Consumer behaviors, customer experience and customer insights
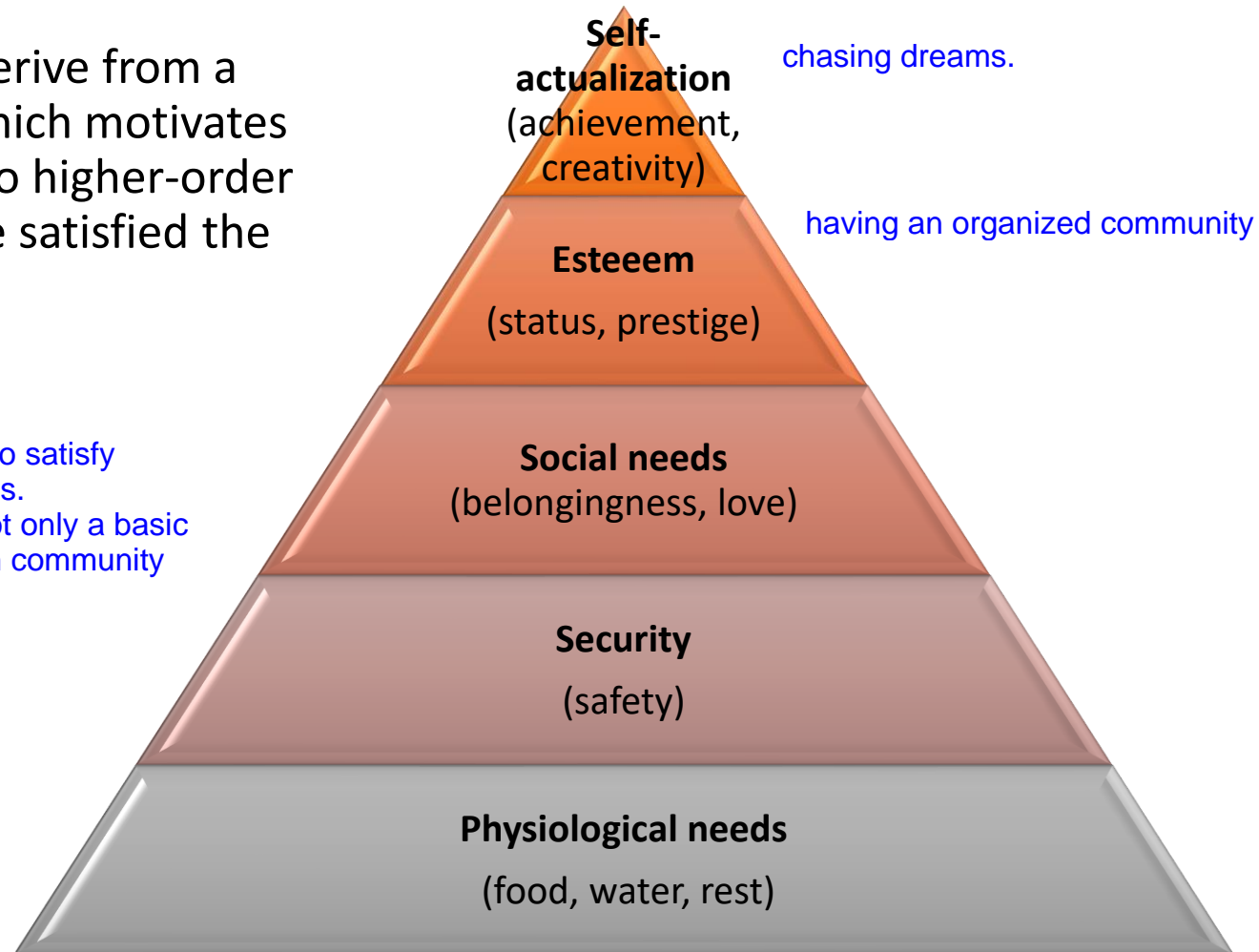
Debora Bettiga

Consumer behaviors

First step is Needs

Maslow's Hierarchy of Needs

Assumption: needs derive from a sense of privation, which motivates human beings to go to higher-order needs once they have satisfied the lower-order ones

nowadays brands are trying to satisfy higher levels / orders of needs.
like NIKE's shoes which is not only a basic level of needs, but a status in community

Self-actualization (achievement, creativity)

chasing dreams.

Esteeem (status, prestige)

having an organized community

Social needs (belongingness, love)

Security (safety)

Physiological needs (food, water, rest)

