CONSUMER SEGMENTATION USING A BRAND CUSTOMER CENTRICITY CALCULATOR

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Abstract : As traditional mass media is overtaken by word-of-mouth and peer review dialogue is fast becoming the primary driver of consumer attitude and brand choice, consumers are more able to challenge a company's brand promise as well as seek out alternatives (Urban, 2004).Thus, building customer centricity in a brand is one alternative available to organizations in the wake of the rising vulnerabilities of brands and branding in the face of rising consumer empowerment. It creates new opportunities for brand-customer dialogue, knowledge creation, and, critically, provides a new context in which the interests of a corporation and those of its customers can be more closely aligned. Nevertheless, we argue that customer centric brands represent one effective means for firms to achieve better alignment of their brands with the customers. To become a successful customer centric brand, however, the brand management function must first acknowledge the effective and efficient determinants of customer centricity in a brand. Our previous research in this direction identifies six functions catering to customer centricity and we use this information to create what we term as a Brand Customer Centricity Calculator (BCCS). The Brand Customer Centricity score is further used to create separate consumer clusters, using k-means clustering. Consumer profiles across respective clusters are further used to develop strategies for brand positioning and targeting.

Key Words: Cluster Analysis, Consumer Segmentation, Brand Customer Centricity.

INTRODUCTION

The purpose of market segmentation is to identify consumer preferences, behavioral responses and consumption patterns by dividing a market into several homogeneous sub-markets. Marketers can formulate brand strategies, or product/brand positioning, tailored specifically to the demands of these homogeneous sub-markets. Customer needs are becoming increasingly diverse. These needs can no longer be satisfied by a mass marketing approach. Businesses can cope with this diversity by grouping customers with similar requirements and buying behaviour into segments. Identification of the appropriate premise of segmentation can then be made, thus making the best of finite resources. Therefore it becomes significant to understand how consumers make brand/product decisions which are critical for brand managers, especially in conditions where there are many brands in the market competing for the same customers.

LITERATURE REVIEW

A brand must express and reinforce the underlying values and personality of the product or service it represents. A brand is a set of expectations and a promise that those expectations will be met. The execution of the brand strategy must be devised to apply a specific style, tone and image that reflects the brand's core values and attributes on a consistent basis. These brand attributes are designed to build an emotional connection with the customer and influence how customers perceive, understand and interact with a business. Evolving brand strategy comprises the creation, re-positioning and integration of the brand into the company's customer experience. Growth requires transition to customer-centric brand marketing; building a brand platform that is iconic, experience driven, creates a story, instills core values, answers customer needs, delivers on brand promises and values customer insights. Effectiveness is measured by the ability of the brand to influence every customer interaction by disrupting the status quo and adding value to every customer experience. Advertising has had two parts in organizations. The first is to impact client request utilizing the showcasing blend toolbox. The second is to play an administration part in helping organizations build up a more grounded concentrate on clients – to make a client introduction. Out of a few brand angles, the brand-client relationship (Aaker, 1995) measurement has been the point of convergence of this exploration think about.

In this setting, we investigate the measurement of Customer Relationship Management. CRM advances advertising's main goal on both fronts. CRM underpins the push to end up more client centered and empowers organizations to make and share profound client knowledge inside and past the organization. CRM can be seen as an utilization of coordinated showcasing and relationship promoting, reacting to an individual client on the premise of what the client says and what else is thought about that client (Peppers et. al, 1999). It is an administration approach that empowers associations to recognize, pull in, and build maintenance of beneficial clients by overseeing associations with them (Hobby, 1999) and assist distinguishing deliberately noteworthy clients (Buttle, 2001). In the scholarly group, the expressions "relationship promoting" and CRM are frequently utilized reciprocally (Parvatiyar, 2002). The heart of promoting is connections and sustaining long haul connections ought to be the objective of advertising practice (Berry et. al, 2006).

