**Chapter 18**

**Postpurchase Processes, Customer Satisfaction, and Customer Commitment**

**Multiple Choice Questions**

1. The NFL is able to customize their newsletter by \_\_\_\_\_.

A) tracking what pieces are clicked on

B) providing news about the individual fan's favorite team

C) matching the individual fan's specific interests

D) enabling fans to update their profile

E) all of the above

Answer: E Page: 637

2. Which of the following is NOT a possible outcome once a consumer is satisfied?

A) committed customer

B) discontinued use

C) repeat purchases

D) increased use

E) all of the above are possible outcomes

Answer: E Page: 638

3. Doubt or anxiety regarding a purchase a consumer has made is known as \_\_\_\_\_.

A) postpurchase worry

B) postpurchase guilt

C) postpurchase dissonance

D) postpurchase shame

E) postpurchase fear

Answer: C Page: 638

4. Which of the following is true regarding postpurchase dissonance?

A) All consumer purchase decisions are followed by postpurchase dissonance of some sort.

B) The importance of the decision to the consumer is one factor that influences the probability and magnitude of postpurchase dissonance.

C) The individual's tendency to experience anxiety is not related to postpurchase dissonance.

D) The easier it is to alter the decision, the more likely postpurchase dissonance will be.

E) Nominal decision making usually results in the greatest magnitude of postpurchase dissonance.

Answer: B Page: 639

5. The probability of a consumer experiencing postpurchase dissonance, as well as the magnitude of such dissonance, is a function of which of the following?

A) The degree of commitment or irrevocability of the decision.

B) The importance of the decision to the consumer.

C) The difficulty of choosing among the alternatives.

D) The individual's tendency to experience anxiety.

E) all of the above

Answer: E Page: 639

6. Connie just purchased her first new car, and she's actually feeling a little bad about it. She's concerned about how much money she spent and how long she will be making car payments. She's not sure she made the right choice, either. She liked another car a little better, but ended up purchasing another model. Connie is experiencing \_\_\_\_\_.

A) postpurchase worry

B) postpurchase guilt

C) postpurchase dissonance

D) postpurchase shame

E) postpurchase fear

Answer: C Page: 639

7. Which of the following is NOT an action a consumer may utilize to reduce dissonance?

A) Increase the desirability of the brand purchased.

B) Decrease the desirability of rejected alternatives.

C) Decrease the importance of the purchase decision.

D) Reverse the purchase decision (return the product before use).

E) Increase the importance of alternatives that were not considered in the purchase initially.

Answer: E Page: 639-640

8. Carla continued to search for information on cars even after she purchased one. She would go over her decision in her head, and pay attention to ads that featured the car she bought. She was also noticing how many other people drove her model of car, which made her feel more confident that she made a wise decision. Carla is attempting to reduce \_\_\_\_\_.

A) consumption guilt

B) postpurchase dissonance

C) postpurchase shame

D) postpurchase fear

E) consumption anxiety

Answer: B Page: 640

9. Hailey purchased furniture for her living room and spent quite a bit of money. After she purchased it, she started regretting that she spent so much and she wasn't sure she liked the furniture. To make herself feel better, she told herself that the other furniture she was considering really wasn't that good and probably would not last as long as the furniture she ended up purchasing. Which of the following is Hailey using to reduce her postpurchase dissonance?

A) Increasing the desirability of the brand purchased.

B) Decreasing the desirability of rejected alternatives.

C) Decreasing the importance of the purchase decision.

D) Reversing the purchase decision.

E) Increasing the importance of the purchase decision.

Answer: B Page: 639-640

10. Negative emotions or guilt feelings aroused by the use of a product or a service are referred to as \_\_\_\_\_.

A) postpurchase anxiety

B) consumption guilt

C) consumption anxiety

D) postpurchase dissonance

E) consumption dissonance

Answer: B Page: 640

11. Rebecca is a single woman in her 40s. She sold her Honda Civic and bought an Acura CSX, which is considerably more expensive. She was going to her brother's house with her mother, and she asked her mother to drive in her car instead of Rebecca's new one. She didn't want her brother to see that she had purchased an expensive car for herself. Rebecca was experiencing \_\_\_\_\_.

