

## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.1. Introduction**

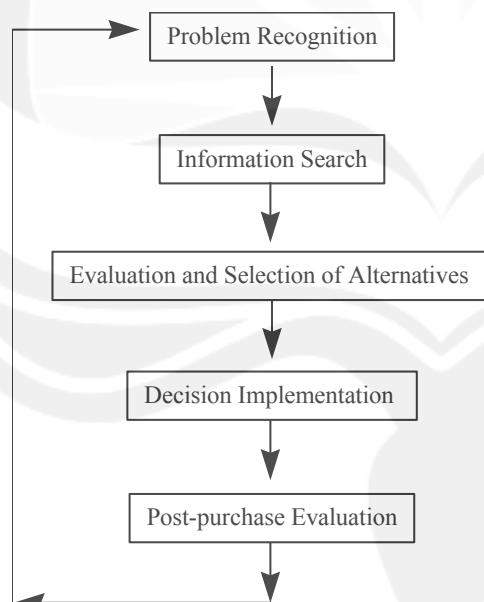
Originating from studies completed within the Aviation Psychology Program in the United States Air Force during the Second World War, CIT has since been used to study behavior in a number of disciplines including, but not limited to, management (White and Locke, 1982), hospitality (Warden, Liu, Huang, and Lee, 2003), marketing (Keaveney, 1995) and the Internet (Mattsson, and Helmersson, 2005). CIT has been successfully employed in projects that are to some extent similar to this study. For example, by using the critical incident technique, Gilbert and Morris (1995), investigated satisfaction of business travelers; Sweeney and Lapp (2004), explored factors affecting Web site quality perceptions; and Bitner, Booms, and Tetreault (1990), studied service encounters of airline, hotel and restaurant customers. Furthermore, there are research papers which are based on consumer emotions such as the one carried out by Edwardson (1998), which argues for the need to move beyond the satisfaction construct as a measure of the consumer experience; and a study made by Richins, M. (1997), which focuses on consumption-related emotions that have increasing frequency in consumer behavior, and issues concerning the appropriate way to measure these emotions.

Hence, this chapter evaluate on the buyer decision making process which explains the decision making processes undertaken by consumers in regard to a potential market transaction before, during, and after the purchase of a product or service. Furthermore, this chapter focuses on the fifth process of buyer decision making, that is, the post purchase behavior. It then discusses the two outcome of post-purchase behavior by the

consumers. They are satisfaction and dissatisfaction. This chapter explains both of the post-purchase behavior in detail, that is, how both of them will affect the consumers' buying decision towards the positive and negative service experiences. Last but not least, this chapter evaluates the previous studies on consumer emotions by Edwardson (1998).

## 2.2. Consumer Decision Making Process

Consumer decision making process is a process by which (1) consumers identify their needs, (2) collect information, (3) evaluate alternatives, (4) make the purchase decision, and (5) post-purchase evaluation. These actions are determined by psychological and economical factors, and are influenced by environmental factors such as cultural, group, and social values. The drawing of this buyer decision-making process can be seen in Figure 1 below.



**Figure 1 - The Consumer Information Processing Model**

Source: Adopted from Kotler (2009), Schiffman and Kanuk (2009), and Solomon (2010)

In this model, the consumer passes through five stages: problem recognition, information search, evaluation and selection of alternatives, decision implementation, and post-purchase evaluation.

(1) Problem Recognition- In this information processing model, the consumer buying process begins when the buyer recognizes a problem or need. For example, 'Bill' may realize that he needed a vacation, and thus, looking for the best travel agent. Or, 'Sally' may recognize that her smoothed hair have started to curl-up again, and needed the best salon to re-bond her hair. These are the kinds of problem that we as consumers encounter all the time. When we found out a difference between the actual state and a desired state, a problem is recognized. When we find a problem, we usually try to solve the problem. We, in other words, recognize the need to solve the problem. But how?

(2) Information Search-When a consumer discovers a problem, he/she is likely to search for more information. 'Sally' may simply pay more attention to service information of a salon specialized in hair re-bonding. She becomes more attentive to salon ads, salons experienced by her friends, and peer conversations about salons specialized in hair re-bonding. Or, she may more actively seek information by visiting salons, or talking to friends, among others. Through gathering information, the consumer learns more about some brands that compete in the market and their features and characteristics. Theoretically, there is a *total set* of brands available to Sally, but she will become aware of only a subset of the brands (*awareness set*) in the market. Some of these brands may satisfy her initial buying criteria, such as price and quality (*consideration set*). As Sally proceeds to more information search, only a few will remain as strong candidates (*choice set*).

