

GARY ARMSTRONG • PHILIP KOTLER
MICHAEL HARKER • ROSS BRENNAN

MARKETING

AN INTRODUCTION

FOURTH EDITION



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Many marketers try to identify opinion leaders for their products and direct marketing efforts towards them. They use *buzz marketing* by enlisting or even creating opinion leaders to spread the word about their brands. Sneeze, a London marketing agency, uses *buzz marketing* to create successful word-of-mouth campaigns for its clients.

Two or three years ago, a Premiership football club (I'm not allowed to tell you which one) was trying to sign up fans to its text bulletin service. For 25p a message (working out at around £100 a year), fans would get a text whenever something interesting happened at the club – team selections, injury updates, half-time scores, that sort of thing.

Despite promoting the service in club literature, on its website, and with armies of attractive girls handing out leaflets on match days, the club could not get the rate of new subscriptions to rise above a disappointing 20 a week. So it hired a small marketing agency called Sneeze.

'We got a group of 14 or 16 actors, who were all football fans, but pretended to be fans [of the unnamed club],' explains Graham Goodkind, Sneeze's founder and chairman. 'And they went round bars and clubs around the ground, in groups of two, saying that one of their mates had been sacked from work because he kept on getting these text messages and talking to everyone about it, and his boss had had enough and given him the boot. So they were going round with this petition trying to get his job back – kind of a vaguely plausible story.

'And then the actors would pull out of their pocket some crumpled-up leaflet, which was for the text subscription service. They'd have a mobile phone in their pocket, and they'd show them how it worked. "What's the harm in that?" they'd say. And they could have these conversations with lots of people – that was the beauty of it. Two people could spend maybe 20 minutes or half an hour in each pub, working the whole pub. We did it at two home games and reckon we got about 4,000 people on the petition in total.'

The petition went in the bin, of course, but subscriptions to the club's texting service soared. 'The week after we had done the activity it went up to 120 sign-ups,' says Goodkind, who is also boss of the Frank PR agency. 'Then you saw that after that it was 125, and the next week was 75, and the next week was 60. That was the talkability, because obviously if you get that service you tell your mates about it. We saw a massive effectiveness.'⁷

Family

Family members can strongly influence buyer behaviour. The family is the most important consumer buying organisation in society, and it has been researched extensively. Marketers are interested in the roles and influence of the husband, wife and children on the purchase of different products and services.

Husband–wife involvement varies widely by product category and by stage in the buying process. Buying roles change with evolving consumer lifestyles. For example, in many countries, the wife has traditionally been the main purchasing agent for the family in the areas of food, household products and clothing. But with a growing proportion of women holding jobs outside the home and the willingness of husbands to do more of the family's purchasing, all this is changing. The traditional division of labour between men and women in the family, with men earning the money and women running the home, is already a distant memory in many European countries and is breaking down elsewhere. The traditional buying roles of men and women are also breaking down.⁸

Such changes suggest that marketers in industries that have sold their products only to men or only to women are now courting the opposite sex. For example, women today account for 50 per cent of all technology purchases. So consumer electronics companies are increasingly designing products that are easier to use and more appealing to female buyers.

As a growing number of women are embracing consumer electronics, engineers and designers are bringing a more feminine sensibility to products historically shaped by

Vauxhall got the message across to kids that the Zafira and the Meriva were designed with them in mind

Source: Courtesy of Vauxhall Motors Limited.



masculine tastes, habits and requirements. Designs are more 'feminine and softer', rather than masculine and angular. But many of the new touches are more subtle, like the wider spacing of the keys on a Sony ultraportable computer notebook. It accommodates the longer fingernails that women tend to have. Some of the latest mobile phones made by LG Electronics have the camera's automatic focus calibrated to arm's length. The company observed that young women are fond of taking pictures of themselves with a friend. Men, not so much. Nikon and Olympus recently introduced lines of lighter, more compact and easy-to-use digital single-lens-reflex cameras that were designed with women in mind because they tend to be a family's primary keeper of memories.⁹

Children may also have a strong influence on family buying decisions. For example, children as young as six may influence the family car purchase decision. Consequently, advertisers often take account of the interests of children when putting together campaigns. A very popular Vauxhall (Opel) campaign for the Zafira and Meriva multi-purpose vehicles used to feature three clever young boys, George, Harry and Amir, who had strong views on what a car should be able to do. However, marketers need to be conscious that both using children in advertising campaigns and running campaigns aimed at children are potentially controversial things to do. Advertisers who thoughtlessly target children with commercial messages are likely to be on the receiving end of a public relations backlash. Fortunately, the Advertising Standards Authority provides extensive advice on how to tackle the tricky issue of marketing to children in its 'Children and Advertising' guidelines (<http://www.asa.org.uk/News-resources/Hot-Topics>).

Roles and status

A person belongs to many groups – family, clubs, organisations. The person's position in each group can be defined in terms of both role and status. A role consists of the activities people are expected to perform according to the persons around them. Each role carries a status reflecting the general esteem given to it by society.