A) postpurchase anxiety

B) consumption guilt

C) consumption anxiety

D) postpurchase dissonance

E) consumption dissonance

Answer: B Page: 640

12. Which of the following refers to imagining the outcome if a different decision had been made in the past?

A) postpurchase dissonance

B) consumption guilt

C) counterfactual thinking

D) prefactual thinking

E) innovative thinking

Answer: C Page: 641

13. Which of the following statements is true regarding counterfactual thinking?

A) It occurs before a decision is made.

B) Marketers try to avoid consumers from thinking this way.

C) It is the same as prefactual thinking, but it is more severe.

D) Marketers always try to reduce the likelihood that consumer think this way.

E) It can be removed by price guarantees.

Answer: D Page: 641

14. Hunter purchased a new computer, and he started thinking about what it would be like if he had purchased the other brand that he was considering seriously. He purchased a Dell, but he kept thinking that if he had only spent a little more and purchased the IBM, he might not be experiencing some of the problems that he is (i.e., computer “freezing up”). Which of the following is Hunter engaging in?

A) postpurchase anxiety

B) consumption guilt

C) counterfactual thinking

D) prefactual thinking

E) innovative thinking

Answer: C Page: 641

15. Which of the following refers to imagining different outcomes before a decision is made?

A) prepurchase dissonance

B) consumption guilt

C) counterfactual thinking

D) prefactual thinking

E) innovative thinking

Answer: D Page: 641

16. Bob wants to purchase a big screen television, but he's reluctant because he tells himself that “If I buy it now, then the price will drop and I'll regret not waiting longer.” Bob is engaging in \_\_\_\_\_.

A) prepurchase dissonance

B) consumption guilt

C) counterfactual thinking

D) prefactual thinking

E) purchase anxiety

Answer: D Page: 641

17. A consumer using a product in a new way is referred to as \_\_\_\_\_.

A) counterfactual thinking

B) prefactual thinking

C) use innovativeness

D) usage expansion

E) extended use thinking

Answer: C Page: 641

18. The external ice cube shoot on Cade's refrigerator door was not working properly. She could hear the ice falling into the shoot, but nothing would come out. She looked inside and realized there was a solid block of ice clogging the shoot, and she couldn't get it loose. Cade decided to use a hair dryer to melt the ice, and it worked. Cade's using a hair dryer in a new way represents \_\_\_\_\_.

A) counterfactual thinking

B) prefactual thinking

C) use innovativeness

D) usage expansion

E) extended use thinking

Answer: C Page: 641

19. Why must manufacturers design products with both the primary purpose and other potential uses in mind?

A) consumers demand it

B) competition requires it

C) to be able to promote secondary uses

D) stringent product liability laws

E) to save on research and development costs

Answer: D Page: 642

20. Which of the following occurs when a consumer actively acquires a product that is not used or used only sparingly relative to its potential use?

A) consumption guilt

B) nonconsumption guilt

C) product nonuse

D) counterfactual thinking

E) prefactual thinking

Answer: C Page: 643

21. Disposition of the product or the product's container may occur \_\_\_\_\_ product use.

A) during

B) after

C) before

D) a and b

E) a, b, and c

Answer: E Page: 644

22. For which product is no disposition involved?

A) ice cream cone

B) laundry detergent

C) soft drink

D) clothing

E) electronics

Answer: A Page: 644

23. Carl and his family purchased a new home, and the builder left half empty paint cans in the garage. Carl doesn't know what to do with them because he cannot put them out in the regular trash. Carl is concerned with which of the following with regard to the paint?

A) purchase

B) use

C) disposition

D) consumption

E) product nonuse

Answer: C Page: 644

24. Exploding demand and short product life-spans for high-tech gadgets such as cell phones, personal computers, and various other personal electronic devices is creating growing concerns over \_\_\_\_\_.

