

CHANGING CONSUMER NEEDS CALL FOR THE MARKETING OF EXPERIENCES ACADEMY OF MARKETING STUDIES

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ABSTRACT

The recognition and satisfaction of consumer needs is at the heart of marketing. Technological advances, economic developments, demographic shifts and societal changes all have an influence on customer needs.

An analysis of consumer desires and associated behavioral trends, points to a movement away from physiological needs to a focus on inner needs. Inner needs can be grouped into self-centered, emotional, social, spiritual and intellectual needs. Since few inner needs can be satisfied by products and services alone, a further form of value distinction is called for. The unique characteristics of experiences make them particularly suited to such a role.

This research analyses the changes in consumer needs, explains how the marketing of experiences can address these changed needs and highlights the unique challenges facing experience marketers.

INTRODUCTION

The satisfaction of consumers' needs is at the heart of marketing (Lambin, 2000). Need recognition occurs when a consumer: becomes conscious of either an unrest from within or an urge to reach out and address some previously unrecognized need or desire (O'Sullivan & Spangler, 1998); is faced with an imbalance between actual and desired states (Lamb, Hair & McDaniel, 2000; Dibb, Simkin, Pride & Ferrell, 2001); or has an identified need to fulfill or a problem to solve (Zeithaml & Bitner, 2000).

The above definitions of need recognition point to consumers' desires to solve problems, rectify imbalances and address urges or unrests from within. These desires have conventionally been addressed through products and services (McDonald, Christopher, Knox & Payne, 2001).

If needs give rise to a demand for satisfaction, it seems logical to expect that as consumers' needs change, the problem-solving benefits expected from purchases will change accordingly. This research contemplates the profound changes in consumer needs and ways of addressing these changed needs.

CHANGING CONSUMER DESIRES, NEEDS AND BEHAVIOURAL PATTERNS

A changed society results from advances in technology, demographic shifts, economic developments, and societal changes. These developments also bring many new needs. Advances in science, for example, allow people to live longer and often more independently, but at the same

time, also allow thousands to be killed in a single incident such as that of September 11. Since people are living longer, societies consist of multiple generations. At the same time pandemics such as AIDS are expected to wipe out almost complete generations, bringing numerous new socio-economic needs. Technological developments and economic pressures, for example, force people out of their jobs and replace them with machines, but also allow them to work almost anywhere from virtual offices. These developments invariably result in changed consumer behavior.

Consumer behavior and life style patterns are often a reflection of consumers' needs, since "needs are a person's basic shopping requirements consistent with his or her present demographics and life style" (Berman & Evans, 2001). A number of trends in behavior and lifestyle patterns, together with some consumer hot buttons, were analyzed, and are summarized in Table 1. When these behavior patterns and hot buttons are scrutinized more closely, a number of underlying psychic or inner needs emerge. Upon regrouping and matching the hot buttons, behavioral patterns and needs, five categories of inner needs can be identified, namely self-centered needs, emotional needs, social needs, spiritual needs and intellectual needs. Table 1 further shows specific needs that could be associated with each category.

Table 1: Consumer hot buttons, behavioral trends and needs		
Column 1	Column 2	Column 3
Consumer hot buttons	Behavioral trends	Underlying consumer needs
Desire for control Being the best one can be	Egonomics - a focus on the self and inner feelings Staying alive - concern and focus on health and wellness The vigilante consumer - emphasis upon demands and expectations for value and personalization in the marketplace	Self-centered needs: self-esteem accomplishment recognition dominance confidence self-reliance
Discovery Excitement Fun Novelty	Pleasure revenge - rebelling against the "right" things Fantasy adventure - the desire for escape and entertainment Small indulgences - seeking little, often inexpensive rewards as sources of comfort and pleasure	Emotional needs: excitement escape relaxation pleasure joy delight
Nurturing Belonging	Cocooning - people seeking shelter and solace within the home Clanning - getting together with others with whom one shares common interests Femaletthink - caring and sharing approach Mancipation - caring and sharing for men	Social needs: interpersonal relationships friendships companionship fellowships affiliation belonging community

Table 1: Consumer hot buttons, behavioral trends and needs		
Column 1	Column 2	Column 3
Consumer hot buttons	Behavioral trends	Underlying consumer needs
Revaluing Chance for a clean slate	Anchoring - connecting with a spiritual base Cashing out - the tendency to exchange monetary rewards for life quality and satisfaction Save-our-society - interest and involvement in community, environmental and societal concerns	Spiritual (not necessarily religious) needs: contemplation reflection renewal aesthetics appreciation faith ecstasy sacredness magic
Ability to stay ageless Immortality	Down-aging - redefining the roles and expectations of the maturing process 99 lives - prevalence of people to assume and attempt to balance many roles and responsibilities	Intellectual needs: stimulation exploration creativity problem solving
Source: Feig, 1997; Popcorn, 1991; Popcorn & Marigold, 1996		

It is unlikely that needs such as accomplishment, excitement, escape, relaxation, delight, fellowship, affiliation, renewal, appreciation, stimulation and creativity, would be satisfied by products and services only. A further form of value distinction is clearly called for. The unique characteristics of experiences make them ideal satisfiers of such needs and hence warrant further investigation.

