

## 1.6: Determining Consumer Needs and Wants

### Learning Objectives

By the end of this section, you will be able to:

- Explain how an organization identifies consumer needs and wants.
- Describe the process through which an organization satisfies consumer needs and wants.

### Identifying Consumer Needs and Wants

We've repeatedly mentioned satisfying customer needs. But understanding those needs and wants isn't always as simple as it sounds. For example, some customers have which they're not fully aware; others can't articulate their needs, or the words require some degree of interpretation. Consider this: what does it mean when a customer asks for a "restful" hotel, an "attractive" bathing suit, or a "powerful" lawn mower?

Let's consider an example to illustrate this concept. A customer comes into your car dealership and says she wants to purchase an inexpensive hybrid vehicle. That description is broad and subject to interpretation, so it's essential that the marketer probe further because there are really five types of customer needs (MBA Skool Team, 2021).

- **Stated Needs.** Stated needs are those that the customer clearly specifies. It's what the customer requests. For example, you go into a big box store such as Best Buy and tell the sales associate you "need a new phone."
- **Real Needs.** Real needs are one level above stated needs; they are more specific and define the parameters that are immediate to defining and fulfilling the need. In other words, real needs are what the stated needs actually mean. What are our phone buyer's real needs? Are they looking for a phone with a long battery life, a high-resolution camera, or a lot of internal memory?
- **Unstated Needs.** Unstated needs are what the customer also expects but doesn't ask for. Once again, using our phone example, the consumer may expect but not express the desire for good service from the carrier and the big box store.
- **Delight Needs.** Delight needs are those that provide the "wow" factor. These needs, like unstated needs, can make some products more desirable than others if they meet those needs. In our phone example, delight needs can be, for example, a phone case or other promotional gift.
- **Secret Needs.** Secret needs are those that a customer may not state or realize but can be one of the main reasons for choosing a particular product to fulfill the basic stated need. Do customers want a new cell phone as a status symbol but won't admit that status is important to them?

The bottom line is that responding only to a customer's stated need may not satisfy the customer. The marketer needs to understand what the customer really wants.

### Satisfying Consumer Needs and Wants

You may be asking yourself at this point, "Does marketing satisfy needs, or does it create needs?" Some people feel that marketing creates needs and pressures consumers into buying unneeded products or services. However, marketing does not create needs; rather, it opens consumers' eyes to their wants, and it's up to marketers to understand those wants in order to guide consumers on the path to purchasing their products or services (Ferrer, 2015). Marketing creates value, and value speaks to the satisfaction of customer needs and the benefits customers receive from the product. It's the customer, however, who ultimately determines how well the product fulfills their needs and how much value the product creates.

The challenge for the marketing team is succinctly and compellingly articulating a value proposition that speaks directly to the benefits your product or service delivers.

### The Value Proposition

A value proposition identifies the quantifiable benefits that customers can expect when they choose to purchase your company's product or service. A value proposition is, in effect, a promise from the company to the customer, and it can serve as a competitive differentiator to motivate customers to purchase your company's products or services. In other words, your value proposition should bring together in a brief, concise statement what your customer wants and/or needs and how your product or service will meet those wants and needs better than your competitors (ProductPlan, 2021).

That's a bit abstract, so we thought we'd include a few examples of some good value propositions:

- Bill Ragan Roofing: “[Let us take the stress of roof repairs or a roof replacement off your shoulders.](#)”
- DuckDuckGo: “[Tired of being tracked online? We can help.](#)”
- HelloFresh: “[Take the stress out of mealtime.](#)”

### The Exchange Process

Marketing facilitates what is known as the exchange process—the act of obtaining a desired product or service from an individual or business by providing in return something of value, as illustrated in Figure 1.10.

