

6.4 Understanding the Digital Consumer

Learning Objectives

Understand what personas, journeys, and maps are, how to calculate customer lifetime value, and why customer lifetime value is important.

In this chapter, we discuss how digitalization is transforming the journey of consumers. To better understand how to do marketing online, we also cover basic marketing tools (i.e., persona and consumer journey) to help us create digital marketing campaigns. We conclude the section by discussing journey maps.

Understanding Consumers Through Personas

There exist two grand approaches to conducting marketing: **mass marketing** (i.e., an undifferentiated approach where products are simply sold to the masses) or **targeted marketing** ([click here for more information on these approaches](#)) (University of Minnesota, 2015). In the latter approach, firms practice segmentation and tailor marketing communications and products to segments. The digital ecosystem makes it easy to address segments, even *segments of one* (Winger & Edelman, 1989). Although it is possible to practice mass marketing online, many processes unique to digital marketing, such as web analytics, A/B testing, or online targeting platforms, work best when firms have defined segments (Gelinas, 2016). For this reason, we will emphasize a targeted approach in this course.

To practice targeted marketing, firms use **segmentation** to create homogeneous consumer groups (i.e., they have similar characteristics) that are nevertheless heterogeneous from the rest of the population (i.e., they differ from the rest of the population based on their shared characteristics).

A useful tool to help create and represent segments is the **persona**. A **persona** is a semi-fictional, generalized representation of a customer segment. Personas help you better understand your customers (and prospective customers) and make it easier to tailor content to different segments' specific needs, behaviors, and concerns (Wikipedia, 2024a).

Persona

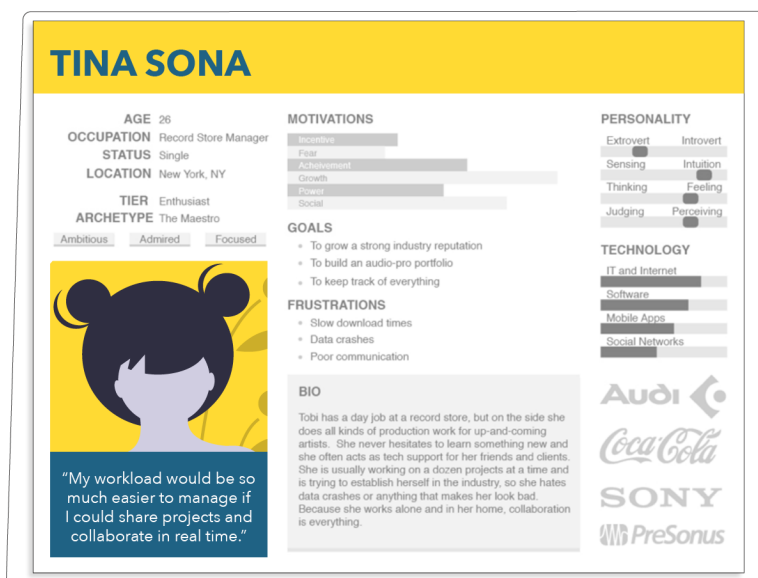


Figure 6.2 Persona

Personas are important because they help you understand who your ideal consumers are, what their characteristics are, and how to talk to them. The needs, desires, and problems of your personas (or segments, more generally) should be the starting point of any marketing strategy. As a reminder from Chapter 1, our goal as marketers is to create value, and in digital marketing campaigns, we create value by *representing the customer*. The only way to do so is to understand what this customer is and what they need.

Personas can assist various marketing activities, from creating campaigns and ads to guiding product and service development to helping with customer support. We will see how shortly.

Firms develop personas the same way they develop segments: through market research and internal data. Firms **typically segment consumers** based on their behaviors (which are also now trackable online!), demographics, lifestyles, or psychographics (see the table below for a summary) (University of Minnesota, 2015).

By Behaviour	By Demographics	By Geography	By Psychographics
<ul style="list-style-type: none"> • Benefits sought from the product • How often the product is used (usage rate) • Usage situation (daily use, holiday use, etc.) • Buyer's status and loyalty to product (non-user, potential user, first-time users, regular user) 	<ul style="list-style-type: none"> • Age/generation income • Gender • Family life cycle • Ethnicity • Family size • Occupation • Education • Nationality • Religion • Social class 	<ul style="list-style-type: none"> • Region (continent, country, state, neighborhood) • Size of city or town • Population density • Climate 	<ul style="list-style-type: none"> • Activities • Interests • Opinions • Values • Attitudes • Lifestyles

Figure 6.3 Type of Segmentation From University of Minnesota (2015) 'Principles of Marketing'

Segmenting based on these variables is highly useful to inform online targeting strategies. For example, on the Facebook Ads platform, you can easily select to deliver an ad to people aged between 18 to 25 years old living within a kilometer of the Mile End who like cycling.

