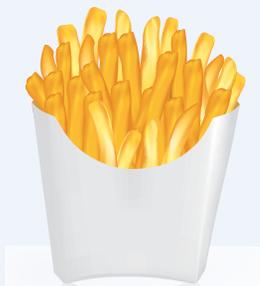


EPILOG

MARKETING MEETS THE
CONSUMER*Insight, Foresight, and the Marketer Response*Facebook Down Blues? Come in, Eat **Free**, Be Happy!

On March 11, 2015, in Romania, Apple's iTunes Store and App Store were down. So KFC, Romania, posted a free offer: customers could come in and get a free chicken.

A day earlier, the company had set up a new Website; the site scans all social media constantly and tells visitors everything was fine. But when any one of them is down, a message invites them to receive a digital coupon for a free meal. It is part of a campaign called "Don't Panic, Man." The campaign, created by MRM Worldwide, ran throughout 2015.

I am a marketer. I create products and performances for you. Come in and enjoy them.

Segmentation and Target Identification

5Ps of Marketing

Deep Consumer Profiling

The Concept of Personalization

CB-Informed Marketer Response Strategy

Being a Marketer: Responsibility and Privilege

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TO UNDERSTAND

LEARNING OBJECTIVES

Feeling Consumers' Pain Points

For us, today's consumers, checking out our social media sites every day—indeed, every free moment—has become our second nature. It is our daily fix. Like morning coffee. Without it we would feel a void; and we wouldn't know how to fill those few minutes of free time. What we experience is nothing short of panic. Even more so, if we are, say, a Millennial or a teenager.

To help us overcome that panic, what KFC Romania offers is not just a free meal. It offers us, instead, comfort that here is a company that understands our “pain.”

As a marketing campaign, it is a *tour de force*! It shows a desire among marketers to feel the consumer pulse, feel empathy, feel their pain points.

Consumer Insights and The Marketer's Response

Now that we understand consumer behavior, the inevitable question is, how can we put all this knowledge to use to serve the consumer better? As customer-oriented marketers, we already know that we serve our business interests best by satisfying the consumer. Understanding consumer behavior—how consumers seek and obtain happiness in the marketplace—should enable us to fashion a marketing program that accords with our target consumers' modes of thinking, feeling, and acting. To satisfy consumers, marketing programs must respond well to consumers' motivations and needs, their hopes and aspirations, and their identities and life projects. In this section, we develop some key ideas for a consumer-behavior informed, responsive marketing program.





Basically, from a consumer behavior standpoint, there are three parts to a marketing planning project: (a) segmentation and target identification, (b) deep consumer profiling, and (c) responsive offering presentation. (See Figure E1.) First, because no marketer can satisfy and serve all consumers, we must recognize salient differences among consumers and identify the consumer segments we can serve best (through segmentation and targeting). Next, we should research and understand consumer behaviors of the chosen groups (through deep consumer profiling). Finally, we must create offerings (e.g., products or services, pricing, and associated messages) that respond well to our target consumers' world-views (responsive offering presentation). Let us look at each.

SEGMENTATION AND TARGET IDENTIFICATION

Some differences between consumers are obvious; for example, age, sex, race, income, education, social class, and geographic location. Collectively known as demographics (described in Chapters 14 and 15), these form the first bases for segmenting consumers. The next set of characteristics pertains to psychographics, and, in Chapter 6, we have

covered some well-known psychographics-based segmentation schemes such as VALS™ and PRIZM. Many research companies offer other, country-specific psychographic segmentation schemes; as marketers, we should avail ourselves of these, and choose the one that seems most appropriate. Beyond these established ways of segmenting the market, virtually any of the other consumer characteristics discussed in this book can be used to segment our market: values, motives, perceptions, attitudes, loyalty, and involvement, among others.

Take values. Values can segment consumers into those who are materialistic versus those who are not; pro-lifers versus pro-choicers; environmentalists; consumers who value animal rights; and nationalists versus globalists. All can be useful in defining segments. In terms of motivation, consumers may

differ on where they fall on Maslow's hierarchy. Product-specific motivations could also differ. For example, some consumers might buy a motorcycle as a more economical means of transportation than a car; others might buy one to experience outdoor adventure and the thrill of the ride; and still others might want one as a badge of a particular lifestyle. Consumers may also be classified as those with low involvement versus those with high involvement; those who are brand (or store) loyal versus those who are not; knowledgeable versus novice consumers; those who have "recognized a problem" versus those who have not; avid information seekers versus information minimizers; technophiles versus technophobes; net-surfers versus non-surfers; those who love to shop versus those who dread shopping; and so on.

