Consumer Experience in the Digital Environment

Consumer Psychology in Digital Environments Unit 4

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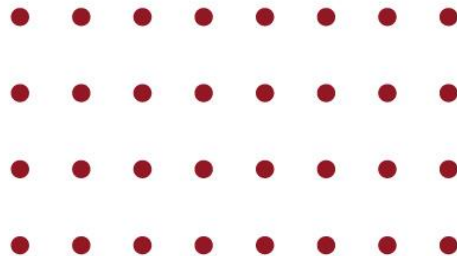
Contents

- Psychological Influences on Consumer Behaviours
- Sociocultural Influences on Consumer Behaviours
- Influence of Social Media & Influencers on Consumers
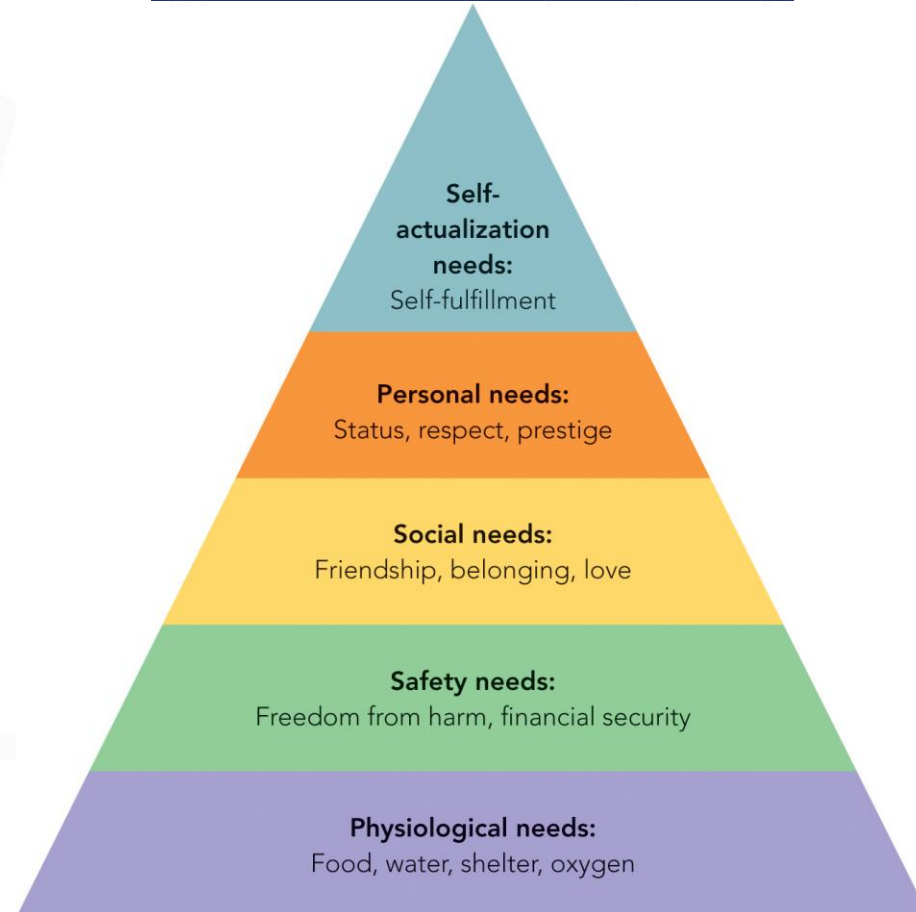- Examples

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Psychological Influences on Consumer Behaviour

Motivation

Hierarchy of Needs

- Physiological Needs
- Safety Needs
- Social Needs
- Personal Needs
- Self-actualization Needs

Maslow's Hierarchy of needs

Self-actualization needs:
Self-fulfillment

Personal needs:
Status, respect, prestige

Social needs:
Friendship, belonging, love

Safety needs:
Freedom from harm, financial security

Physiological needs:
Food, water, shelter, oxygen

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Psychological Influences on Consumer Behaviour

Personality

Self-concept

Key Traits – Enduring Characteristics of a Person:

- Assertiveness
- Extroversion
- Compliance
- Dominance, etc.

