



JACK WELCH
MANAGEMENT INSTITUTE™

JWI 518

Marketing in the Global Environment

Week Four | Lecture One

MARKETING PSYCHOLOGY: UNDERSTANDING WHY PEOPLE BUY

Traditional marketing strategy advises you to “find a need and fill it,” but that approach to marketing is too limiting, and it can even result in disaster. To design a well-focused marketing and advertising plan, a company must first understand its customers and some basic facts about psychology and behavior.

Here is the most important fact to understand: people do not want what you are selling. They want answers to problems, solutions to needs, a secret door to their hearts’ desires—in other words, satisfactions. People buy satisfactions, not products. Or rather, they buy *anticipated* satisfactions since they have to pay up before using a product. Understanding what the consumer really wants to buy is the key to good marketing—in fact, it is the foundation of all marketing decisions.

Gillette doesn’t sell blades. It sells a clean shave. Revlon doesn’t sell nail polish. It sells romance. Betty Crocker doesn’t sell cake mix. It sells the feeling of love and pride that occurs after you hear the words “This cake tastes great!” If buyers could get the same satisfactions without buying your product or service, they would do it in a heartbeat. Understanding the real motivations of buyers is the first step in creating a successful marketing strategy.

LOGICAL AND EMOTIONAL MOTIVATIONS

Each consumer has slightly different motivations, but groups of consumers have motivations in common. For example, parents want their children to have a better life. Bowlers want to improve their game. Homeowners want a house they are proud to show off to others. A marketer must tap into these inner psychological motivations.

Motivators can be classified into two categories: logical and emotional. We can break up logical motivators into two sub-categories: needs and wants. We can also break up emotional motivators into fears and desires. Understanding the specific satisfactions in each of these four categories helps create a winning strategy and persuasive messages.

Needs

Needs are items you absolutely must have. If you're hungry, you need food. If you are sick, you need medicine. If you've got to work, you may need to buy a car, but you don't need a Lexus—any reliable car will satisfy this need. Note that the satisfaction is "get to work" or "transport my family in comfort and safety." The satisfaction is not a car. The car is merely the springboard for delivering the true satisfactions buyers pay for. Consumers often unconsciously wrap up different motivations into one general motivating statement: "I've got to get a car." If you don't bother to discover the buyer's underlying motive, you

will miss a golden opportunity to target your appeals.

Wants

Wants are what you would like, but can get along without. You may want an ice cream cone right now, but you don't need it. You may want that red car, but a white one will do just fine. We sometimes convince ourselves that we need something when we really don't. It's important for a marketer to recognize the difference because the psychological stimulators you use in advertising are different.

Fears

From a marketer's perspective, there are two kinds of fears: the fear of not doing anything, and the fear of making the wrong choice. As we consider negative possibilities, we make better decisions, but fears also hold us back from making decisions that could lead to greater satisfaction.

Fears are powerful persuaders. We spend millions of dollars on products that promise to reduce our fears of embarrassment—dandruff shampoo, deodorant, and mouthwash, to name a few. We spend additional millions on the promise of reducing serious fears like not having long-term care or enough money for the

family after a breadwinner dies. Insurance is primarily sold on the basis of fear, with some needs and wants added to provide certain advantages over the competition.

Desires

Desires are like daydreams. They are what you hope for. Winning the lottery is a desire. A woman may wear perfume with the desire that someone may ask her to dance and sweep her off her feet. Tapping into a potent desire is a vein of pure gold, as Chanel perfume has shown for decades. Desires are not always met and are often kept private, but they are powerful motivators nonetheless.

Consumers mentally weigh their fears against their needs, wants, and desires. Take shoes, for example. If a pair of shoes is just a little tight, but the shoes exactly match the dress you're wearing to a party tonight, your need for them will likely outweigh your fear that they will pinch, so you will buy them. But if the shoes are only so-so, the fear of pain may outweigh your desire for them, and you'll put them back.

