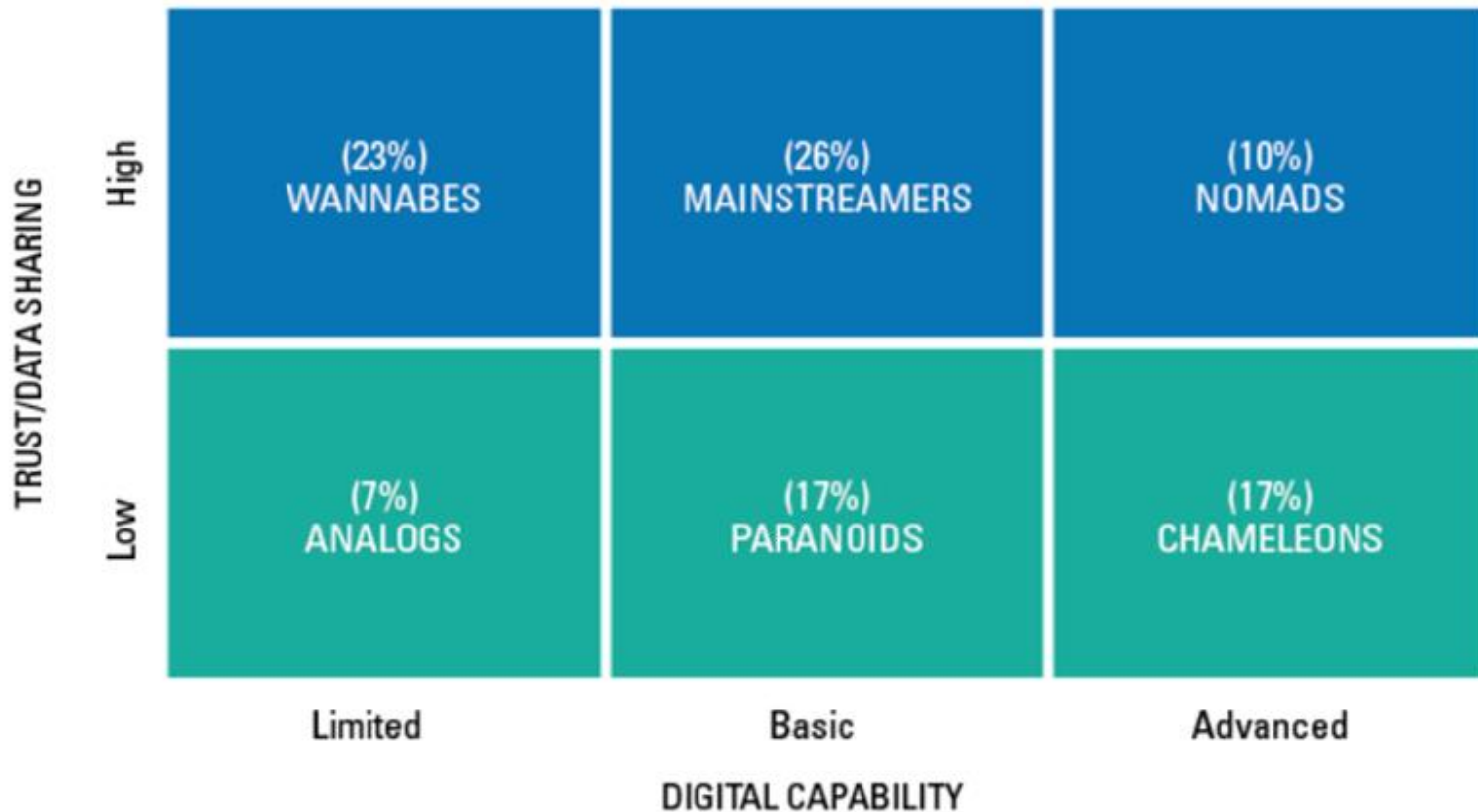


Digital Transformation Strategy & Leadership

Consumer Behaviour

Digital User Segmentation Matrix



- **Analogs** - Unwilling and/or incapable of using digital technologies
- **Wannabes** - Consumers who want to engage in social media/technology but are inexperienced
- **Mainstreamers** - Strong possibility of adoption in the near future
- **Paranoids** - Cautious consumers, protective of data
- **Chameleons** - Digital savvy consumers who will change their digital behaviors based on situations/interests
- **Digital Nomads** - Willing to share data

