

**Adaptation to Changed
Customer Behavior**

DEMAND

**CENTRICITY: HOW
NOT TO GET
POSTPONED OR
SUBSTITUTED?**

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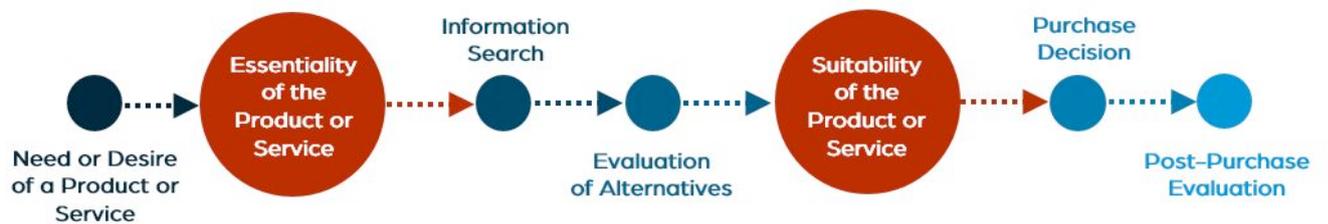
Adaptation to Changed Customer Behavior

DEMAND CENTRICITY: HOW NOT TO GET POSTPONED OR SUBSTITUTED?

Consumers usually establish a certain state of purchasing behavior over time, which changes in case of changing economic conditions. While conditions become more dense, behavior evolves from a more “impulsive” to a more **“cautious and conscious”** state. Thus, the decision-making process for purchase becomes more complex. The latter may be subject to additional considerations and lead to cancelations of planned purchases.

John Dewey’s standard Consumer Decision Process consists of 5 main steps: need recognition, information search, evaluation of alternatives, purchase decision, and post-purchase behavior. However in economical challenging times, consumers tend to apply a **7-Step Purchasing Journey**, in which reevaluations of both needs and alternatives are being applied in addition to the standard process. Consumers tend to question the necessity of a product or service more and base their purchasing decision by an improved assessment, in order to choose the best solution for them, if the need is still given.

Figure 1: B2C Purchasing Journey in 7 Steps (according to ADBA)



At this point two questions arise, substantially influencing the purchasing decision of consumers: “Do I really need it?” and “Is it really the best option for me?”.

Improving emphasis on Essentiality: “Do I really need it?”

In times of rising economic concerns, consumers tend to reevaluate their initially identified needs more carefully than ever. Thus, the meaning of essentiality evolves due to the economic circumstances and preferred lifestyles. Products and services that are acknowledged as a necessity before, are given less importance, as some product/service categories escalate quickly as a basic need for survival in hard times.

Improving emphasis on Suitability: “Is it really the best option for me?”

Even though consumers consider a purchase, a second evaluation process with a focus on a product's suitability is carried out. Usually, the best option to meet the need is re-inspected by applying relevant criteria based on existing circumstances, e.g. price, accessibility, hygiene, etc.

Due to the extension of the Standard Consumer Decision Process to a 7-Step Journey, conversion rates are likely to drop and as a consequence sales figures to shrink. It is not clear whether purchases, under such changing conditions, will be just discontinued or lost to competitors. But for sure affected retailers are facing higher risks of being substituted by their competition during the purchasing process and after.

CHANGES UNVEIL NEW CHALLENGES

In a nutshell, this leads to two key challenges, firms have to resolve in order to remain competitive:

Not to Lose Customers

It is important for firms to investigate whether their products/services are continued to be perceived as essential in economic challenging times, as consumers tend to prioritize possible purchasing decisions. In case reevaluate a need and therefore cancel a purchase, firms need to **maintain the relationship** with such non-buyers. Distinct attention must be paid for non-buyers by increasing the interaction with this possible future customers. This allows to **identify their future needs** and reduces the risk to lose such customers. Customer interaction in general of course needs to be smart and value-contributing for any customer, based on data and ideally considering customer's lifestyles. The objective for firms has to be **positioned as the provider of choice** for customers' future purchase considerations with the aim of transforming their products/services from nice-to-have to must-to-have.