Understanding how to motivate buyers is the foundation for any marketing strategy. The general process is to remind buyers of some key satisfactions they want to achieve, promise them you can make it happen, and then use the features of the product or service, accompanied by testimonials, to convince them you can deliver on your promise. That approach is far more effective

than simply selling features. Know the buyer's motivations, and the path to persuasion becomes clear.

Having considered how needs, wants, fears, and desires shape consumer psychology, let's now discuss how to account for these factors in a systematic manner. One of the best ways to do that is through a 10-step buyer motivation analysis as described here:

Step 1. Segment your market into subgroups that have similar demographics. Then, write down the demographics that describe that segment, including age, gender, income, education, religion, race, and geographic location. Some of these will probably not apply in certain cases, but don't overlook any relevant category.

Step 2. Try to discover the key underlying buying motivations for each segment. If a business has the funds, market research is an extremely valuable tool. Even if a company cannot afford field surveys, it is well worth the effort for managers to give short questionnaires to customers and ask some of them to attend a focus group session. If this is not feasible, the marketers who know the customers best should try to respond to the questions shown below. (It is typical to have between eight and ten bullet points each for needs, wants, and fears, and somewhat less than that for desires.)

Needs

When identifying needs, you should ask: (a) what satisfactions must consumers get from your product, and (b) what features must your product have to ensure that your customers will be satisfied?

For example, a parent with ten children might need to transport the kids safely from point A to point B. Here, the need is reliable transportation for a large family, not a car per se, but if the parent is looking at cars as a way to gain this satisfaction, the car must be able to seat all the kids. If the marketer mistakenly thinks that the buyer's satisfaction is derived from the car, he is likely to focus his efforts on features the buyer doesn't care about.

Wants

When identifying wants, you should ask:

- What satisfactions must consumers like to get from your product?
- What features must your products have to ensure that your customers will be satisfied?

The difference here is that needs are deal-breakers, but wants are not. For example, a car buyer in Arizona may want a white SUV to minimize the heat, but if a great deal can be found on a red SUV, she may give up that satisfaction for the savings.

When people are asked why they made a particular purchase,

they most often give a logical reason, but in truth, most buying decisions are heavily influenced by emotional considerations, too. We often buy on the basis of emotion and then justify it on the basis of logic. We hate to be thought of as illogical buyers, but most of us have items in our closets or garages that demonstrate we often are.

Fears

Two types of motivations drive fear:

- *Fears of omission*—what do consumers fear might happen if they do nothing?
- *Fears of commission*—what do consumers fear might happen if they pick the wrong product?

If you have a car that is making an awful sound, it may concern you, but perhaps not enough to do anything immediately, especially if you're driving around town and can easily call for help. But if you are taking your family into the mountains at night in the rain, you might be more fearful that something will happen, so you'll take the car into a repair shop to be checked out. Only when the fear of a bad outcome is raised to the tipping point will you act.

Fears of commission usually elevate the importance of branding. We choose name brands in part because we have confidence they will deliver the satisfactions we want. People pay more for Bayer aspirin because they trust the brand to cure their headache, even though they could pay less for the exact same

formula in a bottle with the pharmacy's name on it.

A second, related benefit of a brand name is its ability to help the buyer avoid embarrassment from buying the *wrong* product for their social circle. If Lucky Brand jeans are in and Wrangler jeans are out, then buying Lucky Brand jeans helps the buyer reduce the fear they may be gossiped about for their poor choice in clothing. Fears are marketers' friends. Any buyer motivation analysis should attempt to identify a few important fears, as they will help motivate the buyer to take action.

Desires

Desires entail consumers' best-of-all-possible-worlds scenarios about the product. To get at them, ask two questions:

- What daydreams do consumers have about buying and using the product?
- What daydreams do consumers have about the personal outcomes they will experience as a result of using the product?