These and many other concepts covered throughout the book are all useful bases for segmenting our market. Contemplating all of these criteria may appear to be an arduous task, but identifying the right consumer segment to serve is a singularly important responsibility in marketing planning. Admittedly, segmentation is less important if our product is one that can be mass-marketed. On the other hand, if we wanted to identify a niche market or



an emergent market, contemplating and evaluating all of these consumer differences can be a very fruitful exercise. The benefit of reading this book is that you are now aware of a comprehensive list of variables by which to segment our target consumers.

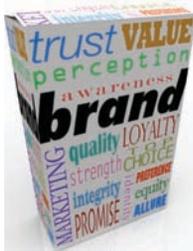
DEEP CONSUMER PROFILING

Once we have identified our target market segment we must now prepare a comprehensive, deep profile of this segment. By *comprehensive deep profile*, we mean a description of as many of the consumer concepts as possible, as covered in this book. For example, suppose that our target segment consists of college seniors in metropolitan areas with a cosmopolitan outlook. Now, for this segment, we will need to describe everything: their values, motivations (e.g., achievement- or ego-needs), their lifestyles, and their activities and interests. For example, what kinds of music do they like? Are they into fine arts, fine wines, dining, sports, or community volunteerism? What is their culture, their ethnic identification, and their self-concept? What are their life themes, and what are some of their current life projects? Also, describe their perceptions about the marketplace, our product category, our brand, and competitor brands. Is this product category one of high or low involvement to them? How knowledgeable are they about this product category and about our brand? In what ways do they see the product as related to their life themes? What are their reference groups? And which reference groups do they consider relevant, and from whom do they seek influence when selecting a brand from your product category? What specific product benefits are they seeking? What are their evaluation criteria? Which brands are in their evoked and consideration sets? What is their attitude toward our brand, on all three of the attitude components (know, feel, do)? Are they comparison shoppers, impulse buyers, coupon clippers? And so on.

To prepare such a profile, we will need to do in-depth consumer research. Initially, qualitative research using focus groups and in-depth interviews may be used. These may be followed by large-scale quantitative studies. If our product typically engages hedonic, social, and identity (rather than exclusively utilitarian) product values, then we may also want to deploy creative research methods such as visual collage construction or ethnographic studies (see Appendix 1). In essence, we are preparing a dossier on our target consumers. Such in-depth profiling might in turn reveal important sub-segments, and we must, naturally, recognize them and profile them individually. We may also revisit our decision to target or not to target a specific segment or sub-segment in the first place.

Actually, *targeting* might be a misguided term, notwithstanding its use in marketing for more than four decades. A better term would be *frame-forming*. “Targeting” implies that consumers are the target (as in a bull’s eye). What marketers need to do instead is to adjust their *frame of view*, and to bring the consumer into the frame so they (marketers) can then keep the consumer in focus. Mere semantics? Actually, no. Labels do reflect our implicit view of a phenomenon, and, in turn, they guide (and misguide) our actions themselves.





RESPONSIVE OFFERING PRESENTATION

The third and final step is *responsive offering presentation*. By “offering,” we mean the product or service with all its associated entities—its branding, packaging, assortments, warranties, prices, distribution channels, and advertising messages. The so-called “augmented product,” that is. This offering must be responsive to all of the elements of the deep profiles we will have prepared—responsive to how consumers think, feel, and act. Essentially, this entails planning the 5Ps of marketing—four of which are classic, and the fifth a recent realization. Let us briefly discuss each.

Fashioning 5Ps of Marketing

Product The principal instrument of creating consumer satisfaction is the product. For established consumer needs, product designers should create configurations that best meet

the needs of target consumers. In a car, for example, do our target consumers want fuel economy or high performance, style or comfort? What amenities do they want? Many needs are latent, but placing ourselves in the consumers’ proverbial shoes and making keen observations can suggest products for hitherto unmet needs—this is how teeth whitening strips or Torrid stores for plus-sized teenage girls were conceived. Observing consumers’ changing lifestyles can also uncover needs for new services such as mobile pedicure or apps like Snapchat, Shazam, and RunPee.