(3) Evaluation and Selection of Alternatives-How does the consumer process competitive brand information and evaluate the value of the brands? Unfortunately there is no single, simple evaluation process applied by all consumers or by one consumer in all buying situations. One dominant view, however, is to see the evaluation process as being cognitively driven and rational. Under this view, a consumer is trying to solve the problem and ultimately satisfying his/her need. In other words, he/she will look for problem-solving *benefits* from the product. The consumer, then, looks for products with a certain set of attributes that deliver the benefits. Thus, the consumer sees each product as a *bundle of attributes* with different levels of ability of delivering the problem solving benefits to satisfy his/her need. The distinctions among the need, benefits, and attributes are very important.

(4) Decision Implementation- To actually implement the purchase decision, however, a consumer needs to select both specific items (brands) and specific outlets (where to buy) to resolve the problems. There are, in fact, three ways these decisions can be made: 1) simultaneously; 2) item first, outlet second; or 3) outlet first, item second. In many situations, consumers engage in a simultaneous selection process of stores (consumers may also consider non-store shopping, e.g., e-tickets) and brands.

(5) Post-purchase Evaluation- Post-purchase evaluation processes are directly influenced by the type of preceding decision-making process. Directly relevant here is the level of purchase involvement of the consumer. Purchase involvement is often referred to as “the level of concern for or interest in the purchase situation, and it determines how extensively the consumer searches information in making a purchase decision.

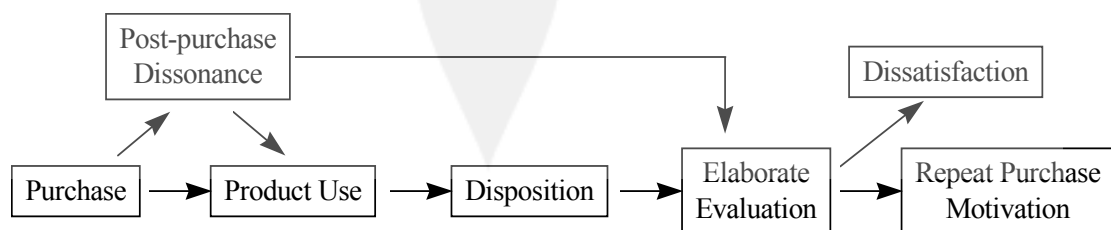
### 2.3. Post-purchase Behavior

Although purchase involvement is viewed as a continuum (from low to high), it is useful to consider two extreme cases here. Suppose one buys a certain brand of services (e.g., using bus as a transportation) as a matter of habit (habitual use). For him/her, going to places by bus is a very low purchase involvement situation, and he/she is not likely to search and evaluate product information extensively. In such a case, the consumer would simply make use of the service with very limited post-purchase evaluation, and generally maintain a high level of repeat purchase motivation (Figure 2).



**Figure 2 - Low Involvement Purchase**  
Source: Hawkins, Best, and Coney (2007)

However, if the purchase involvement is high and the consumer is involved in extensive purchase decision making (e.g., travel agents), he/she is more likely to be involved in more elaborate post-purchase evaluation – often by questioning the rightness of the decision: “Did I make the right choice? Should I have gone with other brand?” This is a common reaction after making a difficult, complex, relatively permanent decision. This type of doubt and anxiety is referred to as *post-purchase cognitive dissonance* (Figure 3).



**Figure 3 - Elaborate Post-purchase Evaluation**  
Source: Adopted from Hawkins, Best, and Coney (2007)

According to the research accomplished by Ken Matsuno and Babson College, 1997, the likelihood of experiencing this kind of dissonance and the magnitude of it is a function of:

- The degree of commitment or irrevocability of the decision,
- The importance of the decision to the consumer,
- The difficulty of choosing among the alternatives, and
- The individual's tendency to experience anxiety.

Because dissonance is uncomfortable, the consumer may use one or more of the following approaches to reduce it:

- Increase the desirability of the brand purchased.
- Decrease the desirability of rejected alternatives.
- Decrease the importance of the purchase decision.
- Reject the negative data on the brand purchased.

If the dissonance about the purchase is not reduced, the anxiety may transform into a dissatisfaction (general or specific). Certainly, this negative experience leads to a new problem recognition (Figure 1), and the consumer will engage in another problem solving process. The difference, however, is that in the next round of process, memory of the previous negative experience and dissatisfaction will be used as part of information. Therefore, the probability for the unsatisfactory brand to be re-selected and repurchased will be significantly lower than before.

