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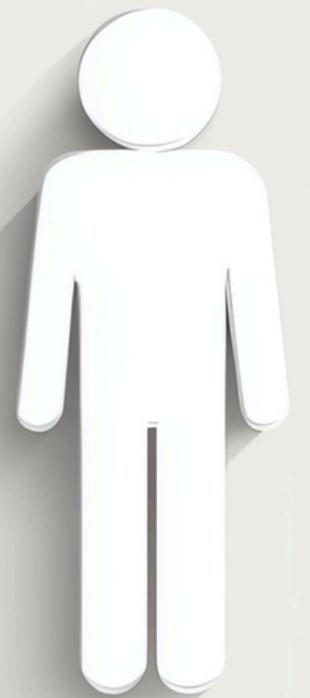# Consumer behavior and customer insights

Patsara Sirikamonsin
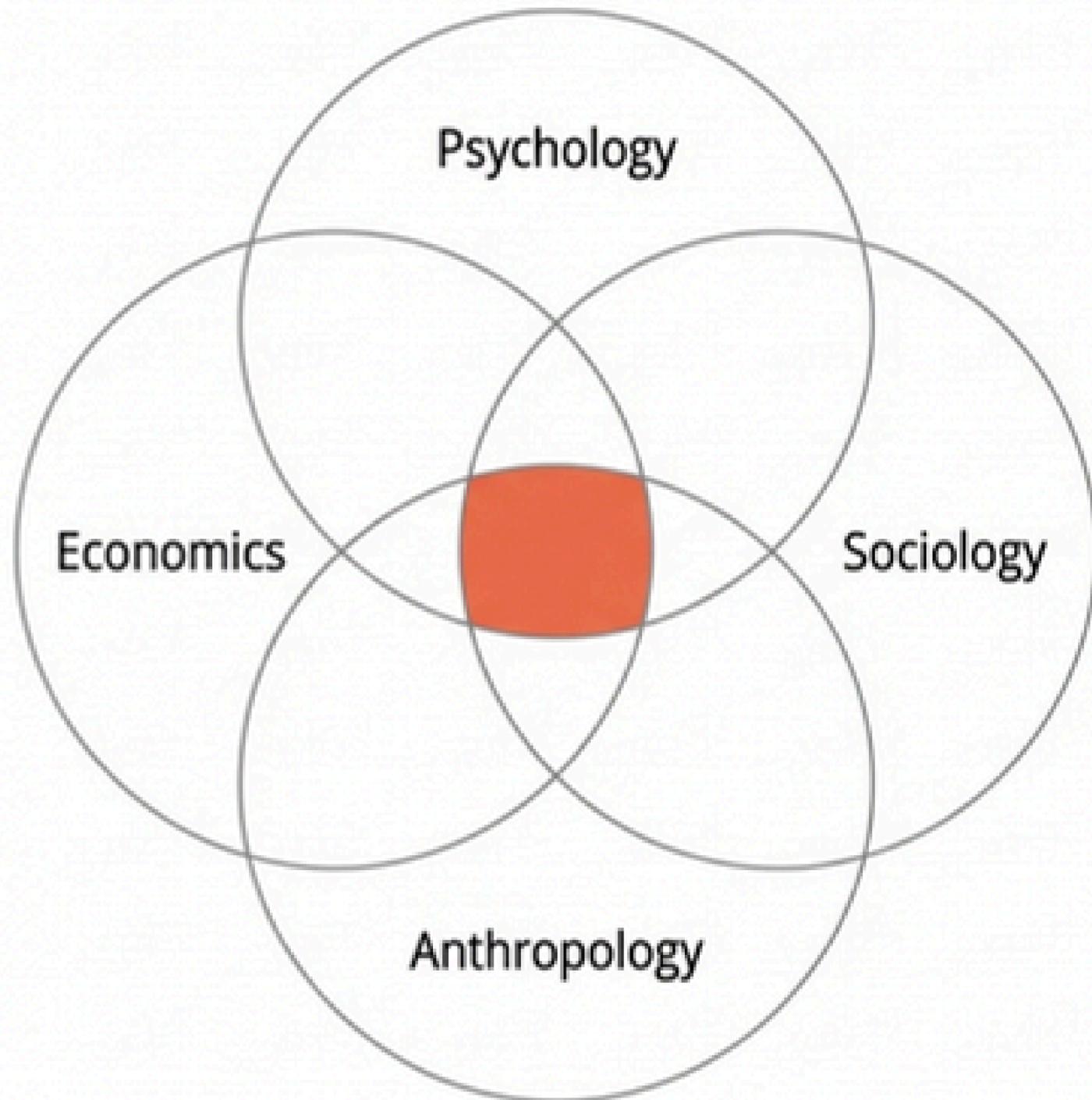
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Consumer Behavior Research Methods