People usually choose products appropriate to their roles and status. Consider the various roles a working mother plays. In her company, she plays the role of a store manager; in her family, she plays the role of wife and mother; at her favourite sporting events, she plays the role of an avid fan. As a store manager, she will buy the kind of clothing that reflects her role and status in her company.

Personal factors

A buyer's decisions are also influenced by personal characteristics such as the buyer's *age and life-cycle stage, occupation, economic situation, lifestyle and personality and self-concept*.

Age and life-cycle stage

People change the goods and services they buy over their lifetimes. Tastes in food, clothes, furniture and recreation are often age related. Buying is also shaped by the stage of the family life cycle – the stages through which families might pass as they mature over time. Marketers often define their target markets in terms of life-cycle stage and develop appropriate products and marketing plans for each stage.

Traditional family life-cycle stages include young singles and married couples with children. Today, however, marketers are increasingly catering to a growing number of alternative, non-traditional stages such as unmarried couples, singles marrying later in life, childless couples, same-sex couples, single parents, extended parents (those with young adult children returning home) and others.

Sony recently overhauled its marketing approach in order to target products and services to consumers based on their life stages. It created a new unit called the Consumer Segment Marketing Division, which has identified seven life-stage segments. They include, among others, Gen Y (under 25), Young Professionals/DINKs (Double Income No Kids, 25 to 34), Families (35 to 54) and Zoomers (55 and over).

Occupation

A person's occupation affects the goods and services bought. Blue-collar workers tend to buy more rugged work clothes, whereas executives buy more business suits. Marketers try to identify the occupational groups that have an above-average interest in their products and services. A company can even specialise in making products needed by a given occupational group. For example, Goliath Footwear from West Yorkshire in the UK specialises in rugged, durable, no-nonsense safety boots – including the Furnace Masters, a line of safety boots designed for people working with molten metals, which are heat resistant up to 300 degrees centigrade, and feature quick-release fasteners so that they can be removed speedily in the event of a molten-metal splash.

Economic situation

A person's economic situation will affect product choice. Marketers of income-sensitive goods watch trends in personal income, savings and interest rates. If economic indicators point to a recession, marketers can take steps to redesign, reposition and reprice their products closely. Some marketers target consumers who have lots of money and resources, charging prices to match. For example, Rolex positions its luxury watches as 'a tribute to elegance, an object of passion, a symbol for all time'. Other marketers target consumers with more modest means. Timex makes more affordable watches that are renowned for their reliability and durability, epitomised by the famous Timex Ironman Triathlon model, designed to withstand the toughest sporting conditions.

Lifestyle

People coming from the same subculture, social class and occupation may have quite different lifestyles. **Lifestyle** is a person's pattern of living as expressed in his or her psychographics. It involves measuring consumers' major AIO dimensions – Activities (work, hobbies, shopping, sports, social events), Interests (food, fashion, family, recreation) and Opinions (about themselves, social issues, business, products). Lifestyle captures something more than the person's social class or personality. It profiles a person's whole pattern of acting and interacting in the world.

Several research firms have developed lifestyle classifications. The most widely used is SRI Consulting's *Values and Lifestyles (VALS)* typology. VALS classifies people according to how they spend their time and money. It divides consumers into eight groups based on two major dimensions: primary motivation and resources. *Primary motivations* include ideals, achievement and self-expression. According to Strategic Business Insights Consulting, consumers who are primarily motivated by ideals are guided by knowledge and principles. Consumers who are primarily motivated by *achievement* look for products and services that demonstrate success to their peers. Consumers who are primarily motivated by *self-expression* desire social or physical activity, variety and risk.

Consumers within each orientation are further classified into those with *high resources* and those with *low resources*, depending on whether they have high or low levels of income, education, health, self-confidence, energy and other factors. Consumers with either very high or very low levels of resources are classified without regard to their primary motivations (Innovators, Survivors). Innovators are people with so many resources that they exhibit all three primary motivations in varying degrees. In contrast, Survivors are people with so few resources that they do not show a strong primary motivation. They must focus on meeting needs rather than fulfilling desires.

One study identified five key food-related lifestyle segments in Croatia as follows:

- The relaxed segment, representing 13 per cent of the population. These people have no clear buying motives and the quality of food is not particularly important to them; they are influenced by friends and by the mass media. Buying and preparing food is not a major concern of this segment.
- The traditionalist segment accounts for 27 per cent of the population. Cooking and eating food are considered to be important social events for this segment, and members of the family like to help out at meal times. They enjoy shopping for food and like to experiment with new recipes.
- The modern segment, representing 32 per cent of the population. The members of this segment do not like to spend too much time on buying, preparing and cooking food; they make detailed shopping lists and plan their food shopping trips carefully. Their main motivation is to reduce the amount of time they spend on buying and cooking food.
- The concerned segment makes up only around 11 per cent of the population. These people are particularly interested in the safety and nutritional value of the food that they buy, and are convinced of the advantages of organic food. This segment tends to be relatively old and with above average incomes. Its members pay a lot of attention to the information on food product labels.
- The hedonist segment, representing 17 per cent of the population. This segment tends to comprise older consumers with lower than average education and income. Their main motivation is to enjoy the food that they eat. Women who belong to this segment spend a lot of time shopping for food and take pride in their cooking abilities.¹⁰

Lifestyle segmentation can also be used to understand how consumers use the Internet, computers and other technology. Forrester developed its 'Technographics' scheme, which segments consumers according to motivation, desire and ability to invest in technology. The framework splits people into ten categories, including:

- *Fast Forwards*: the biggest spenders on computer technology. Fast Forwards are career focused, time strapped, driven and top users of technology.
- *New Age Nurturers*: also big spenders. However, they are focused on technology for home uses, such as family education and entertainment.
- *Mouse Potatoes*: consumers who are dedicated to interactive entertainment and willing to spend for the latest in 'technotainment'.

