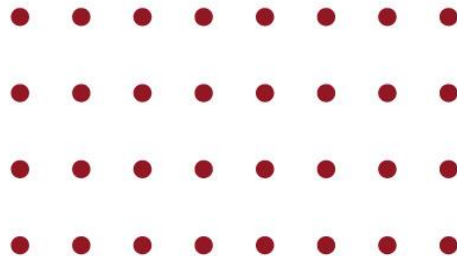


Consumer Experience
in the Digital
Environment

Introduction to Consumer Be- haviour

Unit 1





Contents

- Introduction to Module and Lecturer
- Consumer Behaviour and Marketing Strategy Concepts
- Applications in Consumer Behaviour
- Market Analysis Components
- Consumer Decision-making Process
- Difference Between Business and Consumer Markets

Introduction to Lecturer: Eva Gundermann



- **10 years experience in digital marketing** working for companies like QAD, Kigo (Realpage Group) and Expogrupa (Selentia).
- **7 years experience in Google Ads** working for companies like Norwegian Air Shuttle and digital marketing agencies like Desmarkt.
- MBA from EADA Business School

Teaching experience in other schools than GBSB:

- Toulouse Business School – Inbound marketing
- ESERP – Ecommerce & digital marketing

<https://es.linkedin.com/in/evagundermann>

Module Introduction



Strategic Marketing:

- Consumer-led marketing & consumer behavior
- Segmentation & targeting

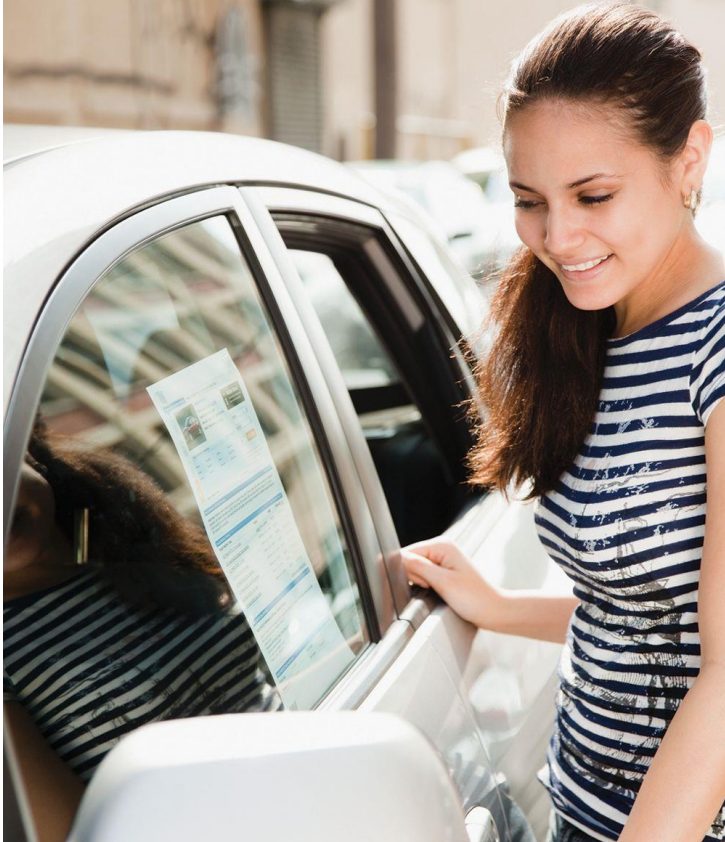
Neuroscience:

- How does our brain work
- Uses of neuroscience
- Neuromarketing

Ecommerce:

- Trends, challenges & opportunities
- Omnichannel strategies
- Customer loyalty
- Marketing automation
- Digital operations
- Vendor management

Enlightened Carmakers Know what Customers Value



Women:

- Make 60% of new car buying decisions
- Influence 84% of decisions

Key elements of their decisions:

- Sense of Styling
- Need for Speed
- Substance of Safety
- Shopping Experience

Consumer Behaviour and Marketing Strategy



Consumer behaviour is the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society.

