WALK ACTIVITY
Prep Free & Distance Learning-Friendly

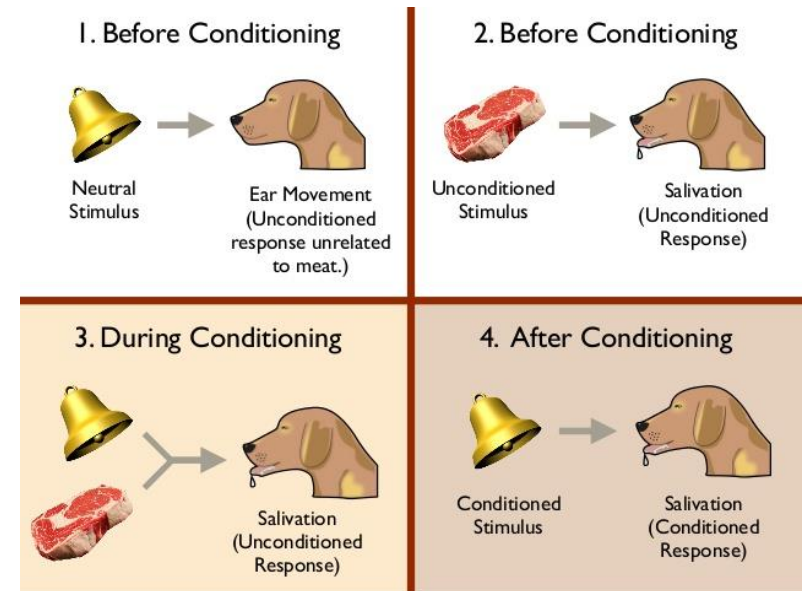
Classical Conditioning on Brand Perception

- Marketers can **pair** these cues with conditioned stimuli, such as **brand names**
 - consumers may learn to feel hungry, thirsty, or aroused when they encounter these brand cues at a later point.



Practice

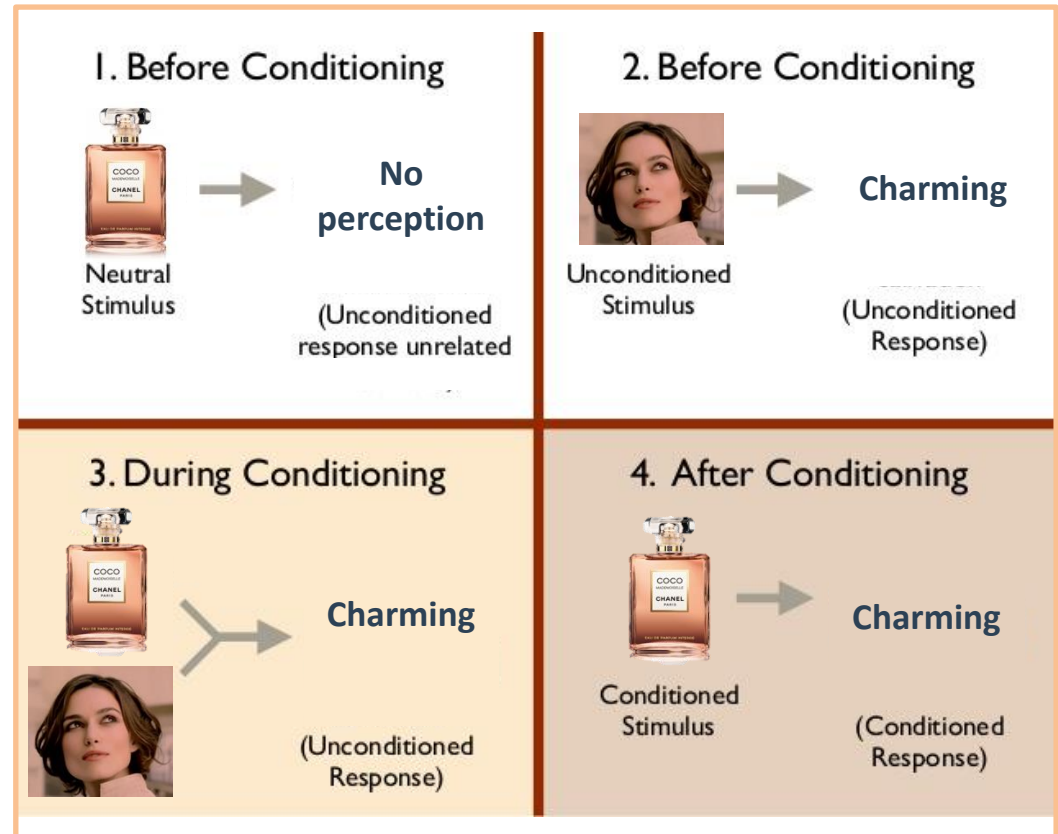
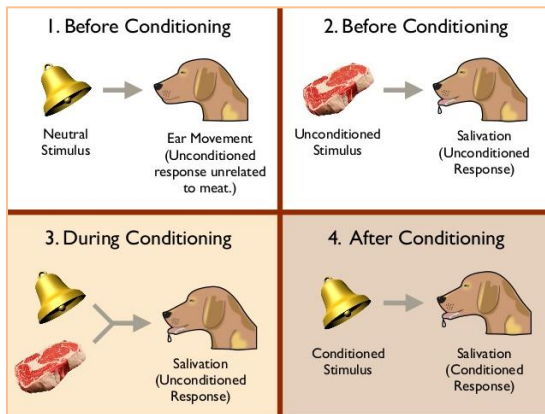
Watch the CHANEL ad and let's discuss how classical conditioning works in the Ad.



