



Know Your Target:

harnessing the power of consumer insight

‡ The seventh in the series of strategic marketing white papers by Hiebing, an integrated brand development and marketing firm

Target Market Insights: The topic of endless discussion and debate. Whether or not to target is not the question. *Who or what* to target... aah, that's where the real discussion begins.

Until recently, if you knew a person was 42, you could pretty much predict which soap he or she would buy. And it would be the same soap every time. Now that there are endless numbers of body washes, bar soaps and other clean-you-up items, can age really predict soap purchase? Not anymore. Do all 42-year-olds buy the same soap? Do they even buy the same soap from purchase to purchase? Not a chance! Therein lies the limitation of traditional consumer research.

Gaining true consumer understanding before developing strategies and crafting communications is critical if you want your marketing to succeed. Why? Because the profusion—as well as *confusion*—of consumer choice has so fragmented people's options that you must delve deeper than ever before to truly understand your target's underlying motivation for purchase and usage of products.

01. Why are insights so important?
02. How deep must you go?
03. How do you dig for meaningful insight?

This white paper explores all of the above, while revealing market-savvy ways—beyond traditional insight-gathering techniques—to help you gain deeper insight into the “whys,” “whens” and “hows” of human behavior. You will learn new ways to pay attention to your target market, new things to ask, new manners in which to ask them—all designed to help you make your product or brand better serve the needs of your target consumer.

Let's begin at the beginning. Who is the target? And what do you know about the target? Typically, we spend endless hours on this. Age and gender are a given. Ethnicity is too. How about regionality? Quite possibly. Household-level coding? Fifty-fifty chance. What your consumer buys? You likely have some understanding of that. Why he or she buys... now that's where it gets interesting.



The “whys” behind behavior have been sorely lacking from traditional consumer understanding. And that’s a huge knowledge gap. If you don’t understand what drives someone to do something in the first place, how can you ever expect to change that behavior?

Marketer’s Caveat

You’ve likely heard: “Everyone knows traditional techniques work.” These are the techniques (e.g., surveys, focus groups, one-on-ones, diaries, etc.) that are in the books. These are the techniques taught in schools. These are the techniques the big brands use and consultants tout—with their own unique spin, of course. These are the techniques almost everyone uses (perhaps even you!). Sometimes they succeed. But “sometimes” doesn’t cut it in today’s ROI-driven environment.

A competitive edge comes from truly understanding your target consumers—knowing who they are, how they think and feel, and what they really want.

What’s Wrong with Tradition?

Do any of the following sound familiar?

- “I had a craving.”
- “Somebody told me about it.”
- “It’s what my dad always did.”
- “I bought it because it was good.”
- “I felt like it.”
- “It was an impulse purchase.”
- “I go there because it’s close.”
- “I use it because I like it.”
- “It was high quality.”
- “It’s the best technology.”
- “Price was the highest scoring attribute.”

If they do, you’re not alone. Yet none of these responses even begins to cue you in as to the underlying motivations driving

consumer actions. Any such statements are simply warning signs that you’re using outdated traditional techniques.

To demonstrate the limits of traditional insight-gathering techniques, we’ve included some ordinary, common-sense examples.

Context Counts!

Consumers Jaimi and Jacqi both need to buy lightbulbs. It’s a low-ticket item with little price fluctuation from retailer to retailer. Logic says they will go to the closest retailer that carries lightbulbs. Makes sense, right? Not necessarily. Not when their motivations and mind-sets are different.

Jaimi previously had a 50-watt bulb in her lamp. She knows that a higher-watt bulb would give her better light, but she doesn’t want to risk setting her lamp on fire or, worse yet, burning her house down. Mental context has changed her purchasing decision from finding a place that sells lightbulbs to finding a place with “salespeople I trust to advise me on the right bulb so my house doesn’t burn down.” Quite a difference.

When thinking about your brand positioning, are you the retailer that sells lightbulbs or are you the retailer that has trustworthy, informed, approachable salespeople?

