



Web marketing concepts (CMW)

Class 2

The customer

What is a customer?

A customer is an individual who buys products and services. We talk about consumers when it comes to those consuming a product. When the customer buys an apple from a store, he's a customer; he becomes a consumer when he eats the apple.

The customer reacts to stimuli (from internal and external perceptions), takes decisions, makes choices and buys good for personal use or for someone else.

Influenced by the immediate environments, a customer makes purchases according to his/her personality and always in order to satisfy needs.

Consumer levels?

There are three levels of consumers :

1. Buyer of a product.
2. User of a product that is bought (consumer).
3. The purchase decision maker.

Although one customer can integrate the three levels, an individual integrating only one level is also considered a customer as the three levels plays an important role in the buying of a product or service.

This means that, although a man buys something in a store, it doesn't mean he made the purchase decision nor that he will be using the product. The man may be buying computers upon his director's request. And the director may have decided of the type of computers based on employees recommendations.

Customers specificities

In order for someone to make a purchase, the customer must have : a need, motivation, decision power, have time to make the purchase and be able to access the product and pay for it.

In order to buy something, a customer first has to perceive a need. For instance, if an individual is thirsty or hungry, the customer might think about buying something to drink or to eat.

Then, after identifying a need, the customer must have sufficient motivation to fill the need and the power of making the purchase decision.

For instance, if the customer is a 3 year-old screaming for Star Wars cereals, it is mommy or daddy who will decide if the purchase will be made or not.

Finally, in order to buy a product, the consumer must be able to afford the purchase. The customer needs to have time to make the purchase and be able to make it. Also, the customer needs to have enough money or at least credit to buy the product.

Customers types

Internal and external customers

An internal customer is one already buying a brand or from a commerce. An external customer (can also be considered as a potential customer) is one buying another brand or from another retailer.

Conscientious customers

Also called *value oriented customers*, these customers are disciplined and conscientious, so they usually won't buy on an impulse, spontaneously. They think about the purchase before buying anything, so they rarely regret their purchases.

Although they appreciate a good bargain, these customers won't mind paying a little more so they get a better product. As the wise man says, buying cheap means buying twice.

Discount customers

Discount customers are constantly on a quest for discounts. When they find a brand or a retailer offering great deals, there are good chances they will remain loyal to the brand or the store their entire lifetime.

Most of the time, discount customers will buy a product if it is on sale or if they can benefit from a discount of any type.

Discretionary Spending customers

This type of customers buy a product, very often a brand, no matter what. Even during recessions, they will keep buying «their» brands because the spending has no or very little impact on their financial situation. For instance, teenagers will keep on buying their favourite brands or a lot of music no matter what since they have no bills to pay. Rich people may act the same way.

Social customers

Also called *extroverted customers*, these love to benefit from the best life has to offer. They need to interact with others, they usually prefer brands and they are sensitive to the symbolic universe of a product. Product centered of uniqueness and emotions attract them.

Open customers

These customers are open to novelties and they tend to appreciate unusual ideas and creativity. They like feeling original and unique or even uncommon. Their opposites are called *closed customers*.

Impulsive customers

Impulsive costumers buy spontaneously. They don't think before buying. They see something, love it and need to buy it right away. Generally paying little attention to brands, their purchases are not logical but emotional. Most purchases are emotional so it is important to keep this in mind when marketing a product. Compulsive consumers, buying products even though they can't afford it, are also included in this category.

Inferior products customers

Also called *cost oriented customers*, these customer don't necessarily buy low quality products, but they buy products consumers with lower incomes tend to buy. For instance, they would buy store brands instead of a national brand as the price matters more for them than the brand.

It may seems strange, but if their incomes are diminished (recession, cash flow problems, etc.), these customers tend to increase their spendings on inferior products; they still purchase the products.

Loyal customers

Although they represent a small part of the market, these customers (also called habitual customers) form a significant group of consumers. The loyal customers will keep on buying a product, a brand or from a store under almost any circumstances.

One important particularity of these customer is they become real ambassadors, telling people about the product, the brand or the store and trying to convince others to imitate them.

For this reason, many stores offer loyalty programs. For example, a coffee shop may offer you a card they punch every time you buy a coffee so you get the tenth for free.

It is important to give these customers constant attention and remind them about the loyalty program or they could become loyal to another brand or another store.

One very good example of this type of customers is beer and cigarettes consumer. They usually buy one brand and stick to it for the longest time.

Need-based customers

Need-based customers buy products in order to fulfill a need, which is, after all, always the case (financial, spiritual, practical, legal, etc.). The customer may need to replace a car, to get legal counselling, to buy new clothes for a job, to replace an old bicycle for the upcoming summer, etc.

