Lesson Notes: Understanding Consumer Profiles and Purchase Motivations

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1. Developing a Consumer Profile

A **consumer profile** helps companies understand who their customers are. By knowing their customers' characteristics, businesses can better meet their needs.

Steps in Developing a Consumer Profile:

1. **Demographics**:
   - **Definition**: Basic characteristics like age, gender, income, education, and family size.
   - **Purpose**: Helps companies identify the types of people who are most likely to buy their products.
   - **Example**: A company selling skincare products might focus on different age groups for anti-aging versus acne treatments.
2. **Economic Factors**:
   - **Definition**: Income level, employment status, and spending habits.
   - **Purpose**: Determines what price range and product type the consumer can afford.
   - **Example**: A company targeting high-income consumers may focus on luxury features, while a company targeting budget-conscious consumers might emphasize value.
3. **Social Characteristics**:
   - **Definition**: Factors like lifestyle, culture, interests, and social groups.
   - **Purpose**: Helps tailor products and marketing messages to fit consumers' values and lifestyles.
   - **Example**: A fitness brand might focus on consumers interested in health and wellness and who value an active lifestyle.

Using Consumer Profiles:

- Once a consumer profile is created, companies can develop products, pricing, promotions, and placements that appeal to their target consumers.

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2. Factors That Motivate Customers to Purchase a Product

Customers have various reasons for buying a product. These motivations can be **personal** (for individual benefit) or **social** (influenced by others).

Common Customer Motivations:

1. **Discretionary Income**:
   - **Definition**: Extra money left after paying for basic needs (like housing, food).
   - **Impact**: Customers with more discretionary income may spend on luxury items, entertainment, or hobbies.
   - **Example**: A customer might buy a new gaming console because they have extra money to spend on leisure.
2. **Peer Pressure**:
   - **Definition**: Influence from friends, family, or social groups to buy a product.
   - **Impact**: Consumers may buy certain products to fit in or be accepted by their social group.
   - **Example**: A student might buy a certain brand of sneakers because it's popular among their friends.
3. **Social Responsibility**:
   - **Definition**: Desire to support ethical, environmentally-friendly, or socially responsible brands.
   - **Impact**: Consumers are motivated to buy products that align with their values.
   - **Example**: A customer may choose a brand that uses sustainable materials or donates to social causes.
4. **Evolving Needs and Wants**:
   - **Definition**: Changing personal needs due to life stages, lifestyle shifts, or trends.
   - **Impact**: Customers look for products that meet their current needs and preferences.
   - **Example**: A consumer may switch from a basic phone to a smartphone as they start using digital apps for work.

3. Applying Consumer Profiles and Purchase Motivations in Marketing

- **Connecting Profiles with Motivations**:

  Connecting Profiles with Motivations" means that when companies understand **who their customers are** (their profiles) and **why they buy things** (their motivations), they can create or promote products that fit those needs more closely.

For example:

- **Profile**: If a company knows they are targeting environmentally-conscious young adults, they know this group cares about the environment (profile).
- **Motivation**: This group may be motivated to buy products that are eco-friendly.
- **Matching the Two**: The company could develop or promote sustainable products (like recyclable packaging or organic materials) to meet the interests and motivations of that specific group.

So, by connecting **who the customers are** with **why they want to buy**, companies make smarter choices about product features, marketing, and even price. It helps them appeal directly to what their customers care about.