

The importance of understanding consumer behavior: (Why NOT knowing your consumer could cost you big bucks)

2022

roundpeg

Agenda

Human-Centered Strategy

Consumer Insights & Consumer Empathy

When things go badly

Hi, I'm Giselle.

This is me in the office.



A little bit about me.



COLORADO
COLLEGE

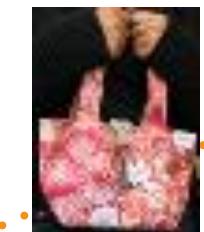
Art Major
Math Minor

Manager: X-funct

Multicultural
Center of
Excellence

- Managed 1st Company-Wide Hispanic Growth Initiative

roundpeg



Small
Business

Arts
Marketing

WALKER



Marketing,
PR,
Audience
Research



Carlson School
of Management

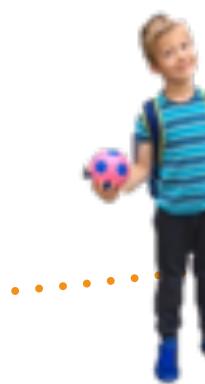
Marketing &
Strategy
CBE

Consumer Insights

Advertising, Packaging,
Innovation, Product
Improvements, Multicultural
Insights/Marketing, Trends



Baby #2
(Now 9)



Baby #1
(Now 13)



Manager
Multicultural
Insights &
Analytics
Hispanic Marketing
Mix
Multicultural LRP

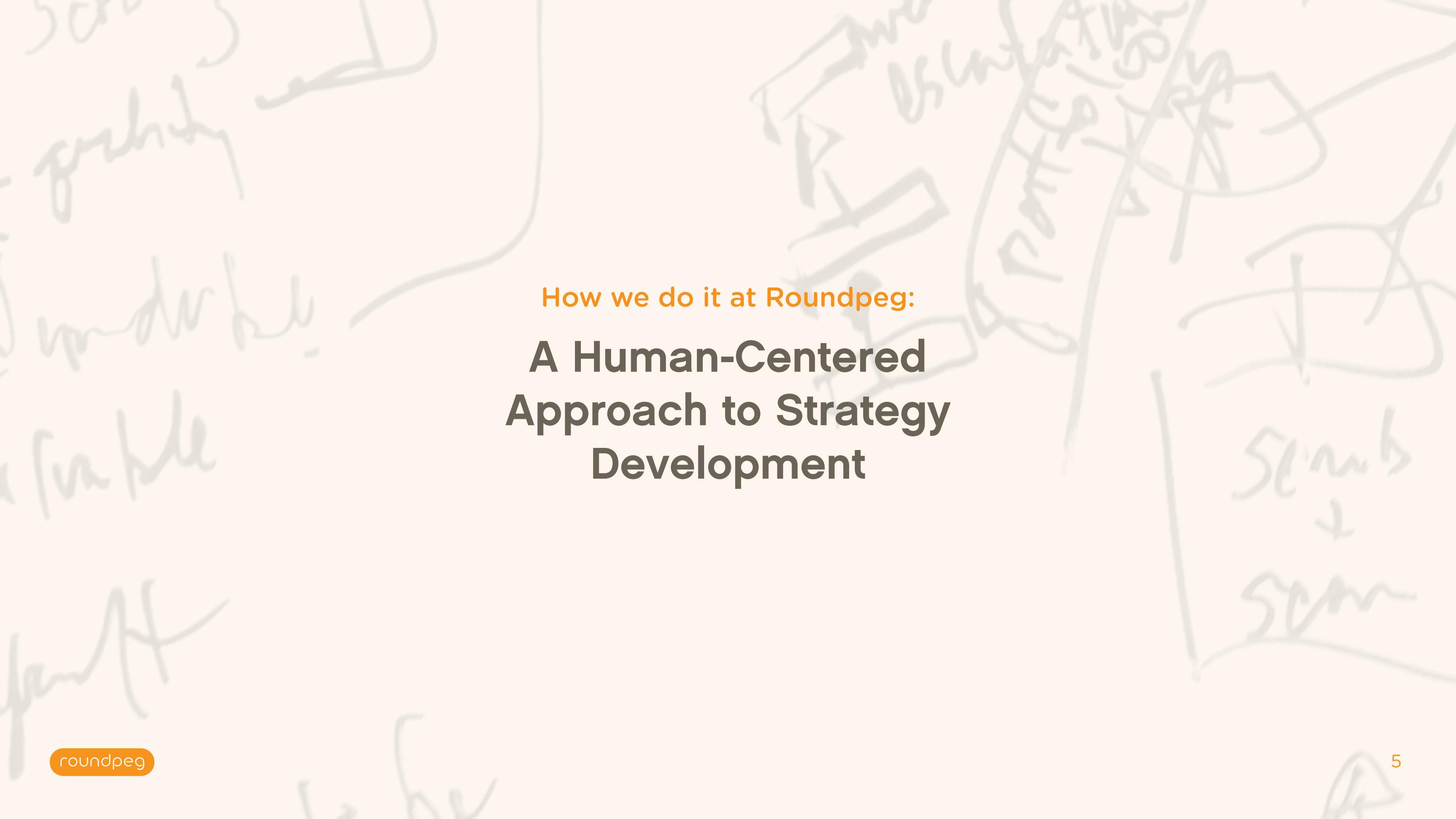


TRENDS

Marketing
Strategy

roundpeg

Boutique Marketing
Strategy Consultancy



How we do it at Roundpeg:

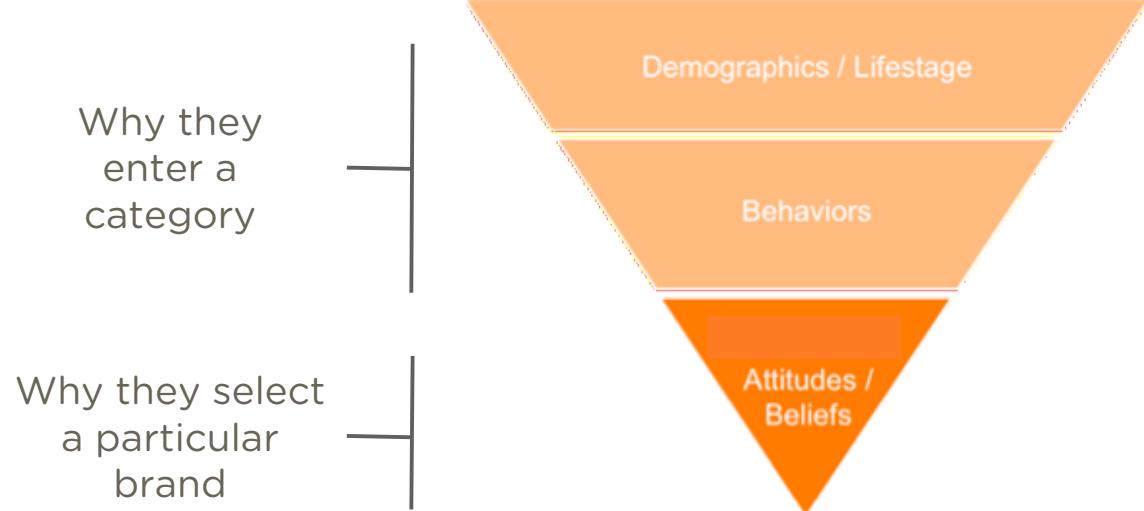
A Human-Centered Approach to Strategy Development

Human-centered strategy focuses on how to play a meaningful role in people's lives.



What people **do** is only part of the story. For strategies to be successful, you need to know more.

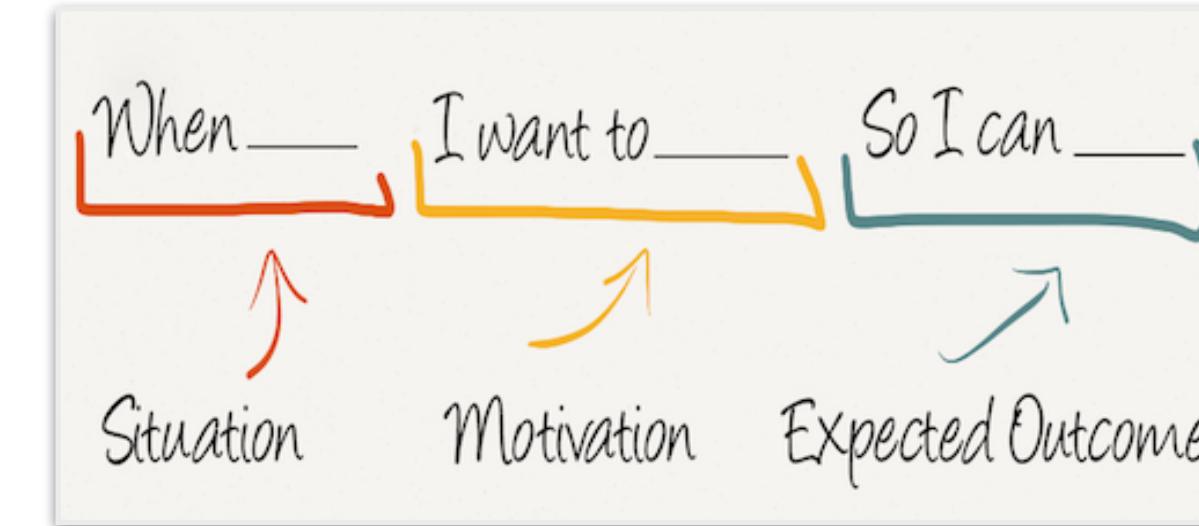
Who should matter?



“On average, less than 2% of brand choice is explained by demographics.”

- Mediamark Research & Intelligence

What matters to them?



