



Research Paper

# Consumer Characteristics Influencing Cue Utilization Process

Dr. ASHOKAN.C  
HoD & Professor

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## I. Introduction:

Cue utilization theory may provide an attractive framework through which to assess consumer perceptions of product quality. According to this theory, products consist of an array of cues that serve as surrogate indicators of quality. (Cox 1967; Olson 1972). The particular cues are evoked according to their predictive and confidence values. The predictive value of a cue (PV) is the degree to which consumers associate a given cue with product quality. This is similar to the diagnosticity of the cue, which represents the reliability of a cue and the likelihood that using it would lead to a successful task resolution (Dick, Chakravarti, and Biehal 1990). The confidence value (CV) is the degree to which consumers have confidence in their ability to use and judge that cue accurately. (Cox 1967; Olson 1972). Cues characterised by high PV and CV assume the greatest weight in the quality assessment process.

Classification of Cues: Cues can be further classified as extrinsic or intrinsic to the product (Olson 1972; Olson and Jacoby 1973) extrinsic cues are product related attributes-such as price, brand name and packaging- which are not part of the physical product. Conversely, intrinsic cues represent product-related attributes such as ingredients, that cannot be manipulated without altering physical properties of the product. The relative salience of intrinsic versus extrinsic cues in quality assessment depends on their PVs and CVs. (Olson 1972).

Consumer characteristics influencing cue utilization process: Several consumer characteristics have been hypothesized to influence the cue utilization process (Olson, 1972). A description of relevant consumer characteristics follows:

1. Personality: A few personality variables such as cognitive differentiation, intolerance from ambiguity and information processing self confidence have been identified and hypothesized to influence the cue utilization process, particularly the reliance on price cues in the quality perception process. Cognitive differentiation may influence the cue utilization process mainly through the differences in the capabilities of consumers to understand a limited number of informational cues properly. Intolerance for ambiguity influences the cue utilization process because of the need to avoid ambiguous situations. Information processing self-confidence may influence the cue utilization process mainly because of consumers' confidence in their ability to deal with all types of incoming information.

It is suggested that cognitively complex consumers will utilize a large number of cues in judging the quality of a product and they would equally consider all available product cues. On the other hand it is suggested that cognitively simple consumers, due to their limited abilities, would use fewer cues preferably those with high PV and CVs in their quality perception process. It is postulated, therefore, that cognitively simple consumers may rely on price cues in the quality perception process substantially provided that it has high PV and CV.

It has been found in the past research that consumers intolerant of ambiguity generally experience discomfort when confronted with ambiguous situations. In order to minimize this discomfort they usually consider only the known or the most familiar elements of a stimulus. Since the information relating to the price of a product, ordinarily happens to be one of the most familiar and the known cues, it is suggested that consumers intolerant on ambiguity will place heavy reliance on it in ambiguous situations.

High information processing confidence consumers generally have great confidence in their ability to deal with all types and kinds of information, Hence it is suggested that they will consider equally all product cues. Conversely low information processing confident consumers, because of their limited confidence in their ability to deal with the incoming information, will prefer to utilize few selected cues which have high PV & CV.

It is suggested therefore, that consumers place greater reliance on price cues in the quality perception process than those with high information processing confidence provided it has high PV & CV,

2. Confidence:

Confidence or particularly self-confidence, which a consumer towards a product class may influence his cue utilization process. Consumers with low confidence generally seek more information and their confidence increases with the acquisition of additional information. As confidence increases, the buyers' tendency to search and acquire additional information declines (Howard and Sheth, 1969). The degree of one's confidence is influenced by his magnitude of experience of familiarity with the product class (Howard and Ostlund, 1973). It is suggested that consumers with high self-confidence being more familiar with the product class, will prefer to utilize the intrinsic cues in the quality perception process because they may have high PV & CV for them. Conversely, low confident consumers because of their limited familiarity with the product class may not like to utilize the intrinsic cues presumably because of their low PV & CV. Instead they may prefer to use extrinsic cues because of their presumed high PV & CV for them. Furthermore, they may rely on the price cue in the quality perception process if the extrinsic cues of brand and store name have low PV & CV.

