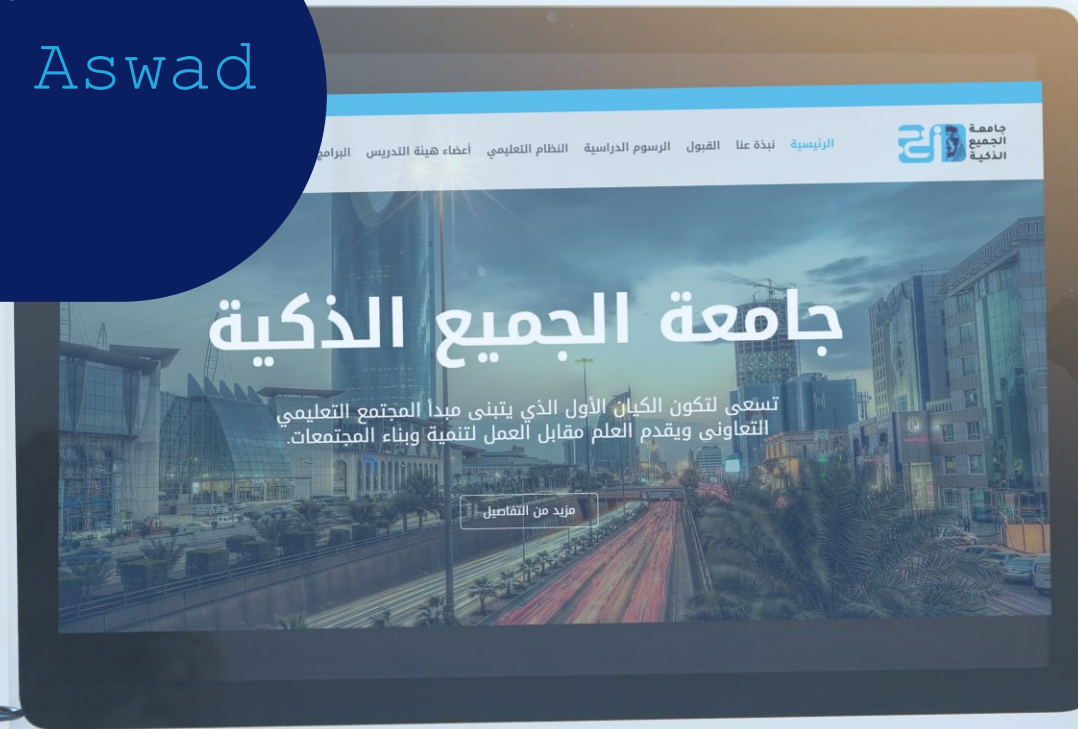


Digital Consumer Behavior

Prepared by Dr. Noha El Aswad

Lecture 6



MKT713

Master of Digital Marketing

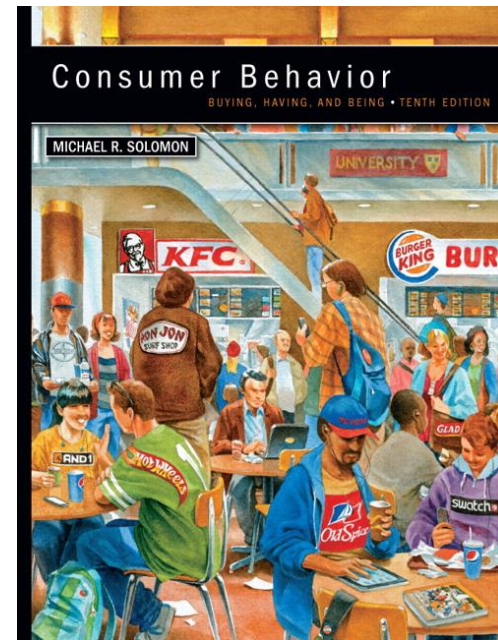


جامعة الجميع الذكية
EVERYONE'S SMART UNIVERSITY

Chapter 02

Buying, Having, Being

CONSUMER BEHAVIOR, 10e Michael R. Solomon



When you finish this chapter, you should understand why:

- **Ethical business** is good business.
- **Marketers have an obligation** to provide safe and functional products as part of their business activities.
- **Consumer behavior impacts directly** on major public policy issues that confront our society.
- **Consumer behavior** can be harmful to individuals and to society

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When you finish this chapter, you should understand why:

- Case study to revise chapter one
- Part 1 in Learning objective one in chapter 2
 - **Ethical business** is good business.
 - Business ethics and Consumer rights Mainstream
 - Business ethics
 - Do Marketers Manipulate Consumers?
 - Who controls the market, companies or consumers?
 - Do Marketers Create artificial needs
 - Is Marketing necessary

HONDA'S ASIMO

Meet ASIMO! He is 4 feet tall, with a pleasant childish voice, and the ability to recognize and interact with people; however, ASIMO is no child. He is the humanoid robot “brainchild” of scientists at Honda. ASIMO’s technology includes two camera eyes to map its environment and recognize unique faces. Its body construction is so humanlike that it can run at 3.5 mph, toss a ball to play with a child, and use its opposable thumbs to open a bottle and serve you a cold drink. ASIMO is the perfect household companion.

HONDA'S ASIMO

Honda has not yet made ASIMO available to purchase for home use, but it is only a matter of time until families can have their own humanoid robot. But not everyone is interested. Although some consumers have interacted with robotic kiosks that can process food orders and provide rudimentary in-store customer service, many are a bit nervous about an actual robot serving them meals or sitting down and telling them the news of the day. Why? Perhaps it is Hollywood's influence on our perception of robots. It might not be the sweet WALL-E that comes to mind when we think about robots, but the Terminator or another threatening machine.



HONDA'S ASIMO

- Even robot developers have differing views on the roles robots could play or how they should look. Some see them as humanistic in appearance, serving as kind, compassionate companions for the aging or lonely. The movie *Her* explored the human-like connection that could exist with a computer-generated being. However, the developers of a robot called *Leonardo* describe wanting to create a social robot with a whimsical appearance, intentionally not human or animal. They believe that “robots will be their own kind of creature and should be accepted, measured, and valued on those terms.”

HONDA'S ASIMO

If consumers are not ready for ASIMO, perhaps they are ready for some of its features. *Facial recognition technology (FRT)*, the ability for a computer to “read” your face, is seeing strong development and application. According to some analysts, the FRT market is expected to grow from \$1.92 billion to \$6.5 billion within the next 5 years.

Advertisers and big brands are taking notice of FRT. Imagine a billboard in a mall that advertises Abercrombie to a teen girl and Target to a busy mom. Immersive Labs, recently acquired by Kairos, has developed digital billboards that measure the age range, gender, and even attention level of a passerby to deliver a tailored ad. With the addition of Immersive Labs, Kairos believes it has become the only facial biometrics company in the world that offers both facial recognition and emotion analysis tools.

According to researchers, FRT can do more than read your face and estimate general physical characteristics. It can map out a biometric profile that is as unique as your fingerprint. Red Pepper is a company that uses this advanced technology to develop Facedeals, a smartphone app that provides personalized offers to consumers. Here's how it works. You download the app, walk into a store with a Facedeals camera and are recognized. Facedeals interfaces with your Facebook information, analyzing your content for favorite brands, relationship status, places, visited, and other information. Then Facedeals presents you with a personalized offer.

Google is considering letting individuals use a body motion, perhaps a “wink” or “eyebrow movement,” as their FRT password. Forbes.com has unveiled an app where your webcam watches your facial responses when you view ads to learn what products and ads you like and dislike. Although the marketing applications for FRT are numerous, companies should be aware that a recent study found that 75 percent of respondents were uncomfortable with in-store facial recognition technology that could identify them as a high value shopper and then alert a salesperson. That could change as technology continues to permeate our lives and as consumers become convinced of the value of real-time personalized offers made possible only by having their unique facial features recognized.



DISCUSSION QUESTIONS

CS 1-1 What are the most likely consumer market segments for robots? Which consumer characteristics would be important to determine these market segments? What types of roles do you envision robots playing for these consumers?

DISCUSSION QUESTIONS

CS 1-2 Reflect on the value of FRT as a marketing tool. Give one example that illustrates how this technology can be most effectively used by marketers.