Expanded rivalry decreases mark unwaveringness making the employment of the advertisers more perplexing. Advance, clients additionally get to be not interested in the bunch showcasing messages being pushed onto them. Accordingly, promoting should be all the more very much coordinated and particular, since clients, whether customers or organizations, don't need more decisions. Clients have covered up or unmistakable inclinations which advertisers can uncover by building a learning relationship. Consequently, the study concentrates on creating more noteworthy client centricity in brands. An expanding number of associations have spent significant time in meeting the expanded many-sided quality of individual needs. As more shoppers access capable new media and data instruments to look at brands, items and administrations (Pitt et al., 2002; Hagel and Singer, 1999; Wind and Rangaswamy, 2001; Prahalad and Ramaswamy, 2000), associations in a scope of commercial enterprises are reacting by creating promotion based systems and practices (Achrol and Kotler, 1999; Sawhney and Kotler, 2001; Mitchell, 2001: McKenna, 2002; Urban, 2004). As Urban (2004) watches, the technique behind client backing is basic. By helping customers to discover and execute their

ideal arrangement in a given market, it will be simpler for an association to procure their long haul trust, buys and reliability.

Meanwhile, in the exceedingly focused business atmosphere, creating and keeping up novel item highlights has turned out to be hard and excessive. Specialized advance does not inexorably guarantee business achievement or maintainable upper hands. Items are turning out to be increasingly similar to wares. As per Naomi Klein, writer of the tremendously faced off regarding book "No Logo", driving organizations like Nike, Microsoft and Tommy Hilfiger put marks before items asserting that they no more create things, however pictures of their image. What customers think around a brand will impact their response when gone up against with brand-related jolts (e.g. a marked item, a brand client, a class). Overseeing customer mark learning henceforth turns into a pivotal undertaking for brand troughs (Aaker, 1996; Kapferer, 2004; Keller, 2003). In this connection, we investigate the idea of a brand, from a buyer's point of view. A brand is the view of esteem that a client trusts he gets in obtaining a specific item, administration or experience from a specific association. Thus, an extraordinary brand viably holds clients while at the same time drawing in new ones. Marking is the procedure by which organizations recognize their item offerings from rivalry. Consequently it is crucial for associations to set up a solid and intentional buyer mark relationship. This can be accomplished by building solid client driven brands.

RESEARCH METHODOLOGY

One of a kind Corporate Association Valence (UCAV) Spears (2006), coordinates the quantitative and subjective methodologies with the particular purpose of catching the essential advantage of the subjective methodologies the capacity to reveal what an individual truly thinks around an organization while as yet offering quantitative appraisal. The measure is straight forward; it requests that the respondents compose words or short expressions that portray the central organization/brand as though they were educating another person concerning the organization/brand. The objective is to catch the significance of the organization/brand for the person.

Mark Attributes As a part of the past study, we led an audit of writing in the area of marking alongside related themes, for example, corporate system, brand character and brand characteristics. The writing audit uncovered that despite the fact that there are a few studies on brand personality, there was still a requirement for a more involved operational meaning of the idea of client centricity as for the traits that characterize the same in a brand. The examination approach received was fundamentally exploratory and correlational in nature. 55 Brand qualities (Table1) were separated. This was finished by utilizing a variation of the UCAV measure, alongside a thorough writing survey, taking into account different measurements of a brand.

We utilized a variation of the UCAV measure and solicited a center gathering from 25 respondents to distinguish qualities connected with the an arrangement of 8 brands. This was done as a feature of our prior research concentrates on. This helped us to build up an assessment lattice with the end goal of our study. This assessment lattice was utilized to interface the differing mark ascribes to the capacities they perform in a brand. The same was regulated to an arrangement of 200 respondents.

Inspecting Strategy Age and sexual orientation were utilized as the stratification variables and the examination instrument was managed to 200 respondents from the database. The information gathered from the respondents was subjected to a variable investigation.