Applications in Consumer Behaviour

1. **Marketing Strategy**
2. **Regulatory Policy**
3. **Social Marketing**
4. **Informed Individuals**



Outcomes

Individual
Firm
Society

Consumer decision process

Problem recognition
Information search
Alternative evaluation
Purchase
Use
Evaluation

Marketing strategy

Product, Price, Distribution,
Promotion, Service

Market segmentation

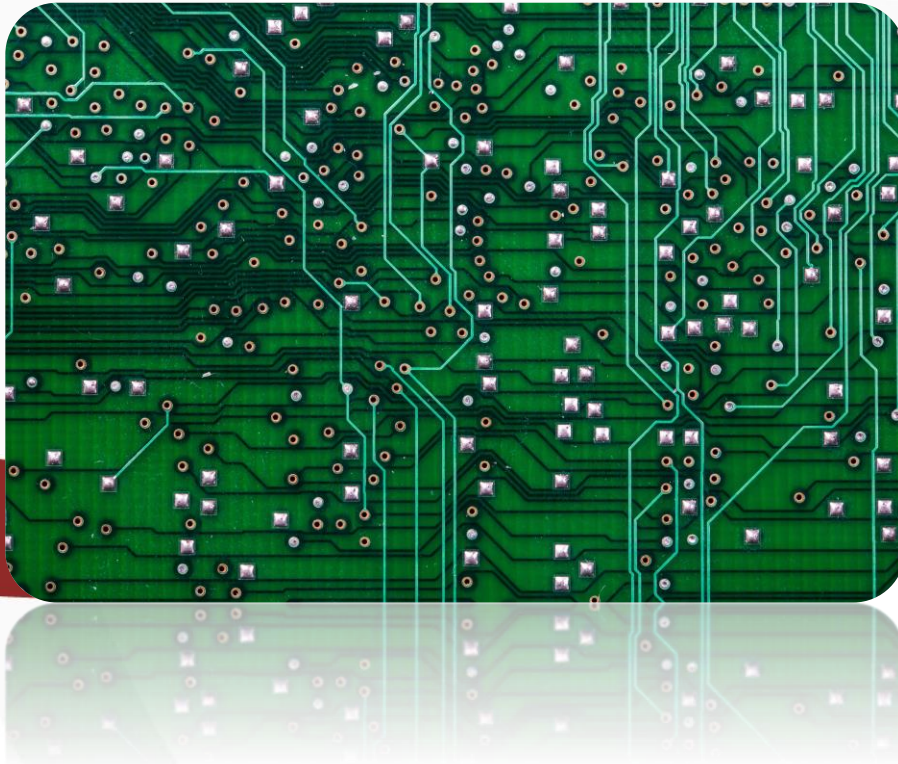
Identify product-related need sets
Group customers with similar need sets
Describe each group
Select attractive segment(s) to target

Market analysis

Company
Competitors
Conditions
Consumers

Marketing Strategy and Consumer Behaviour

Market Analysis Components



1. Consumers
2. Company
3. Competitors
4. Conditions



Marketing Strategy

- **Marketing strategy** is the answer to the question: **HOW WILL WE PROVIDE SUPERIOR CUSTOMER VALUE TO OUR TARGET MARKET?**
- This requires the formulation of a consistent marketing mix, which includes:
 1. Product
 2. Communications
 3. Price
 4. Distribution
 5. Service



Consumer Decisions

Consumer decision process intervenes between *the marketing strategy*, as implemented in *the marketing mix*, and *the outcomes*.

Company can succeed only if consumers see a need that its product can solve, become aware of product and its capabilities, decide that it is the best available solution, proceed to buy it, and become satisfied with the result of purchase.

TAN... don't burn... use COPPERTONE

Get a faster, deeper tan plus **GUARANTEED** sunburn protection!



Sunbalanced Screening does it! With Coppertone, you get a faster, smoother, *deeper* tan, with maximum sunburn protection—than with any other leading product! That's because Coppertone's special screening agent, homomenthyl salicylate, lets *in* the ultraviolet tanning rays that activate coloring matter deep within your skin... as it shuts *out* rays that burn and coarsen your skin.

Conditions Skin, too! The extra lanolin and other protectives in Coppertone keep it on the skin longer, protect you even after swimming. Coppertone prevents ugly drying and peeling, too.

America's Favorite! Originated in sunny Florida, Coppertone now far outsells all other suntan products. Use it whenever you're out in the sun—at beach, pool, fishing, or right in your own backyard. Available in Lotion, Oil, Cream, Spray, and new Coppertone Shade for children and those with sensitive skin. Also Noskote. Get a rich, long-lasting Coppertone tan! Get Coppertone in large size to save most.