Pricing Several characteristics of the psychological makeup of your target consumers should inform our pricing decisions. Price should obviously be set at a level our target consumers can afford, based on their income. Beyond that, a product’s desired image (e.g., economy or prestige) affects pricing. Consumers’ reference price and price-quality associations also dictate pricing levels. If the target segment is price-sensitive and given to comparison-shopping, then the prices would have to be set at competitive levels. The more the product is bought for reasons beyond its utilitarian value, the less price-sensitive consumers are. Likewise, the more the product plays a role in consumers’ life-themes, the less price-sensitive the consumer is. Less price sensitivity means consumers are willing to pay more for intangible dimensions of the product or service, such as the prestige of the brand.

Place Marketers have a choice of a wide array of retail stores and distribution channels. Through classical conditioning, the image of the store rubs off on the product and brand; and, conversely, the brand’s image rubs off on the store. That is why Target (a U.S.-based department store company) has commissioned renowned artist Philippe Starck to create signature merchandise exclusively for itself, and why Sears/K-Mart stores carry the Martha Stewart brand. The reciprocal conditioning between product image and store image occurs primarily for products with social and ego-identity value components (e.g., clothing, accessories), but not noticeably for primarily utilitarian products (e.g., appliances). Stores themselves carve out their personae through atmospherics, making them more or less inviting for browsers. In making place decisions, marketers also need to decide if they should sell their products on the Web—either exclusively, or in addition to bricks-and-mortar stores. Likewise, bricks-and-mortar stores need to decide if they should have a storefront on the Web as well. This depends, in large part, on whether or not the target market is net-savvy.

Promotions Promotions, as we know, consist of personal selling, publicity, sales promotions, and advertising. In personal selling, one of the most significant factors is whether the consumer looks to the salesperson as an informational and expert referent or, alternatively, as an identificational referent. Furthermore, the salesperson’s product knowledge should dovetail with customers’ own product knowledge levels and should

complement their need for more information. Sales promotions are a valuable tool for *attracting* deal-seeking consumers, but their periodicity and predictability should be managed so as not to create an enduring expectation in the consumer's mind. *Publicity* is non-advocate communication (i.e., independent of the marketer), either in the mass media (e.g., a newspaper article on the brand) or through person-to-person word-of-mouth. Because dissatisfied consumers talk (and they talk more than do satisfied consumers), it is imperative for marketers to resolve consumers' dissatisfaction, for example, through effective service recovery. Beyond that, advertising in newsworthy ways itself creates publicity (or *buzz*, if you will); for example, a TV commercial by Honda wherein a very voice-talented choir simulates, using only their mouths, the aural and sensory experience of driving a Honda.

Advertising (or, speaking more broadly, marketing communications) is also the field in which consumer behavior concepts most intimately influence marketing practice. Different media reach different consumers, defined both in terms of demographics and psychographics (e.g., *Self* magazine for image-focused teenage girls, and *Men's Health* magazine for fitness-obsessed adult men). Within the ad itself, the persons shown using the product should be similar to the target consumers in both demographics and lifestyle. Brand advertising should even capture the desired mood and the attitude of the prospective consumer. A celebrities must be carefully chosen to serve as a type of referent (namely, informational or identificational) that our target segment is seeking. The specific appeal itself must be determined through a careful consideration of the total consumer profile. It has to be congruent with the consumer's culture (e.g., individualistic or collective), address the consumer's motives, help bolster his or her self-concept, be an instrument of identity projection, and create the kind of brand relationship the target consumer seeks. If the consumer has misconceptions, then the firm should set out to correct them. If the consumer has no brand knowledge, then the marketer should focus on imparting that knowledge. If consumer cognitions about the brand are already adequately and truthfully formed, then advertising should move toward creating emotions and feelings by attaching some element of feeling to the product.

Advertising also should be fashioned according to the diverse levels of consumer involvement—more visual, with banner copy for low-involvement consumers, and a detailed product story for high-involvement consumers. Marketers should also harness the enthusiasm and interest of highly involved consumers in order to build brand communities by organizing brandfest events (as does Chrysler for Jeep, among others).