CUSTOMER CENTRIC BRANDS

The six brand works as clarified above and the writing audit in the related spaces of marking distinguished the particular research territory. In this setting, I investigate the measurement of Customer Relationship Management (CRM). CRM advances showcasing's central goal on both fronts. CRM bolsters the push to end up more client centered and empowers organizations to make and share profound client understanding inside and past the organization. CRM can be seen as a use of coordinated showcasing and relationship promoting, reacting to an individual client on the premise of what the client says and what else is thought about that client (Peppers et. al, 1999). It is an administration approach that empowers associations to recognize, pull in, and build maintenance of gainful clients by overseeing associations with them (Hobby, 1999) and facilitate distinguishing deliberately critical clients (Buttle, 2001). To investigate this idea, the present research consider has utilized two noteworthy elements of Consumer Brand Knowledge and Emotional Connection as clarified before.

CONSUMER BRAND KNOWLEDGE

Reflecting the salience of the brand in the customer's mind, brand knowledge is conceptualized in terms of two components, brand awareness and brand image (Aaker, 1996). Brand knowledge can be described as consumer awareness of a brand and the associations with the brand. Understanding whether or not consumers are aware of the brand and what associations they hold towards the brand is key information for developing a strong and equitable brand.

The definition adopted here will be: Consumer knowledge is information concerning the market stored in consumer's long-term memory. By market, I mean the products, brands, and their environment Among the main functions of a brand from the consumers' perspective is considered to be the minimization of perceived purchasing risk, which in turn helps cultivate a trust-based relationship (Keller, 1993).Trust is defined as the willingness to rely on an exchange partner in whom one has confidence. It exists when a party has confidence in an exchange partner's reliability and integrity and when they share common goals and values. It is a consequence of interdependence due to stable customer experience of expectations being exceeded and of being provided the best value by the existing firm. Brand awareness can influence consumers' perceived risk assessment and their confidence in the purchase decision, due to familiarity with the brand and its characteristics. Satisfaction over multiple interactions leads to a stage where the customer begins to have faith in the offering and its consistency in performance. Satisfaction leads to trust when some more antecedent conditions such as shared values and goals, dependence based on stable expectation/perception of performance and perceived switching costs are fulfilled.

RESPONSIBLE TOWARDS THE CUSTOMER

Customers get committed to a brand when the brand achieves personal significance for them. It happens when the consumers/buyers perceive it to be a part of them. Organizations were initially sensitive about their image and have now become very sensitive about their reputation.

Image is a function of perception-the basis on which brand evaluations are formed. Reputation has more depth, is more involving: it is a judgment from the market which needs to be preserved. In any case, reputation has become a byword as witnessed by the annual surveys on the most respected companies (Aaker et. al, 2004). Reputation signals that although the company has many stakeholders, each one reacting to a specific facet of the company (as employee, as supplier, as financial investor, as clients and above all as customers or buyers), in fact they all are sensitive to the global ability of the company to meet the expectations of all its stakeholders

EMOTIONAL CONNECTION

Building relationships, giving a brand and product long-term value, sensorial experiences, designs that make the consumers feel the product, designs that make the consumer taste the product and finally buy the product, are significant ways that help brands develop an emotional connection with its consumers.

A brand differentiates a product in several forms and it can be broadly divided into two categories- the tangibles (rational), and the intangibles (emotional and symbolic). Either way, while the product performs its basic functions, the brand contributes to the differentiation of a product (Keller, 2003). These dimensions distinguish a brand from its unbranded commodity counterpart and give it equity, which is the sum total of consumers' perceptions and feelings about the product's attributes and how they perform, about the brand name and what it stands for, and about the company associated with the brand (Achenbaum, 1993). A strong brand provides consumers multiple access points towards the brand, by attracting them through both functional and emotional attributes (Keller, 2003). Emotional attachment to brands has attracted recent research attention (e.g. Thomson et al., 2006). Researchers have long considered attitudes to be insufficient predictors of brand commitment (e.g. loyalty), and suggest that true loyalty requires the customer to form an emotional bond with the brand (Park et al., 2009; Oliver, 1999).

