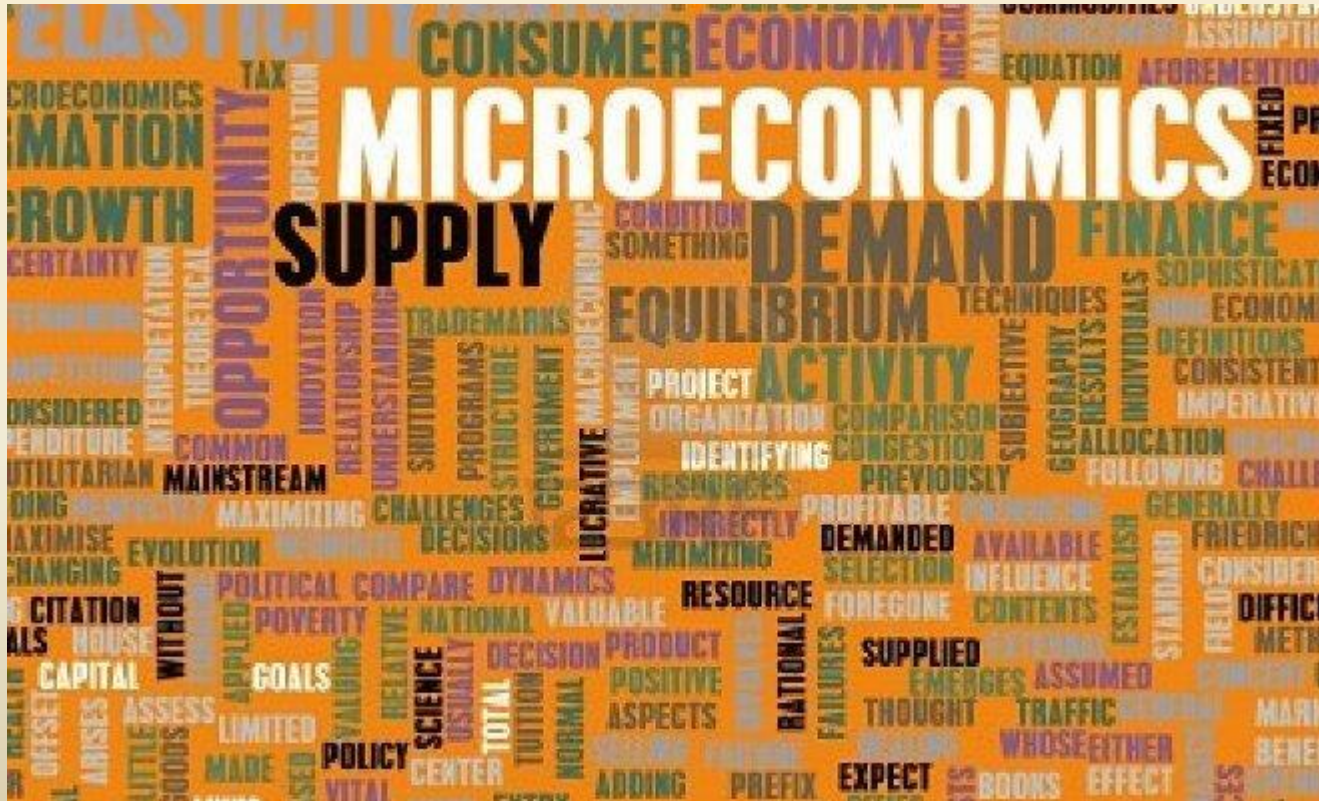


# Presentation 12

## Understanding consumers



Understanding consumers involves establishing:

1. The consumer profile i.e. understanding how consumers select commodities
2. The consumer equilibrium i.e. understanding what commodities are selected relative to the budget the consumer has
3. The consumer demand i.e. understanding the relationship between the quantities consumed relative to price and other variables
4. The consumer constraints notably laws and provisions

## Consumption identity

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Consumption behavior is a function of one self, and in particular the way one makes sense of one self, one's self-concept (i.e. what we make of our self).

It is, in other words, a function of one's consumer personality: the distinctive and enduring patterns of thoughts, emotions, and behaviors that characterize the self in consumption circumstances and situations.



The construction of consumer personalities changes according to

- ✘ consumption situations
- ✘ constraints set by schemata, that is, mental constructions of the self based on the interaction of experiencing-learning-knowing.

Thus constructed consumer personalities are possible consumer selves in the sense that consumer personalities evolve over time.

