

# Consumer decision-making and brand loyalty

## Introduction

This chapter will explain how consumers make use of different types of heuristics when making decisions about which products and brands they should purchase. In particular, prediction, persuasion and choice heuristics will be outlined. It will also explore whether consumers are capable of making rational decisions (taking heuristics, emotions and level of involvement into account) and how decisions can be based upon specific attributes. The chapter ends with a brief outline of what it means to be brand loyal and why some people choose to repeatedly purchase products from the same brand.

## Consumer decision-making

All products and services that consumers use will have been involved in a decision-making process. At times consumers may choose to use a product only once and on other occasions they may decide to use it repeatedly. When products or brands are used repeatedly, it is a sign that customers are loyal to the brand or product. Brand loyalty is something that most manufacturers strive to achieve. In order to achieve brand loyalty, it is imperative to understand how consumers make their decisions and what type of factors can increase the likelihood of continuous repeat purchase.

Most marketers and manufacturers wish that consumers made decisions based solidly upon the information that is presented to them. Unfortunately the consumer decision-making process is rarely so simple. In addition to the information that consumers are faced with, there are many factors that come into play when consumers are deciding what to buy. The context in which products are presented, lifestyle, culture, peer pressure, level of involvement, emotions, social class, amount of choice, in-store stimuli, and attitudes are some aspects that have been suggested can affect consumer decision-making. Even though there are many different factors that can impact upon the decisions consumers make, most decisions are based only on a select few. This is because it would be very



time-consuming and laborious for consumers to make use of all the knowledge they have that is in some way associated with the product they are thinking of buying. To avoid wasting time and becoming mentally tired, consumers rely on **heuristics**.

## Heuristics

Typically consumers only consider a small part of all the information available to them about a specific product or service and not all the information is attended to and processed. Even though consumers are very rarely presented with all the available information, they are still often faced with more information than they can deal with. Unfortunately consumers often do not have enough time to process even a fraction of that information, and consequently some of the product information encountered will be considered more than others. This is done subconsciously by the use of heuristics.

Heuristics are 'rules of thumb' that individuals subconsciously apply to reduce the effort involved in decision-making (Shah & Oppenheimer, 2008) so that they do not tire themselves mentally. Since humans have limited capacity for mental work, heuristics simply enable us to deal with complex matters by applying simple methods of reasoning. Heuristics are commonly used when consumers lack genuine interest in the products or services they have to choose from or when they are not capable of using complex decision strategies that require a lot of effort.

The trouble with heuristics is that they do not always help consumers to make the right decisions but instead they frequently lead to error and bias. For example, a consumer who happens to have a friend who had problems with a particular product may come to the conclusion that the product is not all that reliable. However, basing their decision upon the information provided by a particular individual means that they overlook the product's generally excellent track record and consequently may be missing out on a product that would have suited their needs perfectly (Solomon, Drenan, & Insko, 1981). Applying heuristics to the decision-making process simplifies it, as it means that consumers often only make use of one particular piece of information.

There are four categories of heuristics that are useful when it comes to understanding consumer decision-making: prediction, persuasion, compliance and choice heuristics. It is important to understand how heuristics impact upon the decision-making process. By understanding how they work, it is possible to change how consumer information is presented, in order to generate a decision in favour of a particular product or service.

## Prediction heuristics

Tversky and Kahneman (e.g. 1974, 1983) identified four types of prediction heuristics (see Table 9.1) that have been found to be important for decision-making:

the representativeness, availability, simulation and anchoring-adjustment heuristic. These four heuristics are most commonly applied to decisions whereby the consumer is trying to predict an outcome. The ability to predict an outcome is important when making judgements and decisions about products and services. Hence, the prediction heuristics may be used in situations where consumers are trying to answer questions such as: 'Will I still want to invest my money in the same investment plan in five years from now?' and 'How long will this new sofa last?'