From needs to motivation

Need: a feeling that something is missing (privation) compared with the general satisfaction of the human condition (Kotler, 1999)
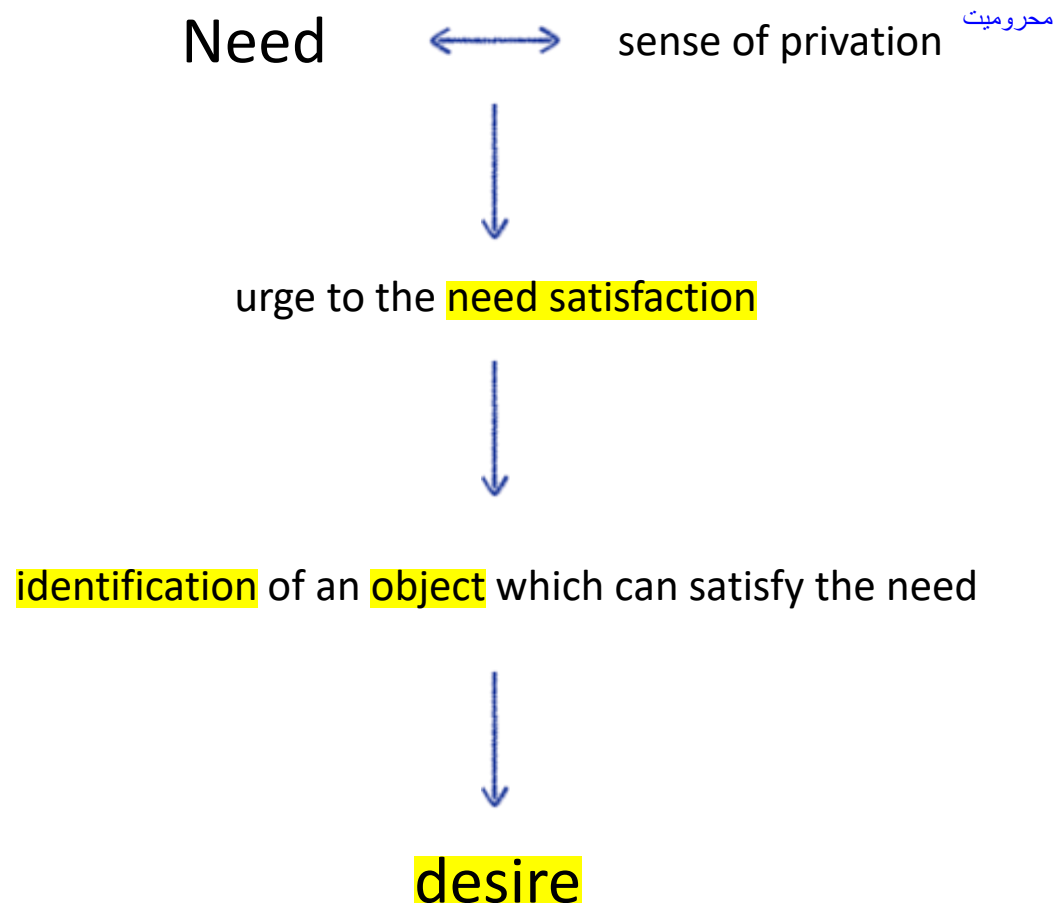
Needs are relative to the situation of an individual.
Also needs are developed based on the place we live and we are in contacted.
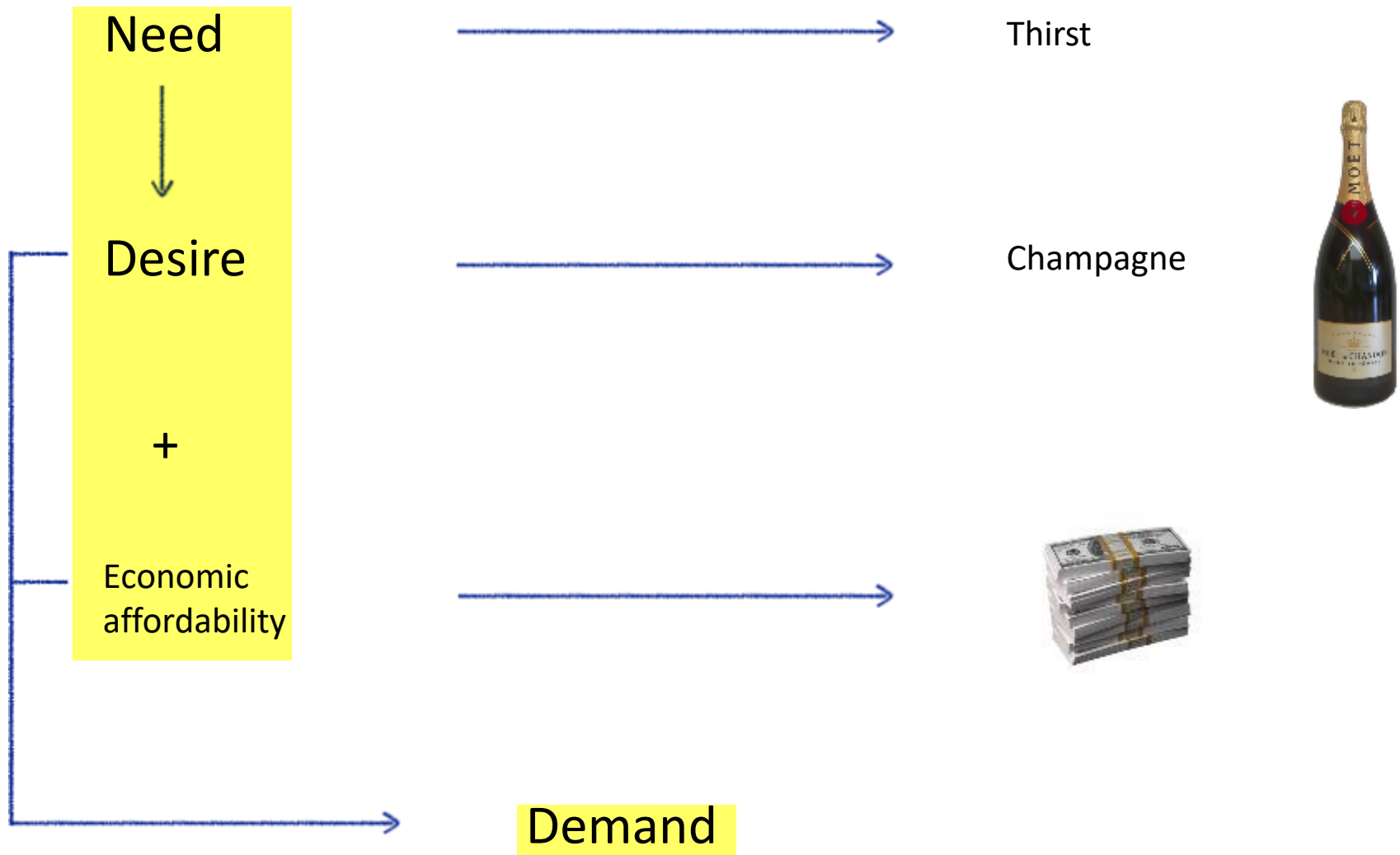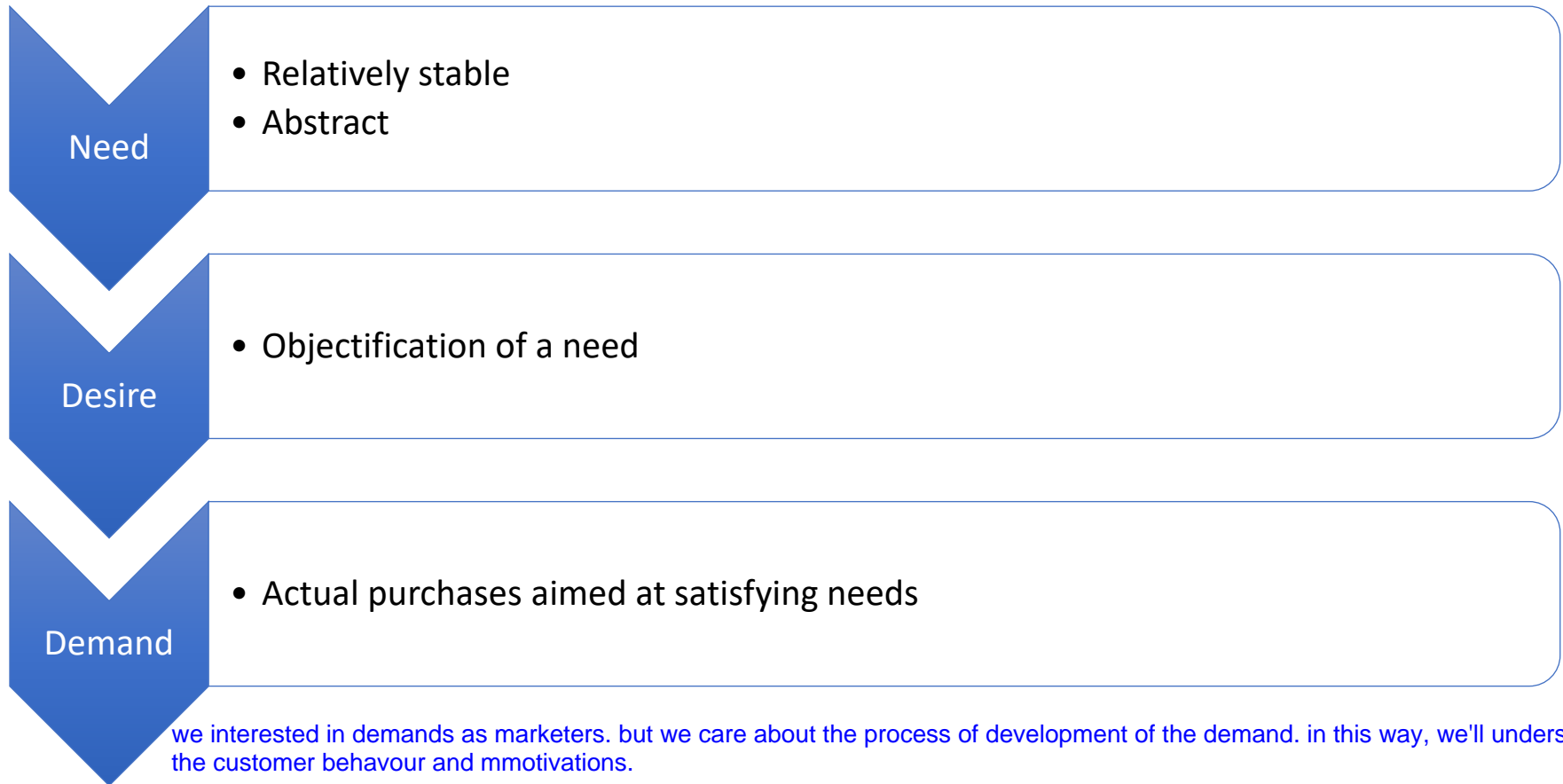
From needs to motivation

What *needs* are?

Need $\longleftrightarrow$ sense of privation محرومیت

$\downarrow$

urge to the <mark>need satisfaction</mark>

$\downarrow$

<mark>identification</mark> of an <mark>object</mark> which can satisfy the need

$\downarrow$

<mark>desire</mark>

From needs to motivation

Need → Thirst

↓

Desire → Champagne

+

Economic affordability →

Demand

Needs, Desires and Demand

Need
- Relatively stable
- Abstract

Desire
- Objectification of a need

Demand
- Actual purchases aimed at satisfying needs

we interested in demands as marketers. but we care about the process of development of the demand. in this way, we'll understand the customer behavour and mmotivations.

From needs to <mark>motivation</mark>

Motivations for buying can be <mark>rational</mark> or <mark>emotional</mark>

Motivation to purchase a car?

Rational	Emotional
Better performance	Status
Quietness	Emulation
Less need for maintenance	Appeal
Low consumption	Self-actualization feeling of an achivement

it's not easy to find out the rational needs.

From needs to motivation

Herzberg's two-factor theory

A **two-factor theory** which identifies two sets of factors that impact motivation. Initially developed for the workplace:

- **Hygiene factors:** factors that do not motivate but that can cause dissatisfaction if they are missing (e.g. in workplace salary, job security, working conditions, organizational policies, and technical quality of supervision) if missing generates dissatisfaction. basic level!

