Module - 6

CONSUMER BEHAVIOR

Sangeeta Sahney
Assistant Professor,
Vinod Gupta School of Management
Indian Institute of Technology
Kharagpur, India

Email. sahney@vgsom.iitkgp.emit.in
MODULE 6.6: CONSUMER COMMUNICATION (2 HOURS)

6.6.1 Definition and Meaning of Consumer Communication
6.6.2 Components of the Communication Process
6.6.3 The Marketing Communication Process
6.5.4 Designing a Communication Strategy
6.5.5 Integrated Marketing Communication and Models of Communication Strategy
6.5.6 Consumer Communication and Implications for Marketers
Instructional Objectives:

After completion of this lesson, the student shall know about:

6.6.1 Definition and Meaning of Consumer Communication
6.6.2 Components of the Communication Process
6.6.3 The Marketing Communication Process

6.6.1 Definition and Meaning of Consumer Communication:

Communication is defined as the flow of information from a sender to a receiver with the latter having a proper understanding of it. Marketing communication or consumer communication may be defined as the flow of information about a product/service offering from a marketer to the consumer. This could assume two forms, i) it could be personal via interpersonal communication between the marketer and the salesperson or the dealer; or ii) it could be impersonal via a channel or a media (print, audio-visual etc.). Marketers make use of his promotion or communication mix, which comprises advertising, personal selling, sales promotion, publicity and direct marketing to communicate with their consumers. They inform the consumers, both current and potential about their product/service offering, as well as any changes brought about in the marketing mix. They try to keep the consumers well informed about the product/service offering, and the changes that are brought about. The consumers also on the other hand, keep themselves informed both through the marketer’s efforts as well as through the informal interpersonal communication that they have with their family, friends, peers etc through word-of-mouth. Both the sources, formal (from the marketer), as well as the informal (through word-of-mouth) have an important role to play in communication.
There are three major components of the communication process, viz., sender, receiver and the media. Apart from these, there are two sub-components, viz., feedback and noise. The message is encoded by the sender, transmitted via a media, decoded by the receiver, who then provides a feedback. At every stage, the communication process could get impacted by a disturbance, which is referred to as “noise”; this noise isn’t essentially a loud sound, but these are disturbances that could occur within the sender or the media or the receiver. These components can be elaborated as follows:

**Figure: Elements of the Communication Process**

i) **Sender:** The purpose of communication, expressed as a message emanates from the sender. He encodes the message by using words, pictures and gestures, and sends it via a media or a channel. Thus, the message consists of the subject matter that the sender intends to transmit to the receiver, and may take oral, written or gestural form.

ii) **Media/channel:** The media is the channel through which the information is transmitted. Communication could be interpersonal as well as impersonal; it is interpersonal, when two people interact with each other face to face by talking and listening, and the air and the sound waves constitute the media; it is impersonal when the
communication takes place via print (newspapers, magazines, brochures etc) or broadcast audio-visual means (TV, radio, websites etc).

**iii) Receiver:** Once the message is transmitted through a media, it reaches the receiver, who decodes the message, to extract meaning out of it. There could be two kinds of errors that may take place here, i) amplification; ii) leveling. Amplification occurs, when a person adds up to the message, and exaggerates it. Levelling is the opposite of amplification, and occurs when the receiver deletes or erases part or whole of the message. After having decoded and comprehended a message, the receiver reacts with a feedback.

**iv) Feedback:** While the message moves forward from the sender to the receiver, feedback moves backwards, from the receiver to the sender, and thereby constitutes a loop. Feedback reflects as to whether the message has been appropriately understood by the receiver. It is also a means by which the sender gets to know of the receivers’ reaction to his message.

**v) Noise:** Noise can affect every stage in the communication process. It is anything that disturbs and interferes with the communication process, and acts as a barrier to effective communication. It could be internal as well as external. It is internal, when it concerns the sender or the receiver, who are not able to pay much attention or are preoccupied with something else while encoding or decoding, leading to erroneous communication. Noise could also be external, when there is a disturbance in the environment (loud sound), or when there is a problem with the media (sound waves, air, poor reception of signal etc.)
6.6.3 THE MARKETING COMMUNICATION PROCESS:

Marketing communication is defined as transmission of information from the marketer to the consumer through a media. The basic objective behind marketing communication is to inform a consumer (or a prospect) and to make him aware about the product/service offering, and the mix; build a favorable attitude towards the offering; and to encourage a purchase. Let us elaborate on the communication process, and more specifically on marketing or consumer communication.

i) **Sender**: The communication process is initiated by the sender, who is also referred to as the message initiator or the source. In the context of marketing management and consumer behavior, the sender may be formal or informal.