Not to Lose Customers to Competitors

Firms need to be the first option of choice when consumers are searching for a solution. They have to precisely **understand the core needs of their customers** and be able to address them with a proper solution. Especially changing conditions need to be evaluated to their impact to consumers' expectations. It is key not to lose customers to competitors, during the purchasing process. Besides, it is beneficial for firms to put special attention on

building a relationship and engagement with consumers, as it helps firms to differentiate in times of intense competition. Creating a strong emotional connection allows firms turning first-time customers into loyal ones. Therefore firms need to adjust their initiatives in order to meet their customers' expectations and maintain the engagement, including relevant products or solutions accessible on preferred channels.

Brands have to remain present in consumers' lives. Smart and continuous customer interaction increases the probability to generate demand.

HOW ADBA CAN HELP YOU?

This is the call for firms to rethink their business strategies, align their marketing efforts and MarCom activities, in order to strive towards demand centricity, while adapting to the ever-changing consumer needs and technologically and socially influenced behavior.

Identifying relevancy gaps is crucial to enhance customer experience and satisfaction from various aspects, such as product/service offerings, purchase process, emotional engagement level, etc. This way, firms decrease the risk of being dropped out throughout 7-Step Purchasing Journey and remain relevant for future consideration.

Our proven approach foresees distinctive activities, helping firms to adapt to changing customer behavior and expectations. Therefore,

- Identify behavioral customer expectations to the purchasing process
- Assess existing products
- Analyze the purchasing process
- Develop new products/services to become "the" or "part of" the solution
- Re-position the brand to reset its spot in consumers' minds

Identify behavioral customer expectations: Analyze and interpret changed customer behavior in order to sustain the relationship with both buyer and non-buyers. Define core needs and tendencies to decrease the risk of lost purchase.

Assess Existing Products/Services: Evaluate products/services with respect to new customer needs. Investigate whether products/services are able to meet new needs.

Analyze the purchasing process: Offer a frictionless experience on relevant channels to reduce churned customers. Develop a convenient buying process to meet the changed customer expectations.

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Develop new products/services: With the aim of encouraging consumers to consider a purchase, launch new products or services for faster adaptation in unique conditions. Stay relevant for future considerations not to lose a customer.

Re-position the brand: Re-justify existence in consumers' lives to get interacted and generate possible demand. Visit Brand Promise on why people will need "your" brand or "your" product/service.

From our vast experience with leading international and local brands, our proven holistic approach is the substantial way for our clients, to overcome the challenges in this context:

Starting with sharp *analysis*, we are focusing on market dynamics, existing customer behaviors, competition and trends, helping our clients to understand their status quo better in-line with their general capabilities and deciding on an ambitious but realistic target picture.

During the *design* phase, which includes co-creational aspects, we help you to redesign the purchasing experience for your customers, considering channel preferences, convenience aspects. By developing new and reshaping existing initiatives you will be able to leverage untapped potentials, like revenue streams, grow your market share or improve on your brand perception. Our framework ensures technology, processes and your organization are considered in the operating model.

The *implementation* phase is one of the most success-critical phases in a project. Generating stakeholder buy-in and commitment is key. Together with your teams we are helping you to prioritize relevant initiatives, according to their strategic impact.

We are offering various solution approaches in the areas of CX, Brand Re-Positioning, Digital Transformation, Go-to-Market Strategy, etc. What this solution approach means in concrete terms for your business orientation and which measures you should implement now; we would be happy to discuss it in a meeting with you – contact us!

About ADBA | Marketing | Consulting | Innovation |

ADBA consulting and marketing services help companies and brands who want to grow, accelerate and transform by breaking old thinking patterns in strategy, marketing and innovation.

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