*The representativeness heuristic* is when individuals make judgements about the probability of an uncertain event in regard to how similar it is to a typical case while ignoring the basic principles of probability (Tversky & Kahneman, 1983). This became evident when Tversky & Kahneman presented their participants with a problem in which they briefly described a lady called Linda mentioning that she had been a philosophy student who used to have a keen interest in social justice. Participants were then asked to rank eight statements in terms of how probable they were. The results showed that Linda was less likely to be a bank teller than both a bank teller and a feminist, something that is incorrect bearing in mind that the category of bank tellers includes all feminist bank tellers. This demonstrates that the participants ranked the statements according to how similar the statement was to the description of Linda and hence overlooked the basic principles of probability.

Consumers apply the same kind of rules when assessing products. For example, a consumer may be faced with information about a new type of music player that can do a lot of things that a traditional CD player cannot do. In such situations the consumer may look at the music player and decide that the new music player's appearance is similar to the traditional CD player and hence classify the new music player as simply being a newer model of an old type of CD player. Such judgements can clearly have an impact on new product launches.

*The availability heuristic* refers to decision-making that involves probabilities or frequencies that are affected by how easily relevant information can be brought to mind (e.g. Kahneman, Slovic, & Tversky, 1982; Schwarz & Vaughn, 2002; Tversky & Kahneman, 1973). The availability heuristic can be very useful to consumers

**TABLE 9.1** Prediction heuristics

Representativeness	Judging one thing on the basis how similar it is to another.
Availability	Assume that events easily retrieved from memory are more likely to occur frequently in the future.
Simulation	Predictions based on the ease with which a sequence of events can be imagined.
Anchoring-adjustment	Forming an initial judgement (the anchor) and then adjusting this judgement in a positive or negative direction depending on further evidence.

and on occasion protect them from making unfavourable decisions. For example, if a person can easily remember several times when they bought ice cream and jam from a shop called 'Bilos', just to find that the same ice cream and jam are cheaper elsewhere, makes them think that the whole selection of products that 'Bilos' sells is probably more expensive than other shops. Hence, the consumer is likely to decide to shop elsewhere in the future.

However, the availability heuristic is not always helpful when it comes to making consumer decisions. This is because consumers will make use of the most readily available information regardless of whether or not it is the most relevant (Wyer, 2004). For example, the media often focus on stories they think are the most sensational and will capture their audience interest. Consequently a plane crash gets a lot of media coverage while a car crash may not be mentioned at all. It is therefore easier for most people to remember plane crashes and consequently a higher number of people are scared of flying even though they are more likely to be involved in an accident when travelling by car.

The fact that people are more easily affected by what springs to mind was proven when participants were asked in a study to think of words beginning with R and then to think of words having R as their third letter (Tversky & Kahneman, 1973). Even though there are more English words with R as the third letter participants could more easily think of words that started with R.

Unfortunately this means that individuals can be misguided by what most easily springs to mind and consequently may not make the decision that is best for them, i.e. they may avoid travelling by plane but happily go by car.

It is difficult to determine exactly what kind of information consumers have readily available and how it may affect the decision-making process, especially if the information is purely based on personal experiences, as it then may not be possible for a marketer or manufacturer to do anything about it. However, if the information that is readily available is linked to general public opinion or media coverage, it should be possible to present consumers with additional information that in turn can influence the decision they make.

Even though heuristic research has found that more accessible information can guide the decision-making process, it is not always as simple as consumers acting directly upon what comes into their mind (Schwarz, 2004). This is supported by research whereby it has been found that consumers view products more favourably after having had several positive attributes brought to mind (Menon & Raghuram, 2003; Wänke, Bohner, & Jurkowitsch, 1997).