   The formal source would include the company (marketer), viz, both public and private organizations, those working not-for-profit, as well as those working for-profit. It could include commercial organizations, government organizations as well as non-governmental organizations. On the other hand, the informal source would include family, friends, peers, colleagues and people in our reference group, who provide us with information and advice about a product/service, (word-of-mouth communication). Research has shown that consumers rely more on informal sources of communication, i.e. family, friends, peers, colleagues and people in our reference group; this is because it is believed that informal sources do not have a hidden agenda or an ulterior motive of making sales. In other words, unlike the marketer, who comprises the formal source, the informal sources have nothing to gain.

   The sender needs to decide what to say, whom to say, when and where. In any case, the objective of the sender is to provide information about the product/service offering as well as any changes made in terms of price, distribution and promotion.

- **Message and Encoding**: Once the sender has decided what he wants to communicate, he encodes the information into a message to be transmitted to the receiver. The sender needs to think of his message strategy, i.e., what to say, how to say it logically and symbolically, and who is to say. Thus, the message is illustrative not only of
the information content, but also includes a physical format through words (verbal communication), symbols, pictures and images (visual communication) and gestures (non-verbal communication). While the information content would provide details on product/service offering, the price, the attributes, features, benefit etc, the physical form would be designed in a manner, so as to elicit emotions and moods, attitudes and imagery. So the marketer has to think of the message content as well as the message context; the former is factual and rational, the latter is emotional. The marketer needs to encode the message in a manner that is easily and accurately understood by the audience, both current consumers and prospects.

Once the marketer has decided what he wants to say and how, he encodes his message through words, pictures and images, and gestures. The message can be verbal, non-verbal, or a mix of two. The verbal message is best suited for factual/informational appeal, i.e. for providing product/service information. It is combined with an audio-visual demonstration/presentation and/or with symbolic, non-verbal means for creating a greater impact through generation of emotions and imagery within the customer. The two, verbal and non-verbal go together to create a long-lasting impact, both rational and emotional.

The marketer also has to decide on a channel and on the message spokesperson. He can have the message published (or broadcast) in the print media or the audio visual. He could make use of celebrities, experts, etc., and this leads to a discussion on the credibility of the source.

- **Credibility of the Source:** The credibility of the source (marketer/spokesperson) affects the way that the target audience decodes the message. When the spokesperson holds some kind of expert power (he is an expert in his field), or has some charisma (he possesses charismatic power), or holds legitimacy of position (holds legitimate power), the influence that he is able to generate is much higher. He is able to convey his message and convince the consumer much easily. The receiver (consumer) regards a source to be credible when he feels that the source is perceived to have expertise and trustworthiness, and provides unbiased information. In other words, when the source is credible, honest, respected and held in esteem, the probability of the message being believed and
assimilated by the target audience is much higher; the opposite hold good too, i.e. in case when the credibility is low, the assimilation of the message and the belief in the message is low.

Credibility is important for both formal and informal sources. The issue of credibility assumes importance in formal sources as the consumer rightly understands that the major objective of the source (marketer) is to encourage a sale and earn profit. The reputation and expertise of the source assumes importance. The credibility of the message is cumulative of the reputation of the sender (the marketer and his organization), the spokesperson (the celebrity, expert, company representative, or anyone who acts as an endorser), and the dealer/retailer who stocks the merchandise and sells it. Other factors that affect the credibility of the message is the medium through which it is expressed, as well as the spokesperson. The consumer's own experience with the product or the retailer also affects the credibility of the message.