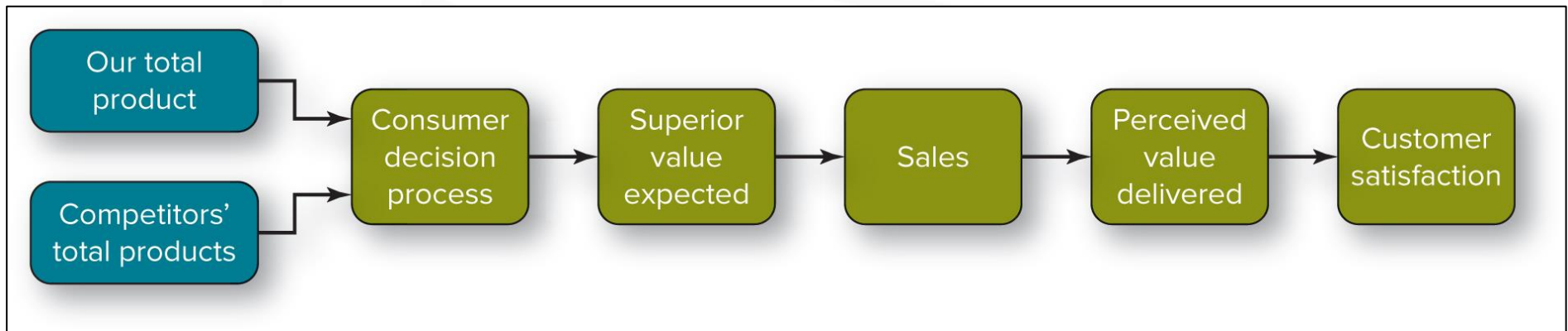
Another quality product of Pough, Inc.
Also available in Canada

Don't be a paleface!