Perception

- Selective Perception
- Selective Exposure
- Selective Comprehension
- Selective Retention

Subliminal Perception

Lifestyle

- How People Spend Their Time and Resources
- Lifestyle Analysis Useful for Targeting Consumers

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Psychological Influences on Consumer Behaviour

Strategies to reduce perceived risk

- Obtain seals of approval
- Secure endorsements
- Provide free trials/samples
- Give extensive instructions
- Provide warranties/guarantees

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Sociocultural Influences on Consumer Behavior

➢ **Consumers' purchases often influenced by others**

➢ **Opinion Leaders**

➢ **Word of Mouth**

- Buzz can be either positive or negative

Reference Groups

- **Associative Group**
  - **Brand Community**
- **Aspiration Group**
- **Dissociative Group**

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Sociocultural Influences on Consumer Behaviour

Consumer Socialization

- Children learn to purchase by interacting with adults and through their own purchase experience.

- **Family Life Cycle**
  - Today, traditional families are only 20% of all U.S. households.
  - Remaining 80% include single parents, unmarried couples, divorced, etc.

Family Decision-Making

- **Two Styles:**
  - **Spouse-Dominant**
  - **Joint**
- **Family Member Roles:**
  1. **Information gatherer**
  2. **Influencer**
  3. **Decision-maker**
  4. **Purchaser**
  5. **User**

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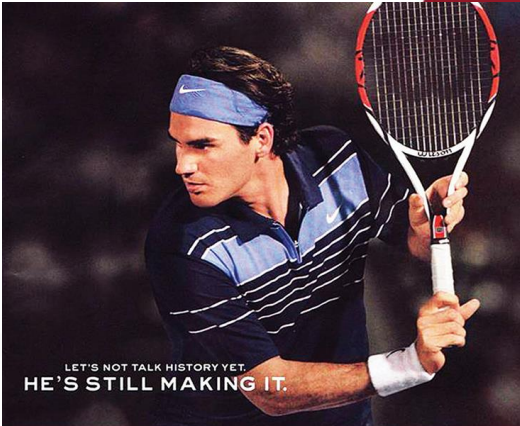
Sociocultural Influences on Consumer Behaviour

Social Class

- **People share similar values, interests, and behavior**
- **Occupation, income source, education determine social class**
  - Upper
  - Middle
  - Lower

Culture

Subcultures

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Hollywood Loves Marketing Research!

Trailer Pirates of the Caribbean (Dead men tell no tales)

A Film Industry Secret: Research

- Movie Title Testing

- Concept Testing and Script Assessment

- Test Screening

- Tracking Studies

- Social Listening

The text describes how social listening is used to help movies become a success.

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Differences in Online and Offline Consumer Behaviour

Information Display

- Several tabs open simultaneously
- Product info & price at the same time
- Side-by-side comparisons
- Not sequential
- From "alternative-based" to "attribute-based" consumer decision-making

Visual Bias

- Visual first impressions matter
- Experiment has shown that non-expert consumers rely on visual appeal