A) e-waste

B) poisonous waste

C) hazardous waste

D) reusable waste

E) recyclable waste

Answer: A Page: 645

25. Which disposition alternative is the most widely used by consumers?

A) trade in

B) recycle

C) throw away

D) give away

E) sell

Answer: C Page: 645

26. Which of the following is NOT an alternative if a consumer decides to retain a product's package?

A) store it

B) use it for original purpose

C) recycle it

D) use it for a new purpose

E) all of the above are alternatives in this situation

Answer: C Page: 646

27. Which of the following is an alternative once a consumer has decided to get rid of a product?

A) sell it

B) give it away

C) loan it to someone

D) throw it away

E) all of the above

Answer: E Page: 646

28. Which of the following is FALSE regarding the way in which disposition decisions can affect a firm's marketing strategy?

A) For most durable goods, consumers are reluctant to purchase a new item until they have “gotten their money's worth” from the old one.

B) Disposition sometimes must occur before acquisition of a replacement because of space or financial limitations.

C) Frequent decisions by consumer to sell, trade, or give away used products results in a large used-product market that can reduce the market for new products.

D) The United States is a completely throw away society, and consumers are willing to purchase new products without concern for waste.

E) Environmentally sound disposition decisions benefit society as a whole and thus the firms that are part of that society.

Answer: D Page: 646-648

29. Which type of sale occurs when one consumer sells a product directly to another with or without the assistance of a commercial intermediary?

A) direct-to-consumer sale

B) consumer-to-consumer sale

C) personal sale

D) private sale

E) direct marketing

Answer: B Page: 647

30. Jon purchased an antique watch on eBay from another consumer. Which type of sale is this known as?

A) direct-to-consumer sale

B) consumer-to-consumer sale

C) personal sale

D) private sale

E) electronically-mediated sale

Answer: B Page: 647

31. An outlet or brand whose performance confirms a low-performance expectation generally will result in \_\_\_\_\_.

A) satisfaction

B) dissatisfaction

C) nonsatisfaction

D) elation

E) anger

Answer: C Page: 648

32. Rod wasn't expecting much from the painters that came to his house. True to form, they did not do a good job and confirmed his low-performance expectations. Rod is most likely experiencing \_\_\_\_\_.

A) satisfaction

B) dissatisfaction

C) nonsatisfaction

D) elation

E) anger

Answer: C Page: 648

33. A brand whose perceived performance falls below expectations generally produces \_\_\_\_\_.

A) satisfaction

B) dissatisfaction

C) nonsatisfaction

D) elation

E) fear

Answer: B Page: 648

34. Kristen purchased a chair and ottoman from a national chain furniture store. After only six months, the fabric started to fade and tear in some spots. While she didn't spend much money on this chair, she did expect it to last longer than that. Kristen most likely experienced \_\_\_\_\_.

A) satisfaction

B) dissatisfaction

C) nonsatisfaction

D) elation

E) guilt

Answer: C Page: 648

35. When perceptions of product performance match expectations that are at or above the minimum performance level, \_\_\_\_\_ generally results.

A) satisfaction

B) dissatisfaction

C) nonsatisfaction

D) elation

E) surprise

Answer: A Page: 648

36. Jose and his family, all Mexican by birth, went to dine at a new Mexican restaurant in Houston, which is home to many outstanding Mexican restaurants. They were expecting authentic Mexican food, and they got it. They most likely experienced \_\_\_\_\_.

A) satisfaction

B) dissatisfaction

C) amazement

D) nonsatisfaction

E) surprise

Answer: A Page: 649

37. Which of the following means that the consumer is enthusiastic about a particular brand and is somewhat immune to actions by competitors?

A) satisfaction

B) commitment

C) market maven

D) brand leverage

E) brand fanatic

Answer: B Page: 649

38. Pam and her friends ate at a new Italian restaurant, and the food, service, and ambiance exceeded their expectations. They all decided that this was the only Italian restaurant they will ever go to again in their town. This is an illustration of \_\_\_\_\_.

A) nonsatisfaction

B) extended decision making

C) commitment

D) relationship marketing

E) customer value

Answer: C Page: 649

39. Which of the following factors is the MOST likely reason consumers change providers of a service?

A) core service failure

B) service encounter failure

C) pricing

D) attraction by competitors

E) ethical problems

Answer: A Page: 649-650

40. Eric booked a hotel through hotels.com. However, when he arrived at the hotel, they had no record of his reservation, and he was unable to get a room. He decided then that he would never use this service again. Which reason for changing providers does this represent?