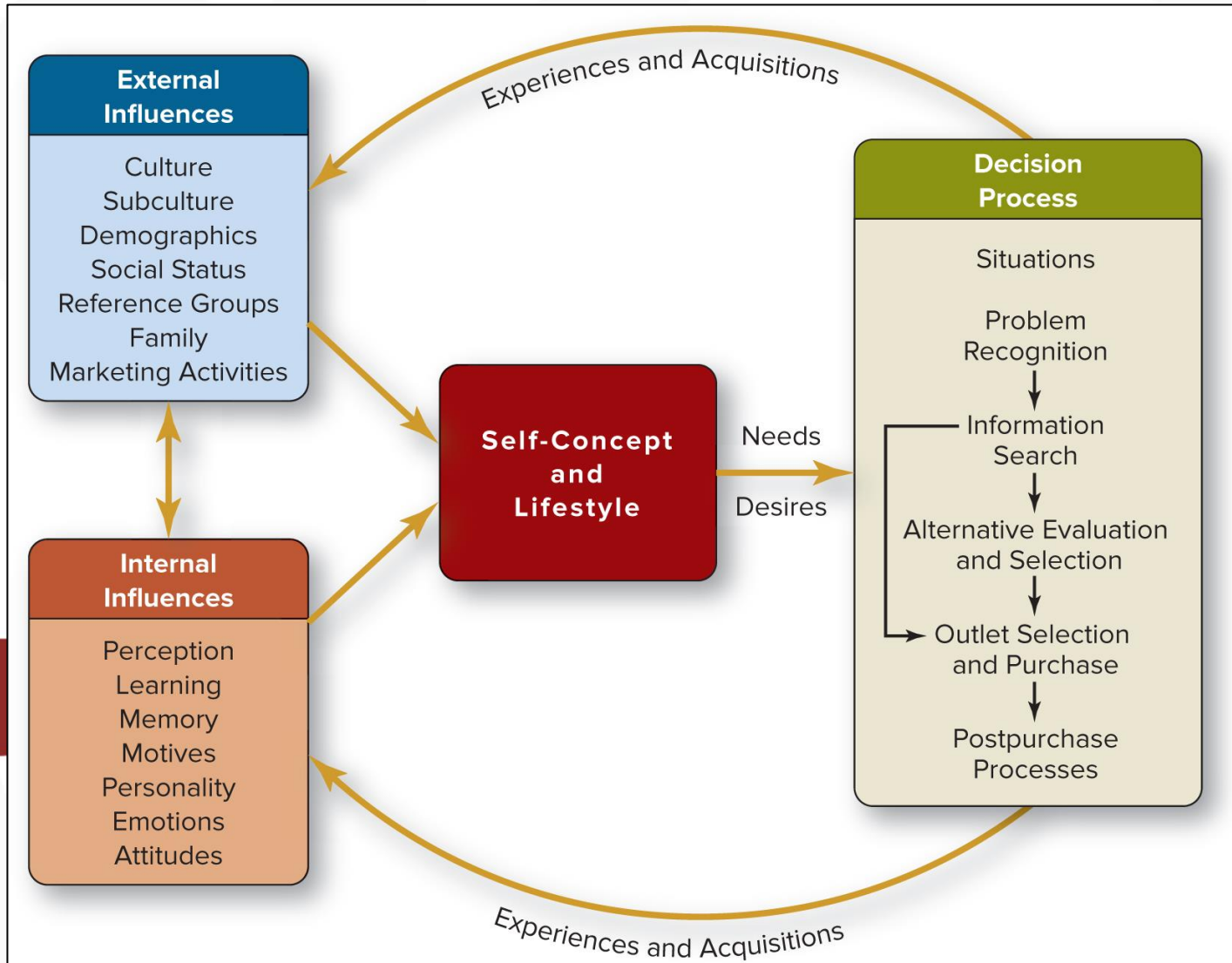
Outcomes

1. Firm Outcomes
2. Individual Outcomes
3. Society Outcomes

Creating Satisfied Customers



Nature of Consumer Behaviour

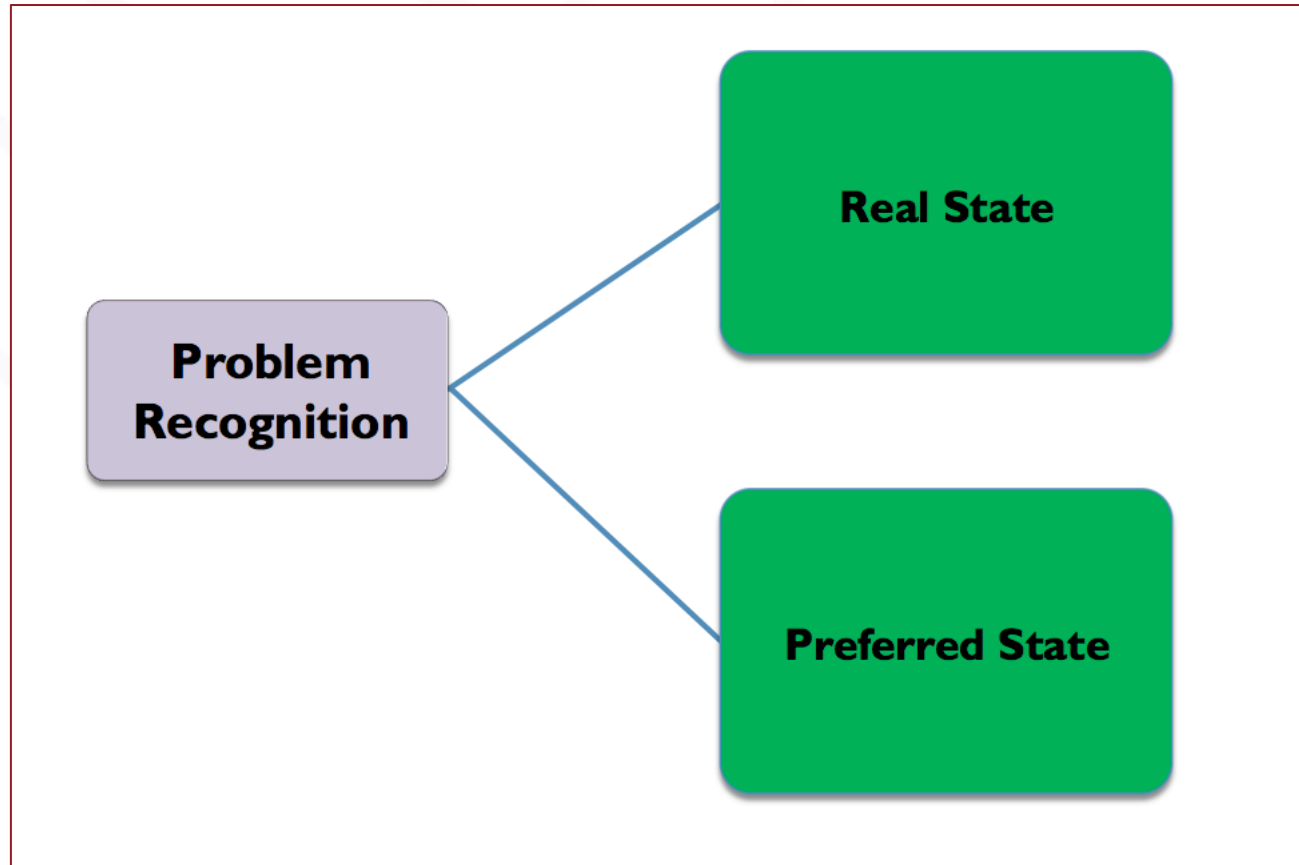


Overall Conceptual Model of Consumer Behaviour

Consumer Decision-making Process



Consumer Decision-making Process: Problem Recognition



Search for
Information

Minimal
Information
Search

Limited
Information
Search

Extensive
Information
Search

Consumer Decision-making Process: Search for Information

Search for
Information

Information
Sources

Internal
Information
Search

External
Information
Sources

INFORMATION SOURCES