Jacqi thinks she might like colored bulbs in her patio lights. She hasn’t tried them before, but saw some at a friend’s house that gave off a very nice glow. She’s not sure if that look will really work with the style of her home though. The rational part of her decision is finding a retailer that sells colored lightbulbs. Jacqi knows both Lowe’s and Home Depot sell them and are located an equal distance from her house. She goes to Lowe’s. Did she decide based on store proximity or did she decide based on a recent freestanding insert (FSI) in her newspaper? An FSI could



be quite compelling if it communicated a hassle-free return policy. Remember, she's not sure she'll like these bulbs once she tries them.

While it may seem minor, there's often an underlying fear of the unknown and a strong desire to avoid problems if a purchase doesn't work out. Maybe a "we help you make the right decision" should be in your brand positioning to reassure Jacqi's state of mind.

Taking context into consideration just netted us two positioning alternatives: retailer with trustworthy, informed, approachable salespeople and retailer who helps you make the right decision. By exploring additional contexts, you'll likely discover other positioning alternatives as well.

Consumers Are Not Self-Aware

Don't let consumers get away with telling you they used your product or service "because they felt like it" or "because it was there." Those are top-of-mind dismissive responses that don't help you as a marketer or businessperson gain any insight. A way around this is to ask about things that would have been wrong in that moment.

Consumer Carl: I was going away for the weekend and just threw my clothes in an old duffle bag.

Marketer: Why did you do that?

Consumer Carl: Because the duffle was lying there. (Hint to marketer—don't let him stop there, make him go deeper.)

Marketer: How would your rolling luggage have been wrong in this situation? That was in the closet next to the duffle.

Consumer Carl: Well, I wasn't going away for very long and it's an informal, fun group of friends I'm going with, so the rolling bag would have felt too serious.

Marketer: When was the most recent time you used the rolling bag?

Consumer Carl: When I went to visit my parents over the holidays.

Marketer: How would the duffle have been wrong then?

Consumer Carl: Mmmm, I don't want my parents to think I'm still in college. I'm an adult now and I can be sensible, plus I do own some okay things.

Obviously this has been simplified a bit, but it does make the point—rarely is something a rational decision, and if someone tells you they did something because they were in the mood or it was there or they felt like it, do everything in your power to get past that shoulder-shrug response and get to the real reasons. Be wrong, say stupid things, anything to get the consumer to articulate what was really going on under the surface.

Consumers are so darn smart, they do millions of things in a day without being aware of their real motivations. They act purely on subconscious, but it's our job as marketers to ask the right questions and provide the right stimulus to get beneath it all.

Think "Consideration Set"

Today's consumer deals in the world of "consideration sets" not "competitive sets." Whereas a "competitive set" is usually industry-defined (e.g., luxury car category, as defined by automakers), a "consideration set" transcends form as dictated by the manufacturers and, in the case of cars, would include SUVs and sport coupes as well. If the competitive set for hotels is Marriott, Hilton and Sheraton, the consideration set would likely include B&Bs, day-tripping, staying at cousin's home, etc. You get the point.

To fully understand your target consumer, you need to understand the potential full array of considerations both at purchase and in usage.



For example:

Two guys walk into a convenience store. Both of them are really hungry and love Snickers bars. Most traditional research would lead you to believe both guys will buy Snickers bars (because Snickers is their favorite)—or at the very least, a different candy bar. Not necessarily so.

Eric's girlfriend just announced to him that he is now single. She dumped him for a gym rat and made a passing comment about Eric's love handles. That is in the back of Eric's mind as he wanders through the store. While the Snickers beckons, a nagging voice reminds him that a candy bar may not be the right choice at this moment. Eric opts for the beverage cooler and picks two bottles of Gatorade. Gatorade will help squelch his hunger and will shore up his self-image via the fitness/active affiliation. Eric completely changed his consideration set—from candy bars to sports beverages. Hmmmm, would Nielsen have predicted that? It's doubtful.