- **Satisfiers** or **motivators** are key to job satisfaction and motivation (e.g. in workplace responsibility, achievement, growth opportunities, and feelings of recognition) they'll have positive effect

Motivation

Some elements <mark>influence motivation</mark>:

<mark>**Goal-gradient effect**</mark>: goal pursuit intensifies as we got closer to a clearly defined goal
example: buy 10 cup of coffee and get 1 free (loyalty cards)
usually they give you some initial push, to make you more motivated to finish the cards. like first two cups refill, or some initial points at loyalty cards.

<mark>**The N effect**</mark>: shift of performances due to an increasing number of participants
how motivation is shaped relative to others.

I lost the example. it's in both sides. afzayeshi and kaheshi

<mark>**Immediate or future goals?**</mark> Behaviour change

Tricks to improve commitment: e.g. supplementary pension
like diets starts on monday. we want the reward immidiately ... we postpone pain

But.. <mark>Anticipation</mark> (e.g. vacation versus pain)
we are in hope of a good thing in future. ex: having the dinner with a famous celeb now or in a week? in a week because we want to anticipate! get ready for that. so this can extrapolate in other cases.

From needs to motivation

Exercise: design a reward program based on what you learned about motivation

Attitude

Attitude: a lasting, general evaluation of people, brand, products etc..

Attitude is defined by:

- Valence (positive or negative)

- Strenght (weak or strong)

- Persistance

Explicit attitudes: reflect conscious personal beliefs

Implicit attitudes: are not consciously recognized, thus difficult to self-report and to control
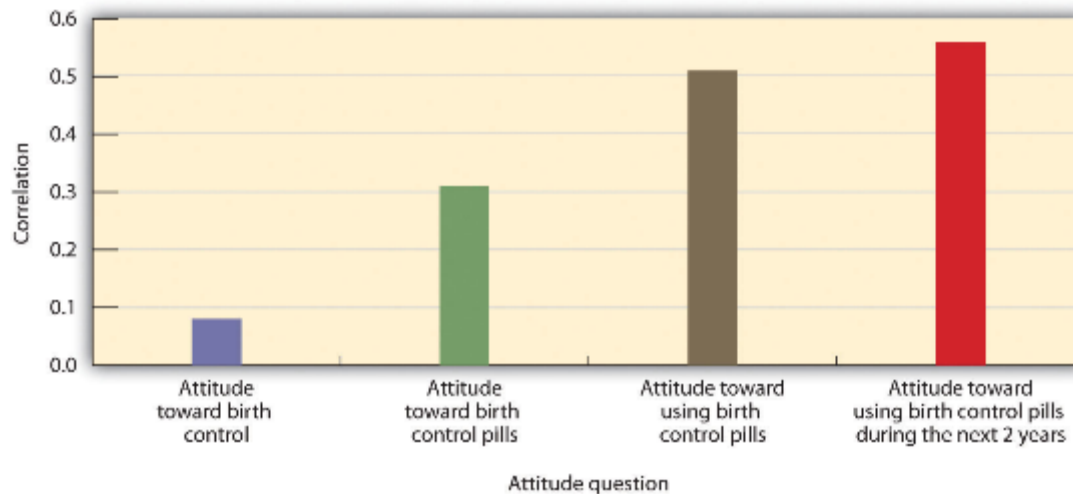
Attitude

How to measure explicit attitudes:

I prefer going to restaurants with a large variety of menu choices.

Very Strongly Agree	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	Very Strongly Disagree
○	○	○	○	○	○	○

The more specific a measurement, the higher predictivity

Example: correlation between attitude and birth-control pills usage

Davidson & Jaccard (1979)

https://courses.lumenlearning.com/suny-fmcc-social-psychology/chapter/exploring-attitudes/

Attitude

How to measure implicit attitudes

Implicit association test (IAT) https://implicit.harvard.edu/implicit/

- The user is required to make a series of rapid judgments, the test measures reaction time and errors to evaluate if some associations are more easy or difficult to make than others
- It measures strengths of a person's subconscious associations

Attitude

Why attitude is important? **Attitude → Intention → Behavior**

Having a positive attitude is not sufficient

We need motivation, opportunity and ability to implement attitudes (e.g purchase a product)

Mere measurement effect: individuals <mark>asked to report</mark> their intention to perform social desirable behaviors are subsequently more prone to engage in those behaviors if you ask people about their attitiude, it would change
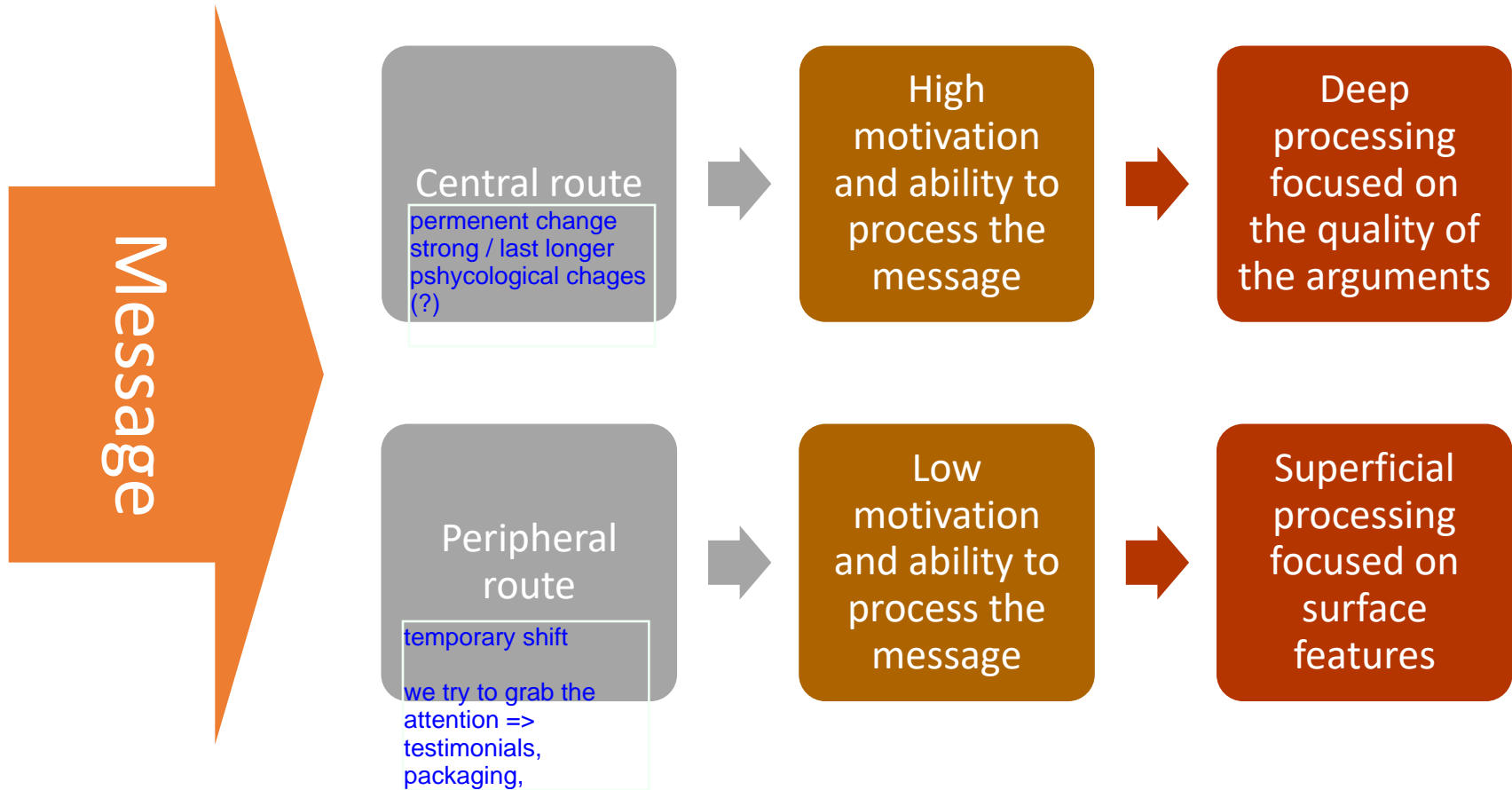
Attitude

Elaboration Likelihood Model

3 possible results:

• Keep initial attitude

• Temporary shift attitude

• Permanently change attitude

Motivation and ability are necessary for permanent changes in attitude. If these are not present, **peripheral cues** may lead to temporary shift in attitude.