The Foundations of Consumer Behavior

Psychology

Economics

Sociology

Anthropology

Core Definition

The systematic study of how individuals, groups, and organizations **select**, **purchase**, **use**, and dispose of goods, services, ideas, or experiences to satisfy their needs and wants.

The Strategic Shift

- From Intuition to **Data**: Moving past assumptions to analyze activity patterns.

- Value Creation: Aligning product development with actual **human needs**.

- The 'Why' and 'How': Combining **behavioral data** (what they do) with **psychological insight** (why they do it).

The Research Design Framework
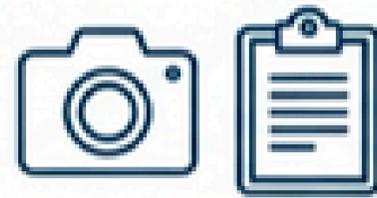
1. Exploratory Design (Discovery)

Goal: Define problems, generate hypotheses, clarify ambiguity.

Methods: Focus groups, pilot studies, secondary data.

Use Case: "Why are sales dropping?"

2. Descriptive Design (Snapshots)

Goal: Describe market characteristics or functions.

Methods: Surveys, observational studies, panels.

Use Case: "Who is buying our product?"

3. Causal Design (Cause & Effect)

Goal: Determine cause-and-effect relationships. effect relationships.

Methods: Lab experiments, field trials (A/B testing).

Use Case: "Will changing the button color increase clicks?"

Traditional Qualitative Methodologies

The Goal: Uncovering the 'Why'—motivations, attitudes, and feelings.
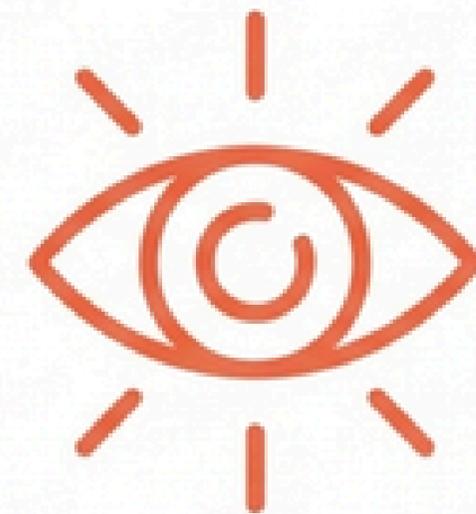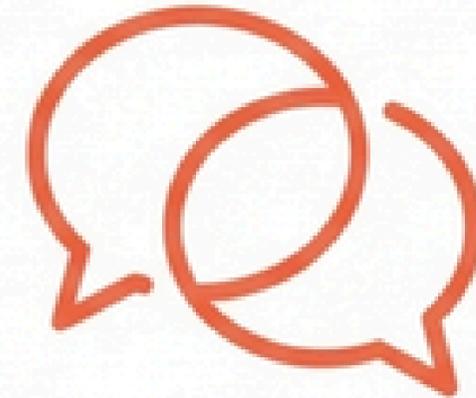
Focus Groups
Moderated discussions (6-10 people) to observe group dynamics and shared perspectives.

In-Depth Interviews
One-on-one sessions to explore complex individual motivations without peer pressure.

Ethnography
Immersive observation of consumers in their natural environment (e.g., in-home usage).

