Consumption Experience in the New Millennium

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Welcome to the Fascinating World of Consumers

Dear Miata: Will you marry me?
Marketing: Exchange of Value

Value, not money, is the currency of all human action.
Means to

Understand

- Value
- Exchange
- Resources
- Needs
- Wants
Consumers in the Marketplace

1. Exchange—An interchange between two parties where each receives value

2. Resources—Something that we and others value

3. Value—Sum total of all benefits we receive from a product

Five Resources:
- Money
- Time
- Physical energy
- Knowledge & Skills
- Social capital

USER
- U Utilitarian
- S Social
- E Ego-Identity
- R Recreation/Hedonic
Consumers Resources

Resources—Something that we and others value

Five Resources:
- Money
- Time
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- Knowledge & Skills
- Social capital
Values Consumers Seek

- U Utilitarian
- S Social
- E Ego-Identity
- R Recreation/
  Hedonic
Values Consumers Seek

- **U** Utilitarian
- **S** Social
- **E** Ego-Identity
- **R** Recreation/Hedonic
Marketing:

Connecting Products to Needs, Wants, and Value

Some Troubling Questions

1. Does marketing create a need for products consumers do not need?
2. Does marketing create a want in consumers?
3. What is the Purpose of Marketing?
Marketing On Trial

Charge: Marketing creates needs in consumers.  □ Guilty  □ Not Guilty

Charge: Marketing creates wants for products in consumers.  □ Guilty  □ Not Guilty

These questions are the foundation of our ability as marketers to create value for consumers.
Marketing: A Profession Under Delusion

1. Fallacy of Common Speech
   (I Need water, I want Champaign)
   - Survival vs. Excess
   - Product vs. Benefits

2. Fallacy of Blame
   (The devil made me do it!)
   - Saw your ad, that is why I bought it
Wisdom of a Good Definition

NEED: A Discomforting Human Condition

WANT: A Desire for a specific product so as to alleviate that condition

- Utilitarian
- Social
- Ego-Identity
- Recreation /Hedonic
Marketing Consumers

- Value is created basically by crafting products that satisfy consumer Needs and Wants.
- Market Leaders are basically Value Pioneers

- Utilitarian
- Social
- Ego-Identity
- Recreation
  /Hedonic
Marketing Leaders as Value Pioneers

Value pioneers:

- Understand Consumer Experience deeply
- At the Frontier of Emergent Consumer Needs & Wants
Marketing Leaders as Value Pioneers

- Understand Consumer Experience deeply
- At the Frontier of Emergent Consumer Needs & Wants
- Experience of Everyday Consumption
- Experience of Experiential Consumption

Consumer Experience in the new millennium
Experience of Everyday Consumption
Experience of Experiential Consumption

Consumption Potpourri: In Search of Meaning of Consumption

- **Product Appropriation**
  - "How I Anoint What I Buy"

- **Authenticity Consumption**
  - "Bringing Glorious Past to Present Life"

- **Body Adornment Consumption**
  - "My Body is a Scrapbook"

- **Media Fiction Consumption**
  - "Dear Producer: Don’t Forget I Am the Armchair Director"

- **Gift Exchange as Consumption**
  - "I Will Love You If You Love Me"

- **Participant Sports Consumption**
  - "Life is a Game. Game is Life"

- **Technology Consumption Experience**
  - "Gizmos: I love them, I hate them"

- **The Wireless Consumer**
  - "I am not really here; but ‘hero’ is nowhere"

- **Virtual Living**
  - "Finally, I am My Dream-self"
Experience of Experiential Consumption

1. APPROPRIATION of Products

Appropriation—making a product’s one’s own.

- Selection Ritual
- Exchange Ritual
- Acquisition Ritual
- Possession Ritual
- Usage Ritual
Experience of Experiential Consumption

2. Consuming Authenticity

Authenticity—the genuineness of an object in its likeness as it existed at a time in history

Two Motives for Seeking Authenticity experience:
- Exploration (one time)
- Being connected
Experience of Experiential Consumption

3. Consumption of Body Adornments

Motivations for Getting Tattoos

- Aesthetic Beauty
- Magic/Mystery
- Affiliation
- Alienation
- Self-Esteem
- Identity Construction
Experience of Experiential Consumption

4. Consumption of Media Fiction

1. Meaning Negotiation
2. Belief consumption
3. Artifacts Consumption

Ever felt like rewriting a part of the storyline?

