

Module 5 Lecture Notes Part III

Overview

In this section we will focus on stage 3 of the consumer decision process of alternative evaluation and selection. It is important to recognize the distinction between evaluate and determinant criteria. Evaluative criteria are the characteristics that customers consider while assessing potential alternatives to an issue. The elements that have the most influence on actual customer choice is determined criteria. Both determinant and evaluative criteria have an impact on decision-making.

Value

These requirements include the features and benefits connected to a proposed remedy and create value. Value is at the heart of the alternative evaluation process. Consumers seek benefits that are associated with a potential solution to a problem. Benefits come from the features or characteristics of the alternatives under consideration. From the value perspective, consumers seek solutions that will deliver benefits while minimizing associated costs.

Classification

Classification is important because product groups provide the framework from which consumers evaluate alternative solutions to a problem. When new information about a viable alternative is presented, this information is compared to information that is stored as knowledge in a consumer's perceived product classification. This information allows the consumer to make better inferences about the alternative solution.

Rationale Theory

This can seem like a sensible approach, but is it really? The rational choice theory makes three key assumptions: (1) consumers seek one optimal solution to a problem and make decisions based on that answer; (2) consumers have the ability and desire to identify the optimal solution; and (3) the ideal choice remains constant regardless of the circumstances. All of these presumptions, nevertheless, have been demonstrated to be false for at least some consumer choices. Instead, consumers engage in other choice processes.

Choice Process

The nature of affective choice is typically more all-encompassing. The brand is not broken down into different elements and each is assessed independently of the whole. The "How do I feel about it" intuitive or decision rule is used in affect-based decisions, which typically result from consumer buyer reasons.

When deciding based on an attitude, broad attitudes, overall perceptions, intuitions, or biases are used; attribute-by-attribute comparisons are not conducted at that moment. The chance of attitude-based choosing is increased by lower purchasing engagement, limited information, and specific situational considerations like time constraints.

Attribute-based decision-making involves attribute-by-attribute comparisons across brands and necessitates the knowledge of characteristics at the time the decision is made. When affective and

attitude-based choosing is involved, this procedure requires much more work and time than the global comparisons. It also often results in a decision that is closer to being ideal. The chance of characteristic-based decision is increased by greater buying engagement, freely accessible brand-element information, and situational considerations including lowered time pressure.

The following video provides an excellent overview of how consumer choice works which enforces the concepts above and some the decision rules below.

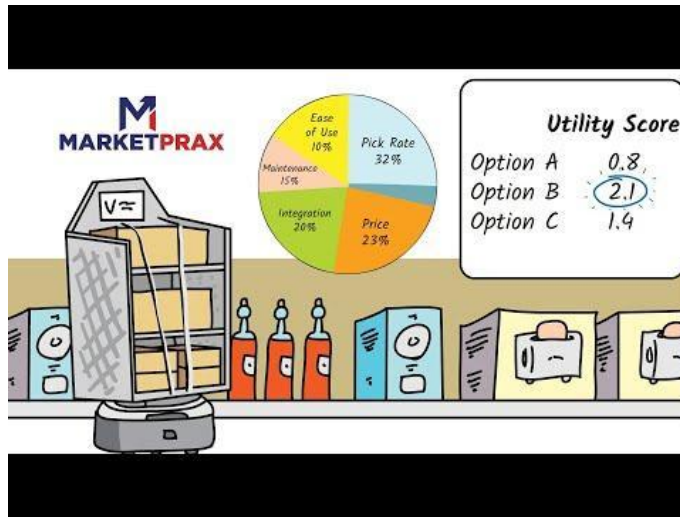


Evaluative criteria and their measurement

The many attributes or advantages a consumer seeks for in response to a particular issue are known as evaluative criteria. Their specific consumption issue, consumers use these performance levels or qualities to compare various brands.