Trade-off: Rich, nuanced data vs. Subjective, difficult to generalize.
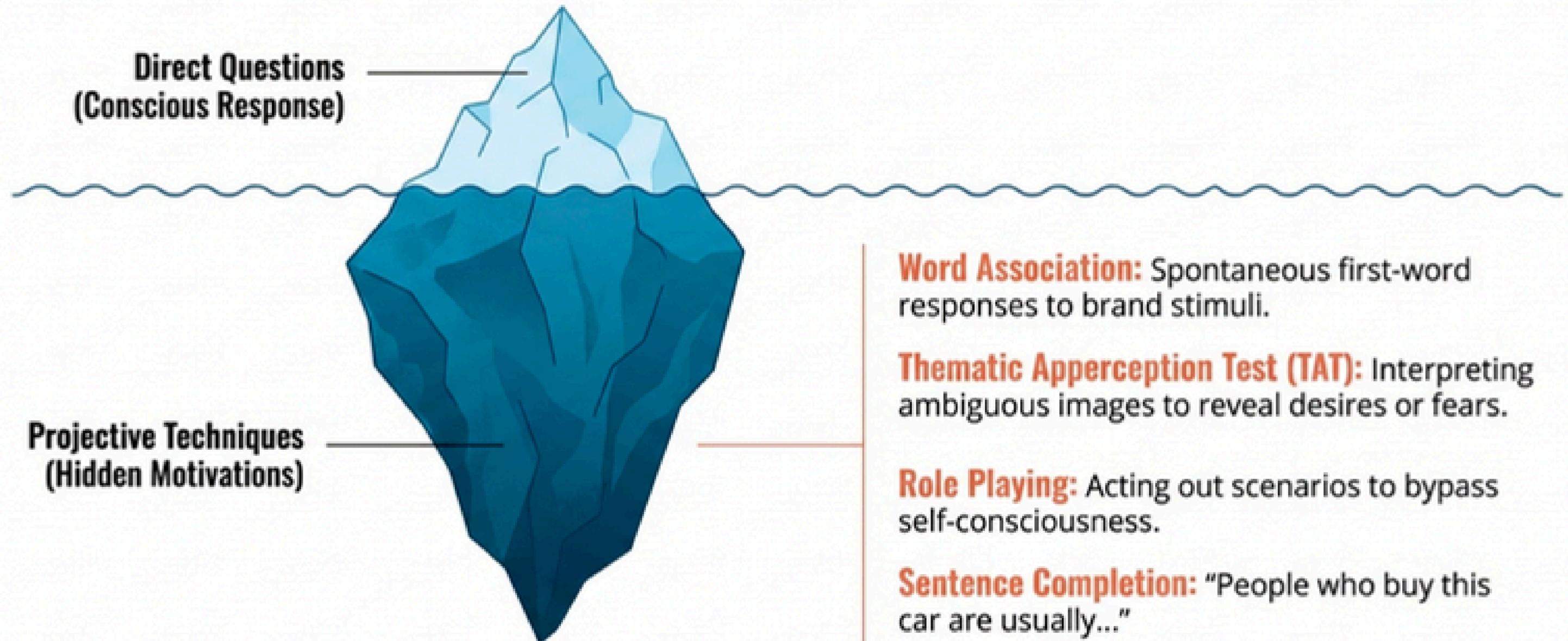
Research Process

Problem Definition

Research Design

Data Collection

Data Analysis & Interpretation

Actionable Insight

Projective Techniques: Uncovering the Subconscious

Direct Questions (Conscious Response)

Projective Techniques (Hidden Motivations)

Word Association: Spontaneous first-word responses to brand stimuli.

Thematic Apperception Test (TAT): Interpreting ambiguous images to reveal desires or fears.

Role Playing: Acting out scenarios to bypass self-consciousness.

Sentence Completion: "People who buy this car are usually..."

Traditional Quantitative Methodologies

**The Goal:** Measuring the 'What' and 'How Many'—statistical reliability.

Key Instruments:
- Surveys & Questionnaires (Likert scales, multiple choice)
- Structured Observation (Systematic recording)

Critical Metrics:
- **Reliability:** Can results be replicated?
- **Validity:** Are we measuring the right thing?

Which type of marketing do you believe is more cost-effective?

