MARKETING

Diverging consumer needs require new marketing approaches: Ipsos

July 26, 2023

Referred to as "demand spaces," the concept breaks down a potential consumer's needs through an analysis of their everyday routine. Image credit: PwC

By ZACH JAMES

As the wants of customers grow more complex alongside the constantly changing times, the research firm Ipsos has developed a new way to determine purchasing behavior.

Referred to as "demand spaces," the concept breaks down a potential consumer's needs through an analysis of their everyday routine. Two speakers from the organization led a conversation surrounding the updated concept of predicting buyers' actions to determine the best business moves

Monday's webinar, "Four Ways Demand Spaces Can Ignite Brand Growth," featured Moneesha Banerjee, EVP and global lead of market strategy & understanding at Ipsos, and Colin Ho, chief research officer at Ipsos.

Brand breakdown
Before getting into the titular topic, the duo of speakers first got into the weeds on three key points integral to both brand success overall and the concept of demand spaces, taking turns along the way.

According to Ms. Banerjee, "setting expectations, integrating context and acting with empathy" are those keys. The first lets the company know exactly what they want or need, the second utilizes the current happenings of the world to set a stage for the business plan and the third draws in potential customers.

The speakers talk through the new strategy of "demand spaces" in the webinar

"There is a very strong relationship of these three elements to how people choose brands," she said in the webinar.

"Not only do three elements individually impact brand choice, [but] they are also interrelated, driving these helps elevate the impact of the others as well."

Context is said to be the most important of the trio. Separated into two sections, macro such as societal values, norms, topics and themes and micro like logistics of brand use, needs, behavior, and market effects the dual-edged topic dominates the conversation.

Sustainability was the example given by the speakers to highlight the importance of tying "acting with empathy" into macro contexts.

French luxury conglomerate LVMH's most recent earnings report showed a 15 percent spike in revenue (see story), which could've been partially spurred by its environmental efforts, as its North American customers which place a strong emphasis on the issue, from UHNWIs to Gen Z individuals (see story) remained engaged despite industry-wide declines in the region.

Companies and brands that harness all three of the key points see further success. Image credit: Ipsos

Using the overall umbrella of context as a unifier, Ms. Banerjee shared an example focusing on the use cases for evening video streaming services. Netflix was seen as the top choice overall, but Prime Video was on-par with single and coupled adults consumer choice, with Disney+ surging as the top option for families; YouTube was unanimously the top pick for a person who is alone in nearly every other situation aside from nighttime viewing.

It went to show that context is key for brand choice, as different companies and labels will inherently dominate in fitting environments.

This also follows the increasing investment in retail media networks, which allow stores to control the messaging and advertising on all of their online spaces, from email to websites (see story), tying into ad capitalizing on the idea of context dictating consumer purchasing patterns.

Core insight

Mr. Ho took over for the entirety of the second leg of the talk, breaking down what makes demand spaces a better choice for marketers than traditional means of data gathering.

According to the firm's chief research officer, demand spaces are predictive, relevant and actionable, using brief consumer interviews and descriptions of their daily routines and needs to get to the bottom of how brands can harness opportunities brought about in everyday life.

Eliminating the need for multiple segments and rounds of customer testing, such as focus groups, which require combining data from separate pools together, the new concept is much more efficient, according to Mr. Ho, as it brings the entire process together automatically.
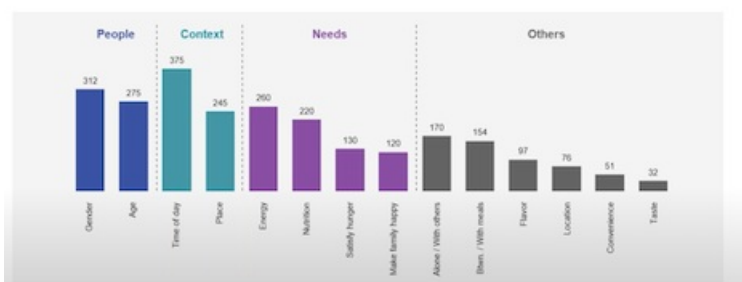
Factors such as gender and age play a huge part in the end result of demand spaces. Image credit: Ipsos

The title of the webinar is then explained, as the four ways to ignite brand growth through demand spaces are by using them to guide overall brand strategy, positioning, innovation and targeting.

"It's about understanding who the people are in these spaces, what are their demographic characteristics [are], what

their psychographic characteristics are [and understanding] how these people interact with media," said Mr. Ho

"Basically, it's a map to tell you the possibilities and where you can go from today; you do not have to stay where you are today."

He did warn that the practice provides more information and data sets than a brand will need, so it is vital to whittle down choices to two or fewer key focus areas.

The duo expressed that the method has worked for several of their clients around the globe, from a newspaper group to a beverage packaging manufacturer, granting a roadmap for future growth strategies.

Ms. Banerjee spoke on how demand spaces can be integrated into existing marketing practices, stating that it can be embedded quite easily into modern systems, databases and means of consumer tracking. Both speakers maintained that the concept is meant to enhance rather than replace the industry's existing routines.

Luxury Daily is published each business day. Thank you for reading us. Your feedback is welcome.