Review for Exam Three

1. Consumer Decision Making

Overall Model and Process:

Know the steps of the consumer decision making model (problem recognition, search, etc.). You may be asked to list these steps. Differences between extended, limited and nominal consumer decision making

Definition of "involvement," relationship of involvement to risk, types of risk, and effects on extent of consumer decision making

Problem Recognition

- definition of problem (ideal versus actual states) and types of problems: needs (declining actual) versus opportunities (rising ideal)
- influences on problem recognition: reference groups, social class (You do not need to know all of the details about reference groups and social class; only know that they do influence problem recognition and how.), changed circumstance, marketer efforts.

- motives: definition of motives, how motive activation relates to problem recognition and the remainder of decision process, Maslow's Hierarchy, Rossiter and Percy's fundamental purchase motives, how to use motives in marketing efforts.

Search

- What’s searched for: information about available problem-solving options, attributes of available options
- results of search: consideration set, acquisition set, evoked set. Know what these are and how they relate to each other.

- external search
  - propensity for external search: amount and quality of current stored information, perceived risk including types
  - costs associated with external search
  - information environment: information contact including ways it occurs (intentionally, incidentally), source importance (availability, credibility)

- internal search
  - structure of human memory according to multiple store view: sensory, short-term or working memory, long-term memory including parts to long term memory
(episodic, semantic, procedural). Do not confuse the basic structure of human memory with the divisions to long term memory.

memory issues in search: factors affecting recall of brands (brand preference, passage of time, brand prototypicality), factors affecting recall of attributes (interpretation, elaboration including types of elaboration inferences, salience, repetition)

other important memory concepts (rehearsal, transfer, placement, retrieval)

qualitative research on search processes: protocol records (concurrent and retrospective questioning)

Alternative Evaluation

definition of alternative evaluation
Know that this step co-occurs with search (i.e., consumers do both at same time) even though I teach them as separate steps.

two parts to consumer alternative evaluation:

development of evaluative criteria

definition of evaluative criteria
sources of evaluative criteria for a given decision (recalled, formed during search)
determinants of evaluative criteria: role of motives, lifestyle, demographic and geographic characteristics of consumer
stability of evaluative criteria
characteristics of evaluative criteria: criteria common to many purchases, number of criteria used in a purchase

formation of attitudes

definition of attitude
components of attitudes: beliefs, evaluations
Elaboration Likelihood Model (Know the ELM very well.)

basic premise of the ELM
two routes to persuasion

central route: what's necessary to process centrally, how central processing works (details of multiattribute processing including compensatory and noncompensatory models, criticism of multiattribute approach. Note that the "iron example" I gave in class represents a compensatory model. Check Web Notes for difference between compensatory and noncompensatory.)
peripheral route: conditions under which peripheral processing occurs, how peripheral processing produces attitudes (context effects, execution factors including simple transference and choice heuristics), difference in the strengths of attitudes formed centrally versus peripherally

attitude change (how to change attitudes, latitudes of acceptance and rejection)

Outcomes: Satisfaction and Dissatisfaction

Concept of Customer Satisfaction

Basic definition of customer satisfaction: (dis)confirmation of expectations

Nature of Satisfaction

psychological dimensions: contentment, pleasure, relief, novelty
short term (transaction-specific) versus long term (overall) satisfaction:
Know the model in Exhibit 3 of Web Notes and its components.

Concept of Dissatisfaction

Nature of Dissatisfaction: independence of satisfaction and dissatisfaction and how that's possible, contrast and asymmetry effects, how marketers should respond to dissatisfaction

Causes of Dissatisfaction: Know the various "failures" discussed in the Web Notes.

Outcomes of Customer Satisfaction

financial implications: spending, cross selling, price, shareholder value
brand loyalty: brand loyalty, routinized behavior, derived behavior, variety seeking

Cognitive Dissonance: effects, conditions, responses

2. Organizational Decision Making

general differences between consumer and organizational decision making: size of purchases, rationality of process, buying centers (know what they are and the buying center roles), riskier purchases, more complexity, etc.

problem recognition in organizations

basic definition: know differences with definition of consumer problem recognition who recognizes organizational problems: Know that decision makers must decide whether or not to act before an organizational problem is recognized. Also, actions in
response to recognized problems do not always lead to purchases.
model of organizational problem recognition: know major model components (scanning,
cue discrepancies, sense of urgency to respond, clarification of discrepancy,
accumulation of discrepancies, classification as problem)
influences on organizational problem recognition: organizational culture (know what
organizational culture is generally but you do not need to know the dimensions), decision
structure (centralization, formalization), organizational objectives, marketer efforts

search in organizations
factors affecting nature of search: organizational decision structure (formalization and
centralization), familiarity with purchase (buygrid framework with new task, modified
and straight rebuys), nature of the purchase (size, importance)
sources of information for organizational search: internal sources (buying center
members, previous purchases, preferred vendor lists), external sources (salespeople,
tradeshows, Internet, directories)

alternative evaluation in organizations
sources of evaluative criteria: environmental constraints (social, regulatory, economic),
organizational requirements (operative, financial, acceptable risk), individual buying
center members
how organizational evaluative criteria differ from consumer evaluative criteria: number,
rationality, complexity
preference formation in organizations: factors affecting including individual factors
(individual evaluative criteria, individual attitudes), group factors (interaction structure)

4. Statistical Analyses: Correlation, Regression

Correlation: what correlations test, hypotheses tests implied by correlation, type and number of
variables used for correlations, interpreting scatterplots in terms of correlations, limitations of
correlations.
Regression: purpose of regression (prediction, explanation) components of basic regression
equation, number and types of variables involved in regression analysis, difference between
dependent and independent variables, interpretation of regression output, hypotheses tests
implied by regression results.