20.8%
Both Equally

18.8%
Traditional Marketing

18.8%
Traditional Marketing

60.4%
Digital Marketing
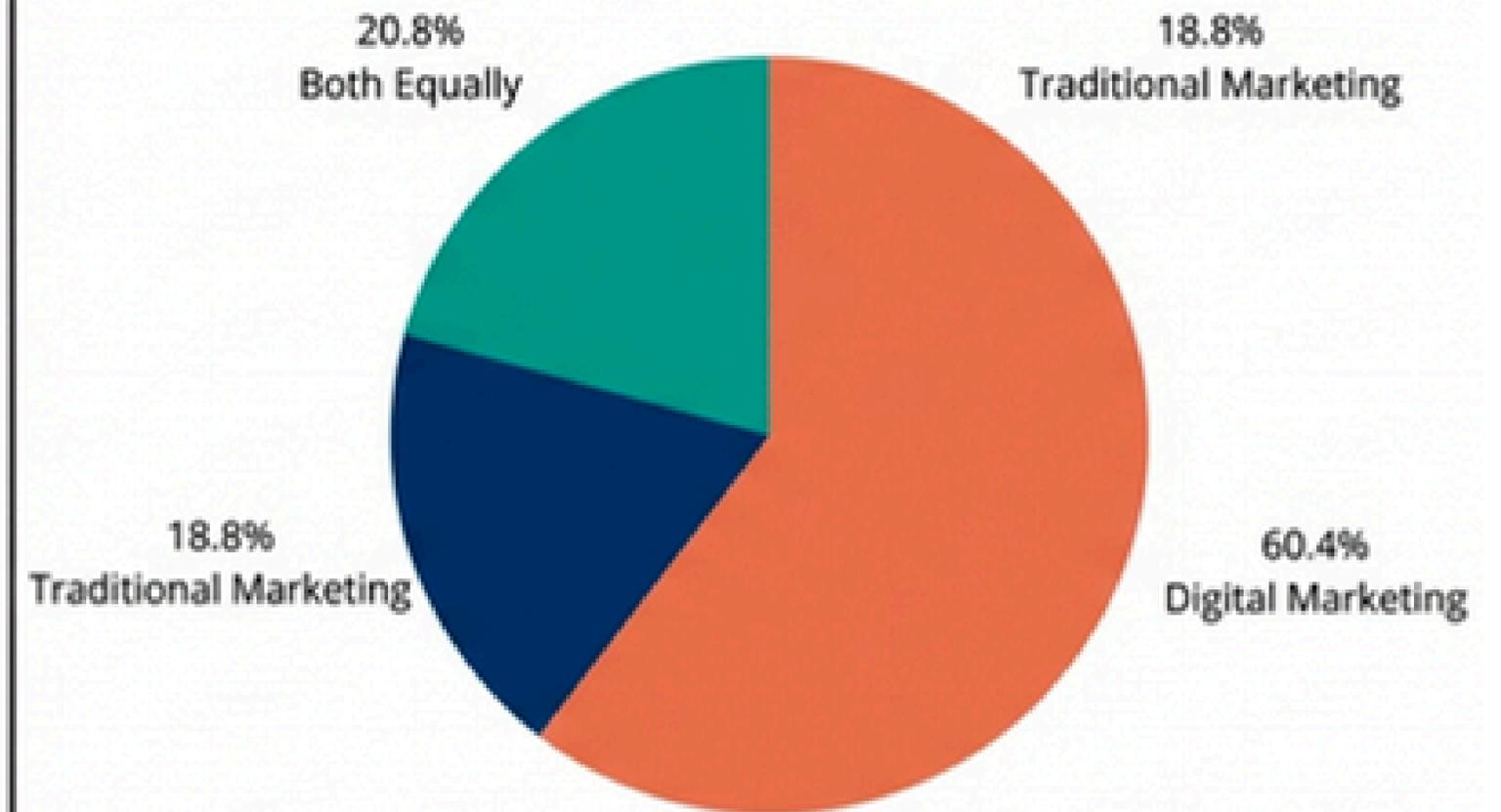
Quantitative data allows for precise comparison of consumer opinions.

The Digital Revolution: Clickstream Analysis

Definition: Tracking the digital footprint of a user's journey through every click, scroll, and hover.

What We Track:

- **Dwell Time:** Engagement duration on specific pages.
- **Navigation Paths:** Sequence of visits and funnels.
- **Friction Points:** Drop-off locations (e.g., cart abandonment).

Strategic Application:

- UI/UX Optimization
- Real-Time Personalization

Advantage: Massive datasets of *actual* behavior, not reported behavior.

AI & Predictive Analytics

Big Data Input → **Machine Learning Model** → **Future Prediction**

Paradigm Shift:

From Descriptive (What happened) to Predictive (What will happen).