Personalization Personalization refers to how a business organization treats an individual consumer—as a number, or as a person. This is the “how” dimension of business transactions. It is most pertinent to the consumer-marketer interface, the interaction between the consumer and the marketer. Whether that interaction is through telecommunications, consumer-initiated or marketer-initiated, purchase, it should be functional (meets consumers' needs), efficient (minimizes inconvenience and costs), and socially rewarding (addresses the consumer's need to be respected and valued as a person). Functionality, efficiency, and social reward should be the course, from the consumer's point of view, not the marketer's. Interactive Voice Response (IVR) systems might be efficient from the marketer's point-of-view, but if they turn the consumer into a mile-long nested menu, then, from the consumers' point-of-view, they constitute a negative value. And once the consumer is connected with a real human (for tips on how to, see www.gethuman.com), the challenge is even greater—the live human should be, well, *human*. She/he should have good listening skills, be knowledgeable about the product, and, most importantly, genuinely enjoy people.

Everything in this book about consumers will help a marketer fulfill this role responsibility. Consumers experience approach-avoidance conflicts; they make attributions (e.g., “Why is this salesperson recommending this option?”); they make quick inferences and form distorted perceptions; they need mnemonics to remember market information; they need recognition cues to recall a brand message (aided recall); they sometimes enter the marketplace trying to form evaluation criteria (therefore, we should not push them



toward a quick decision); they enjoy browsing. To get information, women approach the salesperson quickly, while men like to discover it on their own. And most important, rather than being persuaded, consumers persuade themselves. We will likely review these concepts in the book from time to time, as we plan our marketing programs to connect with our consumers. The utility of re-reading about various consumer behavior concepts in this book can never be overemphasized. After all, the purpose of a marketing program is not merely to go through the routine, or to see that the system runs efficiently, or to play the standard script. Instead, it is to *satisfy* the consumer. The consumer—the curious, engaged, distracted, bored, hassled, anxious, confident, risk-averse, venturesome, task-focused, playful and spontaneous, self-doubting, motivated, unmotivated, minimally involved, enduringly involved, angry, delighted, frugal, indulgent consumer, living out his/her self-concept, and seeking from the marketer products that will advance his or her current life projects.

To understand this consumer deeply, and then to innovate responsive offerings is, our sacred task. And it is also our grand opportunity to do well for ourselves by doing well by the consumer. To prepare us for that task, we hope this book has served us well, and that it has given us reasons to revisit the many CB concepts illuminated herein.



CB Blog Epilog

<http://www.mycbbook.com/blogs>



DEAR MARKETER: ROMANCE YOUR CONSUMERS ANEW

Consumer knowledge empowers us, the marketer, not to manipulate consumers, but to respond to their strivings and wishes; to their modes of thinking and feeling, to their common values. In this view, consumers accept classical conditioning when the brand is paired with the symbols they want the brand to have; they embrace the brand's intended social image if it conforms to their idea of what is currently cool. And it is they who choose (beforehand and independent of marketing) what reference groups, what social icons, what cultural divas they will adore. What marketers can do is, simply but importantly, respond.

In this perspective, marketers place themselves on the side of consumers. Together, they try to create solutions to consumer problems, offerings that deliver values consumers seek—captured in the acronym USER (Chapter 1). It is this partnership that the study of consumer behavior in this book has, we hope, prepared you for. Both in terms of skills and knowledge as well as in terms of perspective and world-view.

Marketing is not about outsmarting the consumer. It is, rather, about casting our company, our product, our brand in the consumers' image. It is about making our brand offerings (5Ps) more adorable, from the consumer's vantage point. It is about creating products and services, and crafting the symbolic images to accompany them, that bring consumers real value—tangible and intangible, material as well as fantastic, in ways that promote their physical, social, and psychological wellbeing.

The only legitimate mission of marketing is, or should be, to create real value for the consumer. Understanding consumer behavior helps us grasp the quintessential value of consumption and to understand how we should, as marketers, fulfill marketing's ultimate purpose: to become co-creators of the consumption value humans seek.

Let us commence this journey anew, with a new zeal to serve our new consumer-emergent, empowered, enchanted.

KEY TERMS

Frame Forming
Personalization
Deep consumer profiling
Responsive offering
presentation

YOUR TURN**REVIEW+Rewind**

What do the following terms mean: (a) Personalization, (b) deep consumer profiling, and (c) frame forming.

Describe some bases of segmenting a market.

Briefly explain the three-step process described in the chapter for marketers to apply this book's lessons.

It is in the human psyche that consumers will forever seek novel experiences. Marketers must constantly innovate “offerings” that produce these experiences. This is the marketers’ challenge. And their privilege.

**Welcome to the
fascinating world of
future consumption!!**