DISCUSSION QUESTIONS

CS 1-3 Discuss the “creepiness” concerns that some consumers have about robots and FRT. How can marketers address or even overcome these issues?

- Ethical business is good business.



- Ethical business is good business.

**“Being good
is good
business”**



Dame Anita Roddick
(1942-2007)

tutor2u

- A global survey by Nielsen reported that **50 percent of** consumers are willing to pay more for goods and services from companies that have implemented programs **to give back to society.**

- Consumers think better of the products a firm sells when the organization **behaves ethically**.

For Refelection

- Give examples about ethical business in your consumption community?

- Are rules of conduct that guide actions in the marketplace; these are the standards against which most people in a culture judge what is right and what is wrong, good or bad. These universal values include honesty, trustworthiness, fairness, respect, justice, integrity, concern for others, accountability, and loyal.

- Because each culture has **its own set of values, beliefs**, and customs, companies around the world define ethical business behaviors quite differently.

- One of the most common and stinging criticisms of marketing is that companies convince consumers they “need” many material things, and that they will be unhappy and inferior people if they do not have these “necessities.” The issue is a complex one and is certainly worth considering: **Do marketers give people what they want, or do they tell people what they should want?**

Response

- Profound changes in consumer behavior are influencing how people search for product information and evaluate alternative brands. In the brave new world of consumer-space, we have much greater potential to shape our own marketing destinies.
- The following slides will discuss this response in more details by answering the question **Who controls the market, companies or consumers?**

- It seems that the “good old days” of marketer-space—a time when companies called the shots and decided what they wanted their customers to know and do—are dead and gone.

- Many people now feel empowered to choose how, when, or if they will interact with corporations as they construct their own **consumer - space**.

- In this new environment, individuals dictate to companies the types of products they want and how, when, and where (or even if) they want to learn about those products. In turn, companies need to develop and leverage brand equity in bold new ways to attract the loyalty of these consumer “nomads.”

- The marketing system creates demand— demand that only its products can satisfy..

Response

- a need is a basic biological motive; a want represents one way that society has been taught to satisfy the need.



DESPITE WHAT SOME PEOPLE THINK, ADVERTISING CAN'T MAKE YOU BUY SOMETHING YOU DON'T NEED.

Some people would have you believe that you are pretty in the hands of every advertiser in the country. They think that when advertising is put under your nose, your mind turns to not need. It's mass hypnosis. Subliminal seduction. Brain washing. Mind control. It's advertising. And you are a pushover for it.

It explains why your kitchen cupboard is full of food you never eat. Why your garage is full of cars you never drive. Why your house is full of books you don't read, TV's you don't watch, beds you don't use, and clothes you don't wear. You don't have a choice. You are forced to buy.

That's why this message is a cleverly disguised advertisement to get you to buy land in the tropics. Get you again, didn't we? Send in your money.

ADVERTISING
ANOTHER WORD FOR FREEDOM OF CHOICE
American Association of Advertising Agencies



- For example, **thirst** is a biologically based need. Marketers teach us to want Coca-Cola to satisfy that thirst rather than, say, goat's milk. Thus, the need is already there; **marketers simply recommend ways to satisfy it**. A basic objective of marketing is **to create awareness that needs exist**, not to create needs.

- Some people charge that marketers arbitrarily link products to desirable social attributes,
- so they foster a materialistic society where what we own defines our value as a person. One influential critic even argued that the problem is that we are not materialistic *enough*: We do not sufficiently value goods for the utilitarian functions they deliver but instead focus on the irrational value of goods for what they symbolize.

- **For example** A washing machine would be a useful machine to wash clothes, rather than an indication that we are forward-looking or an object of envy to our neighbors.

Response

- Products meet existing needs, and marketing activities only help to communicate their availability.

- The economics of information perspective regards advertising as an important source of consumer information.

- This view emphasizes the economic cost of the time we spend to search for products.

- Accordingly, advertising is a service for which consumers are willing to pay because the information it provides reduces their search time.

We have been learning:-

- Ethical business is good business
- Business ethics
- Do Marketers Manipulate Consumers ?
- Who controls the market, companies or consumers?
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Thank You!