Attitude

Message

Central route
permenent change
strong / last longer
pshycological chages (?)

→ High motivation and ability to process the message

→ Deep processing focused on the quality of the arguments

Peripheral route
temporary shift

we try to grab the attention => testimonials, packaging,

→ Low motivation and ability to process the message

→ Superficial processing focused on surface features

Attitude

Peripheral cues:

you are not judging the product, youa re judging other aspects to making the dicision.

- authority

- reciprocity   returning the favor!

- physical attractiveness

- consistency → sunk-cost bias

- self-perception (and self-esteem)

- reactance

- social proof

- scarcity

Customer insights

Six big mistakes marketers often make... (Zaltman, 2003)

- Customers think rationally and in a linear way
- Customers know what they want and how to explain it
- Customers' mind, culture and society may be analyzed separately
- Customer memories are adequate representations of their experiences
- Customers think verbally
- Customers can be "embedded" with contents

*"Innovators know that the most **powerful** innovation derive from an insight on human nature"*

Bill Bernbach

Customer insights

in-sight: noun 'in-"sit

- The power of seeing into a situation
- The act or result of apprehending the inner nature of things or of **seeing intuitively**

Source: Webster's Dictionary

Insight = **understanding** those truths that drive human behavior (motivations and beliefs) and which we can lever on
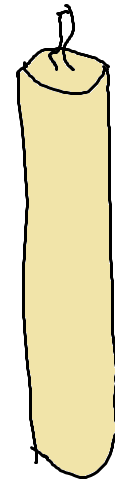
THE CANDLE PROBLEM

INSTRUCTIONS: PIN THE CANDLE TO THE WALL IN SUCH A WAY THAT WHEN IT IS LIT, NO WAX DRIPS ON THE FLOOR.
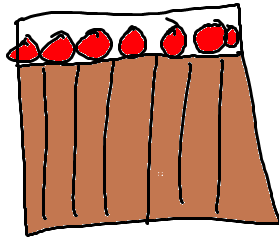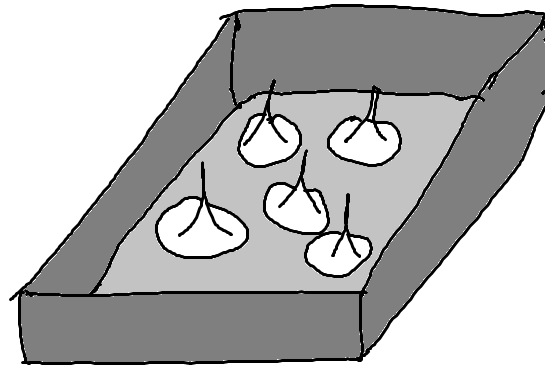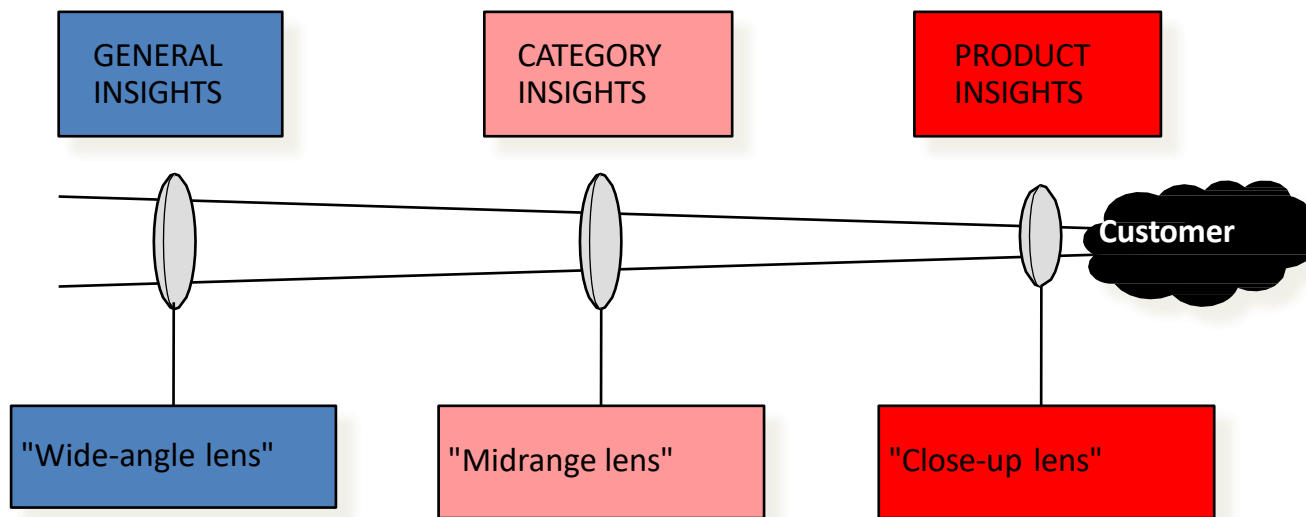