- *Techno-Strivers*: consumers who are up-and-coming believers in technology for career advancement.
- *Media Junkies*: visual TV lovers who are especially interested in TV features such as video-on-demand.
- *Sidelined Citizens*: technophobes and technology laggards, the least receptive to new technologies.¹¹

Delta Airlines used Technographics to target online ticket sales better. It created marketing campaigns for time-strapped Fast Forwards and New Age Nurturers, and eliminated Technology Pessimists (those sceptical of technology) from its list of targets. When used carefully, the lifestyle concept can help marketers understand changing consumer values and how they affect buying behaviour.

Personality and self-concept

Each person's distinct personality influences his or her buying behaviour. **Personality** refers to the unique psychological characteristics that lead to relatively consistent and lasting responses to one's own environment. Personality is usually described in terms of traits such as self-confidence, dominance, sociability, autonomy, defensiveness, adaptability and aggressiveness. Personality can be useful in analysing consumer behaviour for certain product or brand choices. For example, coffee marketers have discovered that heavy coffee drinkers tend to be high on sociability. Thus, to attract customers, Starbucks and other coffee houses create environments in which people can relax and socialise over a cup of steaming coffee.

The idea is that brands also have personalities, and that consumers are likely to choose brands with personalities that match their own. A *brand personality* is the specific mix of human traits that may be attributed to a particular brand. One researcher identified five brand personality traits:

- 1 sincerity (down to earth, honest, wholesome and cheerful);
- 2 excitement (daring, spirited, imaginative and up to date);
- 3 competence (reliable, intelligent and successful);
- 4 sophistication (upper class and charming);
- 5 ruggedness (outdoorsy and tough).¹²

The researcher found that a number of well-known brands tended to be strongly associated with one particular trait: Levi's with 'ruggedness'; MTV with 'excitement'; CNN with 'competence'; and Campbell's with 'sincerity'. Hence, these brands will attract people who are high on the same personality traits.

Many marketers use a concept related to personality – a person's *self-concept* (also called *self-image*). The basic self-concept premise is that people's possessions contribute to and reflect their identities; that is, 'we are what we have'. Thus, in order to understand consumer behaviour, the marketer must first understand the relationship between consumer self-concept and possessions.

Psychological factors

A person's buying choices are further influenced by four major psychological factors: *motivation, perception, learning and beliefs and attitudes*.

Motivation

A person has many needs at any given time. Some are biological, arising from states of tension such as hunger, thirst or discomfort. Others are psychological, arising from the need for recognition, esteem or belonging. A need becomes a motive when it is aroused to a sufficient level of intensity. A **motive (drive)** is a need that is sufficiently pressing to direct the person to seek satisfaction. Psychologists have developed theories of human motivation.



Brand personality: well-known brands tend to be strongly associated with one or more traits. Red Bull is associated with extreme 'excitement'

Source: Tony Lockhart/Alamy Stock Photo.

Two of the most popular – the theories of Sigmund Freud and Abraham Maslow – have quite different meanings for consumer analysis and marketing.

Sigmund Freud assumed that people are largely unconscious about the real psychological forces shaping their behaviour. He saw the person as growing up and repressing many urges. These urges are never eliminated or under perfect control; they emerge in dreams, in slips of the tongue, in neurotic and obsessive behaviour, or ultimately in psychoses.

Freud's theory suggests that a person's buying decisions are affected by subconscious motives that even the buyer may not fully understand. Thus, an ageing baby boomer who buys a sporty BMW 330Ci convertible might explain that he simply likes the feel of the wind in his thinning hair. At a deeper level, he may be trying to impress others with his success. At a still deeper level, he may be buying the car to feel young and independent again.

The term *motivation research* refers to qualitative research designed to probe consumers' hidden, subconscious motivations. Consumers often do not know or cannot describe just why they act as they do. Thus, motivation researchers use a variety of probing techniques to uncover underlying emotions and attitudes towards brands and buying situations. These sometimes-bizarre techniques range from sentence completion, word association, and ink-blot or cartoon interpretation tests, to having consumers form daydreams and fantasies about brands or buying situations. Such projective techniques seem pretty strange, and some marketers dismiss such motivation research as mumbo-jumbo. But many marketers routinely use such touchy-feely approaches to dig deeply into consumer psyches and develop better marketing strategies.

Many companies employ teams of psychologists, anthropologists and other social scientists to carry out motivation research. One ad agency routinely conducts one-to-one,