The marketing directed towards this type of customers must anticipate the customers needs.

Personal customers

These customers purchase products for household, personal, or family (examples : dish-washing soap, toys, gardening products, etc.).

Personal customers are spending a lot of money and the marketing approach should try to appeal to them offering ways to add onto a product or upgrade it so the product seems more attractive to consumers.

Seasonal customers

These customers buy products only available at certain times of the year (Halloween and Christmas, for instance).

They spend a lot of money on seasonal purchases. For instance, they buy warm clothing when winter comes, gardening product in spring, swim suites in summer, etc.

Luxury products customers

Luxury products customers are usually consumers whom basic needs are met (food, house, etc.). They consider the brand name as much more important than the price they have to pay for the product.

The luxury products they buy consist are not oriented on survival but rather on satisfying extras most of us dream of. For example: expensive jewelry, giant screen televisions, fancy furniture, high-end designer clothing, cars, etc.

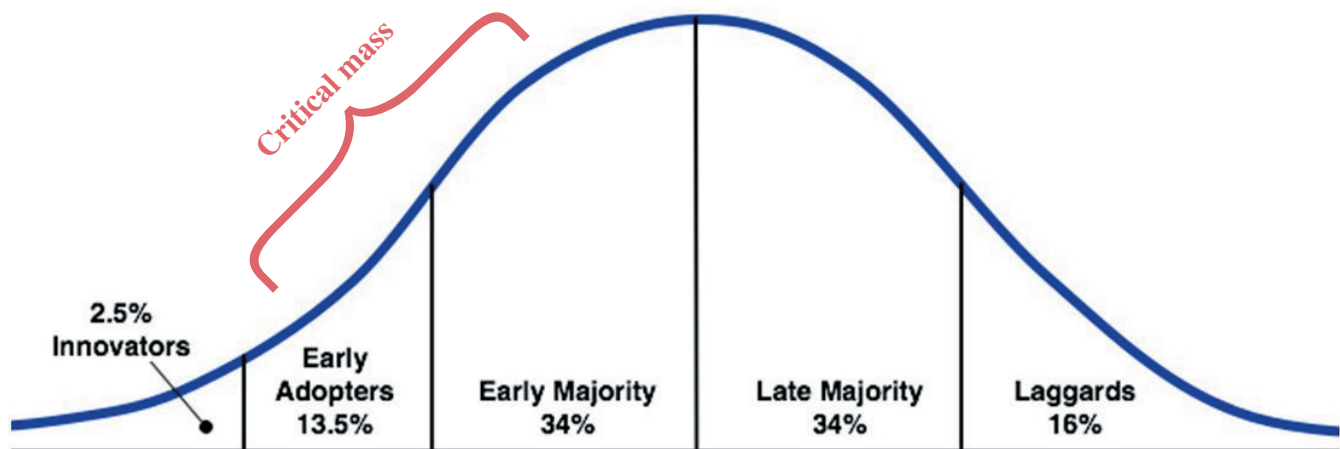
Marketing of this type of products for this type of customers should focus on the products quality and its emotional aspect. The consumption of luxury products customers is directly related on their incomes. More money they have, more luxury products they will buy.

Neurotic customers

Neurotic customers are pessimistic and can be emotionally unstable. They experience more depression, anxiety, and anger than other consumers, so they tend to not trust a brand or a retailer at once. They need to be reassured and comforted.

Adoption of innovations

We have seen that products have a life cycle, that it goes through different phases. In order to grow to maturity, the product must be accepted, adopted by a sufficient part of the population. Marketing strategies plays an important role when in come to adoptions of new products. Let's look at *Rogers curve* of adoption of innovations which explain how the population's general attitude is divided throughout the world.



Innovators

Innovators are the first customers to try a new product. They are consciously taking risks, they are open to new ideas and excited by novelties. They generally have higher incomes, higher level of education and they are usually socializing with other innovators in their chosen product categories.

Early adopters

Early adopters are influenced by innovators, but they tend to be the most influential people within any market. They are what we call *opinion leaders*. They are considered as references in their specialties, often very active in social medias and will recommend satisfying innovations to their environments (family, friends, coworkers, etc.) and strongly discourage the purchase of products they dislike.

Early adopters usually have a higher social status, sufficient access to finances, a higher level of education and they accept taking calculated risks, but not as much as innovators. They will get more information than innovators before making a purchase.

Early adopters constitute a very important part of the critical mass.