[Keira Knightley – CHANEL Fragrance](#)

Practice

Classical Conditioning



Classical Conditioning on Brand Perception

Classical Conditioning



[Corona](#)



Successful Conditioning: Repetition

Classical Conditioning

What determines the effectiveness of this strategy?

- Interval between exposure: spaced exposure
- The type of medium(media) the marketer uses

e.g., Television advertising complemented by print media



Practice (repeated slogan)

< Coffe and more. >



< Connecting the world through photos. >



[TOP 50 Famous Brands Slogan and Taglines](#)

Stimulus generalization

Conditioning

Strategies that marketers base on stimulus generalization:

- Family branding
- Product line extension
- Licensing
- Look-alike packaging



Stimulus generalization

Conditioning

- **Family Branding**
: relying on their positive corporate image to sell different product lines

Capitalizing on the reputation of a company name



Stimulus generalization

Conditioning

- **Product Line (brand) Extension**
: adding related products to an established brand

Dole



Tide: Bestselling laundry detergent

→ Dry Cleaner franchise stores



Pearson Education, Inc. © 2020

Stimulus generalization



Conditioning

- **Co-branding and Licensing**



: Renting out well-known names hoping that the **learned association** will give a **halo effect** to the other product






CO-BRANDING

- 1  +  = 

VERSACE + **H&M** =

MORE AFFORDABILITY / WIDER ACCESSIBILITY
for Versace products in H&M stores
- 2  +  = 

BlackBerry + **PORSCHE** =

HIGHER PREMIUM ON BLACKBERRY
since it attaches itself to the Porsche Design
brand equity
- 3  +  = 

NIKE + **Apple** =

APPEAL TO A NICHE MARKET/ CERTAIN LIFESTYLE
a wider demographic is reached Nike appealing
to Apple users and vice versa