Core Technologies:

- **Machine Learning:** Algorithms (Random Forest, Neural Networks) learning from patterns.
- **NLP:** Analyzing sentiment in reviews and social text.
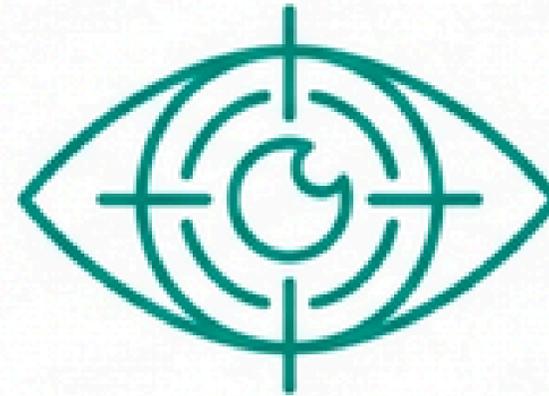
Key Applications:

- **Churn Prediction:** Intervening before customers leave.
- **Dynamic Pricing:** Adjusting to predicted demand.
- **Recommendation Engines:** "Users who bought X also bought Y".
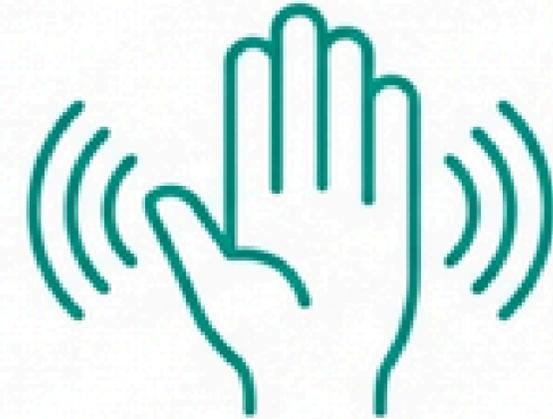
Neuromarketing & Biometrics
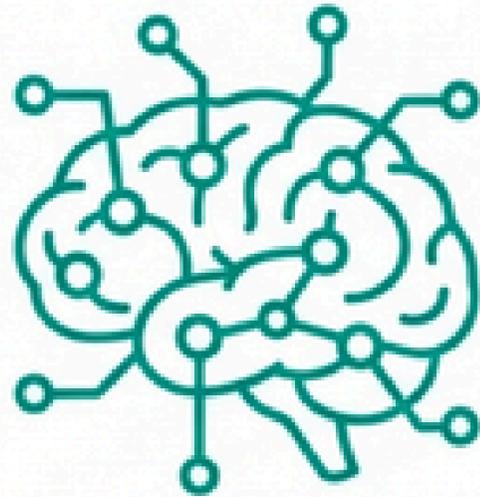
fMRI & EEG
Measures brain activity and electrical signals to gauge emotional engagement and desire.

Eye Tracking
Maps visual attention to see exactly what consumers look at—and what they ignore—on ads.

Galvanic Skin Response (GSR)
Measures sweat gland activity to detect emotional intensity and arousal.

Insight: Reveals immediate, non-conscious reactions that consumers cannot articulate.

Comparative Analysis: Traditional vs. Digital

| Feature	Traditional Research	Digital/Modern Research
Data Source	Surveys, Focus Groups	Social Media, IoT, Clickstream
Speed	Time-intensive (Weeks/Months)	Real-time / Instant
Cost	High (Personnel, logistics)	Lower (Scalable automation)
Depth	High (Explains 'Why')	Moderate (Explains 'What')
Scope	Limited Sample Size	Massive / Big Data Scope
Bias Risk	Interviewer/Response Bias	Algorithmic Bias