A) core service failure

B) service encounter failure

C) pricing

D) attraction by competitors

E) ethical problems

Answer: A Page: 649-650

41. Service employees that are uncaring, impolite, unresponsive, or unknowledgeable will cause consumers to switch providers for which reason?

A) core service failure

B) service encounter failure

C) pricing

D) attraction by competitors

E) ethical problems

Answer: B Page: 650

42. Kimberly loves the ham and turkey from the Heavenly Ham store. There is only one store in her town, though, and it is pretty far away. She goes that direction on Saturdays for her daughter's music lesson, but by the time it's over and she's heading home, the store is already closed. Sometimes she brings a cooler and stops there before her daughter's lesson, but most of the time she forgets to bring the cooler. She usually ends up buying lunch meat at the grocery deli. Which reason for changing providers does this represent?

A) involuntary switching

B) responses to service failures

C) pricing

D) inconvenience

E) ethical problems

Answer: D Page: 650

43. Simon was dissatisfied with the meal and service he received at a restaurant, so he complained. The manager came out and was arrogant to Simon, and Simon felt like he was trying to blame him for the bad experience he had by saying he was too picky. Simon vowed never to eat at that restaurant again. Which reason for changing providers does this represent?

A) involuntary switching

B) responses to service failures

C) pricing

D) attraction by competitors

E) ethical problems

Answer: B Page: 650

44. Renee has been going to the same dentist for years. However, her employer changed her dental insurance plan, and her dentist was not part of the plan. She had to switch to an approved dentist. Which reason for changing providers does this represent?

A) involuntary switching

B) responses to service failures

C) pricing

D) attraction by competitors

E) ethical problems

Answer: A Page: 650

45. Sherri pulled up to the drive-up ATM at her bank. She put her card in, and it came right back out. On the screen was a message that the machine was not operational. Sherri was not happy. Which incident type with respect to self-service technologies does this represent?

A) technology failure

B) service design flaw

C) technology design flaw

D) customer failure

E) financial failure

Answer: A Page: 650

46. What are the two dimensions to performance for products?

A) instrumental and symbolic

B) latent and manifest

C) immediate and delayed

D) direct and indirect

E) consummatory and instrumental

Answer: A Page: 650

47. Which dimension of product performance relates to the physical functioning of the product?

A) affective

B) direct

C) instrumental

D) attributional

E) consummatory

Answer: C Page: 650

48. Leon is concerned with the reliability and durability of laptop computers he is considering purchasing. This represents which dimension of product performance?

A) affective

B) direct

C) instrumental

D) symbolic

E) consummatory

Answer: C Page: 650

49. Which dimension of product performance relates to aesthetic or image-enhancement performance?

A) affective

B) direct

C) instrumental

D) symbolic

E) consummatory

Answer: D Page: 650

50. Monique is buying a new coat for the winter. While she is concerned with how well the coat will keep her warm, she is also concerned with how stylish it will make her look. Her concern for stylishness represents which dimension of product performance?

A) affective

B) direct

C) instrumental

D) symbolic

E) consummatory

Answer: D Page: 650

51. The emotional response that owning or using the product or outlet provides is known as \_\_\_\_\_.

A) affective performance

B) direct performance

C) instrumental performance

D) symbolic performance

E) consummatory performance

Answer: A Page: 650

52. Dawn and her two daughters went to see *Pride & Prejudice* at the movie theater. They all loved the movie and came out saying “we're so glad she married Mr. Darcy!” This movie provided them with \_\_\_\_\_.

A) affective performance

B) direct performance

C) instrumental performance

D) symbolic performance

E) consummatory performance

Answer: A Page: 650

53. What is the first decision a dissatisfied customer will make?

A) whether to complain to the store or to the manufacturer

B) whether or not to stop buying that brand

C) whether or not to take any external action

D) whether or not to initiate legal action

E) whether or not to complain to a government agency

Answer: C Page: 651

54. Ronald is dissatisfied with a product he has bought. What is the first decision Ronald will make with regard to his dissatisfying situation?

A) whether to complain to the store or to the manufacturer

B) whether or not to stop buying that brand

C) whether or not to take any external action

D) whether or not to initiate legal action

E) whether or not to complain to a government agency

Answer: C Page: 651

55. A consumer's decision of whether or not to take action when he or she is dissatisfied is a function of which of the following?