Stimulus generalization

Conditioning

- **Look-alike packaging**

: Distinctive packaging creates strong **associations** with a particular brand

: Me-too product

Piggybacking Strategy



Retail brand



National brand



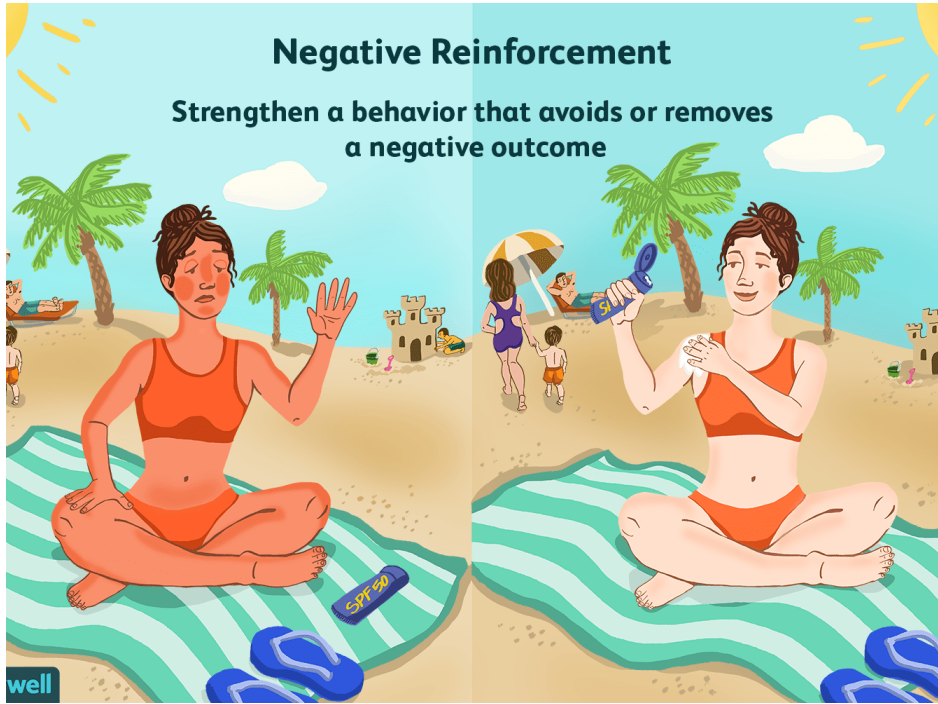
Instrumental Conditioning



Simply say, people learn by reward or punishment

Negative Reinforcement vs Punishment

Instrumental



Strengthen action



Weaken action

Discussion

Can you think of products that tell you that you will be “rewarded” if you buy them?

Marketing Applications

Instrumental

- Marketers have many ways to **reinforce** consumers' behaviors

Example?

e.g., substantial rebates, follow-up phone calls, thank you letter

- **Frequency marketing** is a popular technique
: Reinforces regular purchases by giving them **prizes with values** that get better as they spend more (e.g., frequent flyer miles)

Turn your visits into rewards.

Earn 1 Star each time you use your Registered Card at Starbucks.



Gamification

Instrumental

- **What is Gamification (strategy)?**

: The process of **injecting gaming elements** into task that might be boring or routine

The image shows a promotional graphic for the McDonald's Monopoly game. On the left is a portion of the game board, featuring a central square with a large image of a red fries container. The board includes various colored squares (red, yellow, green, blue, pink) and icons representing different game elements like 'Chance', 'Community Chest', and 'Go to Jail'. On the right is a blue background with the text 'ADVANCE TO McDONALD'S®' in large white letters, followed by '1 in 4 chances to win*'. Below this is the 'MONOPOLY' logo in a red box and the golden arches logo. At the bottom right, there is a small disclaimer: '*See complete Game details in the Official Rules at participating McDonald's® restaurants or PlayatMcD.ca. No purchase required. Correct answer required to a skill-testing question. *At the outset of the Game. Chances of winning may change as Prizes are awarded. ©2012 McDonald's. MONOPOLY®,™ & © 2012 Hasbro. All Rights Reserved.'

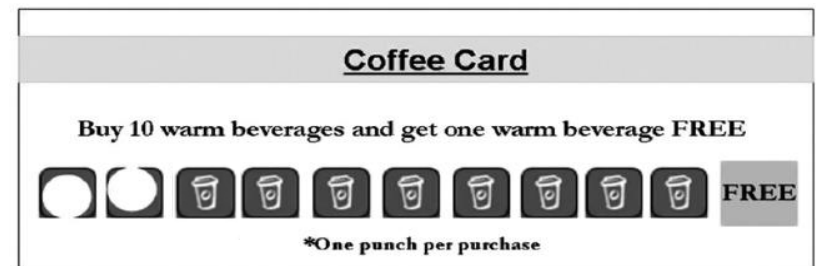
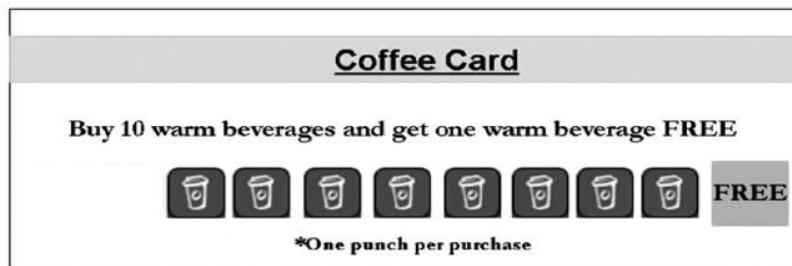
Goal-Gradient phenomenon

Instrumental

- **Goal Looms Larger Effect**

: The closer people approach the goal, the more resources they invest to reach the goal → showing increase persistence, motivation