What does that show?
Experience of Experiential Consumption

5. Consumption of Technology

- Control/Chaos
- Freedom/enslavement
- New/Obsolete
- Competence/Incompetence
- Efficiency/Inefficiency
- FulfillsCreates Needs
- Assimilation/Isolation
- Engagement/Disengagement

8 Paradoxes

Source: based on Susan Fournier and David Mick (JCR)
Experience of Experiential Consumption

6. Consumption of Technology

- Increased personalness
- Emotional security
- Blurring of private/public
- Spontaneity

New Application: Contextual Marketing
Experience of Experiential Consumption

7. VIRTUAL IDENTITY

- Internet allows anonymity
- Internet allows fake identity
- Internet allows fantasy identity

- Fake identity: intent to deceive (Internet fraud)
- Fantasy identity: harmless, playful, escapism, experimental.
Marketing Leaders as Value Pioneers

- Understand Consumer Experience deeply
- At the Frontier of Emergent Consumer Needs & Wants

Trends in Consumer Behavior

- The Revenge of the Boomers
- Let Power Be to Women
- Greater Diversity
- Telecommuting
- The Global Consumer
- New Forms of Social Relations
- The Technology Suflused Consumption
- Experiential Marketing
Trends in Consumer Behavior

1. Revenge of the Boomers

Today: Large Market with Money
Tomorrow: Aging of Populations

Psychographics: More Self-Image Concerned than their Previous Cohorts

Market Opportunity

- Age-Necessitated Consumption:
- Age-defying Consumption:
Trends in Consumer Behavior

2. Let Power Be to Women

- More Egalitarian Gender Roles
- “Mr. Mom” Phenomenon
- Increasing Buying Power

Consumer Behavior:

- Greater participation in consumption decisions
- Greater out-of-home lifestyle consumption

Market Opportunity

Look-Good Industries — Cosmetics, Fitness, Professional Clothing

Feel-Good Industries — Fitness, advice, celebration, indulgence
3. Greater Diversity

- Growth in minorities
- Greater Diffusion of Eastern European Consumers around the World

Resulting Cultural Milieu:
Greater Cosmopolitanism co-existing with Enclaves of Conservatism

Marketing Opportunity:
- More customized offerings and communications to minorities
- More cultural-niche offerings to cosmopolitan host segments
4. The Global Consumer

- Products and Styles of distant origins available everywhere
- More East→West flow of cultural offerings now
- Consumption of imported culture both in origin and in adapted form
- Imported cultures simultaneously with Indigenous cultures

Marketing Opportunity:

- Trend-spotting
- Enable Access to immigrant-culture products to immigrants
- Adaptation of foreign-culture products for Native Consumers
Consumer Experience in the new millennium

Trends in Consumer Behavior

5. New Forms of Social Relations

- Decline of extended families, long-held friendships, local community-based support
- Urban, transient, mobile, utilitarian mindset on relationships
- Therefore, a Void to share “deep feelings.”

Marketing Opportunity:
The Void to be filled by Market-based Institutions

>>> Industry of Social Relations
Trends in Consumer Behavior

6. Technology Suffused Consumption

- 360-view communications anytime anywhere
- Time-shifted individualized viewing
- Safety-centric automated Cars
- Wired homes
- Embedded technology clothing
- Ubiquitous use of Digital cash
- Virtual shopping cart in a physical store
- Enhanced online shopping

Marketing Opportunity:

Be a pioneer to Create and Deliver these Technology-embedded Offerings

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Trends in Consumer Behavior

7. Experiential Consumption

- Avoiding shackles of Ownership
- Interactive, more life-like, Virtual Games
- Vicarious living through Realistic mediaショーウィング
- Electronic Pets and Companion Robots
- New forms of excursions, adventures, and indulgences