*The simulation heuristic* is similar to the availability heuristic in that, just as information that it is easy to retrieve in memory appears likely to happen, those that are easy to *imagine* (simulate) also appear likely to occur (Kahneman & Tversky, 1982). So if consumers can imagine it happening, they will believe that it is more likely to happen. This was noted in a series of experiments conducted by Gregory, Cialdini and Carpenter (1982). They asked their participants to imagine particular scenarios such as buying cable television service, and winning a contest. After the imagining

phase they were tested on whether or not they thought the scenarios were likely to happen to them. It was found that there was an increase in the belief that the event would happen. The authors also conducted a follow-up survey and found that participants who had imagined purchasing cable television had actually done so after the experiment. The idea that events are perceived as more likely to happen after having imagined them has also been found to be applicable to other occurrences such as imagining that the team you support will win (Hirt & Sherman, 1985; Sherman, Zehner, Johnson, & Hirt, 1983). However, this only works if the event is relatively easy to imagine, but if a person fails to imagine the event, it will not be perceived as being more likely to happen in real life (e.g. Anderson & Godfrey, 1987).

*The anchoring-adjustment heuristic* is another key heuristic whereby decision-makers form an initial judgement (the anchor) and then adjust the judgement up or down. Most of the time consumers' final judgements are close to the original anchor, meaning that it can be very difficult to change their first impressions of a product or service. This was evident from a study where estate agents were shown different price lists for a house prior to seeing the house. The price list was low, medium or high. When the estate agents were allowed to inspect the house so that they could estimate the value of it, the researchers found that most valued the house close to the original list they have been shown (Northcraft & Neale, 1987).

Bearing in mind that estate agents should be more accurate in their evaluations of a property than a 'lay' person, the study demonstrates that experts also make use of the anchoring-adjustment heuristic.

## Persuasion heuristics

Research conducted on attitude change and persuasion has shown that individuals either take short cuts in order to process information rapidly or think extensively about the information they process (e.g. Petty & Cacioppo, 1986a). It is from such research that the persuasion heuristics originates (see Table 9.2). (For a full account of processing differences in persuasion, see Chapter 7.)

The kind of short cuts used when processing persuasive messages are often developed from experience and observation (Chaiken, 1980) meaning that when consumers are less motivated to process the information encountered they can draw upon previous experiences in order not to tire themselves mentally (Giner-Sorolla

**TABLE 9.2** Persuasion heuristics

Length-implies-strength	Long messages filled with lots of facts and figures indicate that the advertised product is of high quality.
Liking-agreement	People generally agree with people they like.
Consensus-implies-correctness	Majority opinion is usually considered to be valid.

& Chaiken, 1997). This is why consumers may come to the conclusion that advertisements filled with lots of facts and figures are a good sign of the advertised product's high quality. This is known as the *length-implies-strength heuristic*. Similarly, this has also been found for the speech rate used when trying to persuade individuals. Fast speech inhibits processing of the presented argument as well as signalling to the listener that it is a credible message (Smith & Shaffer, 1995).

Superficial cues are also used in the *liking-agreement* and *consensus-implies-correctness* heuristics (Chaiken et al., 1989). The liking-agreement is when consumers are more likely to agree with people that they like. The consensus-implies-correctness is when consumers believe that the majority opinion must be the right one. For example, if an individual hears or reads that a particular brand has been voted the most reliable by the majority of the readers of a particular magazine, they are more likely to be persuaded.

### Compliance heuristics

There are six types of heuristics that make it more likely for people to comply with requests (Cialdini, 1993) (Table 9.3). All six are quite different in nature and can be used in different types of consumer scenarios. The *commitment-and-consistency* heuristic states that once people commit to a request, they tend to stick to the agreement (be consistent), even if the nature of the request changes (Cialdini, Cacioppo, Bassett, & Miller, 1978).

The *reciprocity* heuristic convinces people to return favours automatically without being asked (Langer, 1989). For example, if a salesperson gives a consumer a free sample, they are more likely to return the favour by buying something.

*Scarcity* heuristics can be particularly useful for advertising campaigns. The idea is that consumers want something that most people cannot have. Hence statements such as 'only available for a limited period' can be used.