Early majority

Mainly influenced by early adopters, these costumers want to be sure they make a good purchase. Their incomes are often more limited than the two first groups, but they still generally benefit from a better than average social status.

Late majority

These customers are more sceptical. Usually having less money and a lower social status than the preceding groups, they tend to prefer proven products to reduce the risks.

Laggards

Very conservative, these customers are the last to adopt innovation (some never do), they dislike novelties and avoid risks. They generally have low socio-economic status closed to opinions from outside their social environment.

Critical mass

In oder to maximize sales and reach maturity, critical mass must first be reached (early adopters and early majority's majority).

Customers needs

We already have said that buying a product always fill at least one of a customer's needs. Customers have different needs and those are of various importance. The importance of the needs a purchase can fill is important to consider when marketing a product or a service.

The *Maslow pyramid of needs* diagram below shows the hierarchy of needs, the lower level needs usually have to first be fulfilled. Someone starving prime desire obviously won't be nice curtains.

Physiological

These very basic needs are very simple and consist on the essential to live: have access drinkable water, sufficient food, and somewhere acclimated to sleep.

Safety

When basic needs are met, people need to be safe from all types of accidents and aggressions: security, protection, and a shelter.

Belongingness

Then, people need to feel part of a significant group. They need friends, acceptance and to be loved and appreciated.

Ego

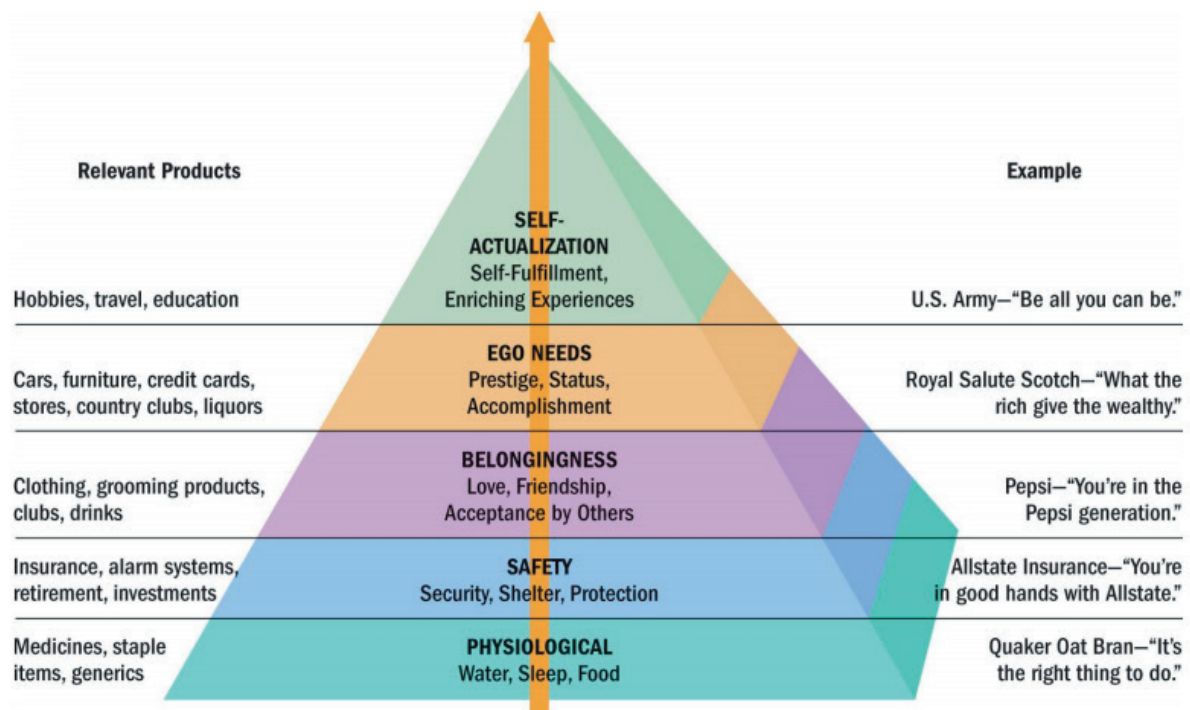
After that, and at various levels depending on individuals, they need to feel some prestige, uniqueness, accomplishment.

Self-actualization

Finally, individuals need self-fulfilment, feel they make a difference, enriched themselves with various experiences, leave something meaningful to future generations, etc.

Filling needs

If a marketing campaign can convince customers a product fills a need, or even better, many or all needs, the product will benefit from a powerful impact.



Factors influencing customers behaviours

The importance of the family

The family is very important in the making of a consumer. It is greatly influential. It is the first reference group of an individual.