BOOK OF MATCHES   BOX OF TACKS   CANDLE
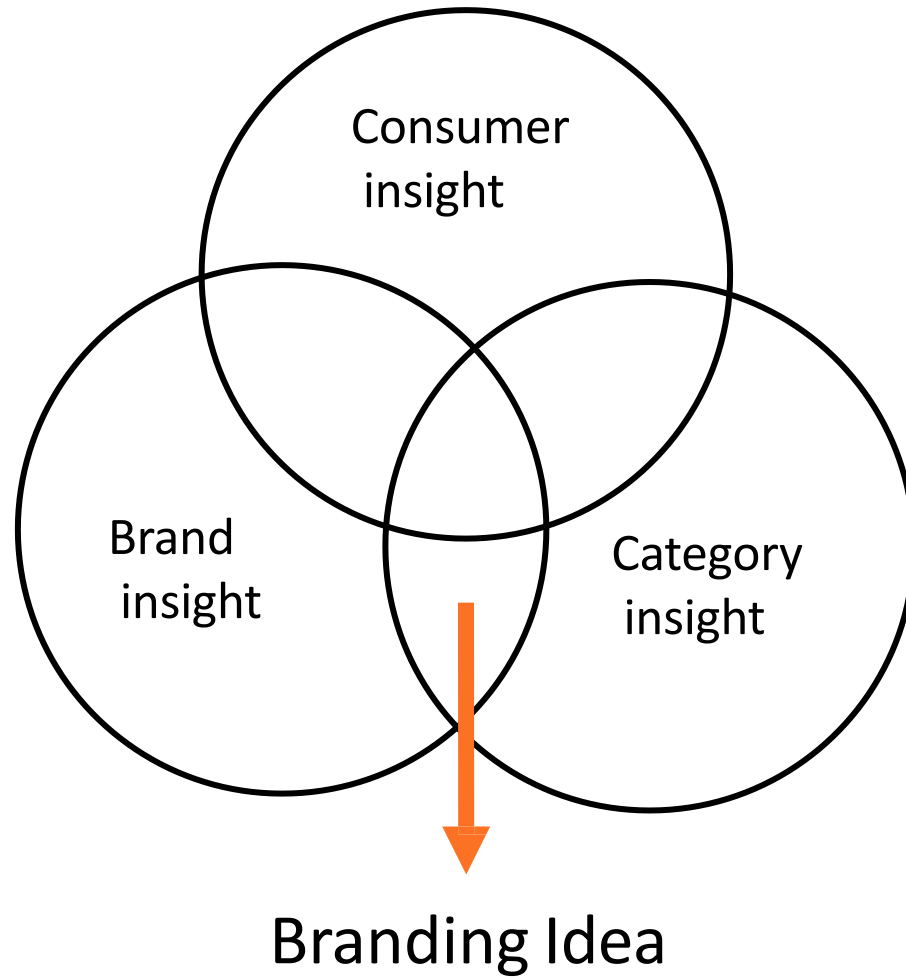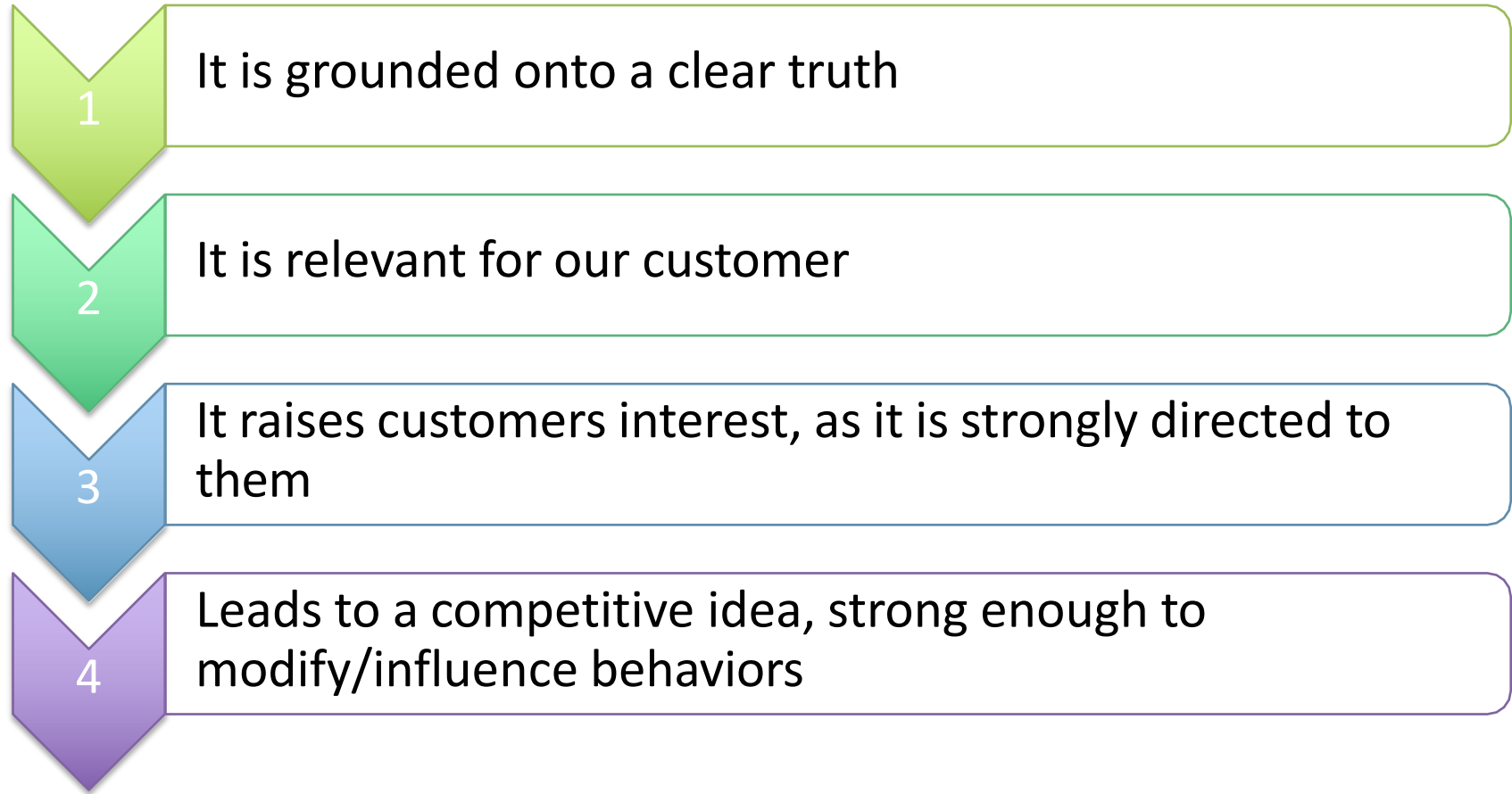
Different types of insights

GENERAL INSIGHTS

CATEGORY INSIGHTS

PRODUCT INSIGHTS

Customer

"Wide-angle lens"

"Midrange lens"

"Close-up lens"

Consumer
insight

Brand
insight

Category
insight

Branding Idea
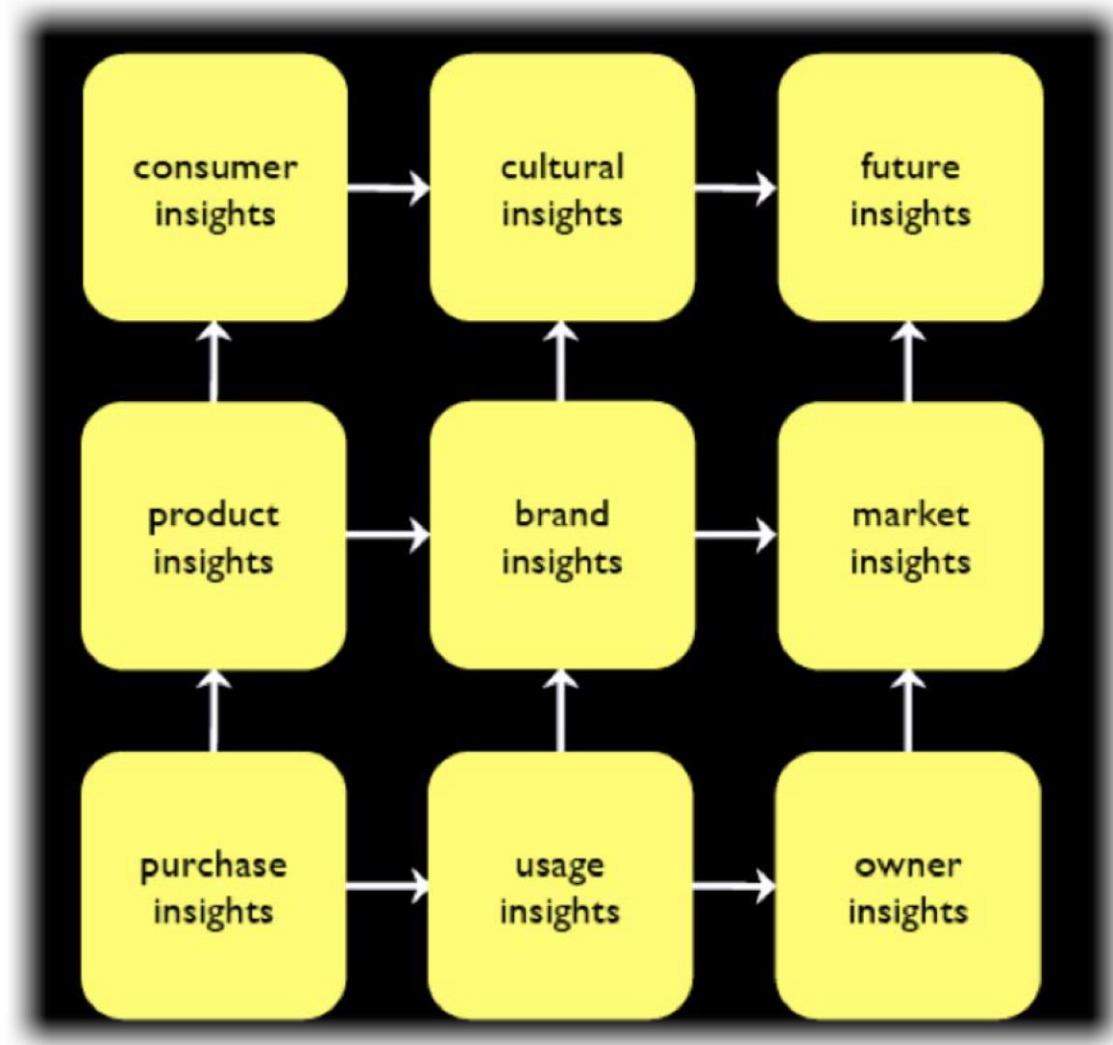
How to recognize an insight

1. It is grounded onto a clear truth

2. It is relevant for our customer

3. It raises customers interest, as it is strongly directed to them

4. Leads to a competitive idea, strong enough to modify/influence behaviors

Some examples

"If it does not burn, it seems that the disinfectant does not work"

"If mouthwash does not burn, it has no effect"

"Why a six- or a eight-pack?
The body must work 7 days a week"

"It is not enough to see that the dish is clean; not all the dirty or fat is visible"

"Squeak"

"Girls" are the top interest for boys. Feeling, looking and smelling right is essential to succeed with girls"

THE AXE EFFECT

The new AXE effect:

https://www.axe.com/us/en/our-values.html

Also in B2B insights matter

Rational opinion: "My customer wants me to use state-of-the-art tools"