Pete, on the other hand, worked really hard on a remodeling job today. He's pretty proud of all he accomplished, no longer begrudging his skipped lunch. He eyes the Snickers, knowing it will fill him up, but feels that today he really deserves more. So he slides over to the pastry display. There are some dense chocolate crullers there that will do the job just perfectly—stomach filling, foodlike and happy/treaty. Nope, no candy bars here either.

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What consumers seek transcends product categories. Consumers sort out options based on both their emotional *and* rational feelings. Understanding which feelings are at work in any given situation tells you a lot about the considered product set as well.

Usage, Not Just Purchase, Matters

Insight into when and why your product is **used** is as critical to understanding your target as is understanding the target at purchase. Knowing when and how your product is used (as well as when and how it is NOT used) can provide valuable direction for

communications, promotion, product optimization and development. Remember, it takes product usage to drive another purchase. And it takes usage understanding to get further into what really satisfies the consumer about it. You need to have a solid understanding of the emotional—as well as the rational—parameters at work.

Speaking as a consumer: Only when your message reflects back to me that you truly understand my needs will you really get my attention and make me believe that your brand or product is relevant to my life. This is even more crucial when it comes to product development and optimization.

Many of us have both a cell phone and a landline. If that's true of you, pay attention to how and when you use one phone at home versus the other. If you're getting dinner ready, maybe you'll use your cell phone because it has the hands-free feature. But if you're settling in for a long chat with faraway family, the landline may be more comfortable to hold.

Ever wish you could put your landline on vibrate when the kids were napping? You'd likely uncover that insight watching someone get upset when the landline rang and woke the children. Watch people who have gone over their minutes open their cell phone bill. That's the kind of insight that could trigger developing a phone that beeps when you're approaching your minute limit for the month.

Product developers—unleash your creative juices!

What Is the Magic Insight Bullet?

To say we have the magic bullet could result in Pinocchio-like noses a mile long. But we can make this promise. Follow the guidelines in this white paper to learn more about your consumer and you will increase your chances of finding realistic and powerful insights that can be used to your advantage. In short, we may not have a magic bullet, but we can certainly help you paint the bull's-eye where it will do the most good.



Okay, What Do I Do Now?

Make sure your research explores the emotional, as well as the rational, motivation for purchase and usage. A good exercise to sharpen your powers of observation is to start with yourself. Try to understand your own motivation in terms of why you do what you do.

‡ Ask consumers about real-life recent situations.

Find an appropriate time and place to observe or access consumers. Stop them in the store if you have to. Don't let them tell you about "in general" or "usual" situations. The examples above would not have come from general questions. Real situations indicate the type of service, product and communication a brand should offer in order to attract those purchases.

Start the discussion with "when did you realize you were thinking about a new _____ <insert category here>?" Don't let them start with "when I was driving to Lowe's." When they're driving to Lowe's, it's too late. They've already made up their minds. Ask about the decision process that led up to the Lowe's decision. Learn what prompted them to enter the category at all.

Determine whether or not there is any fear in the decisions. Not "oh my, will I live through this" kind of fear, but "what happens if I decide wrong" kind of fear.

Understand that the devil is in the details. Get very detailed in your questioning. And compare situation to situation. All are not created equal. Use of the cell phone versus the landline discussed above was very different. Different phone features used, different satisfaction criteria. You wouldn't have understood that had you not asked about multiple usage occasions.

This kind of questioning should also be done with focus groups and in questionnaires. Instead of asking "how do you usually do something," ask, "when was the last time

you did _____?" Then probe and probe until you get to mind-numbing minutiae with questions like "right before you selected the _____, how were you feeling physically and emotionally?" Focus on a single experience versus the "average" or "usual." Send diaries to participants in advance to prompt their memories.

‡ Make it about the emotion

Ask what feelings the customer had in the moment and what feelings she was looking for in the product or the brand. Often giving consumers wrong examples lets them get to the meaningful answers. "So, were you looking for fun and fancy-free in this situation?" When they say "of course not," they're that much closer to telling you their right answer. Selection, quality and price are all default measures. Trust, sense of responsibility, knowledge, comfort and warmth—those are the types of subconscious associations you should listen for and strive to get.