3. Familiarity:

The magnitude of experience or familiarity with product class generally determines the type and level of uncertainty with the product. In the absence of any experience with the product class, consumers will usually be uncertain about the criteria (cues) that should be employed and their PVs. If they have a limited experience they will be uncertain as to the degree of completeness and the reliability of the information they have on each cue (i.e.; their CVs). In those cases where they have substantial experience, consumers will be certain of the criteria (cues) that should be employed and their PVs & CVs. The magnitude of experience with a product class, thus determines the skill and difficulty in judging the quality of a product. It is suggested therefore that the magnitude of experience with a product class influences the type of cues which may have high PVs & CVs. Familiarity with a product class influences involvement (Lastovicka and Gardner, 1979). or more specifically the endearing involvement (Houston and Rothschild 1978) and confidence (Howard and Ostlund, 1973) of a consumer.

4. Importance of a product:

Importance of a product may have significant effect on the utilization of product cues in the quality perception process. The immediate consequences of increasing salience of a product are the corresponding increase in the importance of its quality (Olson, 1972). A number of product related variables may influence the extent to which a consumer will perceive a product class to be important. Among them are the frequency of usage, the status of the product, the product's necessity for daily existence, price level of the product, the extent to which the product fits one's life style. Importance of the product determines the magnitude of psychological involvement or more specifically the situational which a consumer nurtures for the product. With an increase in the importance of the product, the amount of physical and cognitive effort which a consumer is prepared to devote to evaluating quality of a product will increase. (Howard and Sheth, 1969; and Olson, 1972).

5. Perceived Risk:

The magnitude and kind of risk perceived in evaluating the quality of a product determines the amount and type of information sought (Cox 1967). A consumer may seek more information only if the magnitude risk perceived exceeds the tolerable level of risk. The magnitude of risk perceived influences the degree of situational involvement with the risk (Houston and Rothschild, 1978) and thereby influences the response involvement of a consumer. The kind of risk perceived determines the type of information sought by a consumer, (Cox 1967); it is suggested that consumers perceiving high level or performance risk will look for information relating to the performance characteristics of a product such as product cues, on the other hand, consumers perceiving high level of psychological risk will search for such type of information that will enable them to reduce psychological risk, particularly information buyer oriented sources.

6. Range of Acceptable Prices:

The reference price which a consumer brings to a choice situation determines his range of the acceptable prices. Prices below or above this range may have low CVs and hence may not be utilized in judging the quality of a product.

7. Self Concept:

A consumer generally carries around a complex picture of himself (Kotler, 1980) and consumers have a tendency to prefer information which is consistent with their self-concept (Malhotra, 1979). It is suggested that consumers' self concept will influence their cue utilization process.

8. Response Involvement:

The magnitude of effort which a consumer is inclined to spare or the response involvement which a consumer nurtures towards a product class is determined by the magnitude of situational and enduring involvement. The greater the amount of effort which a consumer will be inclined to devote in assessing the quality of a product. It is suggested that as consumers' involvement with a product class increases, they will prefer to spend more effort and time in evaluating the quality of a product and therefore they will like to utilize several cues in determining the quality of a product. On the other hand low involvement consumers will prefer to spend less time and effort in evaluating the quality of a product and correspondingly, utilize a few selected cues and presumably those which have PV and CVs.

9. Perception of Sufficient Quality Variations Among Brands:

Consumers can be classified on the basis of the magnitude of quality differences they perceive among brands in a product category. Consumers may believe that large quality differences exist among brands within a product class or they may perceive little inter-brand variations in quality. It is suggested that as the perceived quality differences among brands increases, assessing the quality of a product becomes extremely important and consumers may feel more involved with the task of judging the quality of a product. It is suggested, therefore that they will put more effort in evaluating the quality of a product in those cases where they perceive sufficient quality variations among brands of a product class,

10. Involvement:

Involvement is one of the central constructs of the model. Following (Houston and Rothschild 1978), it has been conceptualized as comprising three components: situational; enduring and response. Situational involvement refers to the ability of a situation to elicit from consumers concern for their behaviour in that situation. (Houston and Rothschild 1978) have suggested that the level of perceived risk determines the magnitude of situational involvement. However, a few other variables such as buying purpose (gift vs. self-use), the conspicuousness of a product, and the perception of significant quality variations among brands of a product class may influence situational involvement of a consumer to a product class. Enduring involvement reflects the strength of the pre-existing relationship between an individual and the situation in which the behaviour will occur. Normative importance refers to how connected or engaged a product class an individual values. Commitment indicates the degree of binding of an individual to his brand choice. Familiarity relates to the magnitude of experience with a product class. Response involvement relates to the complexity or extensiveness of cognitive and behavioural process characterizing the overall consumer decision process. Putting it differently response involvement reflects the magnitude of effort which a consumer will expend in assessing the quality of a product. Situational and enduring involvement combines to determine response involvement.

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