Effects of Anonymity

- Lack of social interactions leads to feeling anonymous
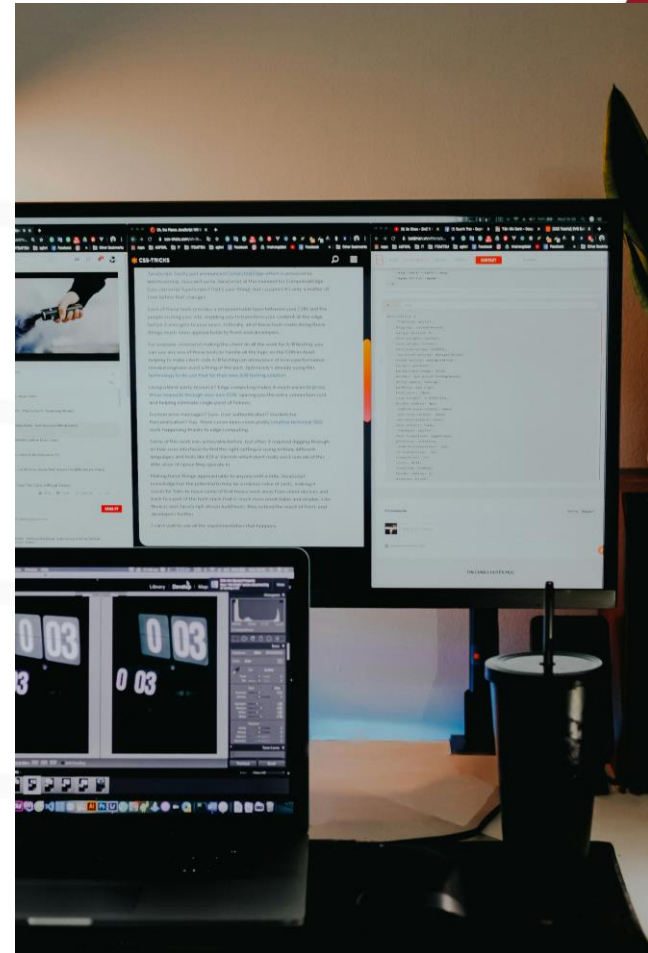- Consumers are more honest & less inhibited
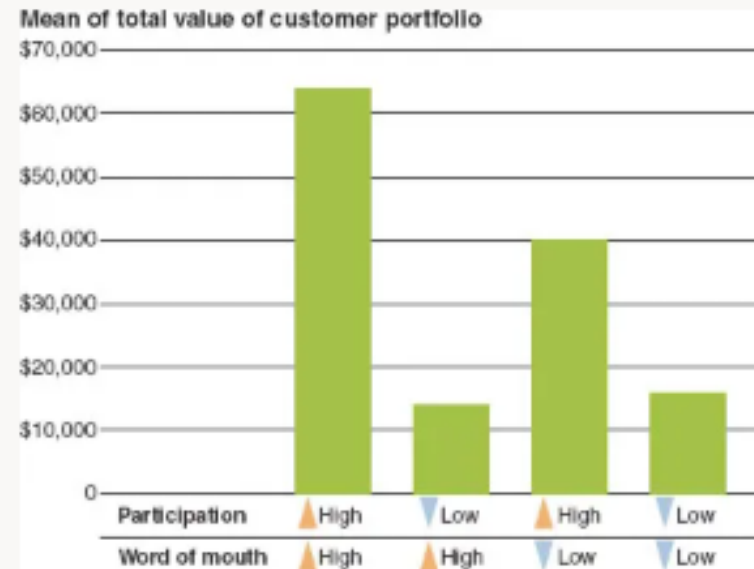

Photo of Tai Bui at Unsplash

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Influence of Social Media on Consumers

Social Media

- **Provides new ways to interact real-time**
- **Studies show that company´s use of social media can lead to**
  - Better response to brand communications
  - Increase (emotional) brand attachment
  - More loyalty to the brand and company
  - Increase in customer visit and profitability

Mean of total value of customer portfolio

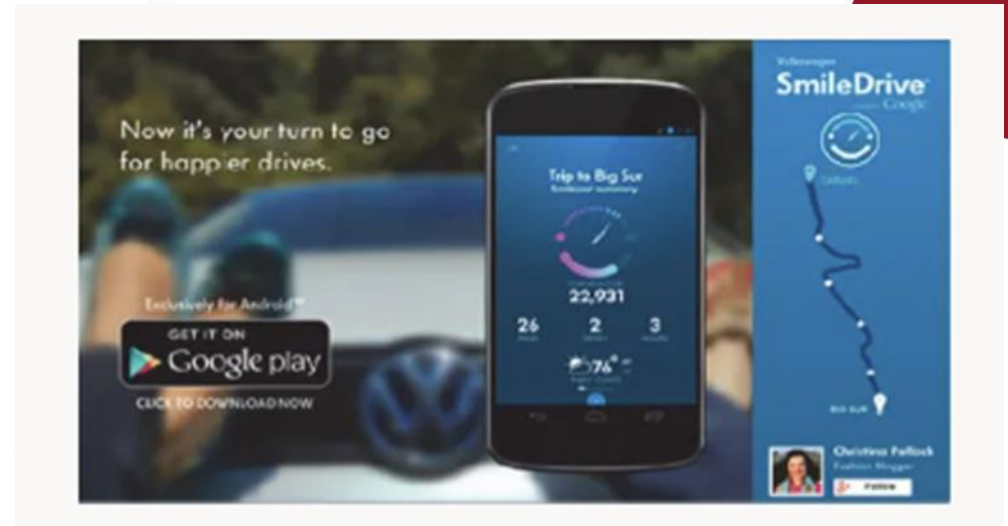|	High	Low	High	Low
Participation	High	Low	High	Low
Word of mouth	High	High	Low	Low