Common Consumer Selection Criteria for the Evaluation of Smartphones

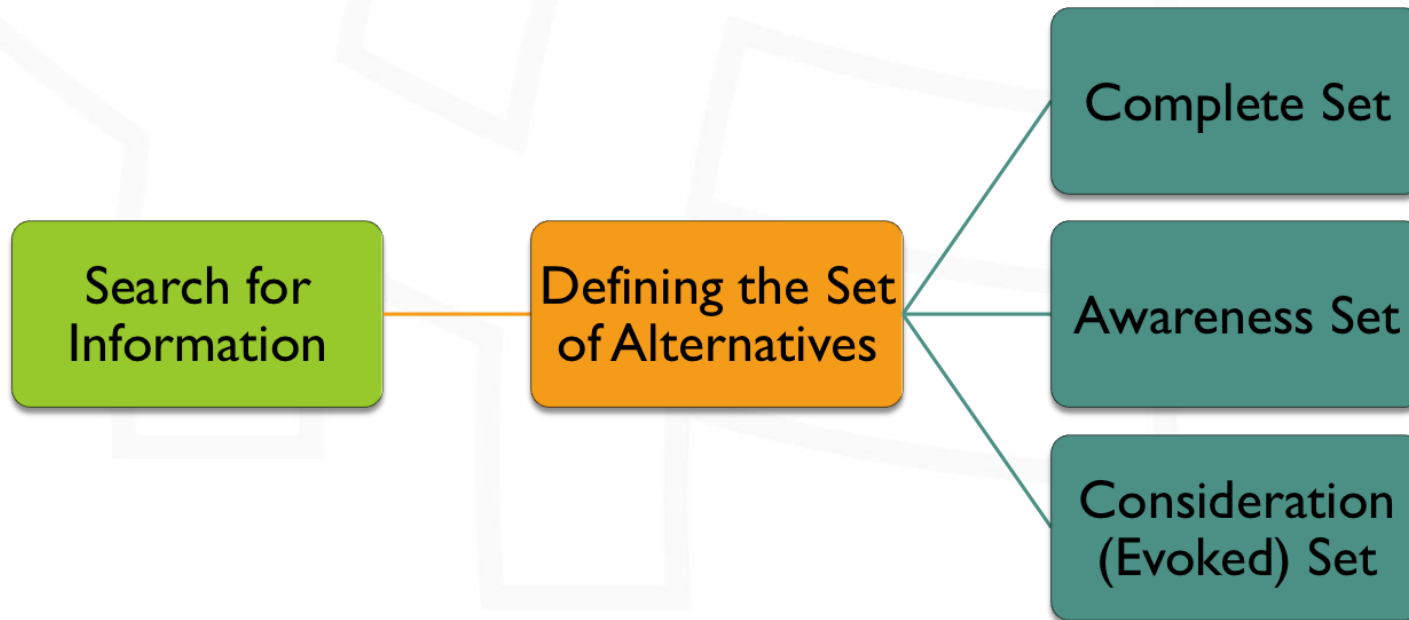
Brand and Model Name					
Common Selection Criteria	Apple iPhone X	HTC U11	LG G6	Motorola Force Dröid Z	Samsung Galaxy S8
Retail price (without contract)	\$999	\$660	\$650	\$720	\$750
Phone display	★ ★ ★	★ ★ ★	★ ★ ★	★ ★ ★	★ ★ ★
Audio quality	★ ★	★ ★	★ ★	★	★ ★
Text messaging	★ ★ ★	★ ★ ★	★ ★ ★	★ ★ ★	★ ★ ★
Web capability	★ ★ ★	★ ★ ★	★ ★ ★	★ ★ ★	★ ★ ★
Camera quality	★ ★ ★	★	★ ★	★ ★ ★	★ ★
Battery	★ ★	★ ★	★ ★	★ ★	★ ★
Composite smartphone evaluations by testing organizations					
	★ ★ ★ Superior	★ ★ Above average	★ Average		