Buyers don't expect daydreams to come true even though they could happen. Millions of people buy lottery tickets every week even when one mathematician calculated that purchasers of one particular lottery had a better chance of being struck by lightning than winning.

Often, desires are subconscious, vague feelings, rather than conscious thoughts—but that does not make them any less

powerful. How often have you seen a car or a pair of shoes and got that *I have to have that* feeling without any logical reason to feel that way? For example, when some people buy kitchen cleaners, they get a feeling of pride; in their minds, they see their kitchen sparkling and feel good about themselves for having made their kitchens so attractive. Generally, desires revolve around how we want to feel about ourselves or how we want others to act and feel toward us.

Step 3. The next step in the analysis is to understand what makes your product attractive to customers. Try to view your product's attributes as the customer sees them:

Concrete attributes. What are its physical attributes, those aspects that buyers can see, touch, taste, smell, and hear? For example, a car may have a roomy ride, a special paint job, a great sound system, and front-wheel drive.

Functional attributes. What are its performance attributes? A car might go from 0 to 60 miles per hour in 3.8 seconds.

Abstract attributes. These are often judgmental attributes, like *high quality* or *sexiness*, and are usually based on a product's collective concrete and functional attributes. A Maserati is recognized as a high-quality automobile, but we can't see quality per se. It is an abstract attribute made up of a lot of concrete, functional features, but even though you can't see it, you would never hesitate to market a Maserati as a quality product. Also, note that a company can have abstract attributes based on what

it does (e.g., a tobacco company or an environmental company) or the industry it is in (e.g., fast food). These abstract attributes significantly influence how customers see the product.

Step 4. Try to identify which of the above attributes are most likely to matter to members of each subgroup as they ask themselves these questions:

- How can I attain my most important satisfactions for buying this type of product?
- How can I get the most satisfaction for the money I have available?

The key attributes and features are the ones that should figure most prominently in any advertising and marketing promises.

Remember this: the role of features is to prove to the buyer that a product can deliver on its promise of satisfaction. People buy anticipated satisfaction, not features.

Step 5. Identify consumers' emotional and logical buying motivations, and the product attributes that will best satisfy each one of them. This is the foundation on which to build your marketing messages for a particular market segment. Each population may have different buying motivations, and marketing messages must be tailored to the motivations of each one.

Step 6. Do Steps 2 through 5 for each subgroup you defined.

Step 7. Analyze each segment to discover which ones respond favorably to the same marketing messages, with the same nuances and style. These segments can be combined for purposes of advertising and direct marketing.

CONNECT YOUR PRODUCT WITH CONSUMERS' MOTIVATIONS

Now, take all these motivations and wrap them around your product so someone will buy it.

Step 8. Based on your budget and the target markets you are trying to reach, determine the media that offer the greatest bang for the buck in terms of potential customers, timeliness, and ability to convey a persuasive message. Try to integrate several media into the mix, so you can reach customers with similar messages from several different angles.

Step 9. For each segment or combination, use emotional and logical buying motivations to construct a persuasive marketing message. Messages should remind customers what they want and why they want it, then promise to give it to them if they use your product. Use the product's attributes as a way to validate your promises, not as the primary focus of the message. The focus must be on customer satisfaction.

Step 10. Be sure that the messages in each marketing tool are supportive of one another. Messaging over time and media

must be consistent. Remember that good marketing is like a symphony. Each instrument must play the same song, creating a harmonious sound. If a TV ad for a Corvette promises sexiness and speed, and the print ad promises safety and good gas mileage, the buyer will not have a cohesive message in his mind, and the brand image of the product will be disjointed and weak.

A buyer motivation analysis can be used to understand consumers' motivations for any product, service, idea, or candidate. The primary underlying thought in buyers' minds is this: "What's in it for me?"

You must learn what customers want, then show them your products deliver it. Use the features to prove your promise. Then, ask customers to take the next step in the buying process—go to the showroom, the store, the website, or the phone. The structure of most effective marketing messages is just that simple.