Families have a very stable cultures. They have consuming habits, preferred tastes and brands, etc. and they model the family members behaviours.

For instance, when a child finally leaves the parents home for a first apartment, chances are the first box of laundry soap bought will be the brand the family used to buy. And it will be the same for a lot of products, at least for a while.

The importance of social classes

Consumers are grouped primarily based on their incomes and living standards, and there are excellent reasons for this.

Individuals from a given socio-economic group tend to have the same culture, the same education, and very often the same level of instruction. They share the same values, the same culture, the same style of life, the same interests and tend to adopt the same behaviours.

The importance of culture

The consumer's culture is an important factor. Culture means nationality, of course, but it also refers to the family culture, general culture and various subcultures.

By definition, a culture is formed of similar values, similar norms and standards, shared moral principles, ways of life, etc.

These specificities force to adapt marketing strategies to the targeted public.

The importance of reference groups

As we already stated, family is an individual's first reference group. But when becoming independent, an individual will

develop his own moral principles, his own tastes and preferences, his own personality.

The individual usually gradually getting more independent from the family, will make friends, people sharing similar interest, tastes and opinions, who will become an important reference group as human tend to imitate each other.

Like any other groups, **friends circles** share similar opinions, tastes, values and behaviours. Members of the group will influence each other and, in order to feel they belong to the group, individuals will adapt their behaviours and, of course, their consuming acts.

But individuals have complex personalities and they usually fantasize of belonging to another group of reference, normally superior to the one they belong to.

In order to fit in one of these new groups (or to aspire being part of one of them), individuals will behave according to these groups norms and standards which are almost rules.

Imagine you join a group of rich young people wearing expensive clothes, living in huge houses in awesome neighbourhoods and you arrive with an old rusty car. I bet you won't feel it belongs between one of your new friends brand new BMW and Mercedes, nor will you. To fit in, chances are you will need to mimic them as much as you can, and even to impress them with superior products or brands.

The importance of self-image

The consumer always act according to :

- What he believes he is
- What he believes he represent
- What he desires to be
- What he wants to appear as

The new logic of consumption states that consumption, in our modern ways of life, isn't about satisfying needs anymore, but more about an act of self-actualization.

When a customer buys goods, of course, the products will fill needs, but the choices made by the customer go far beyond filling needs.

Consuming as a way of self-actualization

Upon buying a product, the customer makes a public statement related to the symbolic universe of the product.

Around a product, a symbolic universe is built. A product may be perceived as cool and trendy, another one may be perceived as classy. Certain eyeglasses are sexy, others are perceived as intellectual and some will make you look like being part of the country's cultural intelligentsia.



The consumer exhibits his personality making public his tastes and various values incarnated by the products, and more often, by the brands.

For instance, a freshly graduated graphic designer won't just want a computer, he will want a *MAC*. To celebrate, it often won't be enough to get a bottle of sparkling wine, champaign will be wanted, and why not a *Veuve Clicquot*?!

Customer purchase decision-making process

The decision-making of a purchase is a process made of five steps the customers has to go through. Of course, all the aspects of the customer's personality such as socio-economical and sociocultural profiles, the family and the reference group, the type of buying behaviours and, of course, the marketing activities influence the purchase decision-making process.

1. Need recognition

The very first step is for the consumer to have a conscious need to fill. Needs may be very various in type or importance and can be as trivial as a strong envy.

2. Information search

Once the need has been identify, the consumer searches for informations on how the need can be fill. For instance, where the product can be found, its price, etc.

This phase is also related to external stimuli such as an advertisement, or a simple memory. These can actually sometimes constitute a trigger to needs recognition. For instance, you see the advertisement of a pizza in the metro's corridor, you're suddenly hungry and, thinking fast, you say to yourself: let's grab a slice on ground level!

3. Evaluation of alternatives

The consumer having one possibility will evaluate alternatives such as: a better place to get the product from or a better price to be found.

4. Purchase

Once a choice has been made, and if there is sufficient **motivation** and weak **breaks**, the consumer will make a decision (to proceed or not) and go on location (or order), get the product, pay for it and use it.

Once in-store, the consumer may hesitate between two products or simply wonder if the purchase should be made or not. In order to proceed, the consumer need **conviction** and or **reinforcement**. That is why there are advertising next to the cash register.

5. Post-purchase impressions

The first post-purchase impression is related to the buying experience. Two main factors are evaluated: the location and ambiance of the store and the customer service.

The second post-purchase impression is related to the use of the product.

If the product is satisfying but the experience was bad, the consumer may simply buy the same product again but from another retailer.

