

THOUGHT LEADER FORUM: DRIVERS

KNOW asked some of today's notable marketing and advertising experts to respond to the following question: "In today's marketplace, what factor is driving consumer purchase decisions more than any other?" Here is what they told us ...

BARRY SCHWARTZ

Professor of Psychology, Swarthmore College

Author: *The Paradox of Choice: Why More Is Less*

I believe that many consumers are becoming increasingly aware that options and choices are paralyzing rather than liberating. They will move to stores that reduce the difficulty of decision making by offering fewer options. And they will move to products that simplify their lives by trading flexibility for ease of use. Wise producers, retailers, and marketers will realize that they are not doing their customers a favor by offering so much variety and flexibility that it takes a lifetime either to figure out what to buy or to figure out how to get what you bought to do what you want it to do.

JONAH BLOOM

Executive Editor: *Advertising Age*

In some ways, consumers decide the same way they've always decided—based on their experience of products (which product or service delivered what it promised to deliver), on their shopping experiences, and on recommendations from family, friends, or trusted authorities. What has changed is the breadth of potential sources for those recommendations, with Internet content playing a bigger role by the day. I doubt there's a person reading this article who hasn't checked out a blog, or a discussion forum, or at least a handful of company Web sites before making a purchase.

My own feeling is that there are two other factors playing an increasingly important role: design and storytelling. The growing role of design is obvious in the success of Cadillac, iPod, or the Motorola Razr. And it's not just cars, MP3 players, and cell phones that are being chosen for their form as well as their function; it's detergents and even diapers. Then there's storytelling, by which I mean that an increasing number of consumers are making their purchase based on the story behind the product or brand. Consumption has reached a saturation point, where so many people have so much that they have started seeking more than just another product—they want a product or service that offers meaning beyond simply function. That means that successful products or services will be those that have a story behind them and therefore offer an experience beyond mere consumption.

OF CONSUMER CHOICE



RANDALL ROTHENBERG

Director of Intellectual Capital: Booz Allen Hamilton

Author: *Where the Suckers Moon: The Life and Death of an Advertising Campaign*

Asking “What motivates consumer decisions?” doesn’t lend itself to a single, simple answer, and anyone who claims to have the secret sauce is best left locked in the kitchen. As with most of life’s larger questions—“Read any good books lately?” “Why is there air?”—the answer is more layered. At the least, it’s segmented. For almost all products in all categories, research by Andrew Ehrenberg and others has long shown that familiarity is a major motivator of purchase decisions; customers select from a discrete set of brands known to them—hence the “stickiness” of major brands through time. But beyond that, there are and always have been different motivators in different categories.

Certainly in consumer packaged goods, price—always a potent factor—is becoming even more of an influencer than ever, especially with the increasing dominance of price channels.

But convenience certainly runs a close race, as it always has. Among considered purchase items, the quality equation reigns—although the specific factors in that equation will differ by segment, with some folks placing more emphasis on styling and others on, say, functionality or durability.

If I were forced to name a single factor, I’d opt for value. David Ogilvy’s famous maxim holds truer today than ever, albeit with a bit of a twist: The consumer is not an idiot; he and she is you and me. In an ever-more-transparent world, we have greater ability than ever to know everything there is to know about a product or service, and to make fairly rigorous, if intuitive, judgments about the value we’re getting for the money we pay. Whether you buy Dell or Apple, you’re doing it with a sharp mind and a keen eye.