The consumer basis his judgment on factors like i) the reputation of the company and its past performance; ii) the quality of its product/service offerings based on self-experience, hearsay, word-of-mouth; iii) the other lines of business that they carry; and iv) their corporate social responsibility. Once a company gets reputed with a product line, it tries to transcend the benefits of the reputed brand to the other product/service lines that it intends to offer. Thus, it comes up with the concept of family branding, so as to get a ready acceptance from the consumers. Once a family brand is popular and successful, the marketer focuses on institutional advertising, which is aimed at creating and enhancing the company image rather than a specific product/service brand.

On the other hand, in case of informal sources, people rely on their family, friends, peers and colleagues for information and advice. They regard such sources to be credible. People take advice from informal sources as they feel that such sources have nothing to gain and have no hidden agenda or ulterior motive. They also feel that family and friends would speak of actual experience and give the right feedback about the product that they own. Opinion leaders also have a big role to play, and they take interest in providing information to those who approach them. But they need to be careful, because in case they provide wrong information and advice, they may lose their position/status as opinion leaders in the eyes of the public. However, there are cases
where the intentions of informal sources may not be what they seem to be, and the situation may backfire; for example, there is evidence to prove that sometimes consumers try to reduce their post-purchase cognitive dissonance by convincing others to buy the same product/service offering which they have purchased. Thus, in spite of the fact that informal sources have nothing to gain and there is no hidden agenda (to encourage a sale and earn profit), such sources may not always prove to be totally credible.

The credibility of the source begins to fade away after a period of time; research has indicated that generally credibility tends to diminish after a period of six weeks. This has been termed as the “sleeper effect”; the consumers begin to lose interest and forget the message, its source and the spokesperson. The spokesperson loses his credibility. This can happen because of monotony, boredom and general loss of interest. Here, the marketer has to intervene, and reintroduce the message so as to elicit a recall.

ii) Media: The medium is the channel that exists between the sender (marketer) and the receiver (consumer). It is through this communication channel that the message is transmitted from the marketer to the consumer. This channel could be i) interpersonal; ii) impersonal.

The interpersonal channel includes communication that takes place between a salesperson/dealer and a customer, either face-to-face or on telephone or online. It could also be communication that takes place between friends (customer and prospect) as word-of-mouth. Impersonal media includes communication that takes place via print (newspapers, magazines, brochures etc) or via broadcast audio-visual means (TV, radio, websites etc). The message could be verbal, non-verbal, or a mix of two.

-Credibility and the Medium: The reputation of the channel that carries the message also affects the credibility of the message. In case of interpersonal channel, where communication takes place between a salesperson/dealer and a customer, the honesty, integrity and sincerity of the salesperson adds to credibility. In case of impersonal communication, messages are channeled through print (newspapers, brochures) as well as audio-visual broadcast (TV, radio). However, messages channeled through neutral rating agencies, as well as articles in special interest magazines and trade magazines are regarded
as more credible than advertisements in print and audio-visual; they are regarded as unbiased and objective. The reputation of the spokesperson in the advertisement also adds to the credibility; this suggests the importance of testimonials.

iii) **Receiver**: The message is received by the receiver or the target audience, who decodes the message. In our context, the consumers comprise the receiver. While the message is actually meant for the current and prospective consumers (the target audience), there are other elements who also get exposed to the message, although the message is not meant for them. Such people are comprise the “intermediary”, and the “unintended” audiences.

Examples of intermediary audiences include channel members (wholesalers, retailers etc.) and professionals (architects, doctors, professors, etc.). While the former are sent trade advertising and persuaded to carry stocks of merchandise, the latter are provided with professional advertising and asked to recommend their products/services to their customers. Examples of unintended audiences are shareholders, bankers, suppliers, employees, and the public.

- **Message and Decoding**: The message is received by the receiver, who decodes the message and responds accordingly. His reaction constitutes a feedback.

- **Credibility and the Receiver**: The credibility of the message gets impacted by how well it gets comprehended by the receiver (target audience: the consumer). The message from the marketer is decoded by the consumer. The comprehension and understanding of the message is based on i) the message itself; ii) his personal characteristics and background; ii) his past experiences; iii) his motivation, emotions and mood, involvement, attitude, personality and perception; iv) his ability to process; and v) impact of social forces.