A) importance of the purchase to the consumer

B) ease of taking action

C) consumer's existing level of overall satisfaction with the brand or outlet

D) characteristics of the consumer involved

E) all of the above

Answer: E Page: 651

56. Even if a dissatisfied consumer takes no external action, which of the following is likely?

A) will engage in negative work-of-mouth

B) will stop buying that brand

C) will have a less favorable attitude toward the store or brand

D) will stop buying at that store

E) all of the above

Answer: C Page: 651-652

57. Which of the following is true regarding word-of-mouth (WOM)?

A) WOM is a minor factor in consumer behavior.

B) Consumers trust WOM more than many other sources.

C) Satisfaction yields more WOM than does dissatisfaction.

D) Consumers do not give WOM much merit, especially negative WOM.

E) Marketers are not concerned about WOM.

Answer: B Page: 652

58. Employees who deal directly with consumers are known as \_\_\_\_\_.

A) foot soldiers

B) clerks

C) consumer-level employees

D) front-line employees

E) primary employees

Answer: D Page: 654

59. Savannah works at the front desk at a Marriott Hotel. If a guest has a complaint, she is empowered to make amends up to a certain amount without her supervisor's approval. Savannah is known as a \_\_\_\_\_.

A) decision maker

B) key employee

C) consumer-level employee

D) front-line employee

E) primary employee

Answer: D Page: 654

60. \_\_\_\_\_ continue to buy the same brand though they do not have an emotional attachment to it.

A) Repeat purchasers

B) Brand loyals

C) Committed customers

D) Satisfied buyers

E) Referred buyers

Answer: A Page: 656

61. Kevin buys the same brand of clothing all the time. He continues to buy it because it fits him well and the price is right, but he does not have an emotional attachment to it. Kevin is an example of a(n) \_\_\_\_\_.

A) trapped purchaser

B) committed customer

C) repeat purchaser

D) nonsatisfied customer

E) indifferent purchaser

Answer: C Page: 656

62. The costs of finding, evaluating, and adopting another solution are known as \_\_\_\_\_.

A) incurred costs

B) switching costs

C) effort costs

D) balancing costs

E) committed costs

Answer: B Page: 656

63. Sandy uses online banking, and her bank charges her $4.99 per month. However, she has seen ads for a competing bank offering free online banking services. She'd like to switch, but she realized that it might be difficult to do since she has several of her bill payments set up as automatic debits. The cost of changing to another bank represent Sandy's \_\_\_\_\_.

A) incurred costs

B) switching costs

C) effort costs

D) balancing costs

E) committed costs

Answer: B Page: 656

64. Consumers that exhibit a positively biased behavior toward a specific brand are exhibiting \_\_\_\_\_.

A) brand loyalty

B) brand leverage

C) brand image

D) brand equity

E) brand bias

Answer: A Page: 656

65. Jason will only drink Pepsi cola, and he feels an emotional attachment to it. That is the brand he was brought up on and is the one he continues to drink every day. Jason is exhibiting \_\_\_\_\_.

A) brand loyalty

B) brand leverage

C) brand image

D) brand equity

E) brand bias

Answer: A Page: 656

66. Which type of customer has an emotional attachment to the brand or firm?

A) repeat purchaser

B) satisfied buyer

C) total buyer

D) committed customer

E) affective customer

Answer: D Page: 656

67. George has used the same company for his car and home insurance for over 20 years. Any claim he has made has been handled fairly and quickly. A major hurricane came through his area causing many individuals, including George, and business owners to lose everything. While he was hearing about so many insurance claim nightmares, he knew his company would come through because he trusts this company. George is an example of a \_\_\_\_\_.

A) repeat purchaser

B) satisfied buyer

C) total buyer

D) committed customer

E) affective customer

Answer: D Page: 656

68. Which of the following is FALSE regarding committed customers?

A) They are unlikely to consider additional information when making a purchase.

B) They are resistant to competitors' marketing efforts.

C) They are less likely to forgive an occasional product or service failure.

D) They are likely to be a source of positive word-of-mouth.