Marketing Opportunity:
- Create many untapped ownership-free consumption offerings
- Greater PERSONALIZATION in Market Interactions
- Craft New Multi-sensory experiences
7. Experiential Consumption

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Consumer Experience in the new millennium

- Consumption of Luxury
- Consumption of Icons
- Consumption of Emotion
Consumer Experience in the new millennium

- Consumption of Emotion
- Consumption of Icons
- Consumption of Luxury

Utilitarian

Social Ego-Identity Recreation
Consumption of Emotion

- iPod
- Burberry
- Mini
- Starbucks

Consumption of Luxury

- iPod
- Burberry
- Mini
- Starbucks

Consumption of Icons

- iPod
- Burberry
- Mini
- Starbucks
Consumption of Emotion

Consumption of Luxury

Consumption of Icons

Social

Ego-Identity

Recreation

Utilitarian
Consumer Experience in the new millennium

Watching the Trends

- Consumption of Luxury
- Consumption of Emotion
- Consumption of Icons

- Mastige
- ISR
- New Icons

- Aspirational Consumption
- Weaker Ties
- Rising Individualism

- Social
- Ego-Identity
- Recreation

Utilitarian

Time
Marketing: Guilty or Not Guilty

These are Socio-Cultural Forces, Not the Doings of Marketing

It is Consumers Who Initiate and Voluntarily and Passionately Pursue These Experiences

Marketing Does Not Make Consumers Seek These Values

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It is Consumers Who Initiate and Voluntarily and Passionately Pursue These Experiences

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TIME

Aspirational Consumption
Weaker Ties
Rising Individualism

Luxury

Icons

Emotion

Social

Ego-Identity

Recreation

Utilitarian
What Marketing Does Well: It Creates Value by Fashioning Its Offerings in the Image of the Consumer

- Aesthetic Experience Through Design
- Tangibilize Brand Essence & Personality → Consumer Identity Value
What Marketing Does Well:
It Creates Value by Fashioning Its Offerings in the Image of the Consumer

LUXURY
Consumer Experience in the new millennium

Old Luxury
Inventing New Islands of Value
Based on sighting Consumer trends

New Luxury
Experiential Consumption
Inventing New Islands of Value

- Identity
- Social
- Hedonic

Consumer Experience in the new millennium

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MKT Online.Net
Inventing New Islands of Value

Social

Identity

Luxury

ICON

Emotion

Utilitarian

Hedonic

Consumer Experience in the new millennium

Consumer Trends ‘08

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Inventing New Islands of Value

- Icon
- Luxury
- Emotion
An Enlightened Perspective on Marketing

- Marketing is NOT what organizations do to consumers.
- It is not outsmarting, masterminding the consumer.
- It is about casting your company, your product, your brand in consumers’ image.
An Enlightened Perspective on Marketing

- Consumer knowledge empowers the marketer NOT to manipulate, but to RESPOND.
- For Marketers, the ultimate benefit of understanding the consumer experience
- Is to learn to:
  - RESPOND
  - RESPOND Better
An Enlightened Perspective on Marketing

- For Marketers, the ultimate benefit of reading a good book on Consumer Behavior

- Is to learn to:
  
  RESPOND
  
  RESPOND Better
An Enlightened Perspective on Marketing

- Marketers’ Task is to SIGHT and R.E.S.P.O.N.D. to Emergent Consumer Trends
- Marketers’ Task is to R.E.S.P.O.N.D to Consumer desires for Emotions. Luxury, and Icon
- Marketers’ Task is to R.E.S.P.O.N.D. to Consumer Yearnings for Value.
Two Views of Marketing

**Prevailing View**
- Marketing’s Purpose is to Persuade Consumers

**MyCBBook View**
- Consumers’ persuade themselves;
- It is they who choose what associations, images, marketing communications they would accept.
What Then is the Ultimate Purpose of Marketing?

To become co-creators of consumption value humans seek.
MyCBBook View of Marketing

Marketing co-creates and delivers these values

So they can live as the kind of person they think they are.
Marketing Helps Consumers Live Their Identities.

It thus brings them H.a.p.p.i.n.e.s.s.!!
Long Live Marketing!!!

O.B.R.I.G.A.D.O.