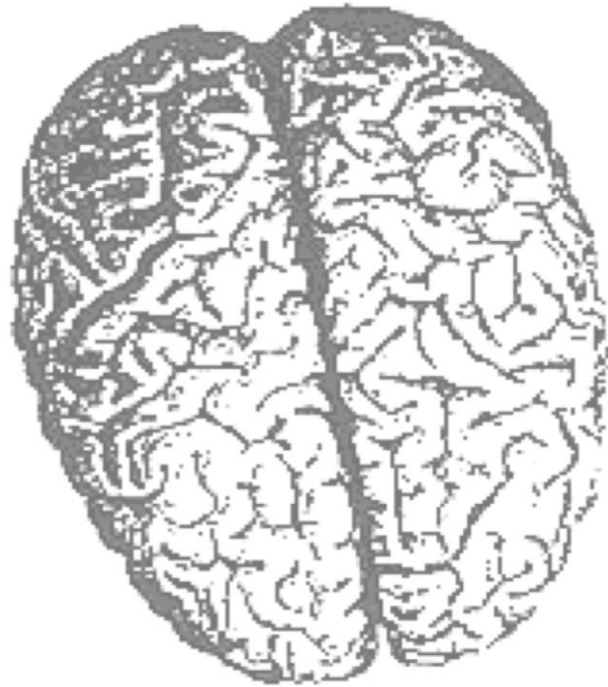Visceral insight: "If I show that I have the best tools, my customers will consider me the best electrician"

Please note: 99% of customers simply do not care about the tools used by electricians. But this is an electricians' insight.

Hunting insights

Understanding how the mind works

Social &
Psychological
processes

Basic biological
process at the
core of brain
activity

Methods for uncovering customer insights

Methods for uncovering customer insights

- Quantitative research

- Observation-based studies

- Deprivation studies how the customer is living without the product he/she is using everyday ...

- Projective techniques

- Means-end laddering

Projective techniques

The "if it were…" game

Projective techniques

Typologies	Description	Example
Word association	Several words are presented, one at a time, and respondets report the firt word that comes to their mind. It could be also related to the brand name.	What is the first word that comes to your mind when you hear the following? Sport_____ Running_____ Nike _____
Sentence completion (Projective technique)	Respondents complete an incomplete sentence	When I choose running shoes the most important consideration in my decision is _____
Story completion (Projective technique)	Respondents complete an incomplete story	In a Nike store, the area dedicated to kids let me think about_____
Picture	Respondents are asked to describe the situation in the picture	

Projective techniques

Typologies	Description	Example
Visualization	Collage of pictures, newspaper, objects to depict consumer perceptions	
Stereotyping (Projective technique)	Presenting a description of people, with words or pictures, and asking respondents questions about it and investigating why they provided such answers.	Which running shoes they will buy?
Brand personification	Think about the brand as a person to create a picture of the human quality of the brand	If Nike were to come alive as a person… … would it be a man or a female? …which age? …where would it lives? …what it would do? …what would it wear? …who would it talk about?

Means-end laddering

Refers to an in-depth, one-on-one interviewing technique used to develop an understanding of how consumers translate the attributes of products **into meaningful associations** with respect to self, following means-end theory

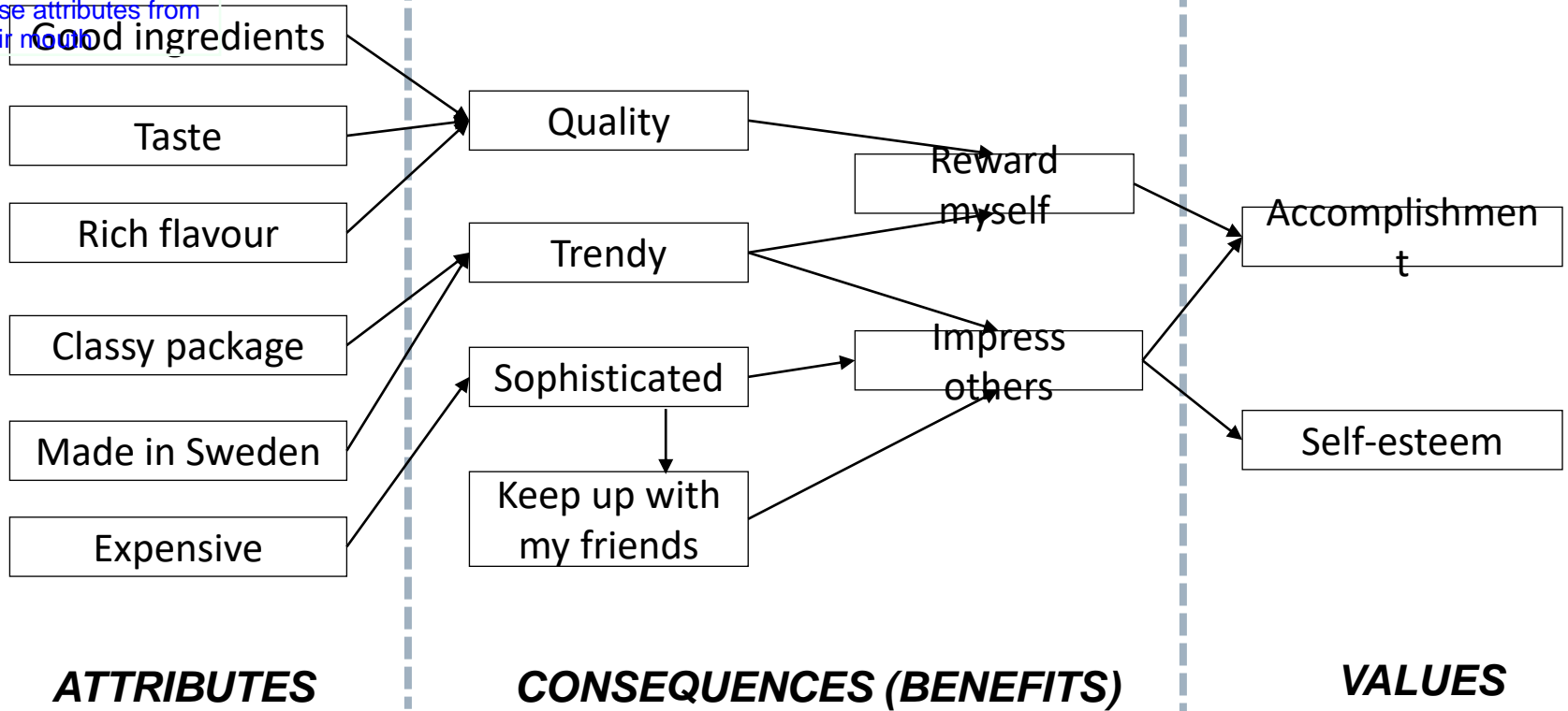|		
Attributes	**Consequences**	**Values**
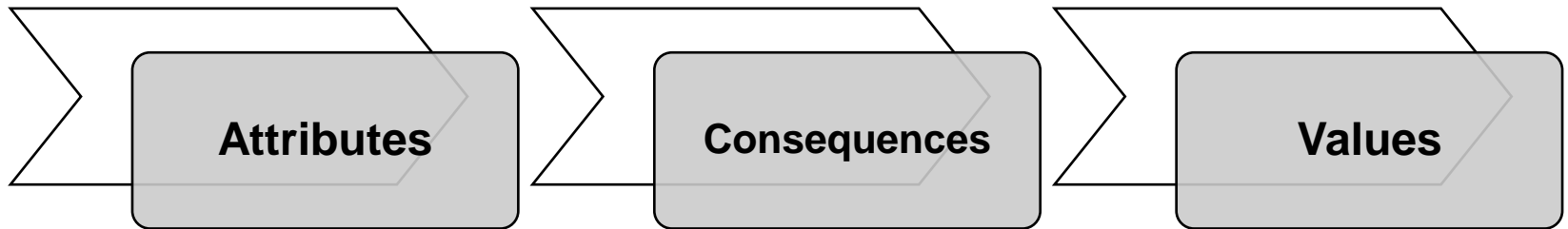
By relating attitudes, consequences and values, insights become workable.