Q. How can we stay motivated until goal completion



Appendix

Just for your reference, can skip



10m distance



1m progress

Value: 1/10

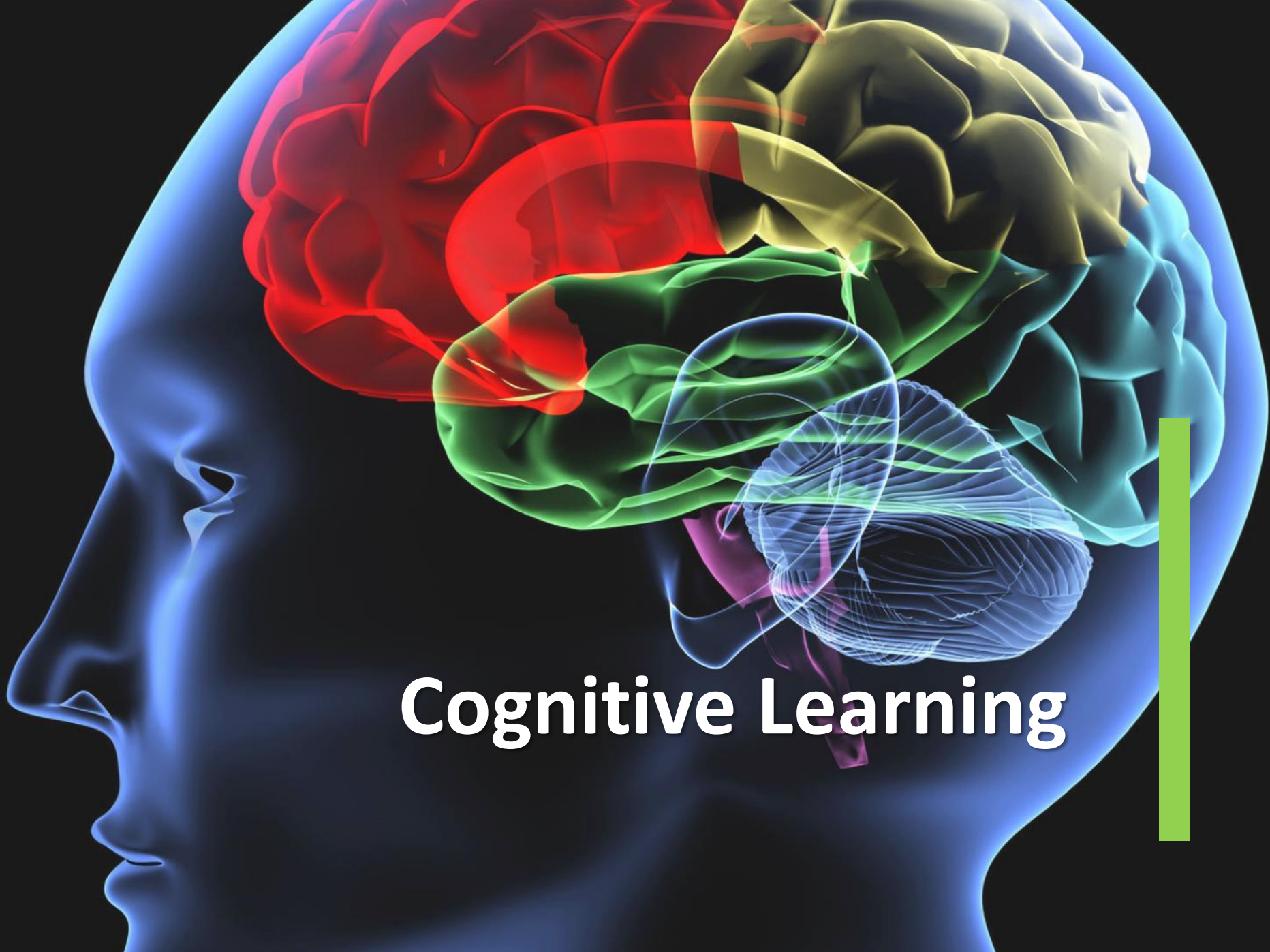
5m distance



1m progress

Value: 1/5





Cognitive Learning

- Marketers can show what happens to desirable models who use or do not use their products

→ Consumers often will imitate these actions at a later time



- A perfume commercial can depict a throng of admirers who compliment a *glamorous woman* when she wears a certain fragrance

Big Daddy

Cognitive learning



[Social Learning Big Daddy](#)

Key Takeaways for Today

1. Learning

- Direct learning, Observational learning, and Incidental learning

2. Behavioral learning theories

- Classical conditioning (build associations)
- Instrumental conditioning (reward and punishment)

2-1 Classical conditioning:

- CS, UCS, CR
- Repetition
- Stimulus generalization:
 - Family branding
 - Product line extension
 - Licensing
 - Look-alike packaging

2-2. Instrumental conditioning

- Positive reinforcement
- Negative reinforcement
- Punishment

3. Cognitive learning theory

- Observational Learning
- Modeling