In summary, when he/she is satisfied with the services given, such as in beauty clinics, he/she may continue to use the services in that particular beauty clinics. Not only

that, but as he/she becomes the loyal customer of that service provider, he/she may engage in "word of mouth" (Zeithaml, 1981), the positive one; repurchase of the service in that same service provider; or willingness to buy other products from the same beauty clinic. Whereas when he/she is dissatisfied with the service provided, he/she may engage in behaviors such as complaint behavior and negative "word of mouth" (Zeithaml, 1981). Therefore, the probability for the unsatisfactory brand to be re-selected and repurchased will be significantly lower than before.

#### **2.4. Consumer Emotion**

Emotion is the complex psycho-physiological experience of an individual's state of mind as interacting with biochemical (internal) and environmental (external) influences. In humans, emotion fundamentally involves "physiological arousal, expressive behaviors, and conscious experience", Myers (2004).

##### **a) Conceptualization of Emotion**

An emotion, as it is commonly known, is a distinct feeling or quality of consciousness, such as joy or sadness, that reflects the personal significance of an emotion-arousing event. In modern times the subject of emotion has become part of the subject matter of several scientific disciplines--biology, psychology, psychiatry, anthropology, and sociology. Emotions are central to the issues of human survival and adaptation. They motivate the development of moral behavior, which lies at the very root of civilization. Emotions influence empathic and altruistic behavior, and they play a role in the creative processes of the mind. They affect the basic processes of perception and influence the way humans conceive and interpret the world around them. Evidence suggests that emotions shape many other aspects of human life and human affairs.

Based on Encyclopedia Britannica (1994-1998), emotion has been defined as a particular psychological state of feeling, such as fear, anger, joy, and sorrow. The feeling often includes action tendencies and tends to trigger certain perceptual and cognitive processes. Most experts agree that emotion is a causal factor or influence in thoughts, actions, personalities, and social relationships.

Based on Columbia Encyclopedia, emotion is term commonly and loosely used to denote individual, subjective feelings which dictate moods. In the 1960s, the Schachter-Singer theory pointed out that cognitive processes, not just physiological reactions, played a significant role in determining emotions. Plutchik (1980) developed a theory showing eight primary human emotions: joy, acceptance, fear, submission, sadness, disgust, anger, and anticipation, and argued that all human emotions can be derived from these.

Based on Oxford Companion to the Mind, emotion is central to human life and intimately connected with consciousness. Historically, the link with consciousness has led to a relative neglect of emotion as a subject of systematic scientific enquiry in comparison with other fields, such as cognition. However, the last few decades have seen a significant increase in research on emotion, leading to important new discoveries of the brain mechanisms involved.

The concept of emotion can usefully be subdivided into two components: (i) the *emotional state* that can be measured through physiological changes such as autonomic response, and (ii) *feelings*, seen as the subjective experience of emotion. How the brain gives rise to consciousness remains an unsolved problem, but it is becoming increasingly clear which brain areas are involved in producing and representing emotional states.



Ancient Greek and later Western philosophers have always discussed emotion, although the emphasis has almost exclusively been on its cognitive evaluation. Cognition and emotion have been regarded as separate areas, and subsequently, for the larger part of the 20th century, most scientific research focused on cognition at the expense of emotion. Notwithstanding, important theoretical advances were made by pioneering individuals such as Darwin (1872) who examined the evolution of emotional responses and facial expressions. Emotions allow an organism to make adaptive responses to salient stimuli in the environment, thus enhancing its chances of survival.

In the 1880s James and Lange independently proposed the idea that, rather than emotional experience being a response to a stimulus, it is the perception of the ensuing physiological bodily changes. The James–Lange theory suggests that we do not run from the bear because we are afraid but that we *become* afraid because we run.

Cannon (1929) offered a detailed critique of the James–Lange theory showing that surgical disruption of the peripheral nervous system in dogs did not eliminate emotional responses as would have been predicted by the theory. Further investigations by Schacter and Singer (1962) suggested that bodily states must be accompanied by cognitive appraisal for an emotion to occur. However, this research did not fully resolve the basic question of the extent to which bodily states influence emotion. Recently, the James–Lange theory was saved by Damasio (1994) in the form of his somatic marker hypothesis, in which feedback from the peripheral nervous system controls the *decision* about the correct behavioral response rather than the *emotional feelings* as postulated in the James–Lange theory.

An alternative to such bodily theories of emotions has been proposed by Weiskrantz (1968), Gray (1975), and Rolls (1999) who instead regard emotions as states elicited by rewards and punishments. Emotional stimuli are evaluated and mediated by specific brain structures which subsequently give rise to feelings and to changes in bodily response. Although the theoretical debate over the nature of emotion has been very important, the development of experimental paradigms for the reliable testing of emotion in animals and humans has had just as much influence on the field of emotion research. Mood is the longer-lasting continuation of an emotional state and mood disorders such as depression and anxiety affect a large proportion of the population. Some statistics suggest that as much as a third of the population will experience a major depression during their lifetime.