MY PERCEPTION

Perception is the way that individuals select, organize, and interpret data to create a meaning for themselves. Customers usually view goods based on their perception since they do not buy the goods. Thus, a brand can be seen as a prejudice (Arnold, 1992). Consumers initially have feelings towards a brand before they even consume it (Buttle and Burton, 2002). The perception of the brand image is very important, since consumers analyze the personality of a brand, and then creates meaning out of the brand message (Aaker and Biel, 1993).

CONCLUSIONS

The discoveries of this examination think about offer both hypothetical and administrative commitments to the brand technique writing. In this manner it can be finished up, while creating methodologies and strategies went for building solid and enduring connections in the middle of clients and brands, it might be imperative to consider the way in which the advertising correspondence messages are supported and fortified. Growing close "associations" with a given brand and also with the brand group ought to likewise harden solid and enduring connections in the middle of clients and the brand.

The research study was conducted in different phases to achieve the objectives as listed for the purpose of the study. The outcomes of the research study showed that brand attributes are

an integral part in defining the functions of the brand (Figure 2). The six distinct brand functions which were elucidated in the study helped me to calculate the brand customer centricity score (BCCS) with the help of the calculator developed during the course of the study. The scores thus calculated were subjected to K-means clustering using SPSS 17.0. The results were remarkable as shown in the (Figure 3) below. The eleven distinct consumer segments were extracted. Each of the segments (cluster) demonstrated the characteristics and performance of the segment against the six brand functions. By creating well defined targeting strategies for the distinct consumer segments, organizations can benefit by assigning any new consumer who enters the system, to a distinct consumer group. He / She will be automatically be subjected to the appropriate targeting strategies and the organizations can benefit through faster product / brand adoption. The two main brand functions of CBK and CBE were further used to create an experiment and see the relationship amongst them. The study concluded with drawing the correlation between the delta values of CBK and CBE.

Scholastics in advertising create and test models and diverse speculations in related regions of promoting. I plan to add to the writing by exactly testing how the incorporation of purchaser learning level influences attitudinal judgment and review when data is given in a verbal or numerical mode and displayed in a clear or non-striking shape. Furthermore, the degree for analyzing the data mode and buyer learning writing is to endeavor to show that customers use their item information to separate among quality data in a way steady with the relative significance of the traits. Hypothetical ramifications of this examination identify with how diverse buyers process and utilize numerical and verbal data in mix with a particular presentation shape.

Figure 2: Validation of Conceptual Model
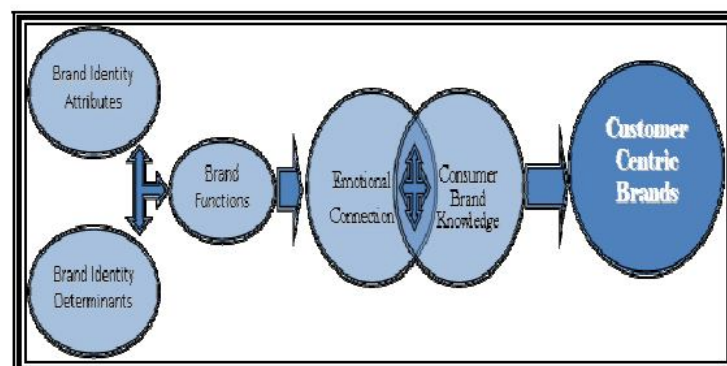
LIMITATIONS AND SCOPE FOR FUTURE WORK

- The investigates stand out measurement of the client mark relationship point of view, out of the known twelve measurements sorted out around four viewpoints of brand character. Facilitate the information has been gathered to investigate mark client centricity crosswise over 50 marks. The Brand Customer Centricity Calculator therefore created can be further reinforced and approved through voluminous information accumulation. It can be further formed into a standard copyrighted device for corporates, permitting brands to ascertain their level of client centricity.

- Further the investigation has been directed on a center gathering. The size of the trial can further be augmented. Some unessential variables which were overlooked in the present study can be further controlled and the test can be reinforced as an institutionalized research instrument.

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