People also have a tendency to comply when the *social validation* heuristic is used. This heuristic is also known as 'proof in numbers principle'. It is referring to how consumers tend to feel pressurized to comply when they think a high number of people have done something. For example, advertisers may try to create an

**TABLE 9.3** Compliance heuristics

Commitment-and-consistency	Once people agree to a request, they tend to stick to the agreement.
Reciprocity	Convinces people to return favours automatically without being asked.
Scarcity	Consumers often want something that others cannot have.
Social validation	When consumers think a high number of people have used a product or service, it exerts implied peer pressure for them to comply as well.
Liking	Find it easier to comply with requests made by people we like.
Authority	People comply with serious requests coming from authority figures.

impression that thousands of people have already bought a particular product and hence exert peer pressure on other consumers to do the same. This is a technique commonly used by fund raisers as it is known that people are more likely to donate to charity when they are exposed to a long list of people who have already contributed (Reingen, 1982).

*Liking* heuristic refers to the simple fact that people are more likely to comply with requests when they like a person. Additionally people are also more likely to comply to requests from 'authority figures' which is known as the *authority heuristic*. Advertisers commonly make use of cues such as people in white coats to create an image of an 'expert scientist' (Milgram, 1965) in the hope that people will comply.

### Choice heuristics

When consumers are particularly unmotivated to process the information they encounter, whether it is due to ability or motivation does not matter, they tend to make use of choice heuristics (see Table 9.4). This is particularly common when purchasing more unexciting and ordinary products such as toothpaste or toilet paper.

*Lexicographic heuristics* lead consumers to choose a product based on one single attribute that they consider to be the most important (Fishurn, 1974; Payne, Bettman, & Johnson, 1993). For some consumers it may be price, colour or safety, while others may go for the brand that is the cheapest.

However, on occasion the attribute that the consumer perceives to be the most important one may appear in more than one product. In such situations they may use the *elimination-by-aspect* heuristics (Tversky, 1972) to choose which product to purchase. The consumer then employs a cyclical process whereby they eliminate the products that do not have the most favoured attribute and then look for the second most important feature in those that do. If it turns out that also the second most favoured attribute appears in more than one product, the cyclical process is

**TABLE 9.4** Choice heuristics

Lexicographic	Make consumers choose a brand based on the most important attribute at the time.
Elimination-by-aspects	When valued attribute appears in more than one alternative – consumers use a cyclical process eliminating the products that do not have the desired features.
Additive-difference	Used when comparing the difference between two brands, weigh the difference by importance, and then add the weighted differences.
Conjunctive and disjunctive	<b>Conjunctive:</b> Set minimum acceptable cut-off point for each attribute of the product consumers are looking for. <b>Disjunctive:</b> Sets an acceptable, but somewhat higher-than-minimum, cut-off point for each attribute.

simply repeated until a single product is found that has a feature that none of the others have.

If consumers are faced with two different brands they may compare the difference between them. In such situations they make use of the *additive-difference* heuristic which is when they weigh the difference by importance and then add the weighted differences (Payne et al., 1993). For example, if a particular brand of washing-up liquid is expensive but very effective, price is less important than the effectiveness of the product.

When consumers are in a rush they often make use of what is known as *conjunctive and disjunctive* heuristics (Payne et al., 1993). In time-pressured situations the first acceptable brand you see is often deemed to be good enough to purchase. The conjunctive heuristic then guides the consumer so that they make use of a minimum acceptable cut-off point for the features that they are looking for in the brand. The disjunctive heuristic provides a slightly higher than the minimum cut-off point for the desired brand features that are deemed by the consumer to be satisfactory.

### **Are consumers rational in their decision-making?**

Looking at how heuristics impact upon decision-making, it would appear that consumers are not able to be rational. However, research in different areas indicates that it is not as simple as saying that consumers are or are not rational. For example, becoming more familiar with products may aid their decision-making process in that they will rely less on heuristics (Hutchinson & Eisenstein, 2008) which in turn would make them more rational decision-makers.