E) They are more profitable to the firm than mere repeat purchasers.

Answer: C Page: 657

69. The term used to refer to turnover in a firm's customer base is \_\_\_\_\_.

A) turnover

B) churn

C) attrition rate

D) turn ratio

E) defection rate

Answer: B Page: 657

70. Expenses associated with advertising, establishing a new account, and mailing catalogs are examples of \_\_\_\_\_.

A) churn

B) opportunity costs

C) switching costs

D) contribution costs

E) acquisition costs

Answer: E Page: 658

71. Which of the following is a source of increased customer profitability over time?

A) increased sales volume

B) lower costs

C) referrals

D) price premium

E) all of the above

Answer: E Page: 658

72. Which of the following is NOT a source of increased customer profitability over time?

A) increased sales volume

B) lower costs

C) referrals

D) increased churn

E) price premium

Answer: D Page: 658

73. \_\_\_\_\_ refers to the fact that repeat and particularly committed customers tend to buy the brand consistently rather than waiting for a sale or continually negotiating price.

A) Acquisition cost

B) Referral

C) Price premium

D) Price indifferent

E) Price insensitive

Answer: C Page: 658

74. For which type of firm has research shown that reducing the number of customers who leave by 5 percent resulted in the highest percentage increase in average profits per customer?

A) auto services

B) branch banks

C) insurance brokerage

D) industrial laundry

E) credit insurance

Answer: B Page: 659

75. Marketing efforts focused on a firm's current customers are generally termed \_\_\_\_\_.

A) relationship marketing

B) internal marketing

C) personal marketing

D) formal marketing

E) acquisition marketing

Answer: A Page: 660

76. An attempt to develop an ongoing, expanding exchange relationship with a firm's customers is called \_\_\_\_\_.

A) relationship marketing

B) internal marketing

C) personal marketing

D) formal marketing

E) acquisition marketing

Answer: A Page: 660

77. Marriott Rewards customers earn points whenever they stay at any Marriott property. Louis is in this program, and he travels quite a bit because he works in sales. He usually stays at a Courtyard by Marriott, and when he walks into the lobby there is a sign by the desk welcoming him by name as well as other Marriott Rewards customers who might be staying there. This ongoing relationship between Louis and Marriott is an example of \_\_\_\_\_.

A) relationship marketing

B) internal marketing

C) personal marketing

D) formal marketing

E) acquisition marketing

Answer: A Page: 660

78. Which of the following is a key element of relationship marketing?

A) Customizing the relationship to the individual customer.

B) Pricing in a manner to encourage loyalty.

C) Augmenting the core service or product with extra benefits.

D) Marketing to employees so that they will perform well for customers.

E) all of the above

Answer: E Page: 661

79. Which of the following is NOT a key element of relationship marketing?

A) Developing a core service or product around which to build a customer relationship.

B) Pricing in a manner to encourage loyalty.

C) Augmenting the core service or product with extra benefits.

D) Marketing to employees so that they will perform well for customers.

E) Standardize the relationship across customers.

Answer: E Page: 661

80. Every time Hannah buys a sandwich at Subway, she gets a stamp on a card. Once she has 10 stamps, she'll get a free sandwich. This is an example of a(n) \_\_\_\_\_.

A) food stamp program

B) acquisition program

C) customer loyalty program

D) tie-in program

E) overlay program

Answer: C Page: 661

**True/False Questions**

81. Nominal and most limited decision making will not produce postpurchase dissonance.

Answer: True Page: 639

82. Consumers might experience guilt by the use of a product or a service.

Answer: True Page: 640

83. Counterintuitive thinking refers to imagining the outcome if a different decision had been made in the past.

Answer: False Page: 641

84. Sometimes consumers purchase products and do not use them.

Answer: True Page: 643

85. Disposition of the product or the product's container may occur before, during, or after product use.

Answer: True Page: 644

86. A consumer selling something to another individual through an online intermediary (i.e., eBay) is known as a consumer-to-consumer sale.

Answer: True Page: 647

87. A consumer can be neither satisfied nor dissatisfied.

Answer: True Page: 648

88. Functional performance relates to the physical functioning of the product.

Answer: False Page: 650

89. If a customer is dissatisfied with a company's product, the company would prefer that he or she complains to the company.