The Hybrid Approach: Triangulation
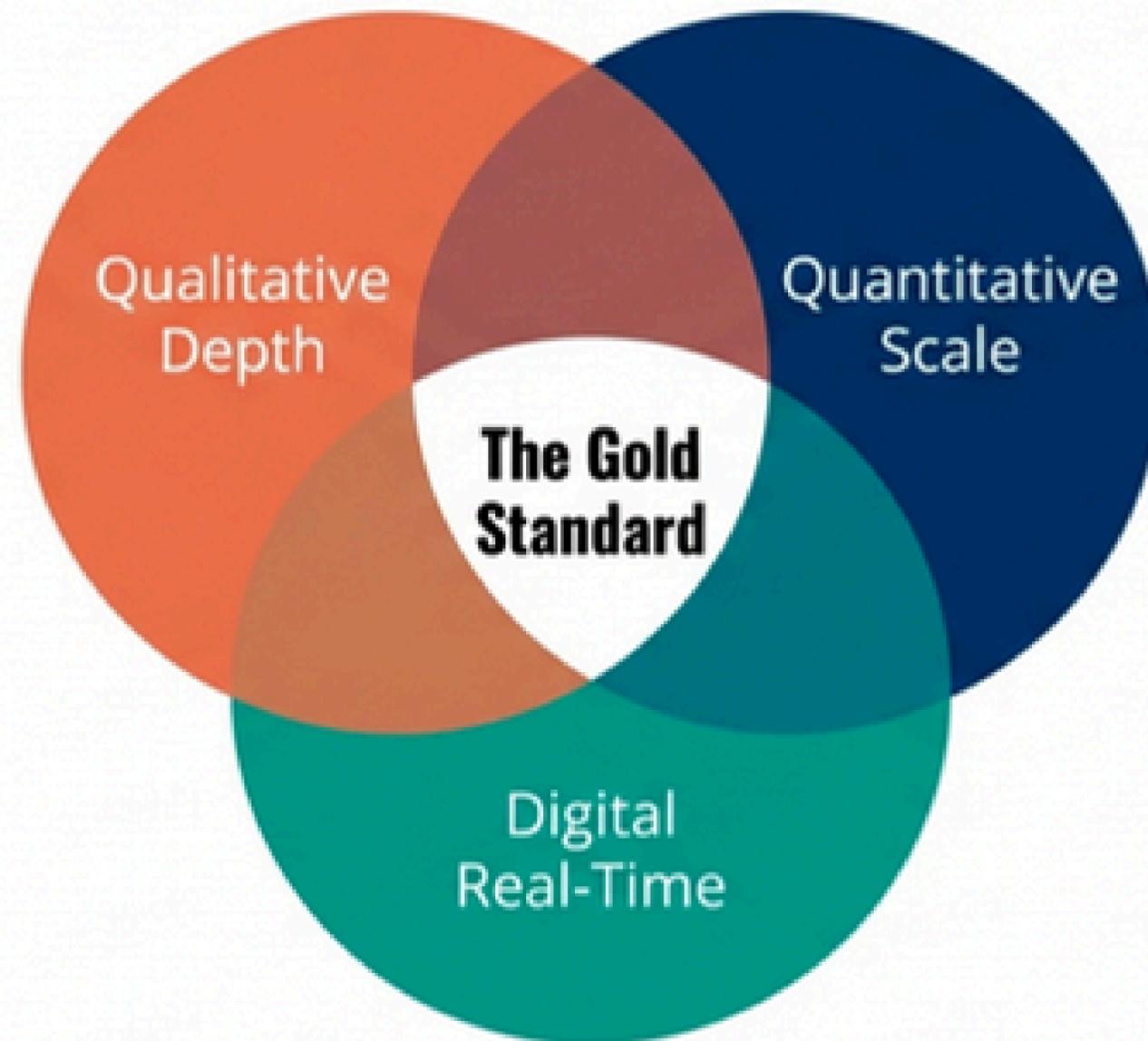
Why Mix Methods?

- Digital data tells you *what* is happening (e.g., high cart abandonment).
- Traditonal qualitative tells you *why* (e.g., shipping costs are confusing).

Strategic Example:

A beverage company uses social listening to spot a trend, then uses focus groups to test flavors before launch.