   It is observed that receivers expose themselves selectively to media as well as to the messages. This is referred to as selective exposure and selective attention. Consumers flip over pages in a newspaper or in a magazine, thereby missing out on the advertisements/editorials/testimonials. Similarly, they wander across channels on the TV
and the radio, thus missing out on various advertisements. They may change channels frequently to see what is coming elsewhere (known as wandering), or may mute the TV when ads are played (known as zapping of commercials), or may change a channel when an advertisement begins being played to see what programme is being played elsewhere (surfing). Marketers try to overcome this problem, by playing their respective advertisement simultaneously across many channels at the same time, so that the consumer is exposed to the advertisement. This is referred to as roadblock-ins.

The decoding of the message can also be affected by what is referred to as “noise”. As been mentioned above, “noise”, may be internal (to the sender and the receiver: they may be overloaded or pre-occupied, and so the encoding and the decoding may be improper) or external (a loud noise or a disturbance in the channel). The problem of “noise” can be overcome by repeating the message several times. However, repetition can lead boredom and monotony, leading to a loss of interest for both the marketer and the consumer. The marketer then has to think of cosmetic and substantive variation in his advertisements. He could also use other techniques like subverting and forcing to overcome problems of communication overload monotony and boredom. Subverting refers to suddenly presenting something that is pleasant-charming or unpleasant-ugly, so as to catch the consumer by surprise. Jolting refers to introducing a “teaser” element in the advertisement, so as to hold the interest of the consumer (eg, 10 days left…., 9 days left… and so on, releasing the final advertisement after 10 days, thus trying to hold the interest of the target).

**iv) Feedback:**

Feedback is an important component in the communication process. It is the receiver’s response to the sender, i.e. the consumer’s response to the marketer’s message. It is important that the marketer obtains feedback as quickly as possible. It is the acid test to determine whether the communication has been effective or not, as it is through this feedback, that the marketer gets to know whether the message has been correctly interpreted by the consumer. It helps the marketer to add/delete/modify his message so that the message is better understood. The customer can address issues of concern and seek clarifications from the marketer.
Feedback is crucial in both interpersonal and impersonal communication. It is easier to read customer reaction and obtain feedback in interpersonal communication, than it is in impersonal communication. This is because in face-to-face interpersonal communication, the marketer gets input from verbal and non-verbal cues, which is not the case in impersonal communication. However, the marketer cannot afford to avoid customer feedback in impersonal communication. Market researchers try to infer customer reactions to impersonal communication by their action/inaction (whether they purchase or do not purchase).

REFERENCES FOR FURTHER READING:

Ques 1 Discuss Credibility of Source in Marketing Communication.

Ans 1 Marketing communication is defined as transmission of information from the marketer to the consumer through a media. The basic objective behind marketing communication is to inform a consumer (or a prospect) and to make him aware about the product/service offering, and the mix, build a favorable attitude towards the offering, and to encourage a purchase.

The credibility of the source (marketer/spokesperson) affects the way that the target audience decodes the message. When the spokesperson holds some kind of expert power (he is an expert in his field), or has some charisma (he possesses charismatic power), or holds legitimacy of position (holds legitimate power), the influence that he is able to generate is much higher. He is able to convey his message and convince the consumer much easily. The receiver (consumer) regards a source to be credible when he feels that the source provides unbiased information. In other words, when the source is credible, honest, respected and held in esteem, the probability of the message being believed and assimilated by the target audience is much higher; the opposite hold good too, i.e. in case when the credibility is low, the assimilation of the message and the belief in the message is low.

Credibility is important for both formal and informal sources. The issue of credibility assumes importance in formal sources as the consumer rightly understands that the major objective of the source (marketer) is to encourage a sale and earn profit. The reputation and expertise of the source assumes importance. The credibility of the message is cumulative of the reputation of the sender (the marketer and his organization), the spokesperson (the celebrity, expert, company representative, or anyone who acts as an endorser), and the dealer/retailer who stocks the merchandise and sells it. Other factors that affect the credibility of the message is the medium through which it is expressed, as well as the spokesperson. The consumer's own experience with the product or the retailer also affects the credibility of the message.