“Job’ is shorthand for what an individual really seeks to accomplish in a given circumstance”

- Clayton Christensen

**Companies often get the “Who” and What” wrong,
which can cause some disastrous results.**

Why? Usually, it comes down to two issues:

**Lack empathy
for consumers**

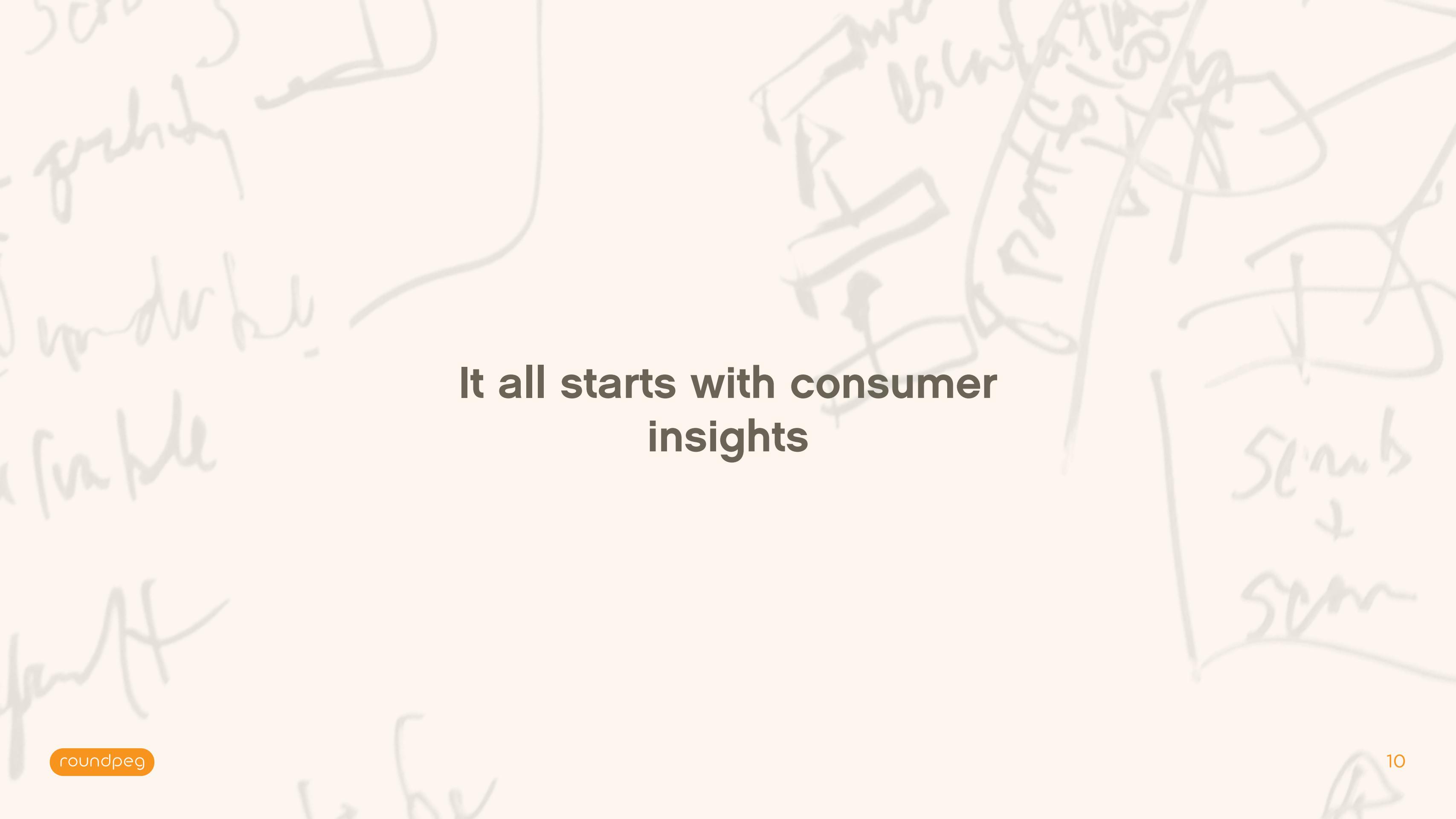
**Company-centric
(not consumer-
centric) POV**

The solve?

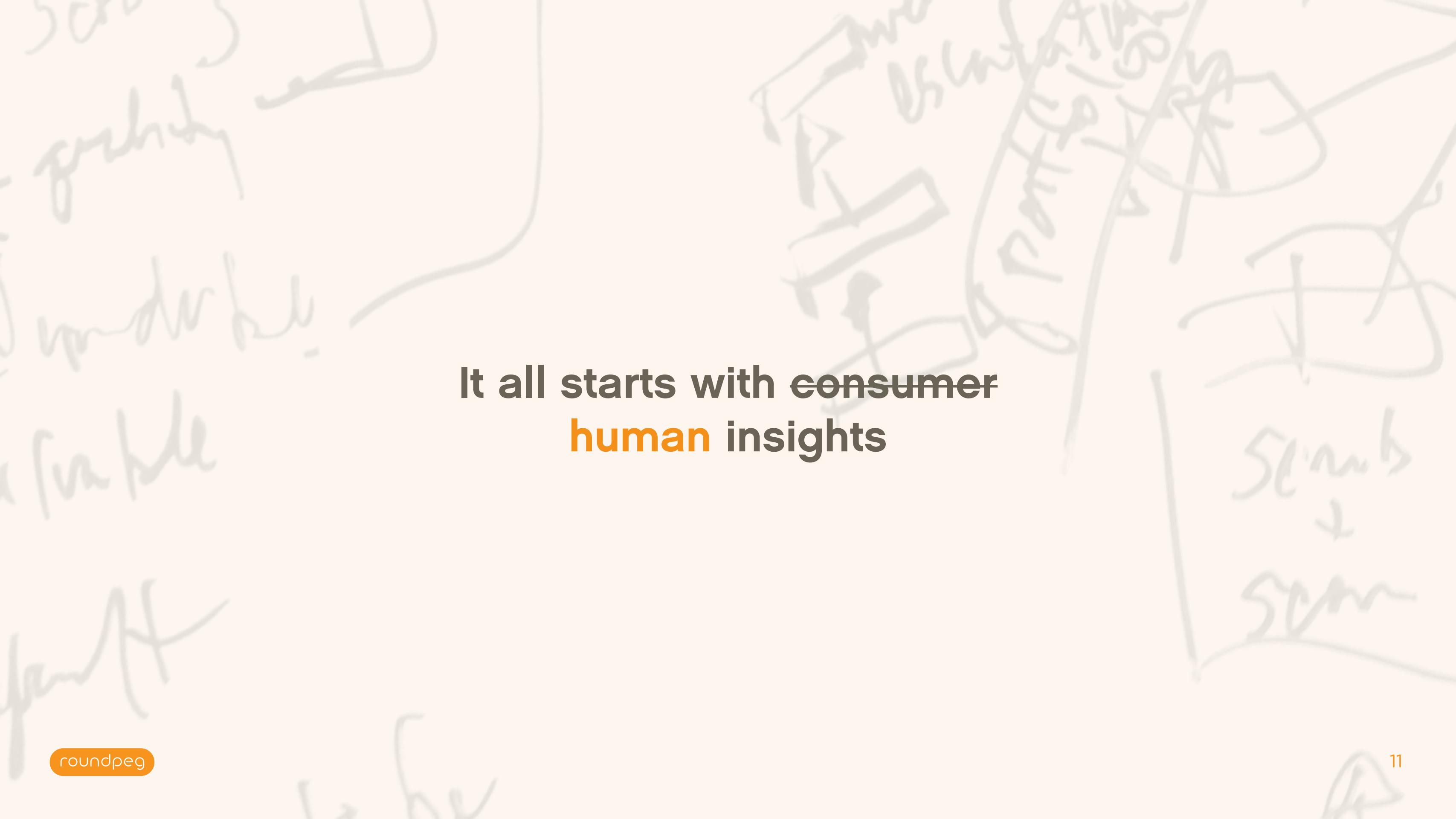
Lack empathy
for consumers

Company-centric
POV

Stepping outside your shoes/walls/personal experiences and getting to know consumers as HUMANS.



**It all starts with consumer
insights**



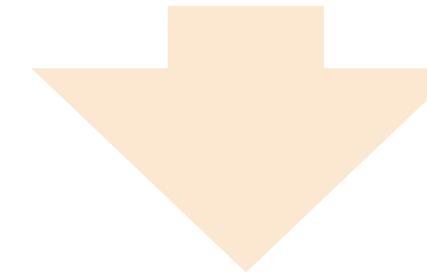
**It all starts with consumer
human insights**

Let's set a stage for consumer insights.



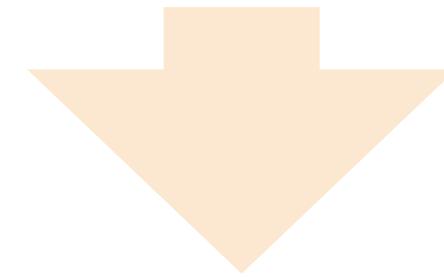
In many companies, the boundaries between Consumer Insights and “Marketing” are blurred.

Where to play



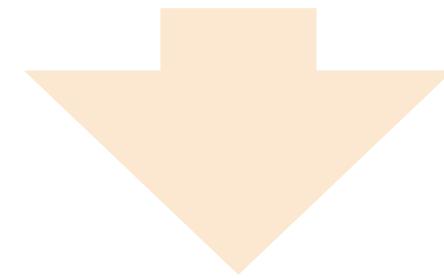
Segmentation
Targeting
New Product Dev. learning

How to win



Learning to discover,
refine positioning

Doing better business



Strategic Thinking and
Consulting
Asking better Questions

Getting strong, insightful insights isn't easy.

Intersection of
information &
understanding



Social
Emotional
Rational

~~Fact or Stat or Solution~~

Insight is not something that consumers never knew before. That would be knowledge, not insight.