Consumer Behavior

- Consumer behavior is the behavior that the consumers display in :

- Searching for,
- Purchasing,
- Using,
- Evaluating and
- Disposing off

products and services that they expect will satisfy their needs.

- It captures the psychological and behavioral aspects of the consumer's decision-making process, be it individual or be it group level

Decision Spectrum

Extensive Problem Solving

- Consumers do not have any established criteria to evaluate a product
- Need a lot of information to establish set of criteria and further to evaluate brands
- Expensive product or for the first time

Limited Problem Solving

- Established basic criteria for evaluation
- Consumers might search for more information to discriminate among the various brands
- New, Updated version

Non-Programmed decisions

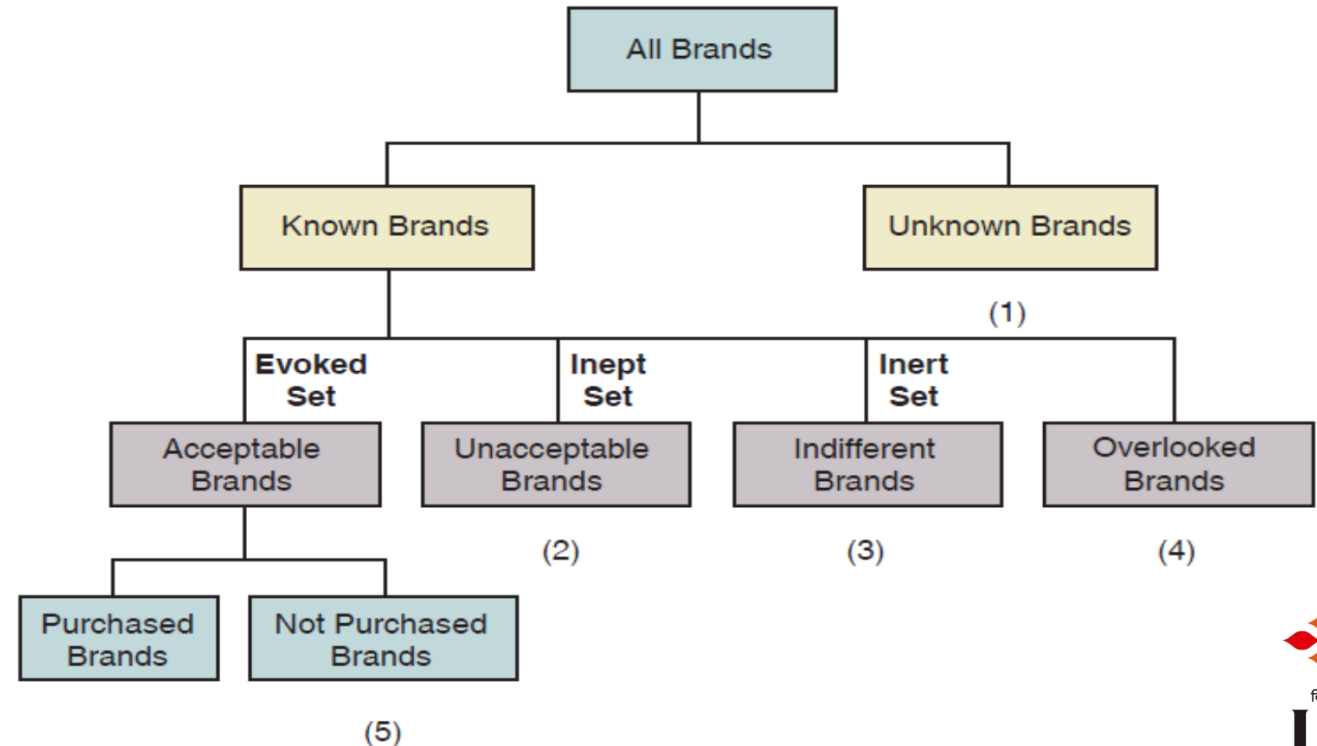
Routinized Response Behaviour

- Consumers have experience with product category
- Established criteria
- Might need slight information
- Habituated
- Brand Loyal