Different studies investigating whether or not consumers are or can be rational suggest that at times they are trying to use objective reasoning while at other times they appear to resort to non-logical decision-making. This is evident from two studies conducted by Hsee. In one study he showed that people do not always make rational decisions (Hsee, 1999). Hsee offered his participants a choice of two chocolates, one that was shaped like a cockroach (which was larger in size and worth \$2) and the other a heart (it was smaller than the cockroach and worth only 50 cents). The reason for choosing a cockroach-shaped chocolate was to try and induce feelings of disgust in the participants. Most people would be likely to be put off by the sight of the cockroach and therefore choose the chocolate heart instead. However, Hsee's study indicated otherwise. The outcome was that the majority of the participants (64 per cent) chose the chocolate cockroach. So why did most opt for the cockroach when they most likely did not like the look of it? One explanation may be that the participants felt that they had to censor their feelings of disgust towards the cockroach because they felt that acting upon such feelings might be seen as irrational. Being put off by a cockroach shape did not appear to be objective and consequently regardless of how strong those feelings were, the participants could not justify taking the heart-shaped chocolate. Alternatively it may just be that



people don't care much about the appearance of the chocolate and are willing to scoff pretty much anything.

In a later study Hsee investigated what has been termed **lay scientism** (Hsee, Zhang, Yu, & Xi, 2003). This time his participants were given a choice between two stereo systems. One system was described as having more power, while the other had a richer sound. Half of the participants had the power described as an objective wattage rating and sound richness as an objective quantitative rating, while the other half was told that power was a subjective experience and sound richness an objective quantitative rating. Participants chose the system with the feature that had been described as 'objective', demonstrating that people are prepared to base their choices on what they consider to be a 'rational' choice as opposed to subjective evaluations.



### ***Role of emotion***

The way in which our emotions play a role in making decisions can also help to explain why consumers are not always rational. Research has found that decisions and judgements are affected by inputs that are experimental and phenomenal in nature (Schwarz, 1990, 2004; Schwarz & Clore, 1983, 1996, Schwarz, Bless, Strack, Klumpp, Rittenauerschotka, & Simons, 1991). In particular it has been suggested that emotions can be used as a source of information (e.g. 'I feel happy about it, hence I must like it'); and that they communicate metacognitive information about thinking processes (e.g. 'I find it difficult to retrieve examples: therefore I know little about a subject').

Using feelings as a source of information (Schwarz, 1990, 2001) can be misleading when trying to make a decision (Pham, 1998). Generally pleasant feelings are interpreted as evidence that you like something while unpleasant feelings are viewed as evidence of dislike. Such interpretations would only be correct if a consumer was 100 per cent certain that the mood was the direct consequence of encountering a particular stimulus. However, the actual source of our feelings may not depend on the product or service that we are currently evaluating. It may be other factors that are totally unrelated that are affecting how we are feeling, such as a nice sunny day or hearing your favourite tune, in which case using our feelings as information can lead to inaccurate decision-making.

### ***High involvement***

As previously mentioned, consumers tend to make use of heuristics when they are not particularly interested in the products and services, and when they are under time pressure. In such low involvement situations they are more likely to be seduced by 'superficial' attributes such as the brand name (Maheswaran et al., 1992). However, the use of heuristics decreases when a consumer is highly involved with the product category or brand. When they have a high interest in the product or brand, they are much more likely to engage in an in-depth data-driven judgement process, meaning that consumers are making more rational decisions. Consumers will do so provided that they are able and have the opportunity to do so

(Petty & Cacioppo, 1986a). When thinking extensively about the information they encounter, consumers will generate supporting arguments as well as counter-arguments and other plausible cognitive responses (e.g. Batra & Ray, 1986b; Hastak & Olson, 1989). Consequently, if marketers are hoping that their target audience will make rational decisions they should make use of techniques that will encourage elaborative processing.

### **Attribute-based decisions**

Consumer decision-making is often affected by directly comparing particular attributes or features of products. Comparisons of attributes can naturally only be used if they are remembered or the products are present so that a comparison can be conducted (e.g. Biehal & Chakravarti, 1986). One model that can be useful for understanding what kind of information consumers might make use of when making decisions is the accessibility-diagnostics model.