It's not data or facts about your brand that you want to tell. Oddly enough, Insight is something that everyone already knows.

Insight comes to life when it's told in such a captivating way that makes consumers stop and say “hmm, I thought I was the only one who felt like that”.

- www.beloved-brands.com

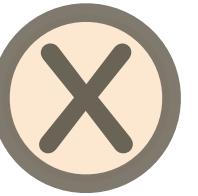
Let's do a little practice.

Insight, fact, or stat?

20% of women eat mini sized chocolates

Insight, fact, or stat?

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Having a little “reward” gets me through the long work day

Insight, fact, or stat?

20% of women eat mini sized chocolates



I fear the question, “What’s for dinner,
Mom?”

*Having a little “reward” gets me through the
long work day*

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I need a baggie that I can tell when it’s
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Wasted food is like throwing dollars in the trash

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I need a drink with proportionally balanced
electrolytes

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Working out is hard enough; I don’t want my recovery to be too

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I'm hungry every day at 8am

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I want to look like a serious athlete at my gym, so that people take me seriously

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So HOW do you get **great** insights?

data helps direct, quantify,
narrow down possibilities

But

Sitting with people, listening to their stories,
observing provides deeper context, understanding,
and ultimately, empathy.



**What happens when you
DON'T know the people
you serve?**



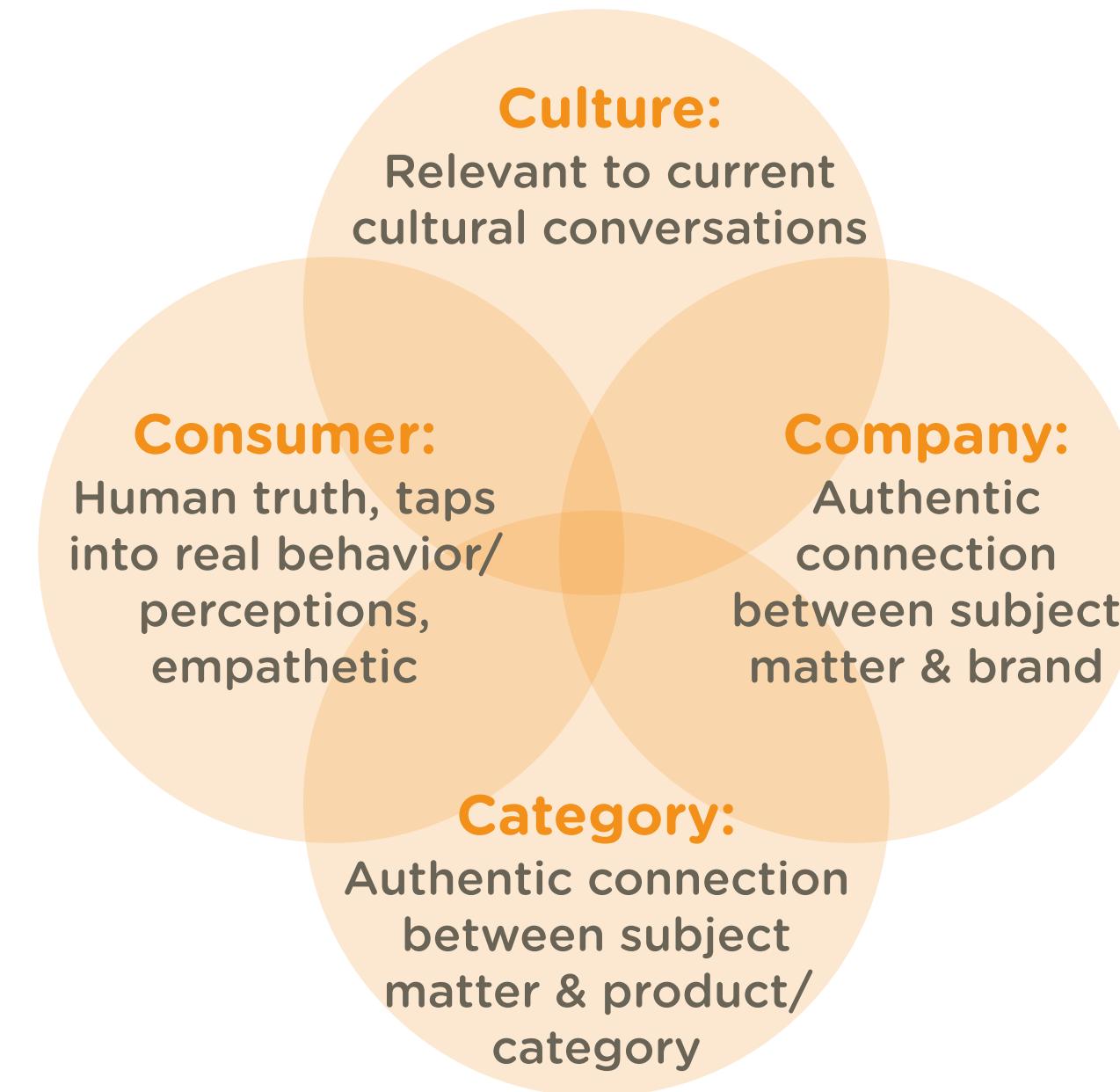
**Or when companies blindly try to
piggyback on what's happening in
the world around them?**



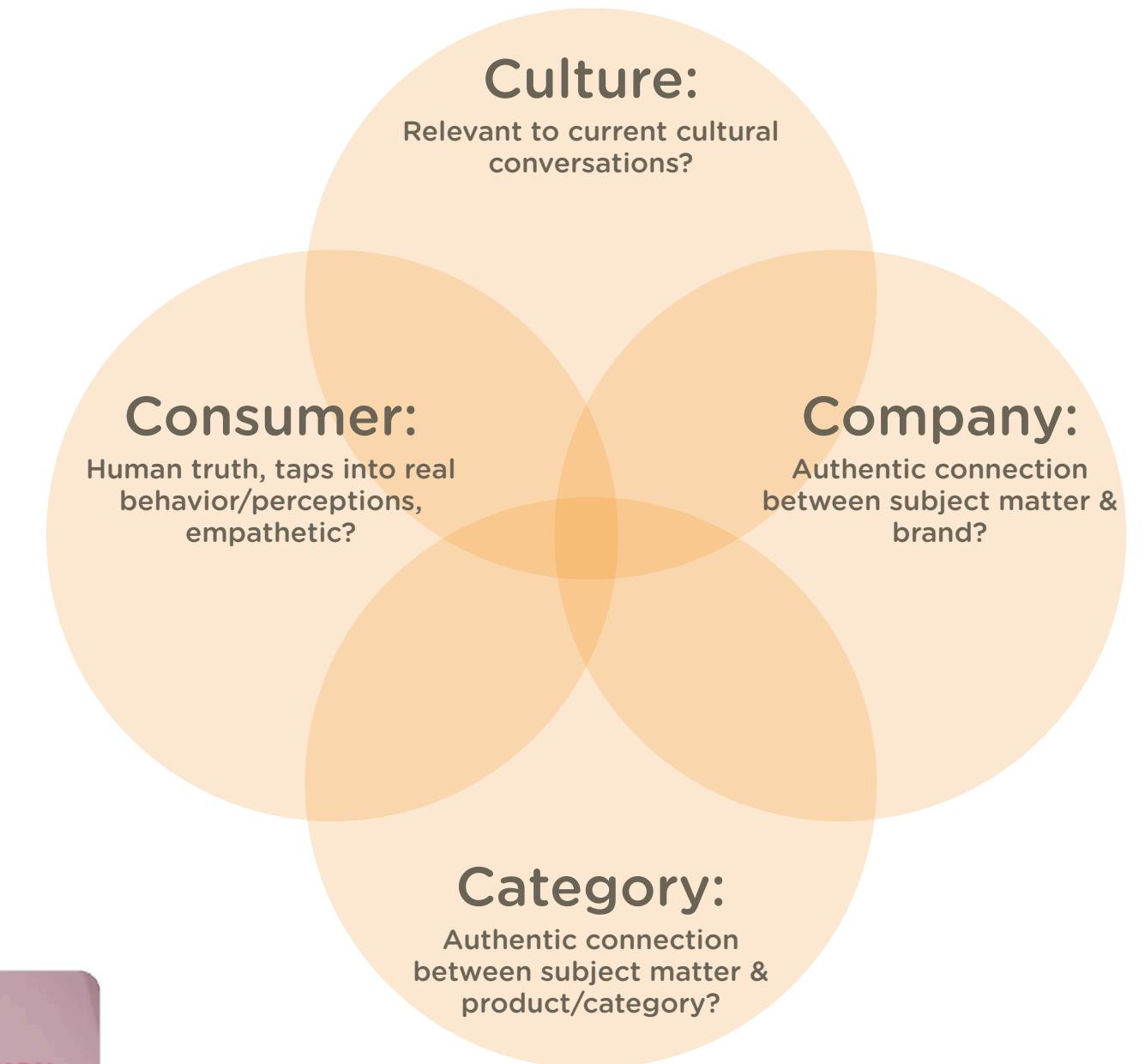
IT CAN BE REALLY, REALLY BAD.

Let's learn from others' mistakes, so you don't make them yourselves!