Longitudinal Studies: Tracking Change Over Time

T1 (Baseline)   T2 (Intervention)   T3 (Result)
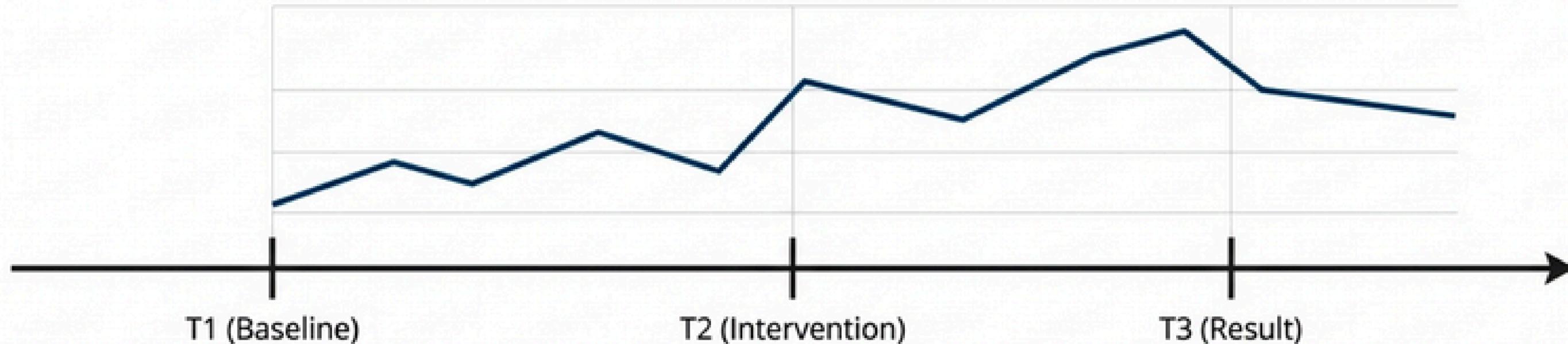
Definition:

Tracking the same variables or subjects over an extended period.

Types:

- **Panel Studies:** Following the *exact* same individuals.
- **Cohort Studies:** Tracking a group with shared traits (e.g., Gen Z graduates).

Value:

Distinguishing true trends from temporary fads and calculating Customer Lifetime Value (CLV).

# Ethical Considerations & Privacy

The Responsibility:
With great data capabilities comes the need for ethical governance.

Key Pillars:

- **Informed Consent:** Transparency about data collection.
- **Privacy Nudges:** Avoiding "Dark Patterns" that manipulate users.
- **Algorithmic Bias:** Ensuring AI does not discriminate.

How do you feel about receiving promotional emails?

I find them annoying
16.7%

16.7%

I find them helpful

25%

58.3%

I ignore them
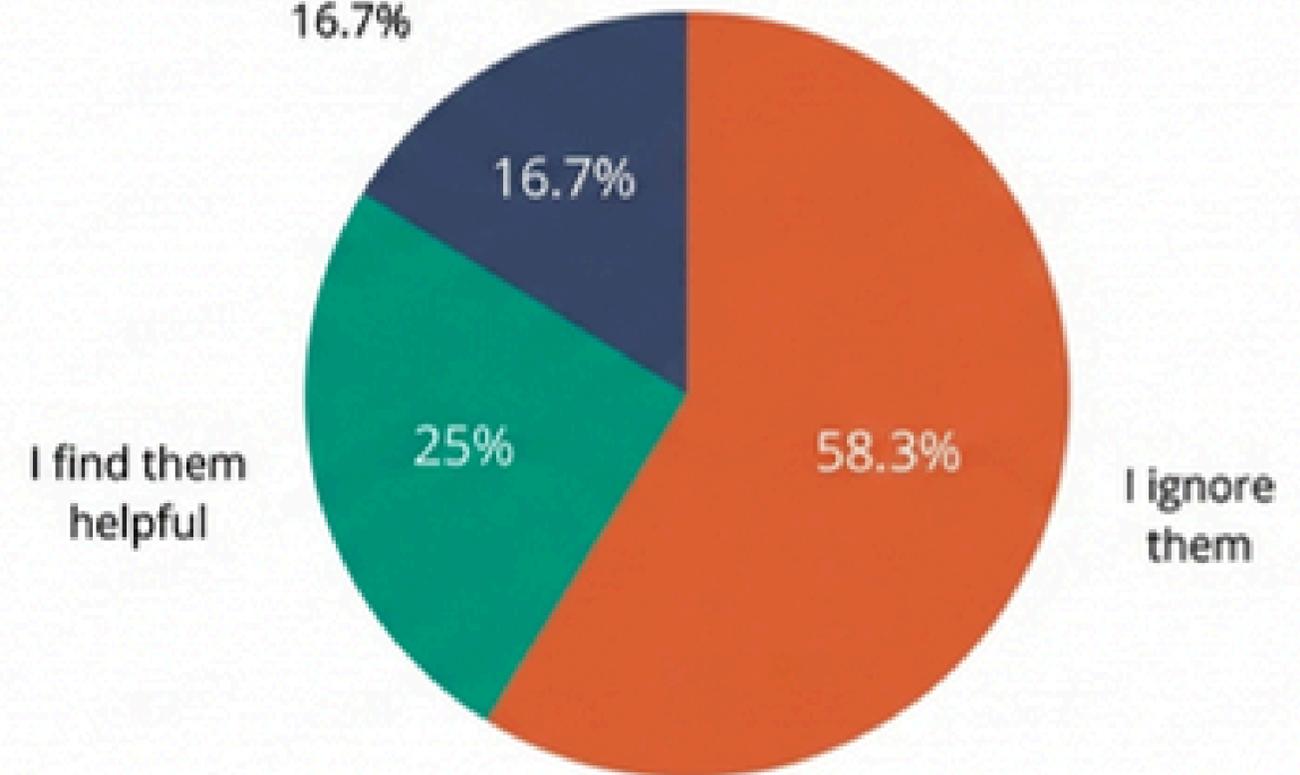
Consumer fatigue and privacy concerns are real: 58.3% ignore promotional emails.