Answer: True Page: 651

90. Affective performance can arise from only the symbolic dimension of product performance.

Answer: False Page: 651

91. Firms need to satisfy consumer expectations by creating reasonable expectations through promotional efforts and maintaining consistent quality so those expectations are fulfilled.

Answer: True Page: 653

92. Repeat purchasers continue to buy the same brand because of their emotional attachment to it.

Answer: False Page: 656

93. Committed customers are less likely to forgive a product or service failure.

Answer: False Page: 657

94. Churn is a term used to refer to turnover in a firm's customer base.

Answer: True Page: 657

95. For many products and services, there are wide variations in profitability across customers.

Answer: True Page: 660

96. Many customer loyalty programs are designed to generate repeat purchases rather than committed customers.

Answer: True Page: 661

**Essay Questions**

97. Define the concept of postpurchase dissonance, and discuss the factors that influence the probability and magnitude of a consumer experiencing it.

Page: 638-639

Answer:

**Postpurchase dissonance** is doubt or anxiety after making a purchase. The probability of a consumer experiencing it, as well as the magnitude of it, is a function of:

1. **The degree of commitment or irrevocability of the decision.**  The easier it is to alter the decision, the less likely the consumer is to experience dissonance.
2. **The importance of the decision to the consumer.**  The more important the decision, the more likely dissonance will result.
3. **The difficulty of choosing among the alternatives.**  The more difficult it is to select from among the alternatives, the more likely the experience and magnitude of dissonance. Decision difficulty is a function of the number of alternatives considered, the number of relevant attributes associated with each alternative, and the extent to which each alternative offers attributes not available with the other alternatives.
4. **The individual's tendency to experience anxiety.**  Some individuals have a higher tendency to experience anxiety than do others. The higher this tendency, the more likely the individual will experience postpurchase dissonance.

98. Bob and Stephanie purchased a new high definition television, and they spend over $3,000. After they got it home, Stephanie started feeling anxious about this purchase and wondered if they should have shopped a little more and become more informed about these types of TVs and looked at a few more alternatives than just the ones they did before purchasing this one. Stephanie is experiencing postpurchase dissonance. Explain what she can do to reduce it.

Page: 639-640

Answer:

After the purchase is made, the consumer may utilize one or more of the following approaches to reduce dissonance:

1. Increase the desirability of the brand purchased.
2. Decrease the desirability of rejected alternatives.
3. Decrease the importance of the decision.
4. Reverse the purchase decision (return the product before use).

99. If a consumer decides to get rid of a product and/or its package, what are his or her options?

Page: 646

Answer:

Once a consumer has decided to get rid of a product and/or its package, he or she has several choices:

1. Recycle it.
2. Throw it away as garbage or as litter.
3. Trade it in.
4. Sell it to an end user, a middleman, or through a middleman.
5. Give it away to be used or to be sold.
6. Loan it to someone.

100. Explain how disposition decisions can affect a firm's marketing strategy.

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Answer:

There are five major ways in which disposition decisions can affect a firm's marketing strategy. First, for most durable goods, consumers are reluctant to purchase a new item until they have “gotten their money's worth” from the old one. Allowing old items to be traded in is one way to overcome this reluctance. Second, disposition sometimes must occur before acquisition of a replacement because of space or financial limitations. Thus, it is to the manufacturer's and retailer's advantage to assist the consumer in the disposition process. Third, frequent decisions by consumers to sell, trade, or give away used products may result in a large used-product market that can reduce the market for new products. A fourth reason for concern with product disposition is that the United States is not completely a throwaway society. Thus, manufacturers and retailers could take steps to ensure that products are reused. Finally, environmentally sound disposition decisions benefit society as a whole and thus the firms that are part of that society.

101. Define relationship marketing, and list its five key elements.

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Answer:

**Relationship marketing** is an attempt to develop an ongoing, expanding exchange relationship with a firm's customers and has five key elements:

1. Developing a core service or product around which to build a customer relationship.
2. Customizing the relationship to the individual customer.
3. Augmenting the core service or product with extra benefits.
4. Pricing in a manner to encourage loyalty.
5. Marketing to employees so that they will perform well for customers.