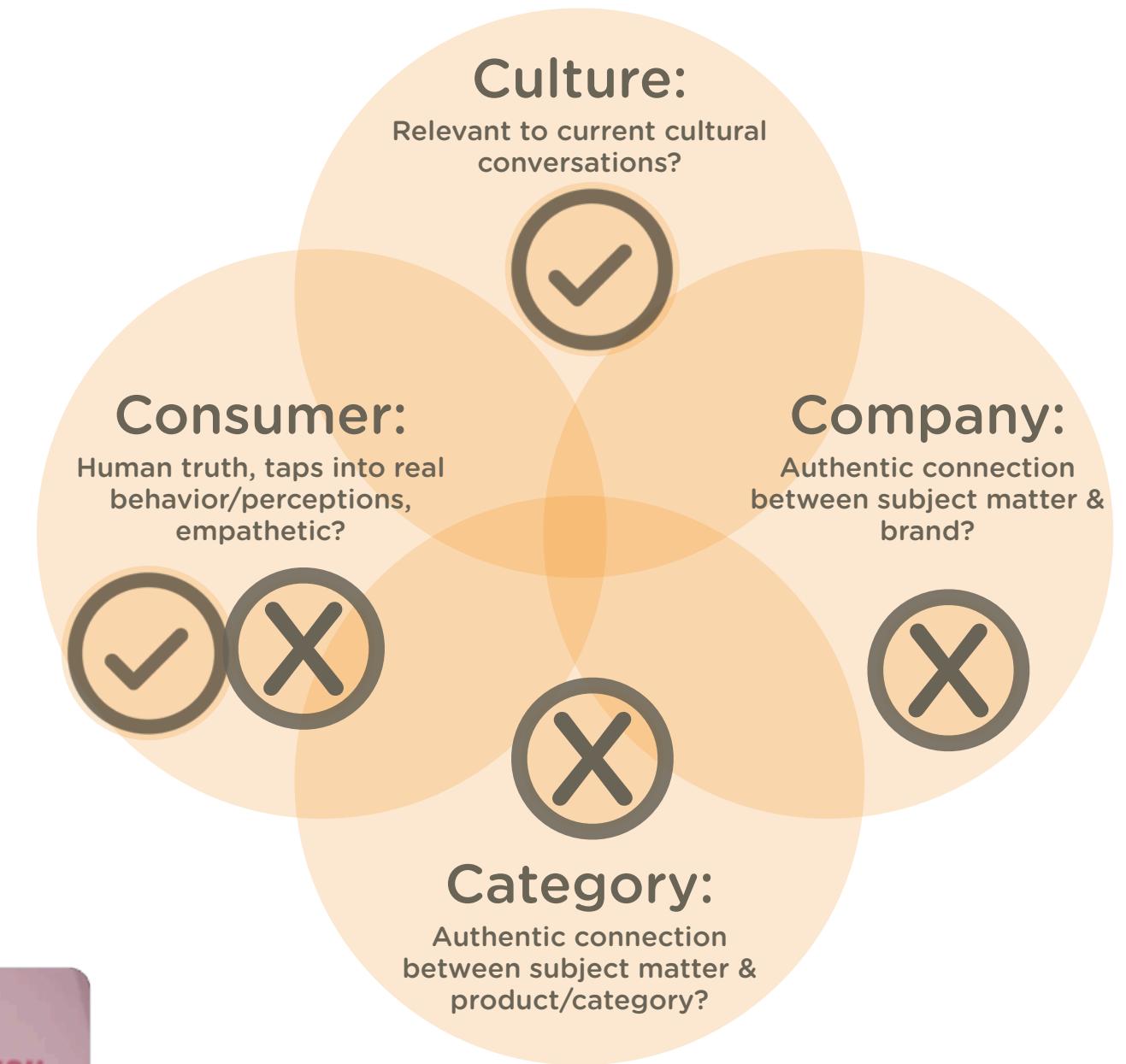
But first, a framework to evaluate what we're about to see:



Lean Cuisine



Lean Cuisine



Lean Cuisine: The Impact

The Washington Post
Business Democracy Dies in Darkness

Lean Cuisine wants to talk to women about 'having #ItAll.' They want none of it.

Michelle says "Wear a fucking mask!!!"
@RageMichelle

Having #ItAll as a women would be if no one asked women how to "have it all". Does anyone ask men how to have it all? No. No, they do not.

5:45 AM · May 24, 2018

431 114 Copy link to Tweet

Leah @settleprecious · May 24, 2018

Heeey @LeanCuisine- to me, having #ItAll means rejecting diet culture and society's expectations of my body and refusing to harp on what I look like and what I eat. So I'm not here for this marketing and no one else should be, either.

#ItAll

Lean Cuisine asked women to define what "having it all" means to them.

Promoted by Lean Cuisine

FM 🏳️🌈 @awfulhorrid · May 24, 2018

Replying to @LeanCuisine

Supporting women by encouraging diet culture, emphasizing adherence to a bs beauty standard, and a corporate message of "you're worthless unless you're thin?" Yeah, no thanks. Having #ItAll starts with not buying into that garbage and not buying yours

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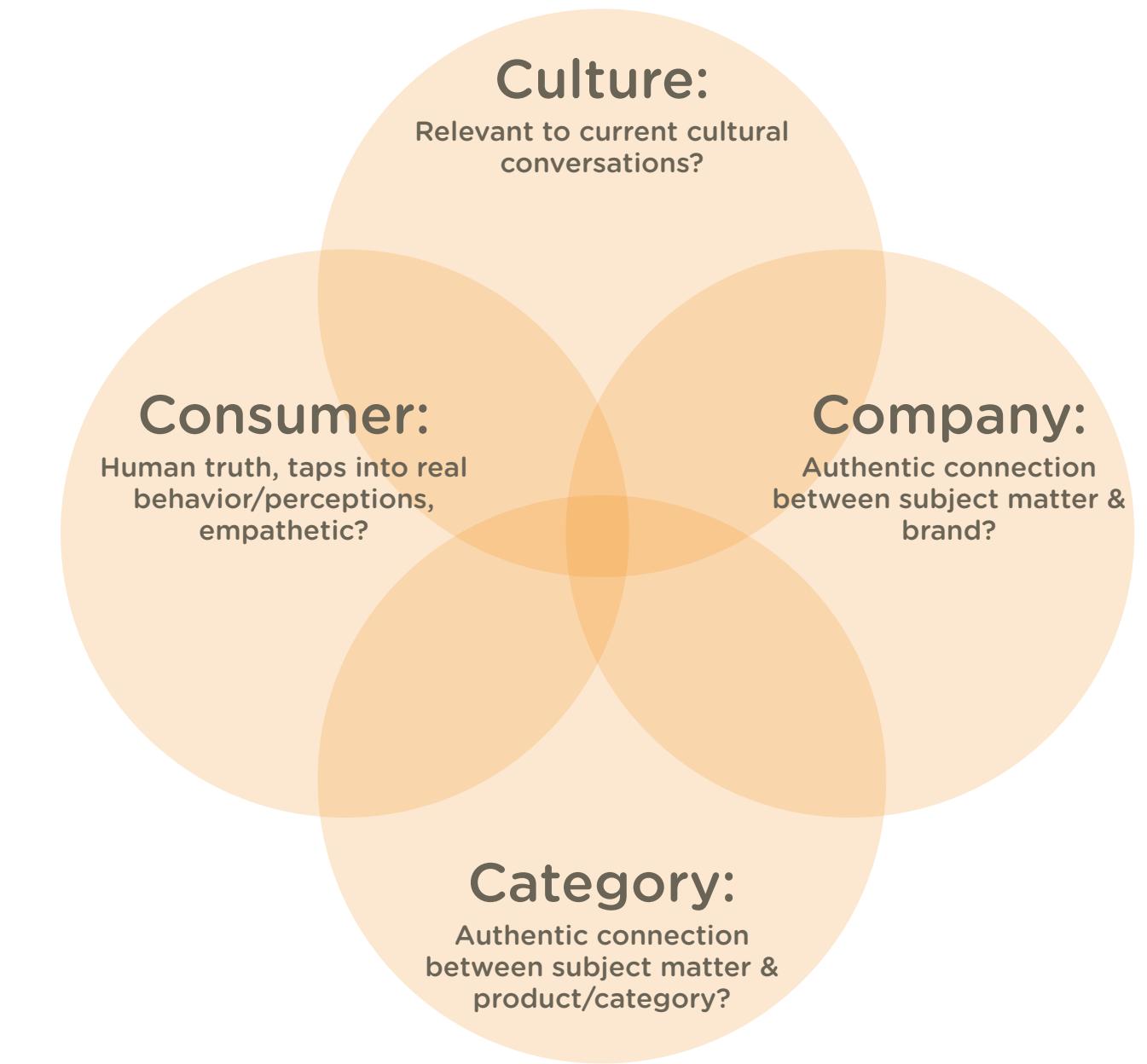
Alison Tedford @alliespins · May 24, 2018

As an eating disorder survivor, having #ItAll means not having to consume diet culture disguised as empowerment.