DIMENSIONS OF EXPERIENCES

Experiences can be best understood by comparing them to commodities, goods and services (as shown in Table 2).

Table 2 shows experiences as an economic offering distinct from commodities, goods and services. True commodities are animal, mineral and vegetable materials extracted from the natural world. After slaughtering, mining, or harvesting the commodity is processed or refined to yield certain characteristics and then stored in bulk before being transported to the market. Commodity prices are generally determined by supply and demand (Pine & Gilmore, 1999).

Column 1	Column 2	Column 3	Column 4	Column 5
	Commodities	Goods	Services	Experiences
Economy	Agrarian	Industrial	Service	Experience
Economic Function	Extract	Make	Deliver	Stage
Nature of Offering	Fungible	Tangible	Intangible	Memorable
Key Attribute	Natural	Standardized	Customized	Personal
Method of supply	Stored in bulk	Inventoried after production	Delivered on demand	Revealed over a duration
Seller	Trader	Manufacturer	Provider	Stager
Buyer	Market	User	Client	Guest
Factors of Demand	Characteristics	Features	Benefits	Sensations
Source: Pine & Gilmore, 1999				

Using commodities as raw materials, companies make and then inventory goods, that is, tangible items sold to customers who buy them off the shelf or order them from a catalogue. Prices are based on the costs of production and on product differentiation. Because products can be put to immediate use, their users value them more highly than the commodities from whence they came (Pine & Gilmore, 1999).

Services are intangible activities customized to the individual needs of known clients. Goods are used to perform operations on a particular client, or on his property or possessions and in the process a desired service is delivered. Clients generally value the benefits of services more highly than the goods required to provide them. Services accomplish specific tasks consumers want done but do not want to do themselves, while the goods merely supply the means (Pine & Gilmore, 1999).

Contrary to buying a set of tangible attributes (products), or intangible activities carried out on their behalves (services), buying an experience, means paying to spend time enjoying a series of memorable events, rich with sensations, staged by the provider thereof. The consumer can be engaged on an emotional, physical, intellectual, or even spiritual level (Pine & Gilmore, 1999). Since each experience derives from the interaction between the staged event and the individual's prior state of mind and being, experiences are inherently personal.

O'Sullivan and Spangler (1998) identified further characteristics that differentiate experiences from the experience components of products and services. An experience is characterized by: the participation and involvement of the individual in the consumption process; the state of being physically, mentally, emotionally, socially, or spiritually engaged; a change in knowledge, skill, memory, or emotion derived through such participation; the conscious perception of having intentionally encountered, gone to or lived through an activity or event; and an effort directed at addressing a psychological or internal need of the participant. These foregoing characteristics make experiences exceptionally suited to the consumer needs listed in Table 1.

CHALLENGES TO MARKETERS OF EXPERIENCES

Given the characteristics of experiences as economic offerings and the complexity, uniqueness and variety of consumers' inner needs, numerous challenges are posed to the marketers of experiences as inner need satisfiers. A number of these challenges are pointed out below.

The value derived from an experience is personal in the sense that it varies from one individual to another. Organizations are therefore challenged to create experiences that are personal, individual and customized, but to do so in a cost effective manner.

Experiences are characterized by the participation and involvement of the individual in the consumption process. In designing and staging their experience offerings, marketers will have to take into consideration factors such as: the role of the participant; the impact of the participant's competency or performance upon the experience; the presence or involvement of other participants; and the role of the provider personnel.

Since consumers may be physically, mentally, emotionally, socially or spiritually engaged in the experience, marketers will have to address all of these dimensions and provide value as defined by the participants (not by the marketers), which is unique compared to the value provided by competitors. At the same time, they will have to take cognizance of the change in consumers' knowledge, skills, memory and emotion derived through the participation in the experience.

The second time a consumer encounters, go to or live through an activity or event, it is likely to be marginally less enjoyable than the first time. Organizations will have to find ways to prevent experiences from becoming commoditized. This could mean continually reinventing the experience either in reality or in the mind of the customer, or providing customers with the unexpected to ensure delight. It may also require building collaborative relationships with consumers to enhance long-term customer satisfaction and retention.

MANAGERIAL IMPLICATIONS

The new demands created by changed consumer needs, societal changes and technological developments, mean that organizations would have to keep up with these changes and start to rethink their ways of operation. Organizations can no longer attempt to satisfy consumer needs by only offering products and services, since the greater emphasis on consumers' inner needs necessitates the availability of experiences as a further economic offering.

The complexity of consumers' inner needs and the unique characteristics associated with experiences as need satisfiers, mean that organizations will have to be agile, flexible, and change the ways in which they perceive their customers and carry out their marketing functions. Rather than viewing consumers as customers with certain demands, seeking satisfaction, consumers should be seen as collaborators with particular expectations, seeking personalized benefits. Mass marketing of products and services need to be replaced by mass customization of experiences, accuracy with agility and quality with enhanced and enriched value if organizations want to provide customers with personalized experiences that address their customers' self-centered, emotional, spiritual, intellectual and social needs. This in turn would require a shift from a focus on the organization's tangible assets to its intangible assets such as people, knowledge and information.

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