The linkages assist in the creative development ensuring that the creative concept **taps into the right values**.
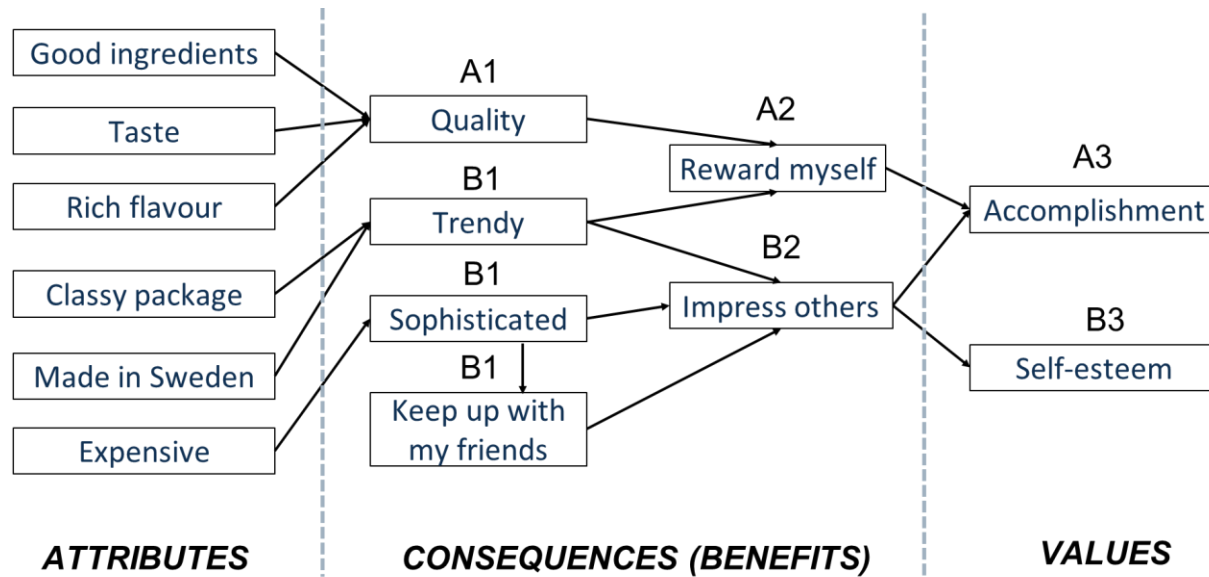
Means-end laddering

Example of means-end ladder for a brand of upmarket Swedish ice-cream

let ppl talk and extract these attributes from their mouth

Good ingredients

Taste

Rich flavour

Classy package

Made in Sweden

Expensive

Quality

Trendy

Sophisticated

Keep up with my friends

Reward myself

Impress others

Accomplishment

Self-esteem

ATTRIBUTES   *CONSEQUENCES (BENEFITS)*   *VALUES*

Means-end laddering

Aggregating maps of several interviewees can provide cues on behavioural drivers. For instance:
- Foodies might be quality driven (*path A*)
- Trendies might want to impress others (*path B*)

Means-end laddering

Example of means-end laddering procedure:

Interviewer:	What is the primary reason you drive an SUV instead of a mini-van?
Respondent:	An SUV just looks better than a boring mini-van.
Interviewer:	What do you mean "it looks better"?
Respondent:	A mini-van looks like a sedan, and it has those ugly sliding doors.
Interviewer:	Why is it important to you not to have sliding doors?
Respondent:	Because I want to drive a vehicle with a more stylish design, like an SUV.
Interviewer:	Why is it important to you that your vehicle have a stylish design?
Respondent:	Because it makes me feel trendy and more cutting-edge to drive it.
Interviewer:	Ok, so the stylish design of your SUV makes you feel trendy. In the end, why does feeling trendy matter to you?
Respondent:	It makes me feel good! My friends like what I bought and think I'm trendy because I drive it instead of a mini-van.
Interviewer:	Just to make sure I understand you... you drive an SUV because it doesn't have sliding doors, making you feel like you are driving a stylish vehicle. Since it has a stylish design, you feel like you are trendy for driving it. Feeling trendy makes you feel good, because your friends like what you bought. Is that correct?
Respondent:	Yes.

Attribute:
- No sliding doors

Consequences:
- Stylish design (functional)
- Feeling trendy (psychological)

Value:
- Acceptance by peers

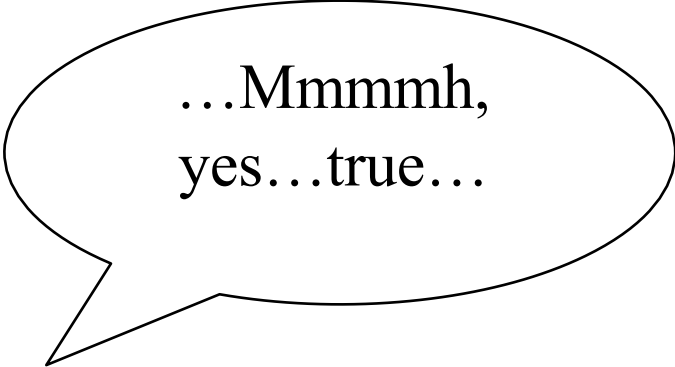# Mind mapping

Collage

Comparative collage

Cif HomeStyle

Non-Cif HomeStyle

Asking the right questions

Nuclear energy offers a safe and cheap energy source

…Mmmmh, yes…true…

…zzzzzz…

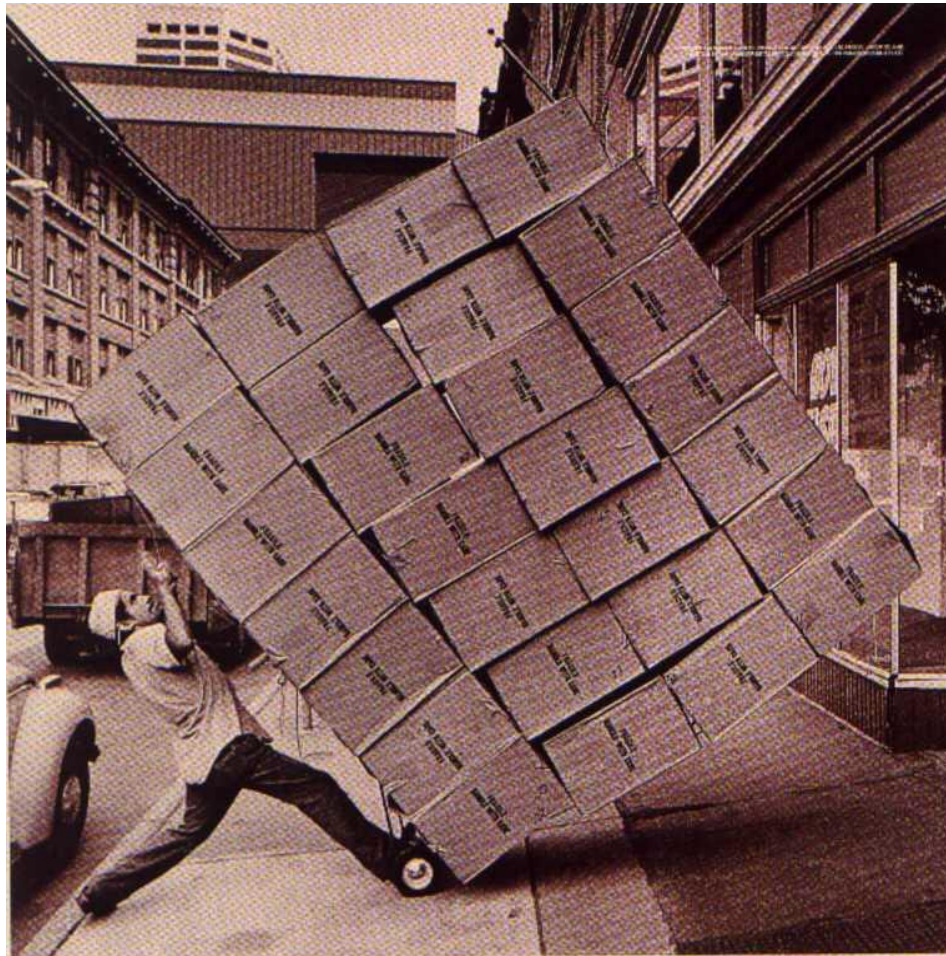# Asking things in the right context

Fortunately, every day comes with an evening.

Fortunately, every day comes with an evening.

Understanding if an idea is an insight

The four "R" of customer insight

- it is grounded onto a deep truth...