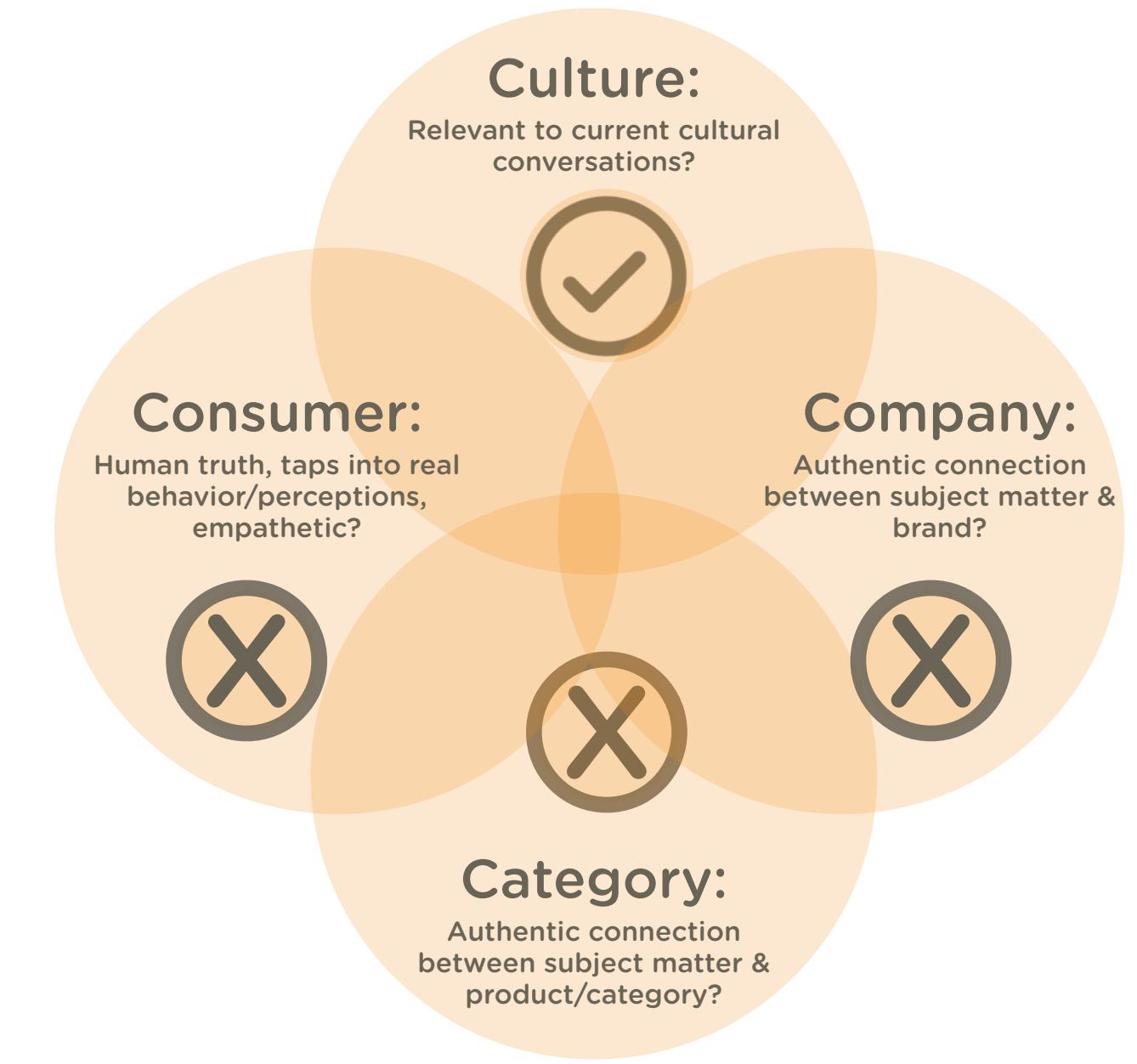
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Pepsi



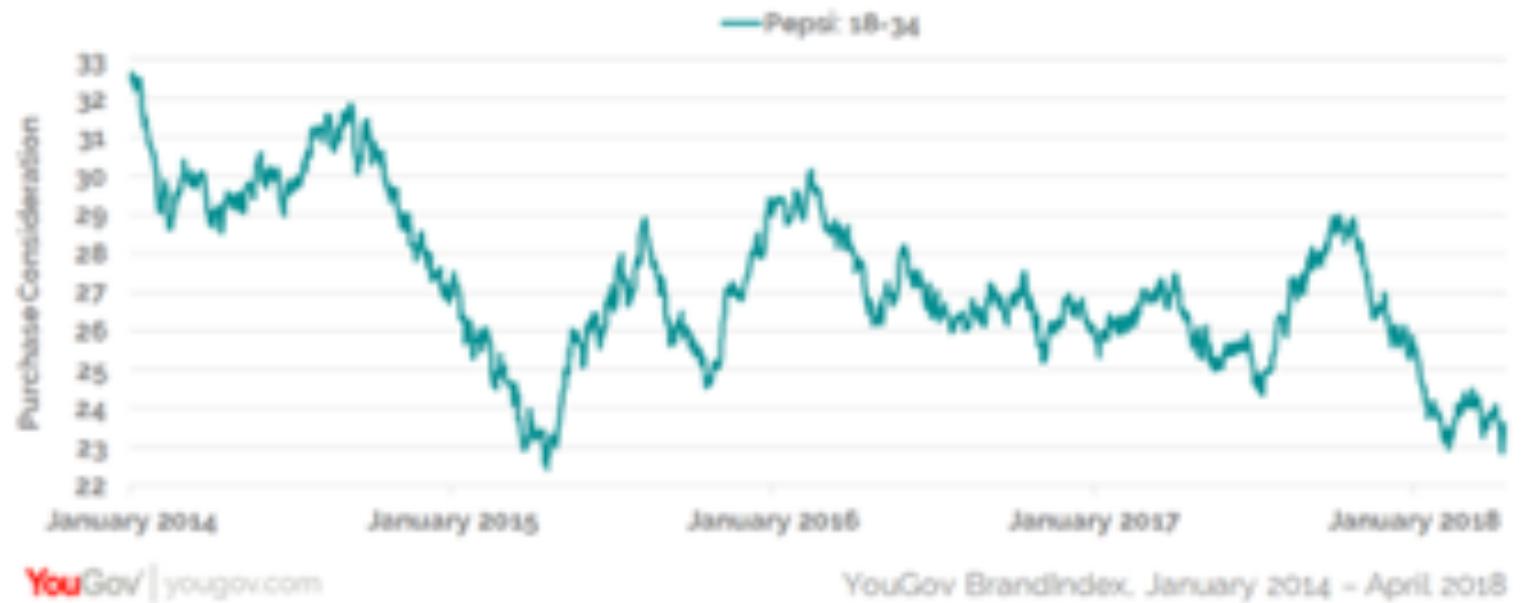
Pepsi



Pepsi: The impact

Purchase Consideration: Pepsi

"When you are in the market next to purchase beverages, from which of the following brands would you consider purchasing?" Asked of US adults aged 18-34 (Purchase Consideration ranges from 0-100%)



It took nine months for Pepsi's perception to fully recover with millennials from the ad's backlash but Purchase Consideration continued to decline with millennials, a key metric of potential sales revenue.

Since 2014, that metric fell from 33% to 23% of Millennials considering buying a Pepsi.

-YouGov, 2018

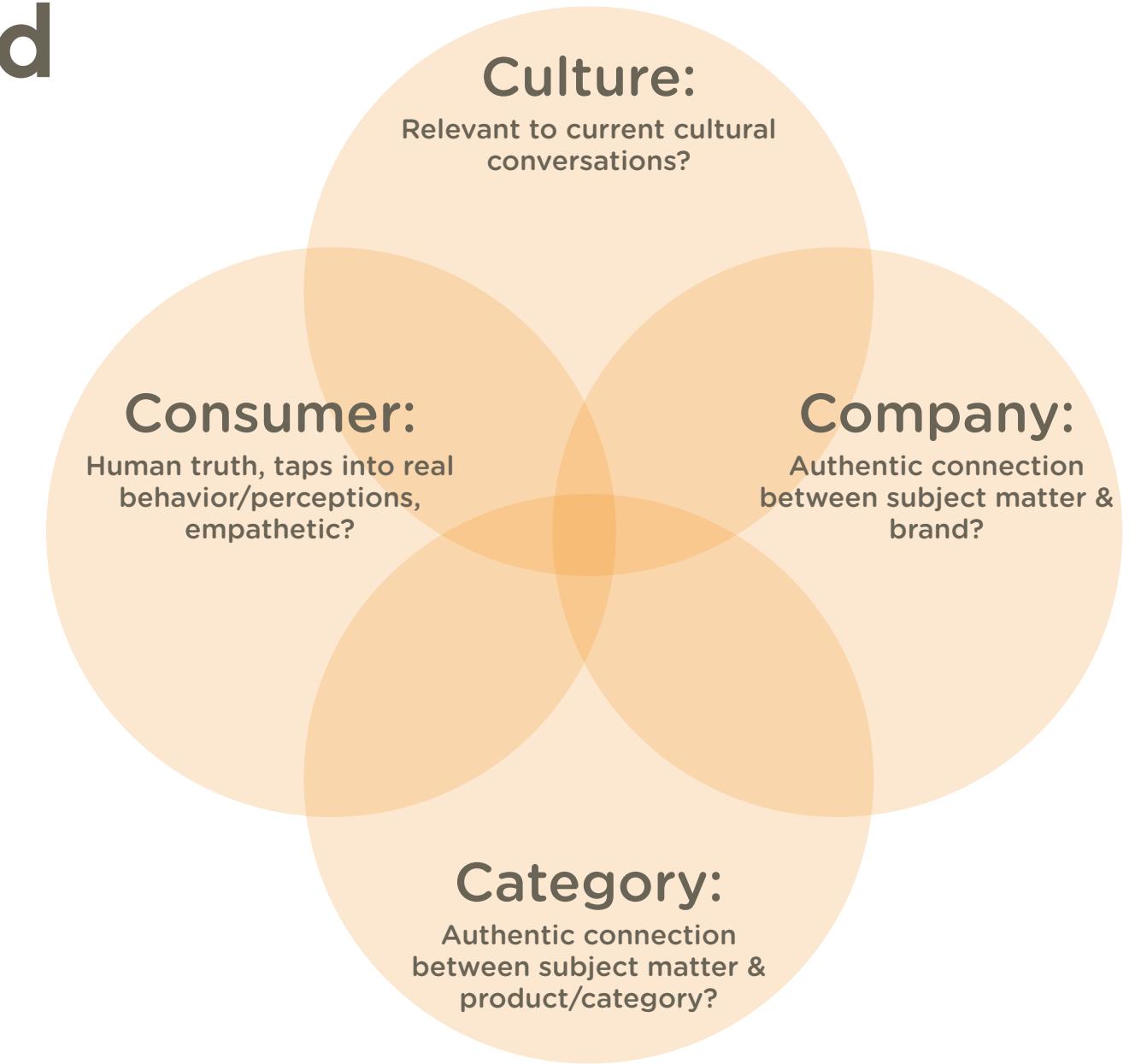
+ Pulled within 24 hours

+ Brad Jakeman, the executive who oversaw PepsiCo's in-house content creation arm resigned.