#### ***Accessibility-diagnostics model***

The accessibility-diagnostics model can help us to understand how certain consumer information that is more accessible from memory and diagnostics can be used to make judgements about products (Feldman & Lynch, 1988). Put simply, the model is proposing that different types of salient stimuli at any given time can affect the type of cues that spring to mind.

This cognitively based model originated from research conducted within the area of social cognition that suggested that temporarily activated cognitions can be more influential when judging a stimulus (e.g. Fazio, Chen, McDonel, & Sherman, 1981; Lichtenstein & Srull, 1985).

The *accessibility* aspect of the model is referring to how easily an input (a piece of information) can be retrieved from memory. It is a direct function of the frequency and recency and activation of information in memory (Higgins, 1989). Accessibility increases when a stimulus is highly salient, vivid or when the consumer engages in elaborative processing. Negative information is generally more easily accessible and so also are recently engaged-in behaviours (Higgins, 1989), demonstrating how the information consumers make use of can be skewed. Not only is negative attribute information salient, it is also diagnostic because it suggests one categorization (such as low quality) over other possibilities (Skowronski & Carlston, 1987). *Diagnostics* is to do with the perceived relevance and increases as the perceived relevance between two variables increases. Because diagnostics increases as the perceived correlation between two factors increases, it is very much affected by how knowledgeable a consumer is as well as being contingent upon properties of the situation (Dick, Chakravarti, & Biehal, 1990; Ross & Creyer, 1992). For example, if three brands of tuna fish are being considered by a consumer and they are all the same size, size is irrelevant (non-diagnostic) and will therefore not be a point included in the decision-making. However, if the tuna fish tins differed drastically in size, then size would be relevant (diagnostic) and

should be incorporated as a feature to be considered in the decision-making process.

## Framing effect

To further demonstrate how complex the decision-making process is in that it is affected by many different factors, it is also worth taking a look at how consumption choices are influenced by contextual variables.

The way in which information is put into context also influences decision-making, known as the **framing effect**. This is because people generate perceptions that are consistent with a frame that is directly influenced by the information specific to a particular environment (Kahneman, 2002). By changing the point of reference one can therefore change consumers' preferences (Kahneman, Knetsch, & Thaler, 1986), something that has been proved from research investigating decisions made under uncertainty (Kahneman & Tversky, 1982; Tversky & Kahneman, 1982). See Table 9.5 for an example.

An example of how the framing effect is applicable to consumers can be noted from how products are described. In a study where beef was described as being 75 per cent lean rather than 25 per cent fat it was found to be more favourably evaluated (Levin & Gaeth, 1988). However, the effect was reduced when consumers were allowed to sample the product.

Older adults have been found to be more susceptible to framing effects when they are using heuristic processing (Kim, Goldstein, Hasher, & Zacks, 2005). Bearing in mind that older adults have limited cognitive resources and therefore tend to make use of a decision-making process known as *affective/experiential* that is intuitive, automatic and fast (Hess, Rosenberg, & Waters, 2001), it is possible that they will rely more on heuristics in general in order to save mental energy for more important tasks. If this is so, then they would also constantly be more susceptible to the framing effect in shopping environments. This seems particularly feasible if one bears in mind that older consumers often fail to engage in conscious



**TABLE 9.5** Example of framing effect

Imagine that your country is preparing for an outbreak of an unusual disease that is expected to kill 600 people. Two propositions have been made in regards to how it can be combated and the following are estimates of the consequences of each of the programs.

Positive frame	Negative frame
<ul style="list-style-type: none"> <li>● If program A is adopted, 200 people will be saved.</li> <li>● If program B is adopted, there is a 1 in 3 probability that 600 people will be saved and a 2 in 3 probability that no people will be saved.</li> </ul>	<ul style="list-style-type: none"> <li>● If program C is adopted, 400 people will die.</li> <li>● If program D is adopted, there is a 1 in 3 probability that nobody will die and a 2 in 3 probability that all 600 will die.</li> </ul>

Generally negatively framed problems elicit risky responses and positively framed problems elicit less risky responses. Most people choose options A and D, despite the fact that the choices are contradictory as A is actually equivalent to C and B is equivalent to D.

decision-making due to neuropsychological changes that are age-related (Denburg, Tranel & Bechara, 2005).