Future Trends in Consumer Research

Hyper-Personalization
Using real-time analytics for unique, micro-segmented user experiences.
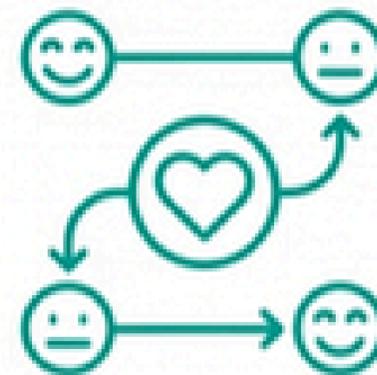
Immersive Research (AR/VR)
Simulating store environments for risk-free product testing.
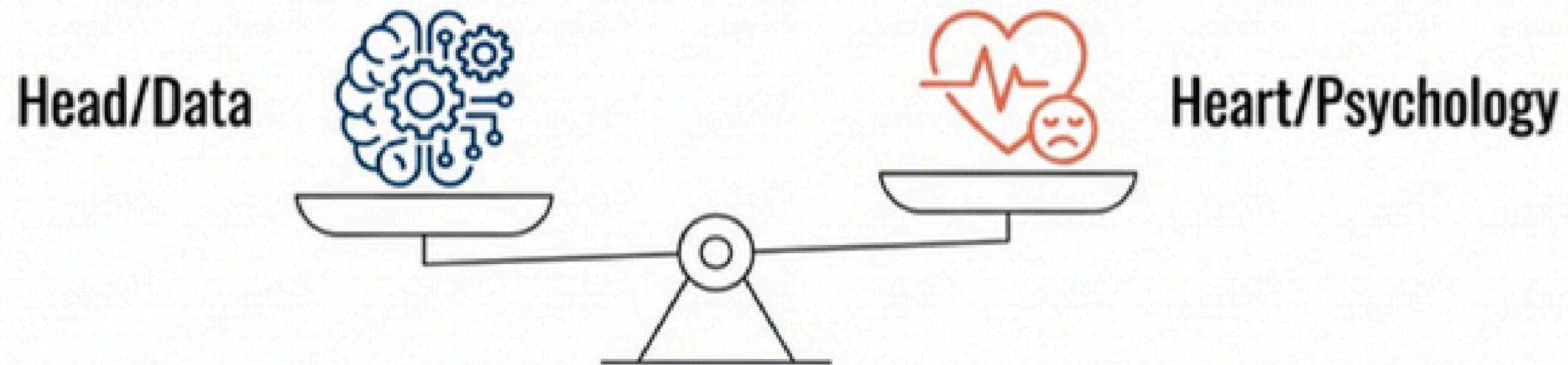
Voice Commerce & IoT
Analyzing behavior via connected home ecosystems and voice devices.

The Experience Economy
Shifting from 'product satisfaction' to 'emotional journey mapping'.

Conclusion: The Integrated Researcher

Head/Data Heart/Psychology

Holistic View: Effective research combines data precision with psychological empathy.

Adaptability: Switch between methods—use AI for scale, interviews for depth.

Ethics First: Trust and privacy are the ultimate brand differentiators.

Continuous Learning: As technology evolves, methodologies must evolve with it.