Consumer Decision-making Process: Alternative Evaluation

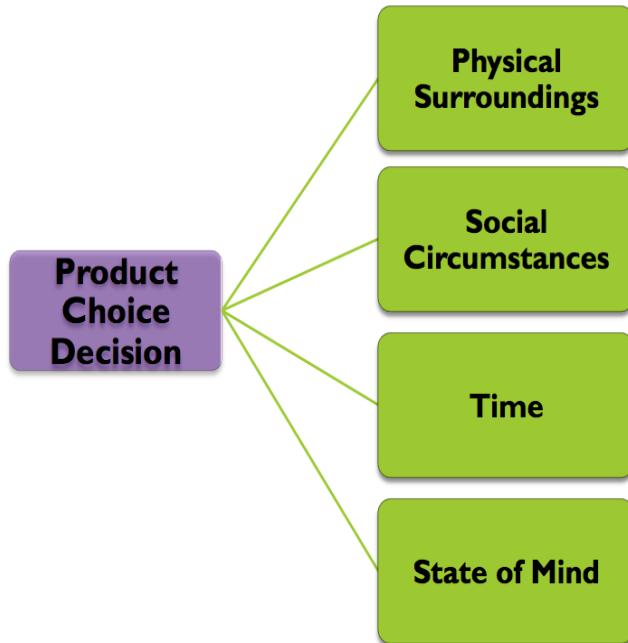
Alternative Evaluation Stage:

1. Suggests criteria for purchase
2. Yields brands that meet criteria
3. Develops value perception

Evaluative Criteria



Consumer Decision-making Process: Product Choice Decision



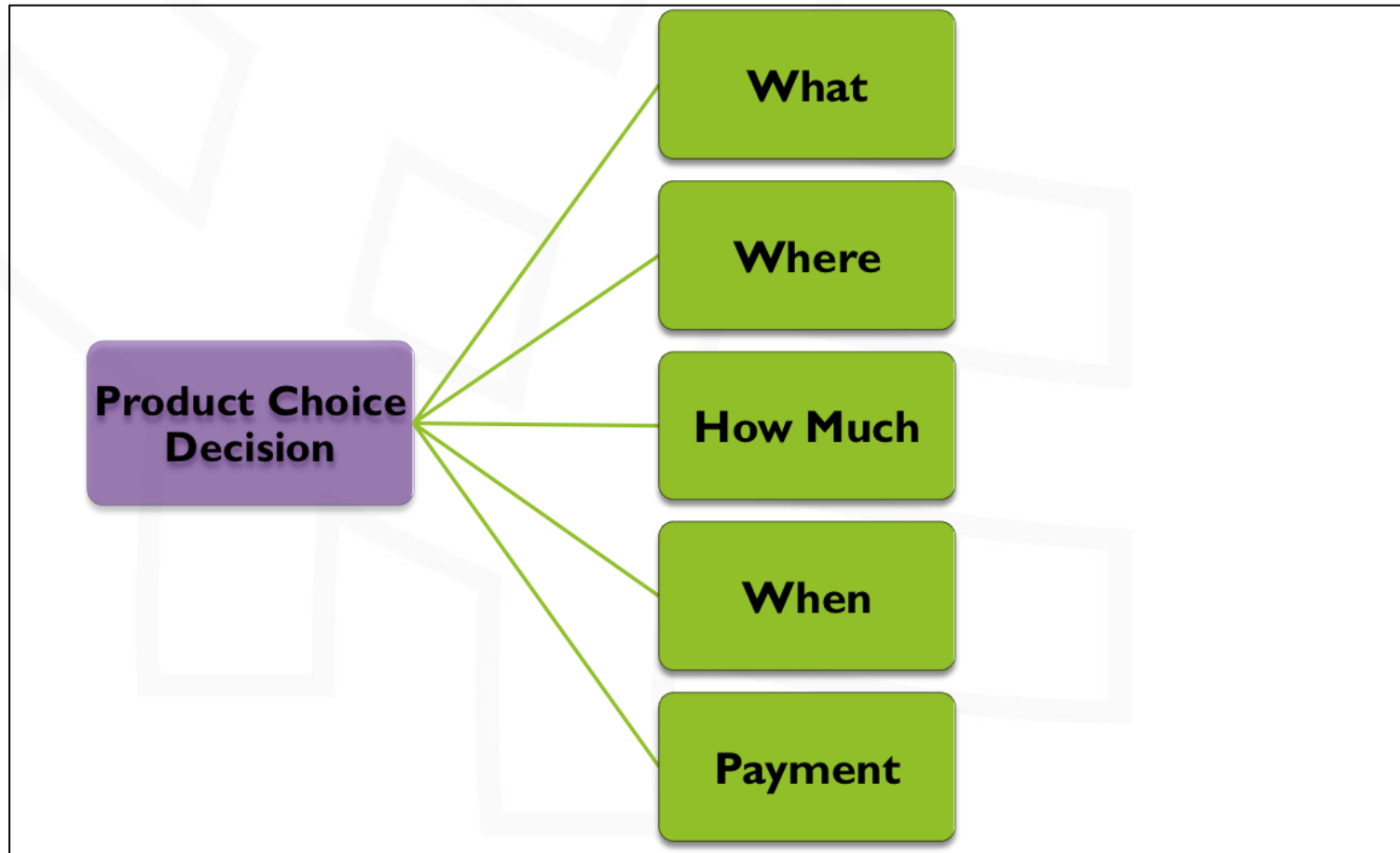
Purchase decision: Buying Value

Make purchase decision by:

1. *Decide from Whom to Buy*
2. *Decide When to Buy*



Consumer Decision-making Process: Product Choice Factors

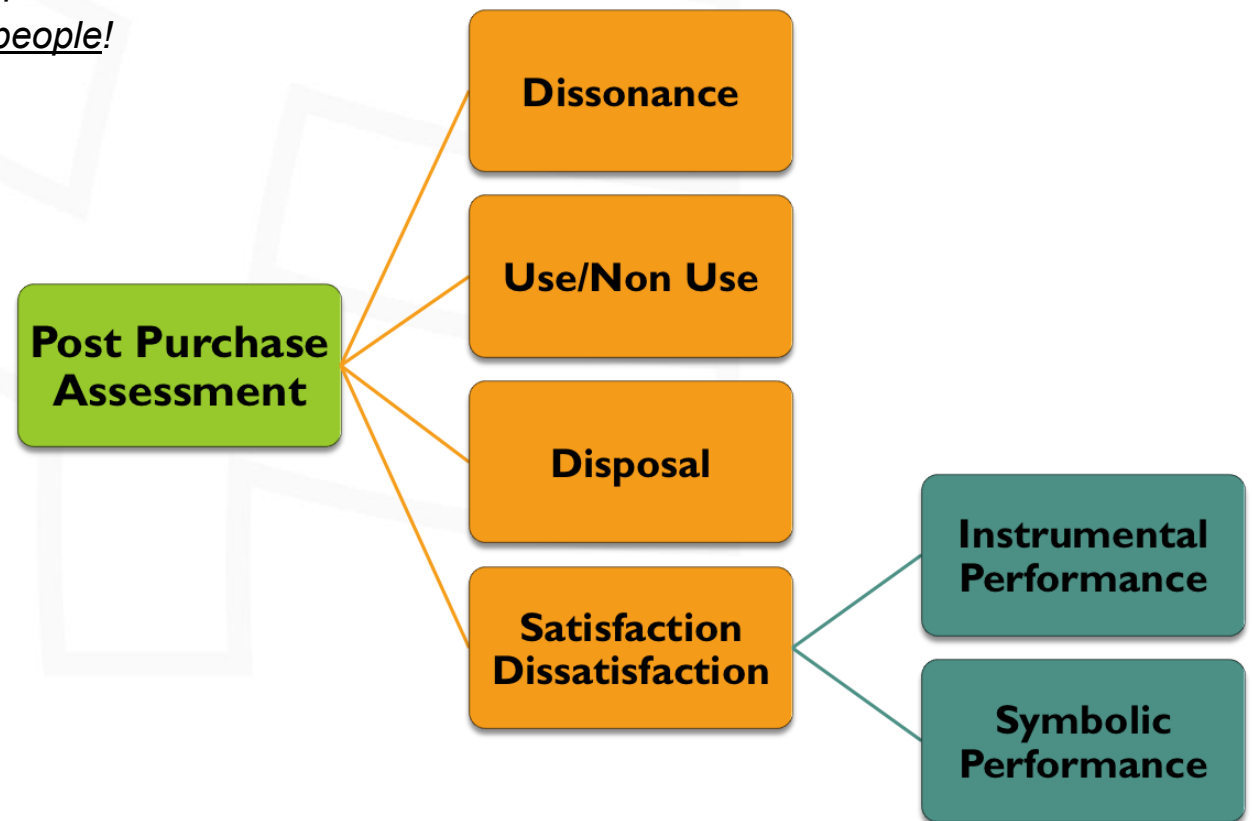


Consumer Decision-making Process: Post-purchase Decision

Post-purchase behavior: Realizing Value

Customer satisfaction studies

- *Satisfied customers tell 3 people*
- *Dissatisfied customers tell 9 people*



How Much is a Satisfied Customer Worth?

Customer satisfaction underlies the marketing concept

How much is it worth?

- Frito-Lay: Average consumer spends \$52.50/year
- Exxon: \$500/year for gas
- Kleenex: \$994 over 60 years
- Ford: Increasing customer retention from 60% to 80% is worth \$100 million in profit per percentage point

Research shows 5% increase in retention can increase profits by 70-80%



Difference Between Business and Consumer Markets

	B2B MARKET	CONSUMER MARKET
RELATIONSHIP WITH CUSTOMERS	Invest more in maintaining personal relationships	Impersonal; exist through electronic communication
NUMBER AND SIZE OF CUSTOMERS	Few but larger customers	More customers but buy in smaller, less frequent quantities
GEOGRAPHIC CONCENTRATION	Suppliers located strategically by the buyers	Could be anywhere in the world
COMPLEXITY OF BUYING PROCESS	Complex process that can take a long time (years in some cases) and involve more people	Fewer people, often just one, directly involved in the purchase decision and the purchase decision is often based on personal and psychological benefits
COMPLEXITY OF SUPPLY CHAIN	Direct from supplier to manufacturer	Complex with products moving through the channel to reach the consumer
DEMAND FOR PRODUCTS	Derived from consumer demand, fluctuates with changes to consumer demand and more inelastic (less price sensitive)	Consumer perceptions about their own needs mitigated by environmental factors and marketing stimuli

Consumer Involvement and Problem-solving

Consumer involvement affects problem-solving:

Involvement:

- **Extended problem-solving (High Involvement):**
 - ✓ Consumers seek product information
 - ✓ Use comparative ads
 - ✓ Use personal selling
- **Limited problem-solving (Medium Involvement)**
- **Routine problem-solving (Low Involvement):**
 - ✓ Common products
 - ✓ Maintain product quality
 - ✓ Avoid stockouts
 - ✓ Reduce cognitive dissonance with ads

Comparison of Problem-solving Variations: Extended, Limited and Routine

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CHARACTERISTICS OF THE CONSUMER PURCHASE DECISION PROCESS	CONSUMER INVOLVEMENT		
	HIGH	LOW	
	EXTENDED PROBLEM SOLVING	LIMITED PROBLEM SOLVING	ROUTINE PROBLEM SOLVING
Number of brands examined	Many	Several	One
Number of sellers considered	Many	Several	Few
Number of product attributes evaluated	Many	Moderate	One
Number of external information sources used	Many	Few	None
Time spent searching	Considerable	Little	Minimal

Thank You