Framing effects can also influence the way in which the price of a product is perceived. Kimes and Wirtz (2003) demonstrated this when they looked at how fair golfers perceived golf course charges to be. They found that golfers thought it was fair if a golf course charged a regular price for 'prime time' slots and offered a 20 per cent discount for other times. However, they thought it unfair if the course charged a 20 per cent premium for the 'prime time' slots and a regular price at other times. Such research demonstrates that price can play an important role in the decision-making process. Something that is also evident from this is that it can be primed and subsequently become more accessible from memory (Herr, 1989) as well as that it is often used to determine quality (Cronley, Posavac, Meyer, Kardes, & Kellaris, 2005).

### Brand loyalty

Knowing that the decision-making process is often complex makes it even more interesting to think that some consumers choose to repeatedly buy a particular product or brand. Buying the same brand due to preference is called *brand loyalty* (Busch & Houston, 1985). It is not unusual that people have a 'preferred' brand that they continue to favour for a long period of time or sometimes even throughout their lives. Manufacturers of a particular brand hope that consumers will favour their brand over others so that they become brand loyal. Having brand loyal customers also means that it is easier for the manufacturer to create new brand extensions, as it has been found that favourable brand associations tend to be transferred onto the extension (Aaker & Keller, 1990; Boush & Loken, 1991).



It is important to note that brand loyalty is different from **inertia**, which is when the same brand is repeatedly purchased merely because less effort is required. However, if another product (for whatever reasons) turns out to be easier to buy, then the consumer will not hesitate to do so. Such a switch would rarely happen when a consumer is genuinely brand loyal as such repeat purchasing would be a conscious decision to repeatedly buy the same brand (Jacoby & Chestnut, 1978).

That brands are important to consumers is evident from research showing that they make consumer experiences more pleasurable, something that is evident from studies conducting taste tests on drinks. For example, Perrier water has been found to be the preferred brand over Old Fashioned Seltzer, but only when consumers know what they are drinking (Nevid, 1981). Other taste tests have shown that Coca-Cola was the favoured brand, but only when drinking out of cups that had the brand logo on (McClure et al., 2004), and liking for a particular beer brand disappeared if the labels were not visible (Allison & Uhl, 1964).

### **Brand associations**

Brand loyal consumers have a strong level of involvement with their preferred brand and they clearly perceive it as being different from other brands (Odin, Odin, & Valette-Florence, 2001). To marketers, it is imperative that the associations consumers have to a particular brand are of a positive nature. The associations formed will determine whether or not consumers will purchase a particular product and affect the likelihood of buying brand extensions (Belen del Rio, Vacquez, & Iglesias, 2001). They also represent individually held beliefs, often based on advertising messages and peer recommendations, of how good the brand is and how it complements their particular lifestyle. If the associations to a brand are particularly strong (e.g. Mercedes-Benz, Figure 9.1), consumers tend to be happy to purchase brand extensions because they believe that the other products by the same brand will be just as good. This appears to be logical provided that the products are of a similar nature. However, it is less understandable when the products sold under the one brand name, but share no manufacturing similarities, such as in the case of Virgin. In theory, there is no reason as to why Virgin flights would be comparable to Virgin Cola. Nevertheless there are several products that appear to be successful just because they have a 'valued' brand name attached to them that is perceived to be manufacturing good quality or value for money products.

### **Why do consumers become brand loyal?**

It is difficult to say for certain why some consumers get so attached to a brand that they keep on buying it time and time again. The simple explanation is that they learn that certain brands satisfy their needs. However, it is much more difficult to understand what needs it is that the brands satisfy. The needs may not necessarily be of a practical nature but may instead be connected to psychological fulfilment. One need that most have a desire to fulfil is the need for belongingness. Such need may be established through the culture in which we are raised. Additionally, consumers can also become brand loyal by being given incentives to repeatedly use the same product or service.



