

Consumer Behavior¹²

The field of psychology has contributed significantly to the development of an integrated picture of what consumers think, feel, and do – this will serve as our working definition of Consumer Psychology. Because of the strong link to consumers, this field of psychology is also closely linked to the profession of Marketing. Thus, the insights learned from Consumer Psychology are applied to marketing related areas such as advertising, brand loyalty, customer satisfaction, store architecture, package design, pricing, and public relations. What follows is a brief overview of how a few areas of Consumer Psychology have added to the collective understanding of consumers. By design, the examples provided here will be illustrative and not comprehensive. The reader is referred to other reference materials, such as the Handbook on Consumer Psychology (Huangtvedt, Herr & Kardes, 2008) for a more detailed and comprehensive coverage of the field.

Social psychology, or the study of social influence (Aronson, 2008), can be used to more fully understand how social stimuli impact consumers. The work of Cialdini (1995) provides insight into the principles of social influence that are used to reinforce effective sales techniques by retail personnel and brand spokespeople. Today, marketers focus on a variety of influential sources from media and persuasive communications to social networking and brand communities (Yeh & Choi, 2011; Lee, Kim & Kim, 2011; Steinmann, Mau & Schramm, 2015; Zheng, Cheung, Lee, & Liang, 2015)

Cognitive Psychology focuses on the study of how the human brain perceives, remembers, and processes information (Neisser, 2014) and is used to understand not only how individuals conceive of their world around them but also their ability to judge and make choices. Cognitive Psychology is applied to the various strategies that retailers use to price their products and services for optimal sales and ROI (Liu & Soman, 2008). Behavioral Economics, a closely related field which studies judgment and choice, is supported by theoretical foundations from cognitive psychology. More explicitly, behavioral economics is used in a variety of interventions to support a better understanding of individuals and to promote pro-social behaviors in a variety of industries (Camerer & Loewenstein, 2004; Thaler & Sunstein, 2009; Kahneman, 2003). For example, ComEd, an electric company in Illinois, is sending “nudges” to consumers via their bills. Statements include bar graphs showing where consumer households rank among all neighbors and those that are most efficient. Social norms, the “nudge” being used in ComEd’s statements, are a way to expose accurate social norms to encourage prosocial behaviors (Thaler & Sunstein, 2009).

Consumer Psychology also leverages insights from the study of emotions and personal values to support marketing strategy and tactics (Kahle & Xie, 2008). For example, research is finding that colors mean different things to people around the world – what might be an attractive color for a product in one culture is not an attractive color in another culture (Cheskin, 2004). Other research suggests that consumers select products and services based on their perceived ability to fulfill personal needs. These needs, similar to the social values described by Rokeach (1973), are activated by the specific attributes and characteristics of products and services (Reynolds & Olson, 2001). For example, drive thru service at restaurants is preferred by customers when they have a need to be more productive with their day. Customers who need to be more productive will select the drive thru line over sit down service so that they can use the time savings to accomplish more after they leave the restaurant.

Future avenues are already focusing on the integration of concepts and techniques from neuropsychology (Ariel & Berns, 2010). Neuro-economics and neuro-marketing are being used to find ways to improve consumers’ experiences and to tailor marketing messages to those most salient for the recipient. One of the most memorable ways in which neuro-marketing has been applied was the Coke vs. Pepsi challenge. Participants were blindfolded and given beverages to taste. When not informed which drink was Pepsi or Coke, participants’ preference was roughly 50%. When participants were told which beverages was Coke or Pepsi, the majority of participants preferred Coca Cola (McClure, Li, Tomlin, Cypert, Montague & Montague, 2004). Social media is providing a plethora of data and new platforms by which to reach consumers. Considerations will need to be given to ensuring the most ethical decisions and methods are being utilized. Safeguarding their information, while improving consumer choice and experience, will be a priority.

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² Consumer Behavior. (2018, August 28). Retrieved from <https://www.siop.org/Events-Education/Educators/Incorporating-I-O>

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