Programmed decisions

Decision-making Stages

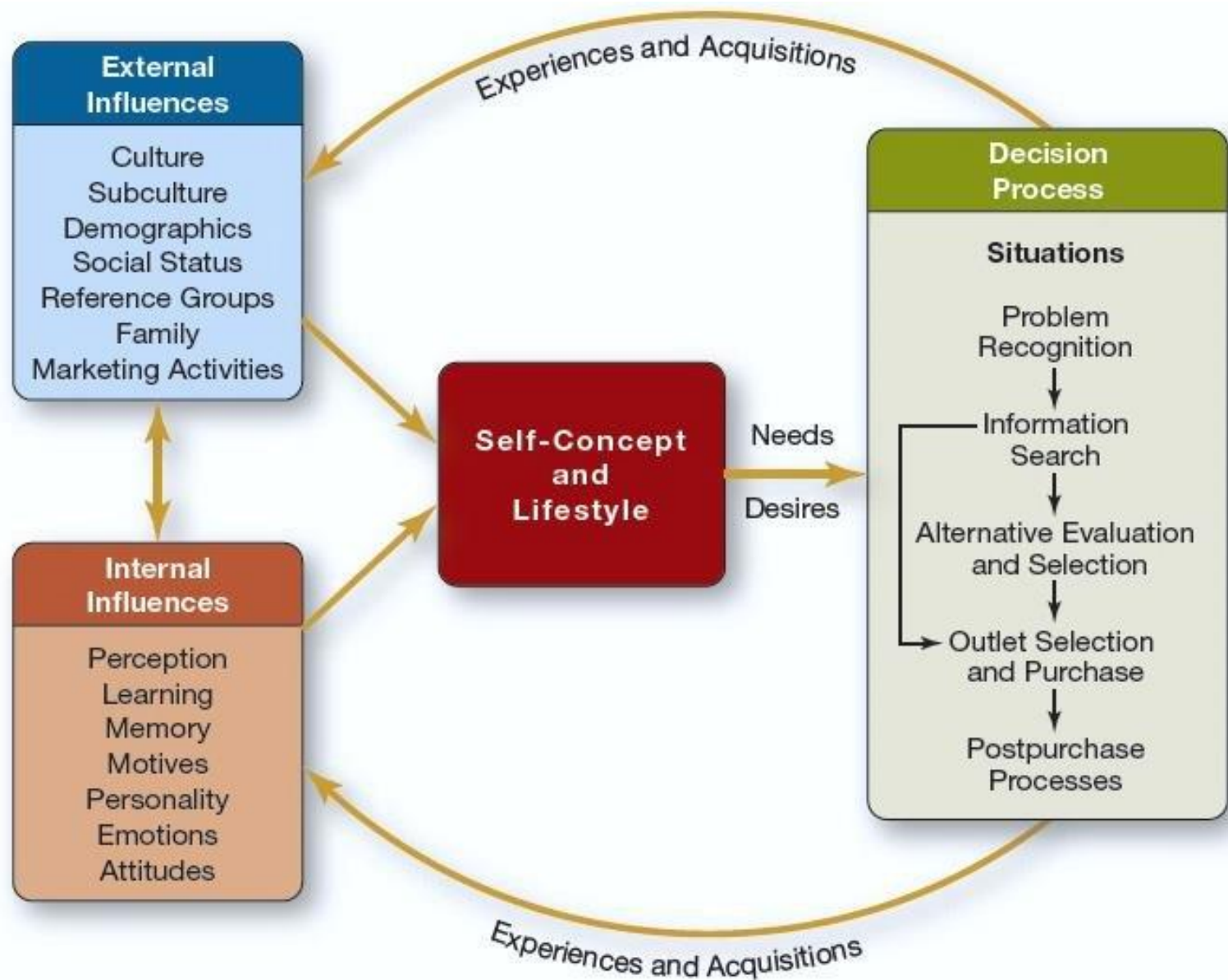
- Need Recognition
- Pre-purchase Search
- Identifying Alternatives