Some brand logos function as symbols in that they are instantly recognizable and represent a high number of positive associations.

**FIGURE 9.1** Well-known brands generate strong associations.

*Source:* Courtesy of Mercedes-Benz.

**Collectivist cultures**

Belonging to certain groups and cultures can impact upon the decisions consumers make. How much a group member's decision-making is influenced by the group to which they belong depends on how strongly connected the individual is to the group. People who are brought up in *collectivist cultures* (where emphasis is on the importance of relationships and roles within the social system) tend to be strongly attached to their social support groups and consequently their choices and decisions tend to be influenced by them. Hence, it is unlikely to come as a surprise that different types of cultures can predict the likelihood of people becoming brand loyal. For example, consumers in collectivist cultures generally like to conform to the groups to which they belong. It is the *need to conform* that increases the likelihood of collectivist cultures being more brand loyal. This is because it is easier to repeatedly buy a product that a group has already approved of rather than take a risk and buy a product that other members have not previously used (Lee, 2000). Buying a product that sets you apart from what is deemed to be the norm by your group is often considered to be an aspect of individualistic cultures as trying a new product involves some amount of risk-taking (Baumgartner & Steenkamp, 1996).



The need for belongingness can also explain why **brand communities** are established (Muñiz & O'Guinn, 2001). This is when need of belongingness can be felt when belonging to a particular group of consumers who all use the same brand. Brand communities have been said to possess specific types of characteristics such as feeling of belongingness to an in-group through shared product consumption, and shared sense of duty and obligation to other members.

**Incentives**

Providing consumers with an incentive to achieve a goal can make consumers brand loyal. This is evident from a study by Nunes and Dreze (2006) where they gave loyalty cards to customers at a car wash. Customers were either given a loyalty card that required 10 car washes before receiving a free one or a card that required eight car washes before getting a free wash. Those who were given the card that required 10 washes were also given two free stamps so that the two cards essentially required the same amount of effort to achieve the goal of getting a free wash. Some 34 per cent of the customers who got the loyalty card with 10 washes on it filled their card and received their free wash, while only 19 per cent of those who had got the card with eight washes filled theirs. From this it was concluded that when consumers believe that they have come a long way (in relation to achieving a goal) it increases their commitment.

**Key Terms****Brand communities**

When groups of people feel they belong together due to using the same brands.



**Framing effect**

The way information is 'framed' or presented affects the way in which decisions are made.

**Heuristics**

Mental short cuts or rules of thumb that can be quickly and effortlessly applied in decision-making.

**Inertia**

Repeated purchase of products due to habit and because consumers lack motivation to consider potentially better alternatives.

**Lay scientism**

When consumers focus on objective attributes.

**Summary**

The consumer decision-making process is complex because it is affected by many different factors. Consumers often make use of heuristics when deciding what to buy. Some of the more common types of heuristics that are subconsciously used include prediction, persuasion and choice heuristics. Heuristics are partially the reason why consumers do not always make rational decisions. Emotions can at times also misguide consumers. This is because they may associate products with how they feel at a particular point in time, even though their mood is caused by an entirely different source. Consumers can be encouraged to make rational decisions by trying to make them more involved with the product or brand.

Decisions can also be affected by specific product attributes and the accessibility-diagnosticsity model can be used to shed some light on why certain attributes are likely to be used in the decision-making process.

Consumers sometimes make the decision to repeatedly purchase a particular brand, which is known as brand loyalty. Individuals from collectivist cultures are more likely to become brand loyal when they know a particular brand has the approval of their peers.

**Discussion questions**

- 1 How might a marketer use heuristics to their advantage?
- 2 Is the use of heuristics the same as being irrational?

- 3 Is it possible for decisions not to be affected by emotions? Can consumers genuinely separate themselves from how they feel when making a decision?
- 4 Why do brand loyal consumers have a high level of involvement with their preferred brand?
- 5 Can brand loyalty really be achieved by using incentives?