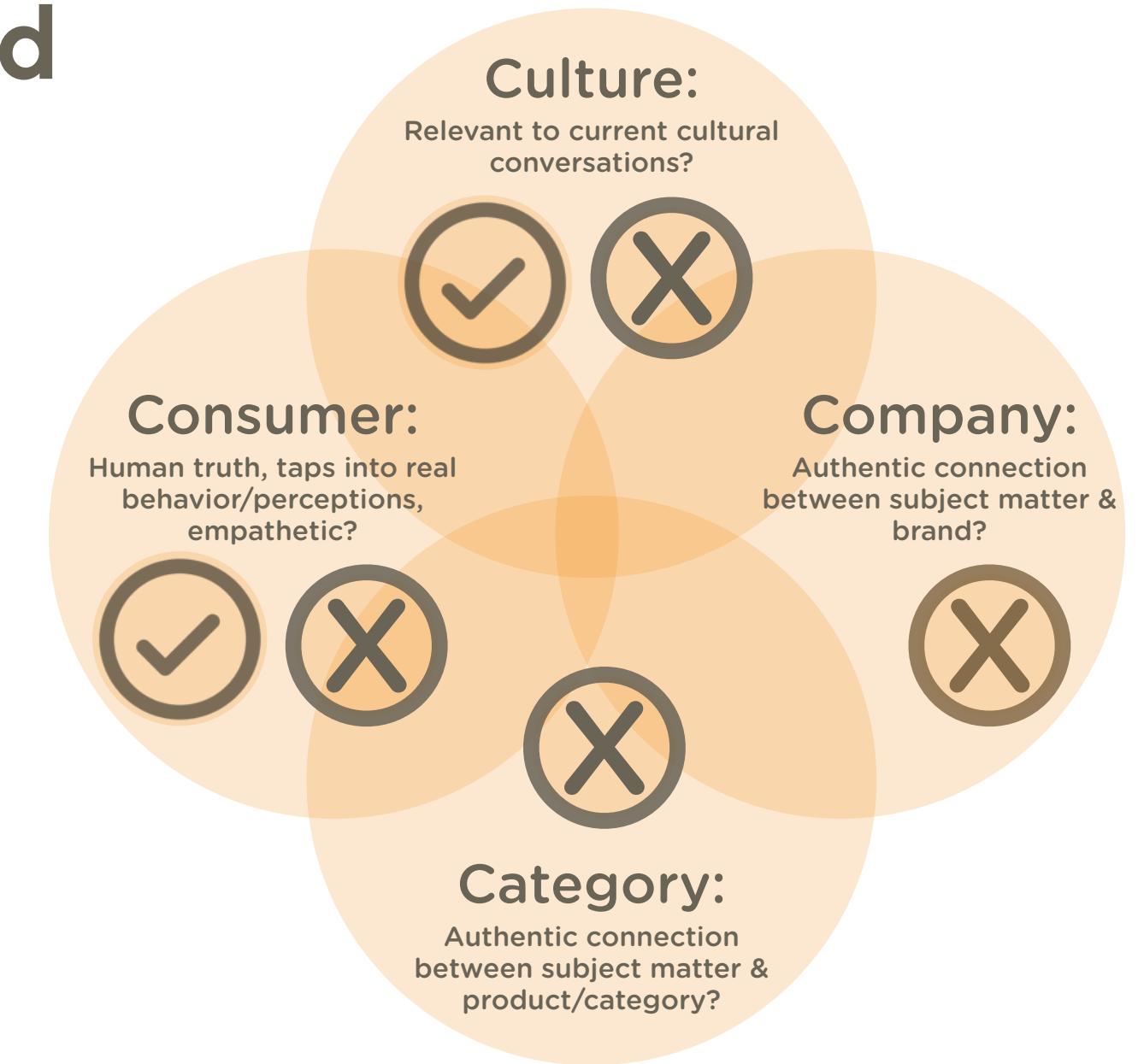
According to Jakeman, "(companies) are now publishing thousands of pieces of content. There are going to be these issues [like the reaction to the Dove and Kendall ads]."

Do you agree?

Ram Truck MLK Super Bowl Ad



Ram Truck MLK Super Bowl Ad



Ram Truck MLK Super Bowl Ad: The Impact

Spent \$5 Million to air (not including production costs)

The Martin Luther King, Jr. Center  

Neither [@TheKingCenter](#) nor [@BerniceKing](#) is the entity that approves the use of #MLK's words or imagery for use in merchandise, entertainment (movies, music, artwork, etc) or advertisement, including tonight's [@Dodge #SuperBowl](#) commercial.

7:47 PM · Feb 4, 2018 

 14.7K  8.6K  Copy link to Tweet

"They pushed it over the edge," said Kelly O'Keefe, a professor at Virginia Commonwealth University's Brandcenter. **"You wanted to root for it because the cause is good, but it just didn't end up fitting the brand, so you ended up feeling a little bit manipulated."**