- Purchase/Commitment

- Early theories were based on notion that individuals act *rationally* to maximize their benefits (satisfaction) from a purchase decision
- Later research discovered that consumers are just as likely to
 - Purchase impulsively
 - Be influenced by family, friends, advertisers and role models
 - Be influenced just as strongly by mood, situation and emotion

What impacts and influences this (at times) irrational consumer?



Internal Influences

Perception

Process by which we select, organize and interpret information inputs to create meaningful picture

Information/stimuli can be products, packaging, brand names, advertisements etc.

Learning

A relatively permanent change in consumer behaviour arising from experience

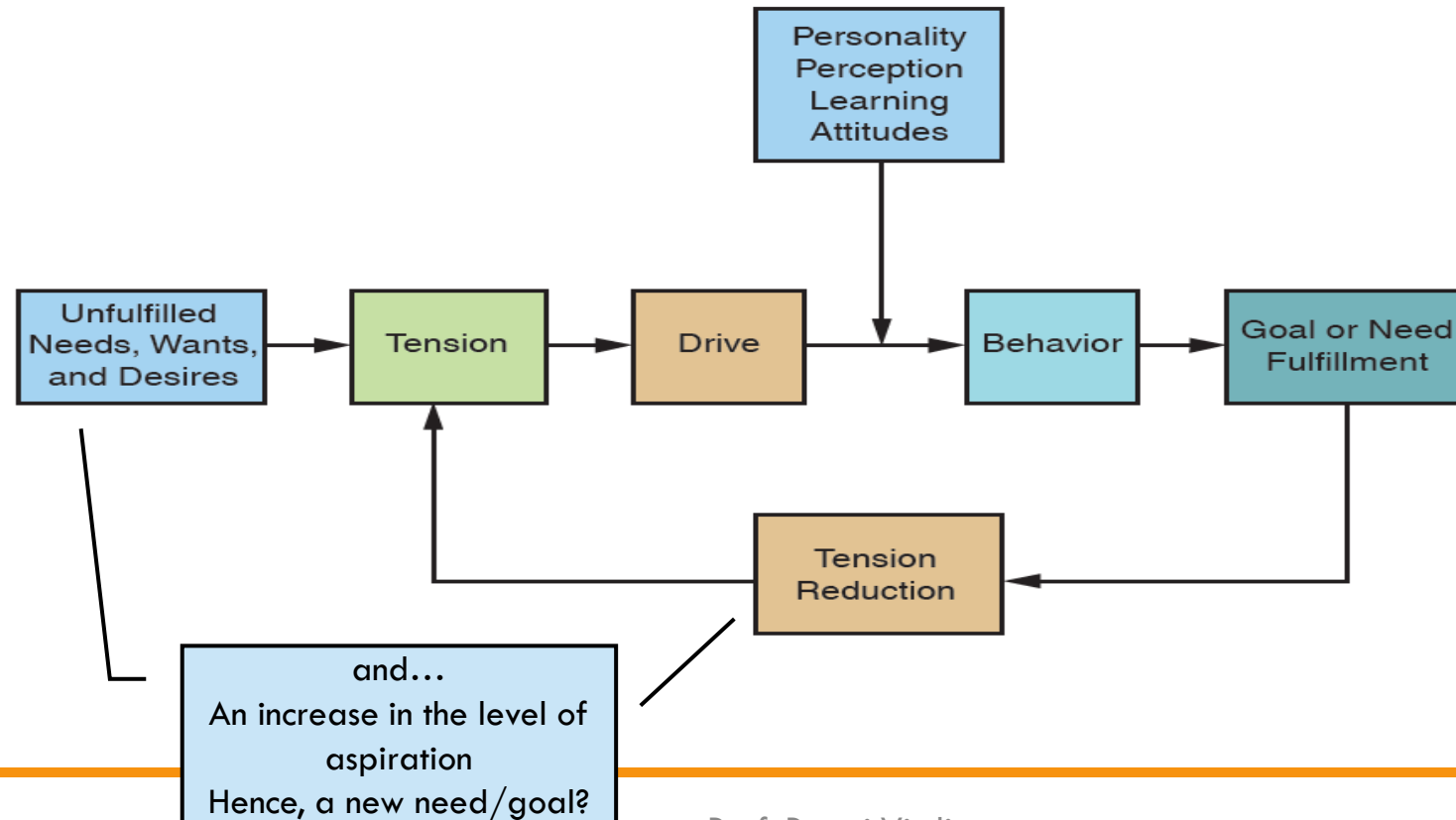


Internal Influences

Motivation

The zeal that drives us to act [Needs, Wants, Demands]

A need becomes a motive when it is aroused to a sufficient level of intensity to drive an action



Attitudes

A **learned predisposition** to behave in a consistently favorable or unfavorable manner with respect to a given object

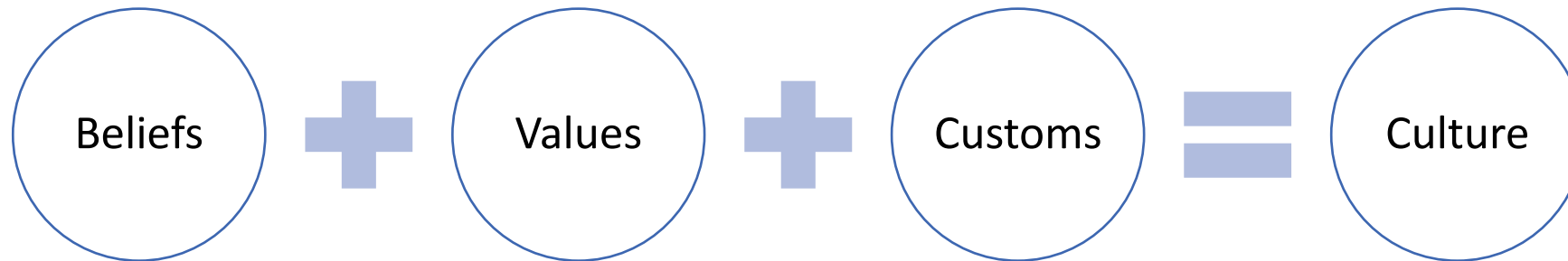
Component of “intention to act”

Personality

The inner psychological characteristics [specific qualities, traits...] that both determine and reflect how a person responds (reacts and interacts) to his/her environment

- It is an individual's response tendencies across situations and over time

- Culture is learned and is common to members of a specific group and is contextual



Reference Groups

- All the groups that have a direct or indirect effect on a person's beliefs, decisions, and behavior
 - Individuals (Celebrities, Athletes, Political Leaders)
 - Groups of individuals with Similarities (Musical Groups, Sports Teams)
- Aspirational groups
- Dissociative groups
- Opinion leader/ influencer

Self-Concept

- Possible relationship between how individuals perceive themselves and what behaviour they exhibit as consumers
 - **Self Defining products** – Products which are congruent with their personality (actual self) Purchase either symbolic or functional or both
 - **Self Altering products** – Products that consumers seek whenever it is appropriate for them and their personality (ideal self). It arises through vanity.

The emerging technologies are influencing the future of customer experience and consumers interactions with brands and organizations