‡ Think consideration sets and context versus competition and categories

Understand consumers' consideration sets well enough to draw pictures of them. Really sit down, put pen to paper and draw all the items/products/services your target considers when thinking about your category. If that picture does not include things outside of your category, you've likely drawn an incomplete picture. For example, morning meal options, including waffles, peanut butter and jelly, leftover pizza, and cereal can be the starting point for a consideration set. Obviously, these fall in different categories. The purchaser/user mentally sorts through many morning meal options that cross the standard manufacturer-defined categories. It's this consumer-defined category, however, that is most important to the consumer in the moment.

If your product is in the cereal category, understanding when/why your target would choose waffles over cereal—or energy bars over pizza—is key. Are all these things part



of the usual purchase rotation? Are frozen and shelf-stable products considered equally? What are the triggers for choosing one option over the other? What role does price play, if any?

Context can mean everything. Understand what is going on in your target's day and life overall. How much stress are they under at the time they are making a decision? Whose needs are taking precedence? Even the time of year can be important. Your target might be making seasonal purchase decisions, purchasing more cereal in the winter and more waffles in the summer. The family might use more waffles in the summer because they have a more relaxed summer schedule and time to wait. They may use more cereal in the winter because the family has more disparate schedules and each person just grabs some cereal when they can. These things may not be big enough to show up as sales trends, but they lend

richness to your target understanding and would have different implications for your communication, switching measures, promotions, etc.

♦ **Keep in mind that nonbehavior is behavior too**

Be aware that nonpurchase or nonusage is part of the consideration set as well. Deciding to hang on to that old car until next year is absolutely part of your competition. If you're an insurance provider, the consideration set could include your health insurance product, your competition's product and not purchasing any product at all, while hoping to remain healthy or putting a little more money away a month in savings "just in case." Ask about the times your category does not get used, and ask about that as frequently as you ask about the times it does. "Tell me about the most recent time you thought about xyz but

Cues for Mom's Shoes

Case in point: Famous Footwear, a national chain of family shoe stores recently faced an interesting challenge. Their positioning, "brand name shoes for less," had become so successful that competitors had copied it. It was time for a new positioning.

The target was Mom, the family decision maker.
Our mission: How Mom connects with shoes.

Insight 1: There were huge differences between her two kinds of shopping—"efficiency" (get in and out quickly) and "look around and enjoy."

Insight 2: Don't remind her that she's not always stylish.

Insight 3: Models who look too perfect are not women with families.

Insight 4: She believes herself to be pretty fashionable, but when you look at her actual recent purchases, they are basic black—not in keeping with the color scheme of the season.

Insight 5: She's thrilled when she finds just the right shoe that fits her lifestyle—letting her push the style boundaries yet still wear them to run errands.

These insights led to a repositioning that:

- ♦ Balanced Mom's needs for both herself and her family
- ♦ Matched Mom's fashion fantasy down to the smallest visual cues

This new focus drove changes nationwide in store design, point-of-sale signage, merchandise selection and communications.

The true impact of the repositioning, however, was on the consumer's experience with the brand. The results were a steady increase in both awareness and sales.



didn't buy/use it. What did you do instead? How did that fit better in your life at that time than xyz might have?" Very useful information will come from these lines of questioning.

The Big Finish

The old tried-and-true techniques used to gain consumer understanding certainly have their place in our world. But if that's all you do, you'll be shortchanging your greatest opportunities. Current lives are much more complex, so methods of getting at and understanding consumer motivation and decision making must evolve with that complexity.

It's equally important to understand what's going on in the consumer's life before a purchase or usage occasion occurs. Don't be afraid to ask consumers seemingly ridiculous questions like "why would hiking boots have been wrong at the fancy dance?" to get at the real motivations. Draw pictures of consideration sets and delve into nonusage occasions. It may feel awkward and even intrusive at first, but never fear. You'll soon get used to it. And the results you garner will more than make up for any trepidation.