Mangal, V., Mandelli, A., & Rocca, U. K. L. (2016). Ucla Anderson Business And Information Technologies (Bit) Project, The: A Global Study Of Technology And Business Practice (2016). WSPC.
https://www.perlego.com/book/852359

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Volkswagen SmileDrive App Case Study

Social Media Strategy: Key Aspects

- Branded mobile app for enhanced interaction with consumers (2013)

- People spend increasing amounts of time in their cars, looking for ways to share their experiences: new way for commuters to keep track of their drives, to record distance traveled, time, and weather, and pass that info to friends and family

- Target: Consumers born 1980s to 2000s (also known as Generation Y)

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Influence of Influencers on Consumers

Influencers

- Celebrity endorsements have a large impact on consumers
- Generate product awareness,
- Increase sales
- Foster interaction between fans and influencers

"When a celebrity endorses a brand and promotes this brand, people will transfer their image of the celebrity to the brand, making the brand have a similar image."

Xie Ying, Liu Yutong, Chen Mingliang, et al. Cognitive psychological processes of consumers in the brand consumption journey: A neuromarketing perspective. Advances in Psychological Science, 2021, 29 (11): 2024-2042.
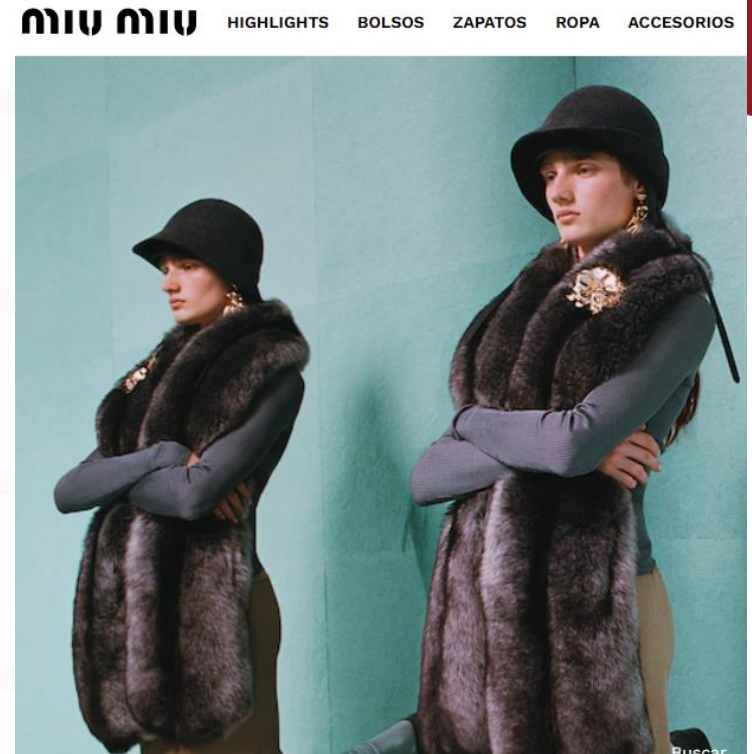

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Miu Miu Case Study

Influencer Strategy

- Italian luxury fashion brand founded by Miuccia Prada in 1992, belongs to Prada Group

- Challenges traditional fashion rules, independence and self-expresión

- Women's clothing, bags, shoes, accessories, glasses, perfums

- Target: Women between 20 and 35 , high purchasing power and fashion awareness, active on social media, commenting and sharing. Interested in emotional value and consumer pleasure

- Since 2021, Miu Miu has collaborated with several young female influencers in Asia who reflected the band´s values: girlish, intellectual, noble, independent

- Results: In the first quarter of 2024, Miu Miu's sales increased to by 89% to 233 million euros, accounting for 22% of Prada Group's total sales. The sales growth in the fourth quarter of last year was as high as 82%.

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Miu Miu Case Study

Influencer Strategy: Key Aspects

- Excellent match between influencer and brand image and values: Mia Wasikowska

- Use brand campaigns and social media to build multi-dimensional marketing: "Miu Women" short film series

- Instagram and Weibo: Shared the behind-the-scenes stories of influencers, organized brand activities involving fans, topic discussions and interactive games →emotional link between brand and consumers

- Risks and continuous monitoring via social media listening tools

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Questions?

Thank You