The consumer basis his judgment on factors like i) the reputation of the company and its past performance; ii) the quality of its product/service offerings based on self-
experience, hearsay, word-of-mouth; iii) the other lines of business that they carry; and iv) their corporate social responsibility. Once a company gets reputed with a product line, it tries to transcend the benefits of the reputed brand to the other product/service lines that it intends to offer. Thus, it comes up with the concept of family branding, so as to get a ready acceptance from the consumers. Once a family brand is popular and successful, the marketer focuses on institutional advertising, which is aimed at creating and enhancing the company image rather than a specific product/service brand.

On the other hand, in case of informal sources, people rely on their family, friends, peers and colleagues for information and advice. They regard such sources to be credible. People take advice from informal sources as they feel that such sources have nothing to gain and have no hidden agenda or ulterior motive. They also feel that family and friends would speak of actual experience and give the right feedback about the product that they own. Opinion leaders also have a big role to play, and they take interest in providing information to those who approach them. But they need to be careful, because in case they provide wrong information and advice, they may lose their position/status as opinion leaders in the eyes of the public. However, there are cases where the intentions of informal sources may not be what they seem to be, and the situation may backfire; for example, there is evidence to prove that sometimes consumers try to reduce their post-purchase cognitive dissonance by convincing others to buy the same product/service offering which they have purchased. Thus, in spite of the fact that informal sources have nothing to gain and there is no hidden agenda (to encourage a sale and earn profit), such sources may not always prove to be totally credible.

The credibility of the source begins to fade away after a period of time; research has indicated that generally credibility tends to diminish after a period of six weeks. This has been termed as the “sleeper effect”; the consumers begin to loose interest and forget the message, its source and the spokesperson. The source begins to lose his credibility. This can happen because of monotony, boredom and general loss of interest. Here, the marketer has to intervene, and reintroduce the message so as to elicit a recall. He could go for substantive variation or for cosmetic variation so as to generate interest, recall and credibility.
Ques 2  Discuss Marketing Communication

Ans 2  Marketing communication is defined as transmission of information from the marketer to the consumer through a media. The basic objective behind marketing communication is to inform a consumer (or a prospect) and to make him aware about the product/service offering, and the mix, build a favorable attitude towards the offering, and to encourage a purchase. Let us elaborate on the communication process, and more specifically on marketing or consumer communication.

i) Sender: The communication process is initiated by the sender, who is also referred to as the message initiator or the source. In the context of marketing management and consumer behavior, the sender may be formal or informal.

The formal source would include the company (marketer), viz, both public and private organizations, those working not-for profit, as well as those working for-profit. It could include commercial organizations, government organizations as well as non-governmental organizations. On the other hand, the informal source would include family, friends, peers, colleagues and people in our reference group, who provide us with information and advice about a product/service, (word-of-mouth communication). Research has shown that consumers rely more on informal sources of communication, i.e. family, friends, peers, colleagues and people in our reference group; this is because it is believed that informal sources do not have a hidden agenda or an ulterior motive of making sales. In other words, unlike the marketer, who comprises the formal source, the informal sources have nothing to gain.

The sender needs to decide what to say, whom to say, when and where. In any case, the objective of the sender is to provide information about the product/service offering as well as any changes made in terms of price, distribution and promotion.

- Message and Encoding: Once the sender has decided what he wants to communicate, he encodes the information into a message to be transmitted to the receiver. The sender needs to think of his message strategy, i.e., what to say, how to say it logically and symbolically, and when to say. Thus, the message is illustrative not only of the information content, but also includes a physical format through words (verbal communication), symbols, pictures and images (visual communication) and gestures.
(non-verbal communication). While the information content would provide details on product/service offering, the price, the attributes, features, benefit etc, the physical form would be designed in a manner, so as to elicit emotions and moods, attitudes and imagery. So the marketer has to think of the message content as well as the message context; the former is factual and rational, the latter is emotional. The marketer needs to encode the message in a manner that is easily and accurately understood by the audience, both current consumers and prospects.

Once the marketer has decided what he wants to say and how, he encodes his message through words, pictures and images, and gestures. The message can be verbal, non-verbal, or a mix of two. The verbal message is best suited for factual/informational appeal, i.e. for providing product/service information. It is combined with an audio-visual demonstration/presentation and/or with symbolic, non-verbal means for creating a greater impact through generation of emotions and imagery within the customer. The two, verbal and non-verbal go together to create a long-lasting impact, both rational and emotional.