If you've learned nothing else about consumer understanding, try to keep in mind these four points:

01. It's context, not just demographics, that matters.
02. Consumers are NOT self-aware. It takes work to uncover and understand underlying motivations.
03. There's no one competitive set. Think "consideration set" instead.
04. Usage is as important to understand as purchase—sometimes even more important.

How well do you understand your brand's context?

For more tips on how to harness the power of consumer insight to improve your bottom line, give us a call. Hiebing has helped hundreds of clients find, design and deliver powerful communications that have increased brands' impact and profits. As a brand development and marketing firm, Hiebing delivers fresh insights into the Dynamic LinkagesSM between targets and brands and creates vibrant communications to improve brands' relevancy and value in consumers' lives.

To learn more, visit hiebing.com or call (608) 256-6357.



Dave Florin President/Partner



Dave's job is to see that our clients are served by the latest and best practices in our tried-and-true area of expertise: target-market-driven communications. So he has continued to attract top talent from around the country, add new areas of knowledge and set new standards of performance across all communication disciplines. Dave's passion is his proven commitment to client service, creative quality and brand strategy. He has been an invited speaker for organizations like the National Retail Federation, the Retail Advertising and Marketing Association, the International Institute for Research and the Investment Council Institute. His client experience includes Nestlé, Famous Footwear, General Motors, Northwestern Mutual Life, the National Retail Federation, Coors, Coca-Cola, PerkinElmer and JanSport. Dave is married and has three daughters. He is an avid reader who enjoys the great outdoors and anything Wisconsin Badger-related.

Mike Pratzel Research and Insight Director/Partner



Mike has been directing strategic research and target market insight efforts at Hiebing since 1981. Mike has a BBA in marketing and quantitative analysis and a master's in marketing research from the University of Wisconsin-Madison. He has developed quantitative approaches for evaluating new product development, customer satisfaction, positioning, communications and segmentation analysis. He's also developed qualitative approaches to consumer insights and brand development for clients such as Famous Footwear, Nestlé, Culligan, AAA, Trane, Mercury Marine, Verizon, AnchorBank, UW Colleges, UW-Madison and Credit Union Executives Society. His work has been critical in helping our clients achieve measurable, if not spectacular, results. His favorite research involves taste-testing the sticky buns that he and his wife prepare for their café and bakery customers.

Barry Callen Vice President/Partner, Creative Strategy



For over thirty years, Barry has championed effective, emotionally relevant communications for clients like Nestlé, Orkin, Planters-Life Savers, Epic Systems and Dean Health System. Barry's ability to fuse strategic thought processes with creative development led him to produce some very powerful tools in Hiebing's branding arsenal—including both Message Strategy and our NameCallingSM process. These days, when he's not developing strategies, you might find him teaching at the UW Graduate School for Executive Education. To unwind, he writes and performs everything from comedy to music, and tries to avoid getting struck by lightning again.

Jeane Kropp Strategy Director/Partner



Over the last decade, clients with brands in over 90 countries have invested over a billion dollars in the new products, strategies and communications that Jeane helped create as a consultant. Her thinking has inspired marketing communication successes such as the MasterCard "Priceless" campaign, the double-digit annual sales growth of Kraft's DiGiorno pizza and the extremely successful repositioning of 36 brands in 150 SKUs for Canada's Vachon snack cakes. She has helped pioneer new strategic models for everything from SKU simplification to packaging concept evaluation. Some of Jeane's other brand experiences include Motorola, Nabisco, Kraft, Jergens, UDV/Guinness, ConAgra, Glidden Paint and Boise Cascade. Jeane knows what it's like to be a client with an old brand to revive or a new product to introduce. After receiving her MBA in marketing and management from Indiana University, Jeane worked client-side at Procter & Gamble (Scope, Crest Toothbrushes, Old Spice) and at Oscar Mayer (Lunchables, Bologna, Louis Rich Turkey). When she is not caring for her clients' brands, she and her husband provide foster care for teenagers and dogs, preferably not simultaneously. Jeane has also cliff-dived into Iceland's glacial waters and walked barefoot on hot coals. Pretty relevant experiences for building brands.