Reality

- it is significant for our brand....
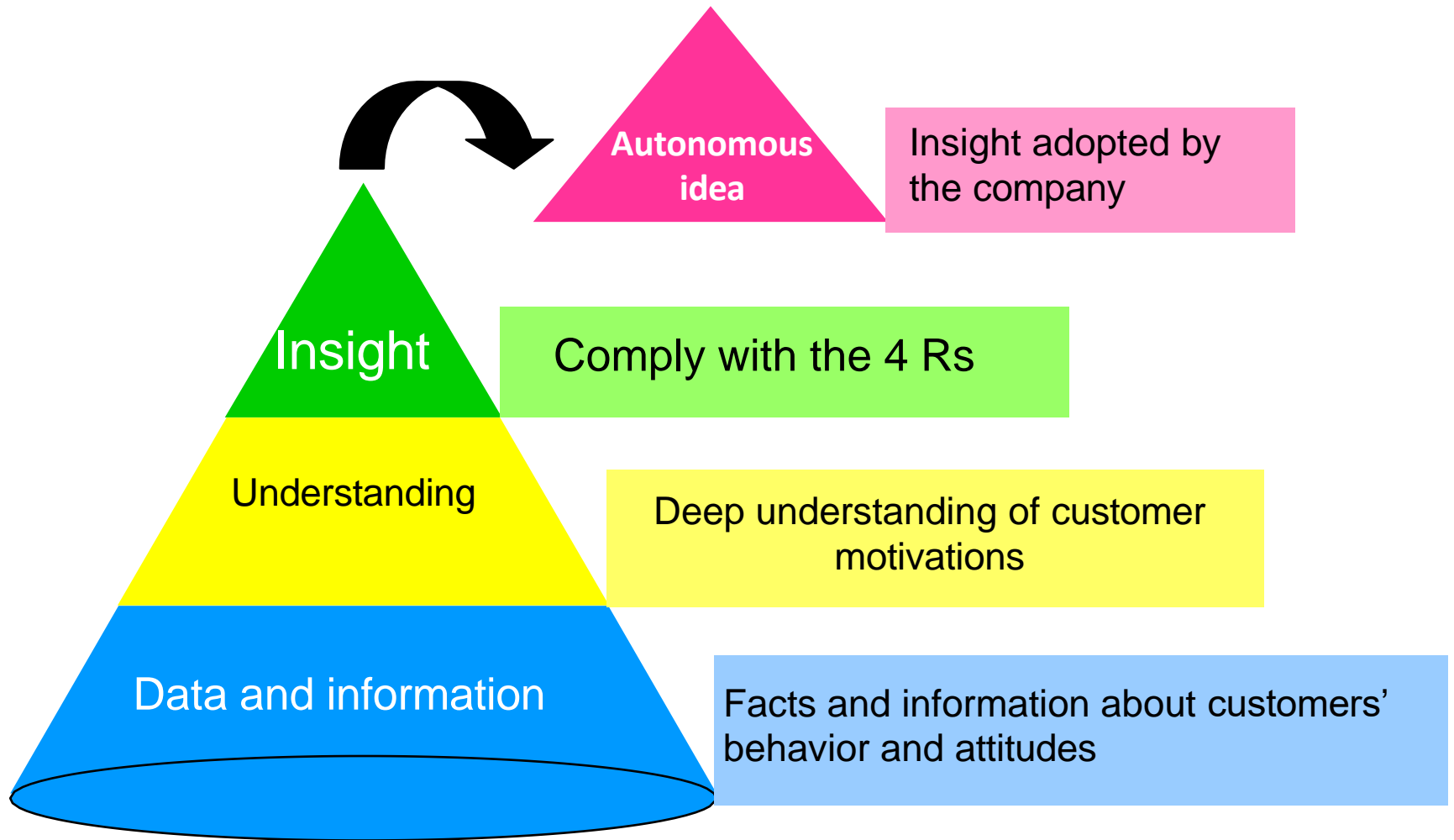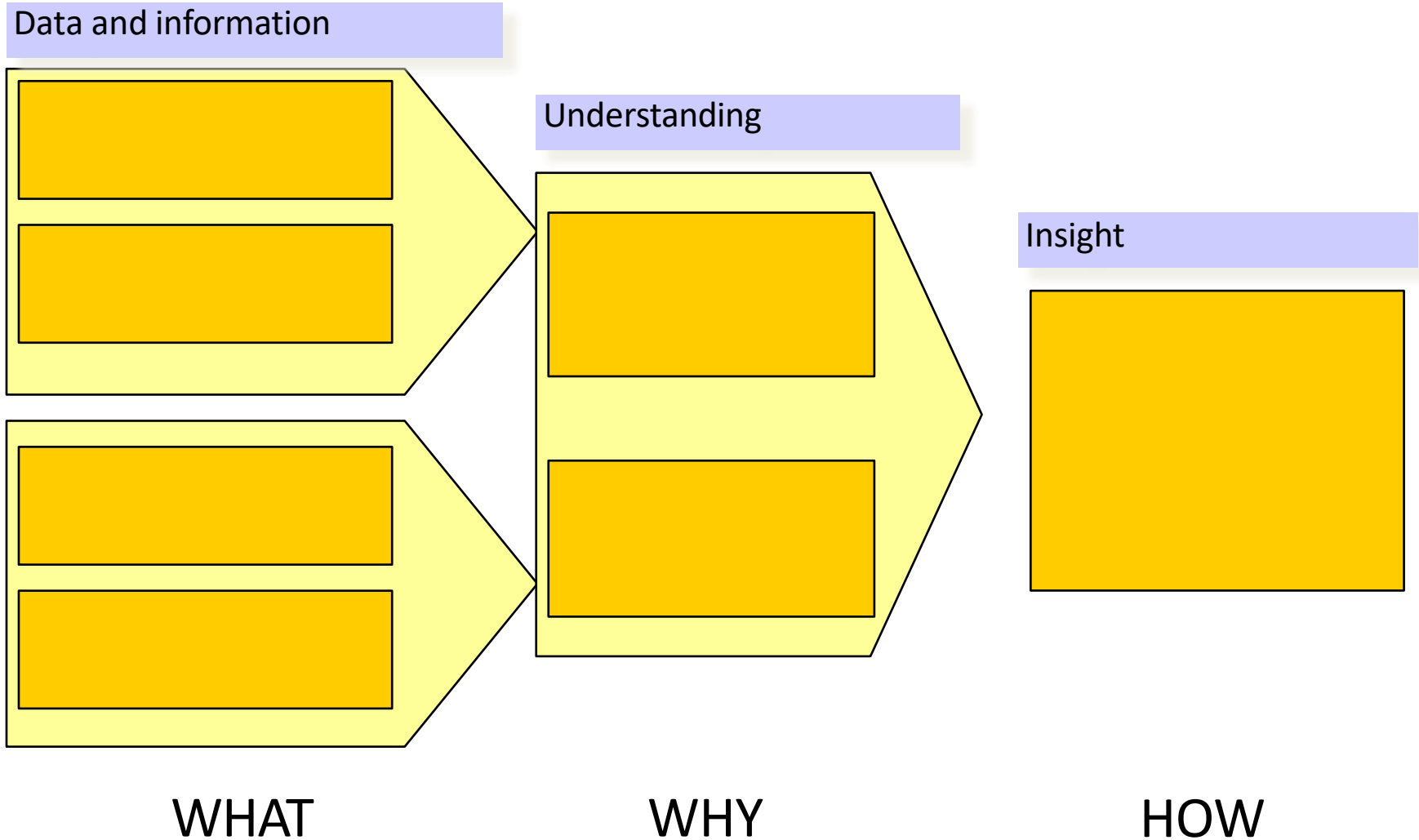
Relevance

- it is directed to customers

Resonance

- Suggest a competitive idea, modifying behaviors

Reaction

you should test the insight before putting into action.

Autonomous idea — Insight adopted by the company

Insight — Comply with the 4 Rs

Understanding — Deep understanding of customer motivations

Data and information — Facts and information about customers' behavior and attitudes

Developing insights

Data and information

Understanding

Insight

WHAT   WHY   HOW

Further readings

- Zaltman, How Customers Think: Essential Insights into the Mind of the Market. HBS Press (2003)

- Wilson - Marketing Research: Delivering Customer Insight, Red Globe Pr