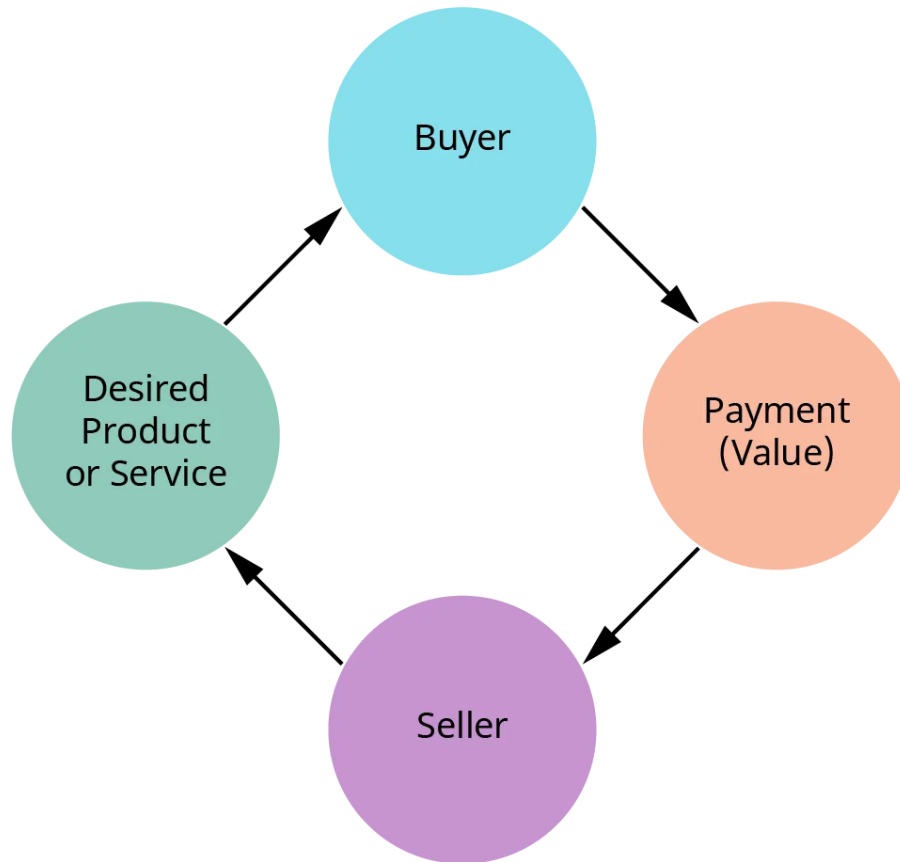


Figure 1.10 The Exchange Process (CC BY 4.0; Rice University & OpenStax)

The buyer (or customer) initiates the exchange process. The buyer (who has a want or need) is the individual or business willing to pay money or provide other personal resources to satisfy this need or want. Let’s simplify that definition with an example. When lunchtime rolls around and you’re on campus or at your job, you’re hungry; you have a need for food and drink. You go to the dining hall or a nearby restaurant to order lunch, and you’re willing to pay money in exchange for your meal. Simple, right?

Keep in mind here, however, that there is a difference between a customer and a consumer. The customer is the individual or business purchasing the product or service. The consumer is the user of the product or service. To put this concept in simple terms, if a grandmother buys a toy for her grandson, she is the customer; her grandson (who will use the product) is the consumer. When you go out for lunch, you’re both the customer and the consumer.

The desired object is the product or service itself. It may be a physical good, service, or experience that consumers expect will satisfy their wants and/or needs. Let’s go back to our lunch example. The desired object is the meal. The seller is the individual or organization supplying the need-satisfying product, service, or experience. Once again, in the lunch example, the seller would be the dining hall or the restaurant.

Inherent in the exchange process is what’s known as value—the benefit to the customer or consumer relative to the cost in the exchange. In other words, value is the monetary worth of the benefits the customer receives in exchange for the product or service. Let’s go back to our backpack example a few sections ago. You may really want that backpack because it keeps your “stuff” organized and it’s lightweight (the benefits), but if the cost is too high, either in terms of the monetary cost or the time you’d have to spend going to the store to buy it, that backpack won’t have value for you. No sale!

## Knowledge Check

It's time to check your knowledge of the concepts presented in this section. Refer to the Answer Key at the end of the book for feedback.

1.

\_\_\_\_\_ needs are those that provide the “wow” factor in a customer’s purchase.

- a. Stated
- b. Real
- c. Unstated
- d. Delight

2.

In the exchange process, the \_\_\_\_\_ is the individual who purchases the product or service, and the \_\_\_\_\_ is the individual who actually uses the product or service.

- a. buyer; seller
- b. buyer; customer
- c. customer; consumer
- d. consumer, customer

3.

Which of the following terms refers to the promised value of a product or service?

- a. Valuation
- b. Value proposal
- c. Value assessment
- d. Value proposition

4.

\_\_\_\_\_ is/are the benefit(s) to the customer or consumer relative to the cost of the product or service.

- a. Value
- b. The exchange process
- c. Stated needs
- d. Expectations

5.

Which of the following best describes a satisfactory exchange process?

- a. One that allows the seller to incur the highest profit possible
- b. One that allows the buyer to pay the lowest price possible
- c. One that fairly addresses the needs of both the seller and buyer
- d. One that is most convenient without regard for either the seller or buyer

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