The marketer also has to decide on a channel and on the message spokesperson. He can have the message published (or broadcast) in the print media or the audio visual. He could make use of celebrities, experts, etc., and this leads to a discussion on the credibility of the source.

**ii) Media:** The medium is the channel that exists between the sender (marketer) and the receiver (consumer). It is through this communication channel that the message is transmitted from the marketer to the consumer. This channel could be i) interpersonal; ii) impersonal.

The interpersonal channel includes communication that takes place between a salesperson/dealer and a customer, either face-to-face or on telephone or on email/online. It could also be communication that takes place between friends (customer and prospect) as word-of-mouth. Impersonal media includes communication that takes place via print (newspapers, magazines, brochures etc) or via broadcast audio-visual means (TV, radio, websites etc). The message could be verbal, non-verbal, or a mix of two.

**iii) Receiver:** The message is received by the receiver or the target audience, who decodes the message. In our context, the consumers comprise the receiver. While the
message is actually meant for the current and prospective consumers (the target audience), there are other elements who also get exposed to the message, although the message is not meant for them. Such people are comprise the “intermediary”, and the “unintended” audiences.

Examples of intermediary audiences include channel members (wholesalers, retailers etc.) and professionals (architects, doctors, professors, etc.). While the former are sent trade advertising and persuaded to carry stocks of merchandise, the latter are provided with professional advertising and asked to recommend their products/services to their customers. Examples of unintended audiences are shareholders, bankers, suppliers, employees, and the public.

- Message and Decoding: The message is received by the receiver, who decodes the message and responds accordingly. His reaction constitutes a feedback.

**iv) Feedback:**

Feedback is an important component in the communication process. It is the receiver’s response to the sender, i.e. the consumer’s response to the marketer’s message. It is important that the marketer obtains feedback as quickly as possible. It is the acid test to determine whether the communication has been effective or not, as it is through this feedback, that the marketer gets to know whether the message has been correctly interpreted by the consumer. It helps the marketer to add/delete/modify his message so that the message is better understood. The customer can address issues of concern and seek clarifications from the marketer.

Feedback is crucial in both interpersonal and impersonal communication. It is easier to read customer reaction and obtain feedback in interpersonal communication, than it is in impersonal communication. This is because in face-to-face interpersonal communication, the marketer gets input from verbal and non-verbal cues, which is not the case in impersonal communication. However, the marketer cannot afford to avoid customer feedback in impersonal communication. Market researchers try to infer customer reactions to impersonal communication by their action/inaction (whether they purchase or do not purchase).
SELF EVALUATION TESTS/QUIZZES:

**Section A  True/false:**

1. “Noise” in communication is always external.
2. Amplification occurs when the receiver deletes or erases part or whole of the message.

**Section B  Fill up the blanks:**

1. Communication could be interpersonal as well as ________________.
2. The ____________ channel includes communication that takes place between a salesperson/dealer and a customer, either face-to-face or on telephone or on email/online.
3. ____________ refers to suddenly presenting something that is pleasant/charming or unpleasant/ugly, so as to catch the consumer by surprise.

**Section C  Multiple choice questions:**

1. The credibility of the source begins to fade away after a period of time; This has been termed as the:
   a) Sleeper effect
   b) Levelling
   c) Amplification
   d) None of the above.

2. Marketers play their respective advertisement simultaneously across many channels at the same time, so that the consumer is forcefully exposed to the advertisement. This is referred to as ________________.
   a) Subverting
   b) Jolting
   c) Roadblock-ins
   d) Grazing
Section D  Short answers:
1. Define marketing communication.
2. Mention the five tools of the promotion-mix.
3. Mention the three components of the communication process.
4. Mention three examples of unintended audiences.

Section D  Short Answers:

1. Marketing communication or consumer communication may be defined as the flow of information about a product/service offering from a marketer to the consumer. This could assume two forms, i) it could be personal via interpersonal communication between the marketer and the salesperson or the dealer; or ii) it could be impersonal via a channel or a media (print, audio-visual etc.).
2. Advertising, Sales promotion, Personal selling, Publicity and Direct marketing
3. Sender, Media, Receiver
4. Shareholders, Bankers, Suppliers, Employees, and the Public.