## Lifestyles

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Since products are integral to the extended self and that products are not purchased alone, consumers are concerned with

- ✗ product constellations
- ✗ consumer lifestyles



Consumer lifestyles refer to the particular way consumers live with consumer products leading to the constitution of brand tribes. They involve:

- ✗ the use of clusters of specific brands
- ✗ specific consumption activities



## Consumer variables

The analysis of consumer personalities as well as lifestyles shows that consumption is a function of the following consumer variables:

1. Values
2. Myths
3. Symbols
4. Rituals
5. Contexts
6. Principles



## Consumer profiles

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Knowledge of consumer variables can help organizations construct consumer profiles with the following variables:

- ✘ Semiotic – meanings, symbols, myths
- ✘ Personal – knowledge, experience, motives, readiness, innovation, satisfaction
- ✘ Topographical – region, climate
- ✘ Demographical – age, gender
- ✘ Social – family, religion, ethnicity, education



- ✗ Economic – income, status, class, occupation
- ✗ Psychological – personality, lifestyle, attitude,
- ✗ Contextual – interpersonal, culture, occasions



Knowledge of consumer profiles is a prerequisite to:

- ✘ help organizations carry out effective consumer analyses as per consumer desires
- ✘ identify segments wherein sell products that correspond to consumer profiles
- ✘ construct brand loyalty



## Brand loyalty

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Achieving brand loyalty involves two aspects:

1. Strategy, marketing and organizational (a focus on what)
2. Method, segmentation and market research (a focus on how)



## Strategies

Marketing strategy is about those specific actions taken to maintain or improve the relations between the business organization and its consumers i.e. increase sales.

It is about constructing brand loyalty with a view to achieving organizational strategies i.e. long-term goals

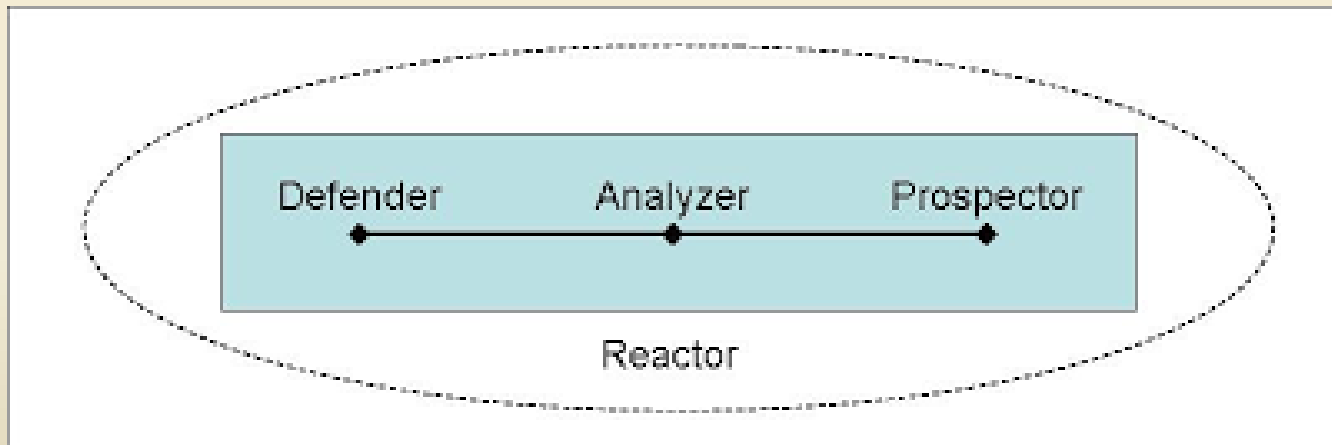


a/Marketing strategies as per the Miles & Snow typology involve:

- ✘ An emphasis on product: product development to be offered in either the existing markets (defender) or in new markets (prospector) or both (analyzer).
- ✘ An emphasis on markets: market expansion of the existing market by either offering new products or developing core products (analyzer), or search for new markets to offer the same or new products (prospector)

Or both:

- ✘ Product and market development (prospector)
- ✘ Product and market differentiation (analyzer, prospector)



b/Marketing strategies that are segment-based, involve:

- ✘ Undifferentiated marketing, where organizations ignore differences between segments and operate one marketing mix for the entire market.
- + Example: Skype offering internet services.



- ✘ Differentiated strategy, where organizations operate in several segments and design marketing mixes for each segment.
  - + Example: Nike and Reebok offering shoes for nearly every type of sport.
  
- ✘ Concentrated (niche) strategy, where organizations focus on one segment and design their marketing mix accordingly.
  - + Example: Bang & Olufsson offering high-end products to audiophiles.