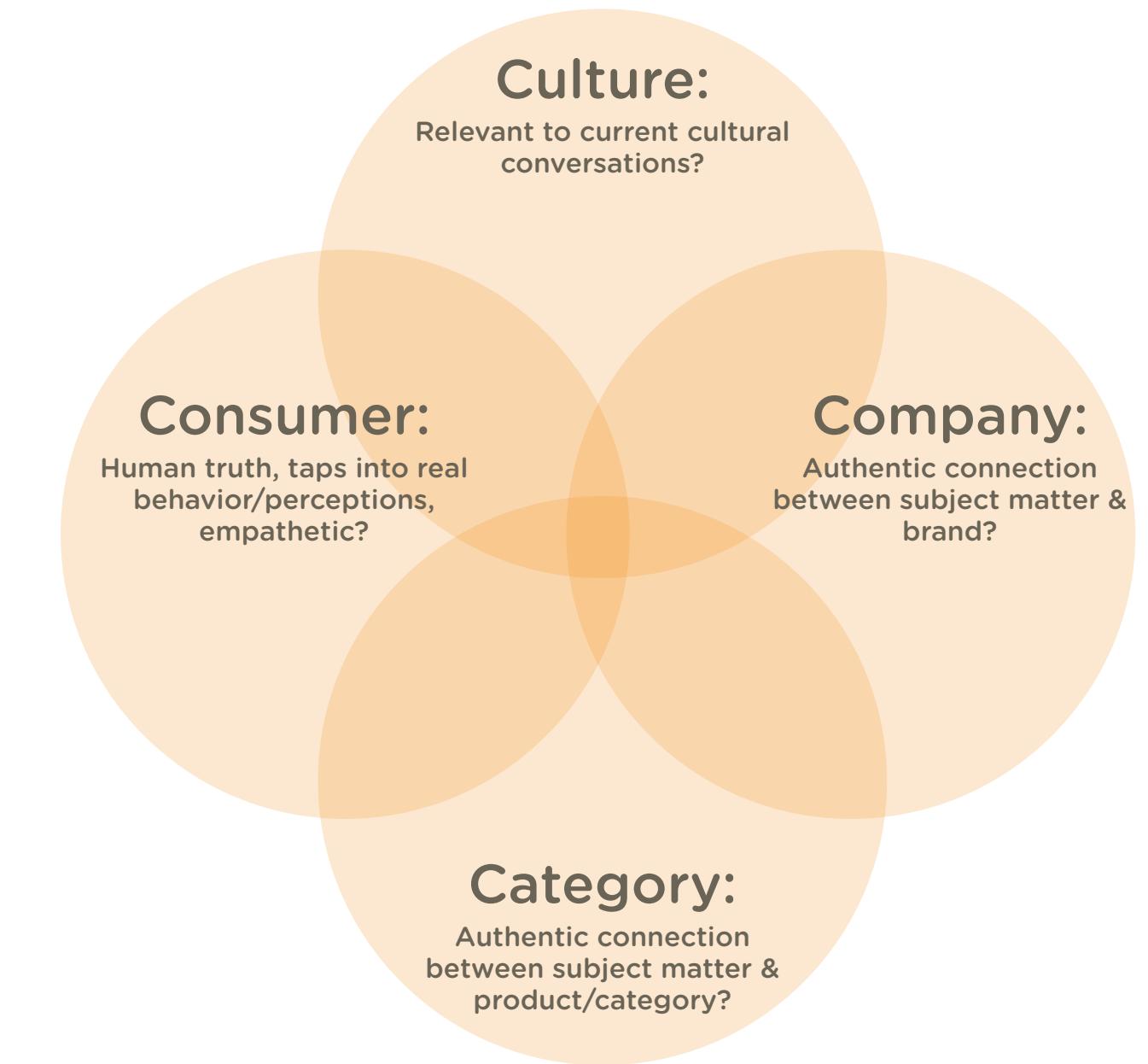
-CBS News.com

Yoplait

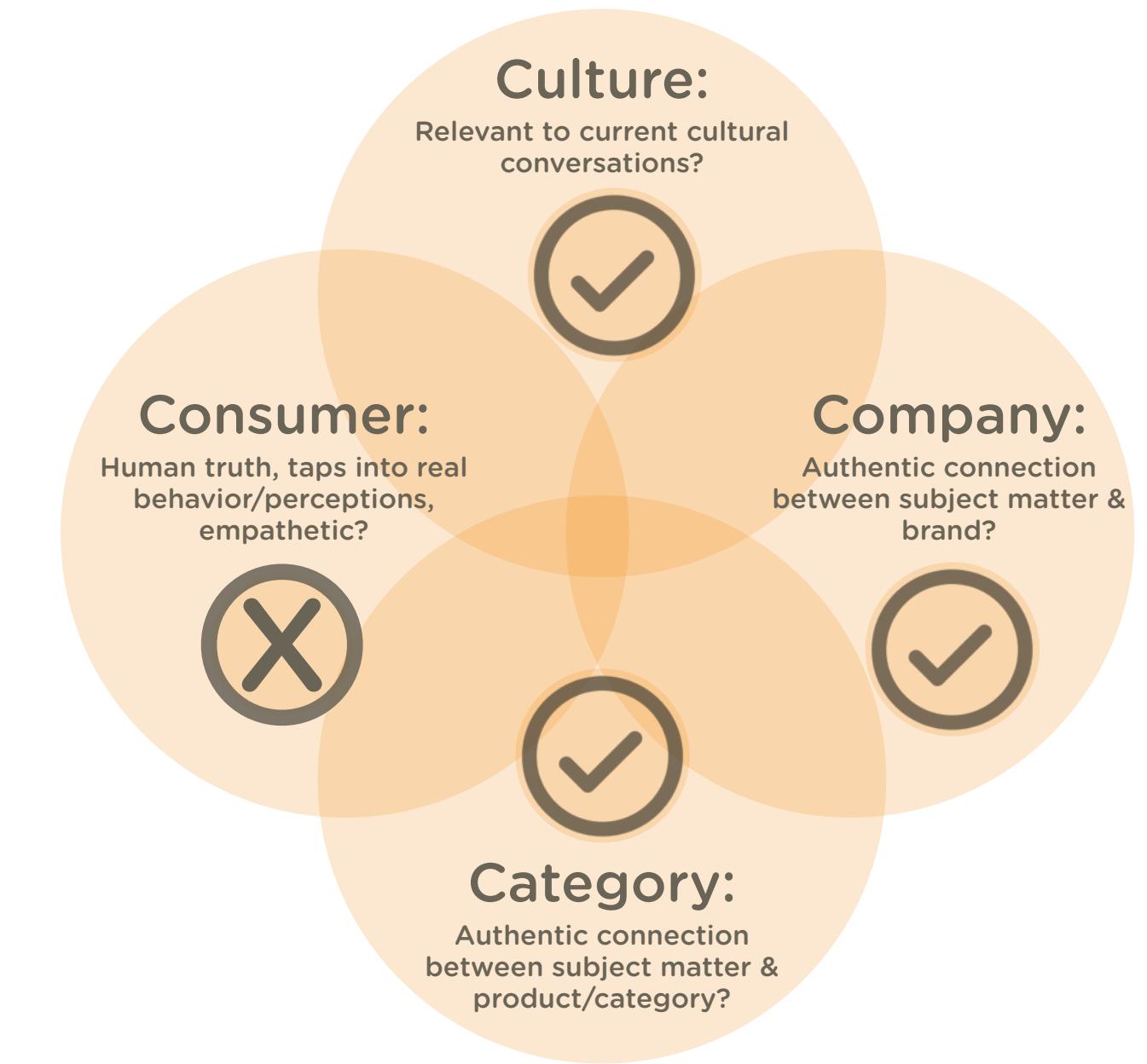


THERE IS NOW 25% LESS SUGAR

25% LESS SUGAR VS. PREVIOUS YOPLAIT ORIGINAL RECIPE



Yoplait

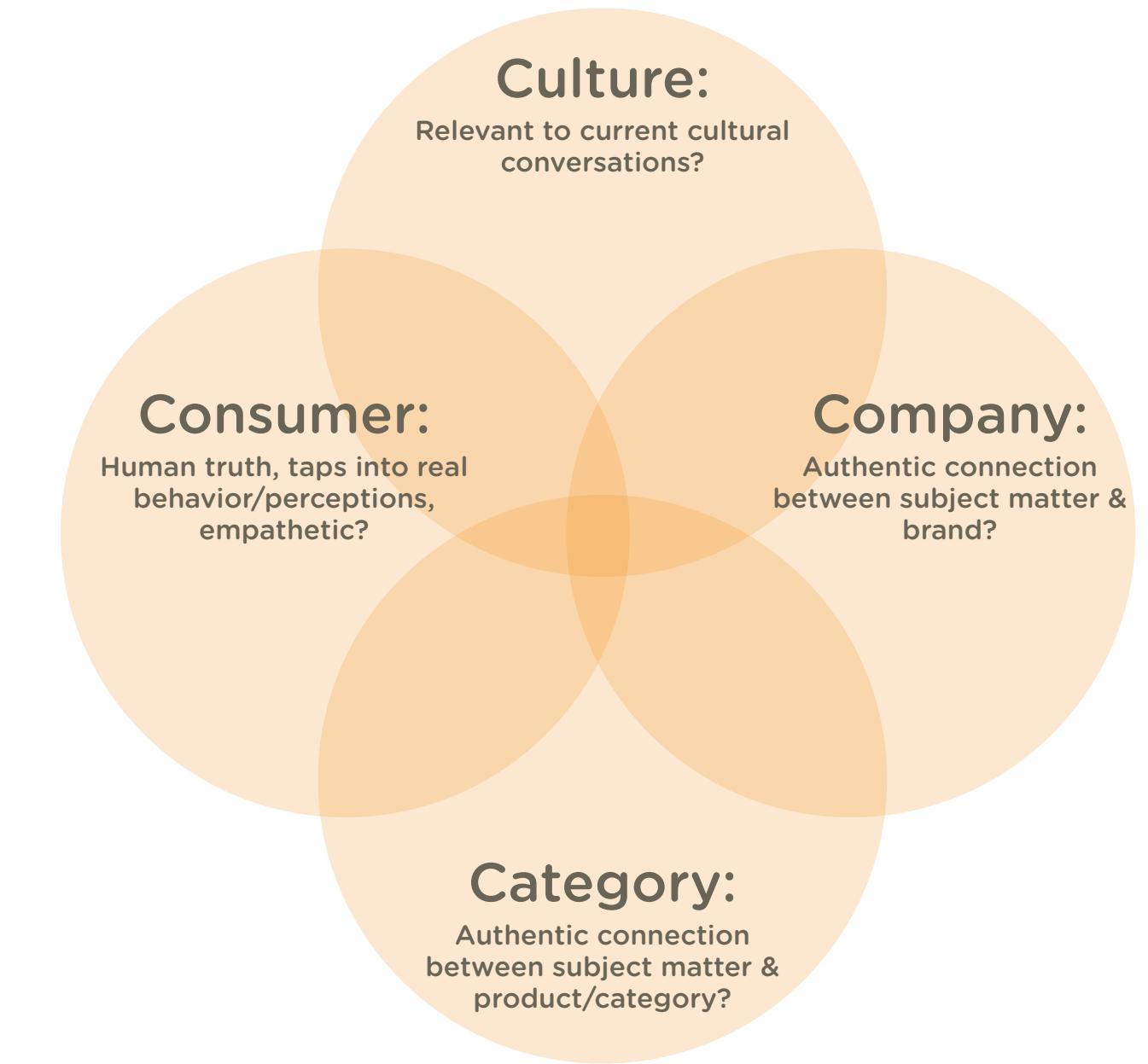


Yoplait: The impact

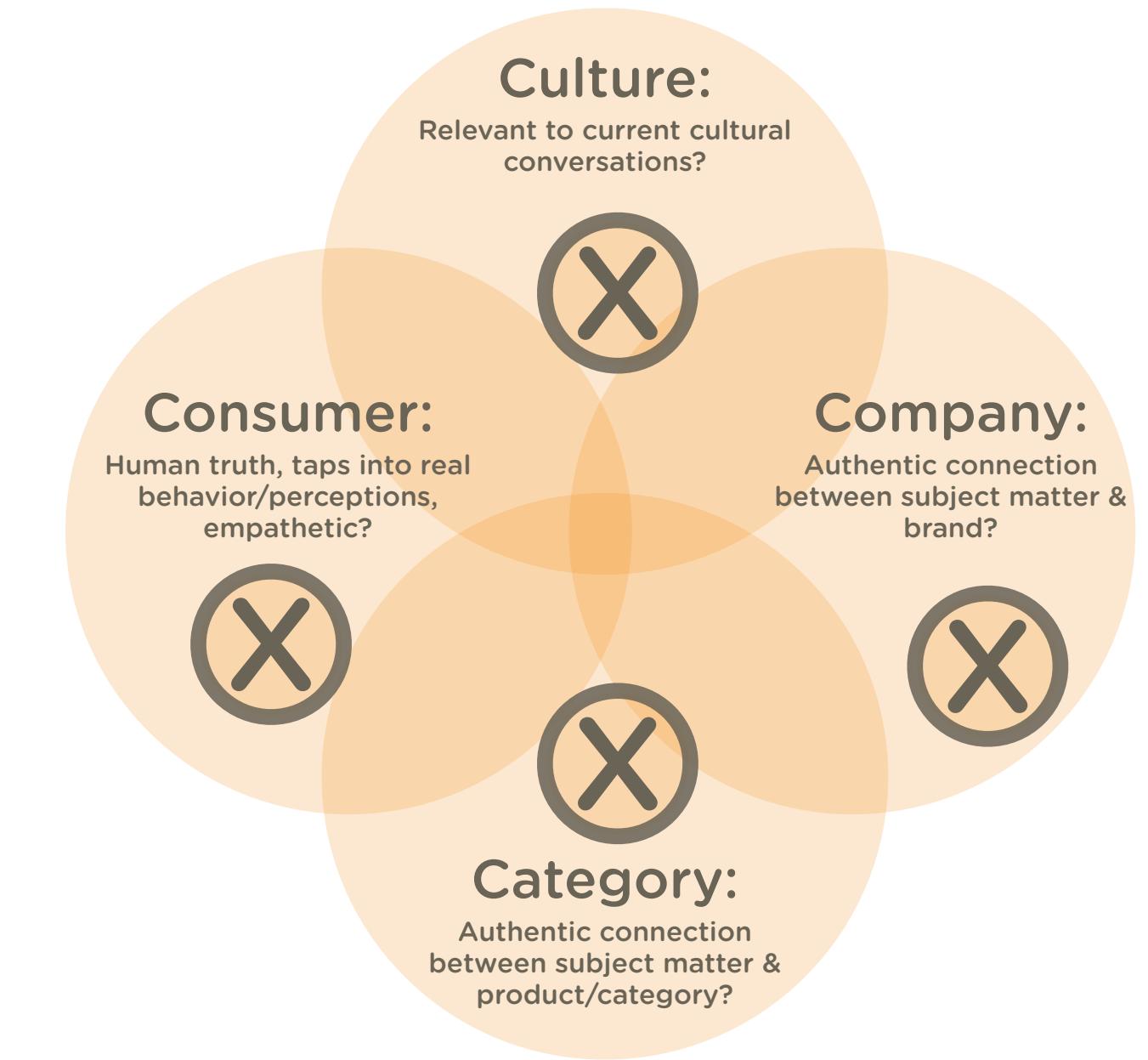
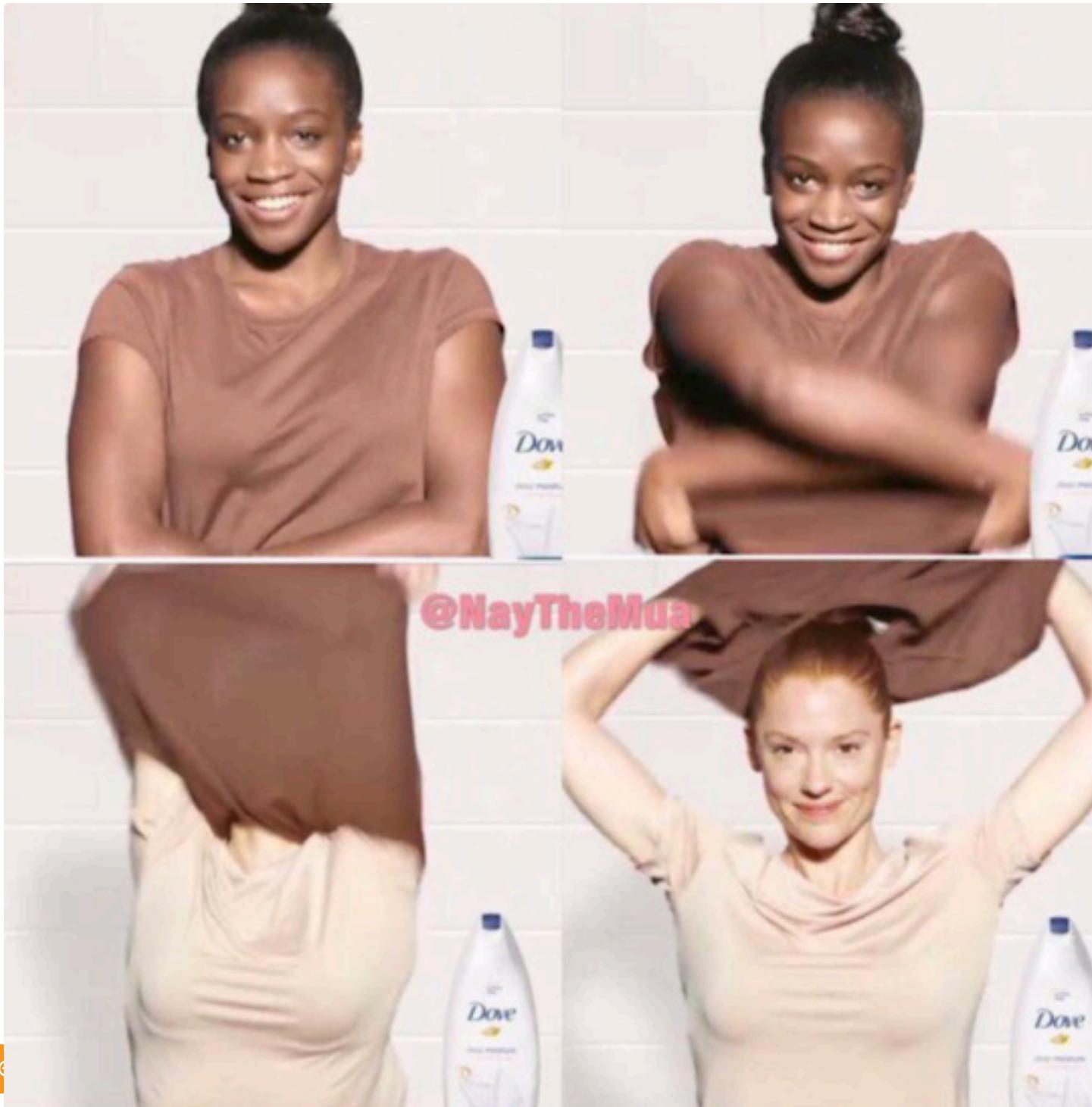


- + social media drama
- + pulled ad within a month
- + loss of millions in production investment
- + measurable decline in business every time commercial aired
(having no commercial was better than having this one)

Dove



Dove



Dove: The impact

- + Pulled ad
- + Issued an apology
- + “re-evaluating our internal processes for creating and reviewing content”

Dove Drops an Ad Accused of Racism

Dove apologises for ad showing black woman turning into white one

Brand says it ‘missed mark’ after being accused of racism in campaign promoting body lotion