A crucial first step in using evaluative criteria to construct marketing strategy is the measurement of (1) which evaluative criteria are used by the consumer, (2) how the consumer sees the numerous options on each criterion, and (3) the relative value of each criterion. The measurement task is challenging, even though there are a variety of approaches available, such as conjoint analysis, constant-sum scaling, and perceptual mapping.

Conjoint analysis



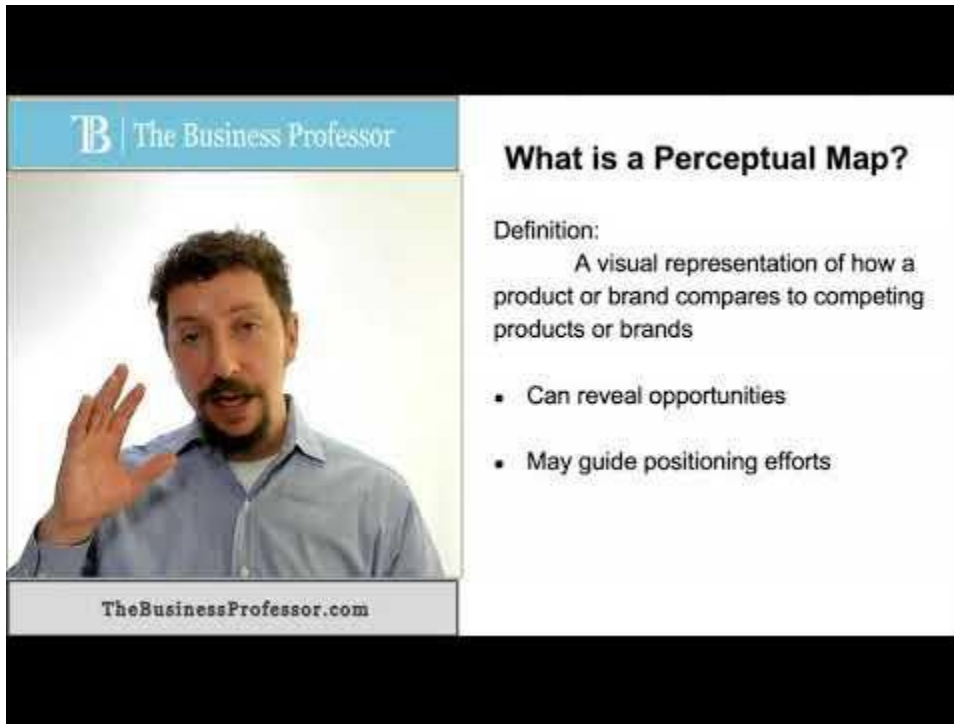
Constant-Sum Scaling (Video starting at 12:30 until 16:30)

Business Research Methods
Online Lecture Series

Scaling Techniques
Likert, Semantic
Constant Sum,
Graphical, Ranking

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LECTURE 21



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What is a Perceptual Map?

Definition:
A visual representation of how a product or brand compares to competing products or brands

- Can reveal opportunities
- May guide positioning efforts

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The five attribute-based decision-making criteria and their strategic applicability.

A model for compensation is the attitude-toward-the-object model. With this kind of model, an option can be chosen even if it performs poorly on a certain characteristic. No compensatory models place a strong emphasis on rigid standards that are established before alternative evaluation. The lexicographic, conjunctive, disjunctive, and elimination-by-aspects rules are the main no compensatory rules. A choice must exceed a minimum cutoff across all pertinent characteristics to satisfy the conjunctive rule. The disjunctive rule is applied when a choice is made that exceeds a reasonably high cutoff point for any characteristic.

The lexicographic rule directs the customer to choose the choice that excels on the most crucial characteristic.

The elimination-by-aspects rule is employed when a consumer starts analyzing options by focusing on the most crucial attribute first and excluding any solutions that fall below a set minimum for that attribute.

The process continues as the customer thinks about the following attribute, and so on, until there is only one choice left.