There are many interesting and important issues in emotion research which are not yet fully understood. It is clear that personality plays a significant role in shaping emotions, but we are a long way from understanding personality in neural terms. Emotion helps to facilitate learning and memory adaptively, and so there are strong links between emotion, learning, and memory, but the exact relationship between these are is yet fully understood.

#### b) Importance of Emotion

Based on the first few chapters of the book “*Emotional Intelligence: Why It Can Matter More Than IQ for Character, Health and Lifelong Achievement*. Bantam Books, New York”, by Goleman, D. P. (1995), here are a few of the reasons our emotions are important in our lives:

*Survival*- Nature developed our emotions over millions of years of evolution. As a result, our emotions have the potential to serve us today as a delicate and sophisticated internal guidance system. Our emotions alert us when natural human need is not being met. For example, when we feel lonely, our need for connection with other people is unmet. When we feel afraid, our need for safety is unmet. When we feel rejected, it is our need for acceptance which is unmet.

*Decision Making* - Our emotions are a valuable source of information. Our emotions help us make decisions. Studies show that when a person's emotional connections are severed in the brain, he can not make even simple decisions. Why? Because he doesn't know how he will feel about his choices.

*Predicting Behavior* - Our feelings are also useful in helping us predict our own, and others' behavior.

*Boundary Setting* - When we feel uncomfortable with a person's behavior, our emotions alert us. If we learn to trust our emotions and feel confident expressing ourselves we can let the person know we feel uncomfortable as soon as we are aware of our feeling. This will help us set our boundaries which are necessary to protect our physical and mental health.

*Communication* - Our emotions help us communicate with others. Our facial expressions, for example, can convey a wide range of emotions. If we look sad or hurt, we are signaling to others that we need their help. If we are verbally skilled we will be able to express more of our emotional needs and thereby have a better chance of filling

them. If we are effective at listening to the emotional troubles of others, we are better able to help them feel understood, important and cared about.

*Happiness* - The only real way to know that we are happy is when we feel happy. When we feel happy, we feel content and fulfilled. This feeling comes from having our needs met, particularly our emotional needs. We can be warm, dry, and full of food, but still unhappy. Our emotions and our feelings let us know when we are unhappy and when something is missing or needed. The better we can identify our emotions, the easier it will be to determine what is needed to be happy.

*Unity*- Our emotions are perhaps the greatest potential source of uniting all members of the human species. Clearly, our various religious, cultural and political beliefs have not united us. Far too often, in fact, they have tragically and even fatally divided us. Emotions, on the other hand, are universal. Charles Darwin (1872) wrote about this years ago in one of his lesser-known books called "The Expression of Emotion In Man and Animal". The emotions of empathy, compassion, cooperation, and forgiveness, for instance, all have the potential to unite us as a species. It seems fair to say that, generally speaking: *Beliefs divide us. Emotions unite us.*

### c) Measurement

There can be no doubt about the existence of feeling. Consumers can be wrong about their beliefs about a product, but they can have no misconception about their emotional response to a product or a service or an advertisement. It would seem, then, that emotions can create long-term brand loyalty, which is the goal of most marketing campaigns.

There is a huge list of human emotions that we are capable of experiencing. It is always the same few; happiness, anger, love, confidence, anxiety, stress, relaxed. Emotions are fundamental. All emotions can be reduced to two primary feelings, i.e., those of comfort and those of discomfort. When we feel that our needs are being met, we experience feelings of comfort. Emotional statements or behaviors stay longer in our mind. The affects of those emotional appeals may become separated from the content and still remain. We may forget the content of a book, movie, or advertisement, but not the feelings elicited by them.

The variety of emotions, either positive or negative, that the end consumers express based on personal experiences, is the basis of interest in this research. The concept of consumer emotions in this research is based primarily on research carried out by Michael Edwardson (1998) who argues for the need to move beyond the satisfaction construct as a measure of the consumer experience. According to Edwardson, satisfaction is a word that has been framed by a rather conservative viewpoint in business and academia.

In the year 1997, another researcher Richins reviews the currently used measurement of emotions in consumer research, as well as the theories on which they are based. Richins' (1997) study focuses on consumption-related emotions that have increasing frequency in consumer behavior, and issues concerning the appropriate way to measure these emotions. To assess emotions in the consumption or any other domain, one must be able to characterize emotion and distinguish it from other states. Unfortunately, this has not been an easy problem to solve (Richins, 1997)

As a result, this study measure the consumer emotions using the critical incident technique to find out the emotions expresses by consumers for both positive and negative service experiences. Next, the consumers' experiences are then classified and analyzed using the content analysis method, which will be explained in detail in Chapter 3.