Marissa Solan, a spokeswoman for Dove, said on Sunday that the GIF “was intended to convey that Dove Body Wash is for every woman and be a celebration of diversity, but we got it wrong and, as a result, offended many people.”

-NYTimes

To avoid your own future trainwreckdumpsterfires: Start first with knowing people.

1. Build empathy

Do you know who you're serving? Do you know them as well as your best friend?

2. Maintain empathy

When was the last time you talked, or listened to the people you are targeting or serving?

3. Check yourself

Did you ask for a POV or gut check outside your team?

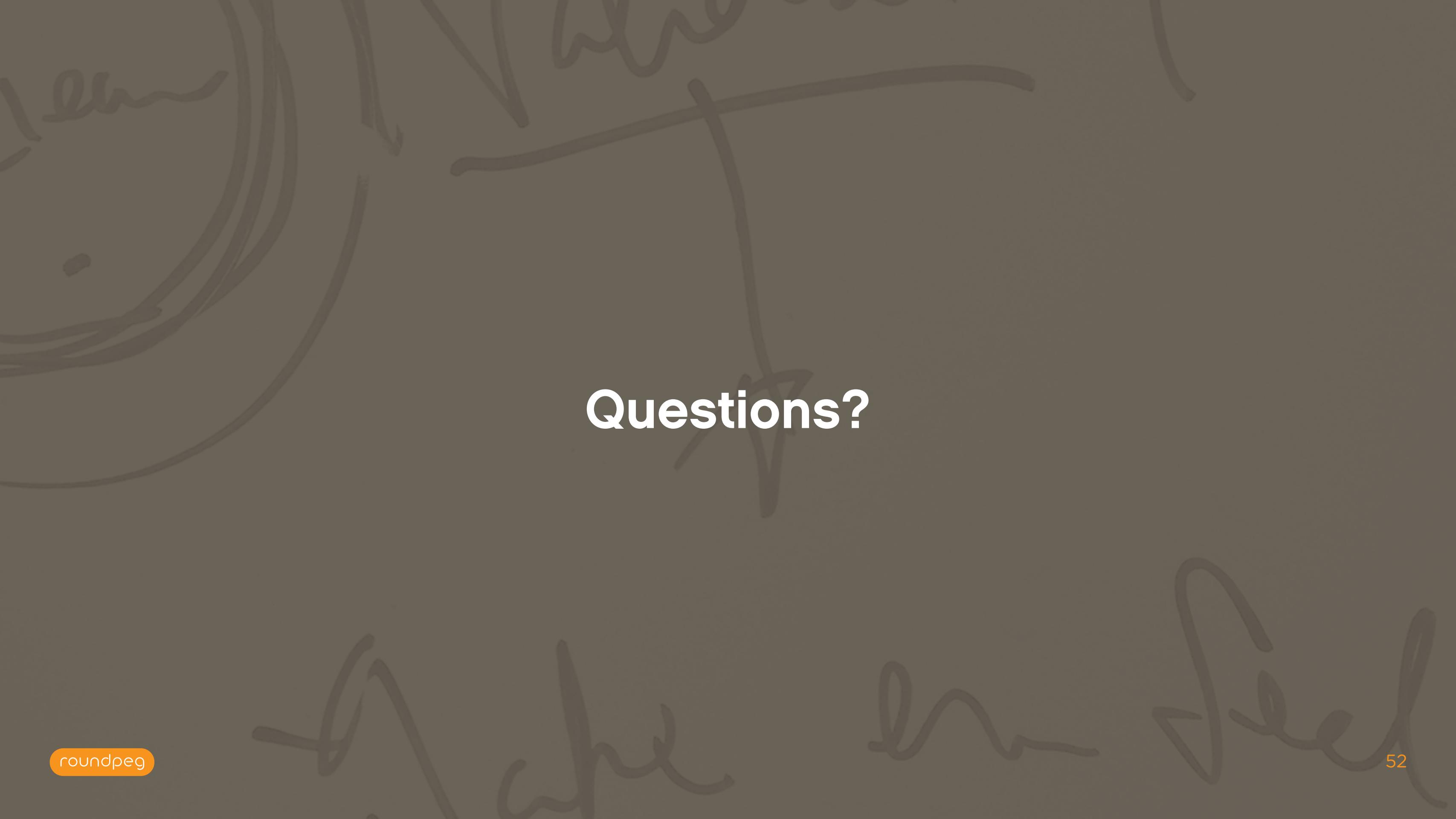
Even if you're not a “marketer,” you can help your team avoid these mistakes

1. Build empathy too, to be an advocate for the consumer

Do you know who you're serving? Do you know them as well as your best friend?

2. Ask Questions of your teammates:

What do consumers think about this change?/This investment? What is our reason to believe this is a good idea?



Questions?