Yet, this provides less information as to how to talk to these consumers. For this reason, we emphasize the importance of intersecting segments with their **goals, wants, needs and motivators**, and the challenges they face (Niosi, n.d.). This provides key information to create your digital marketing campaigns.

In her Introduction to Consumer Behaviour, Andrea Niosi explains these as follows:

A **goal** is the cognitive representation of a desired state, or, in other words, our mental idea of how we'd like things to turn out (Fishbach & Ferguson, 2007; Kruglanski, 1996). This desired *end state* of a goal can be clearly defined (e.g., stepping on the surface of Mars) or it can be more abstract and represent a state that is never fully completed (e.g., eating healthy). Underlying all of these goals, though, is **motivation**, or the psychological driving force that enables action in the pursuit of that goal (Lewin, 1935).

Motivation can stem from two places. First, it can come from the benefits associated with the process of pursuing a goal (**intrinsic motivation**). For example, you might be driven by the desire to have a fulfilling experience while working on your Mars mission. Second, motivation can also come from the benefits associated with achieving a goal (**extrinsic motivation**) such as the fame and fortune that come with being the first person on Mars (Deci & Ryan, 1985). One easy way to consider intrinsic and extrinsic motivation is through the eyes of a student. Does the student work hard on assignments because the act of learning is pleasing (*intrinsic motivation*)? Or does the student work hard to get good grades, which will help land a good job (*extrinsic motivation*)?

Consumer behavior can be thought of as the combination of efforts and results related to the consumer's need to solve problems. Consumer problem-solving is triggered by the identification of some **unmet need**. A family consumes all of the milk in the house, or the tires on the family car wear out, or the bowling team is planning an end-of-the-season picnic: these present a consumer(s) with a problem that must be solved. Problems can be viewed in terms of two types of needs: physical (such as a need for food) or psychological (for example, the need to be accepted by others).

Although the difference is a subtle one, there is some benefit in distinguishing between needs and wants. A **need** is a basic deficiency given a particular essential item. You need food, water, air, security, and so forth. A **want** is placing certain personal criteria as to how that need must be fulfilled. Therefore, when we are hungry, we often have a specific food item in mind. Consequently, a teenager will lament to a frustrated parent that there is nothing to eat, standing in front of a full refrigerator.

Most of marketing is in the want-fulfilling business, not the need- fulfilling business. Apple does not want you to buy just any watch; they *want you to want to buy* an Apple Watch. Likewise, Ralph Lauren *wants you to want* Polo when you shop for clothes.

On the other hand, a non-profit such as the American Cancer Association would like you to feel a need for a check-up and not care about which doctor you go to. In the end, however, marketing is mostly interested in creating and satisfying wants. Often, discussions around needs are further explained in the context of those that are **utilitarian** (*practical and useful in nature*) and those that are **hedonic** (*luxurious or desirable in nature*).

To this list, we add the notion of **challenges**. By challenge, we refer to an obstacle faced by a consumer in wanting to resolve a need or fulfill a want. This is important because consumers turn to the Internet every day to help them answer challenges they face in their everyday life, whether it is how to change a tire, how to have the perfect Friday night makeup, or how to paint a room. Resolving challenges drives the consumption of online content.

- Hence, when creating a persona, you create a semi-fictional representation of a segment by bringing together the following information:
 - Basic behavioral, demographic, geographic, and psychographic information to facilitate targeting
 - Needs, and/or wants, and/or goals, and/or challenges to facilitate the creation of your campaign
 - Information that makes your persona ‘feel’ real, such as
 - Pictures
 - Quotes from interviews with real consumers
 - A name
 - Examples of "real" problems

Take the following example of RV Betty:



- Betty lives in the suburb of a large Canadian city. She and her husband have both recently retired. One of their life dreams is to travel across North America during their retirement. While she doesn't consider herself wealthy, she and her husband have saved enough during their lifetime to make their dream a reality and enjoy their retirement.
- Betty is worried about how to travel in a RV: how to find utility hookups, where to stay when you have a RV, what happens if you blow a tire, how to plan her routes ... She wants a RV with certain characteristics: Since she is retiring (and older), it has to be comfortable. She plans to spend most of her time in it! She also has a great network of friends, and she would like her friends to spend time with her in the RV, so she is looking at additional sleeping space and plenty of room. Maybe she'd like to host dinner time! All in all, she'd like a RV that will make her experience easy when traveling.

Figure 6.4 Credit: BBH Singapore (@bbh_singapore)

Can you find the information mentioned above in this short persona?

6.4 Understanding the Digital Consumer is shared under a [CC BY 4.0](#) license and was authored, remixed, and/or curated by LibreTexts.

- **1.2: Understanding the Digital Consumer** by Pierre-Yann Dolbec is licensed [CC BY-NC-SA 4.0](#). Original source: <https://opentextbooks.concordia.ca/digitalmarketing>.