

## Connecting customers' satisfaction to sustainable development. A Marketing models perspective

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**Abstract:** *The increase information quantity and availability has generated transformations in customer behaviour, by having almost immediately access to huge amounts of data the customers' process of buying a product or service is using more information regarding the product characteristics. This situation generates changes on each step of buying process. The customer satisfaction is harder to reach and the sustainable development of a marketing strategy needs to take into consideration more factors. The article aims at providing new information on customer satisfaction and sustainable development by using a marketing models framework.*

**Key-words:** *marketing models, sustainable development, customer satisfaction*

### 1. Introduction

The amount of information available on the internet alone is growing exponentially. Eric Schmidt, one of the Google founders, stated in 2010: "Every two days now we create as much information as we did from dawn of civilization up until 2003." (Siegler 2010, 1). Web-sites like amazon.com, ebay.com, booking.com, gsmarena.com are offering more than 20 categories to choose from for every product. You can choose a place to stay in Paris by price, property type, meal, review, district and another 27 location and room facilities. You can find your perfect phone by selecting from 6 form factors (bar, flip up, flip down, slide, swivel and other) and 8 operating systems (feature phones, Android, iOS, Windows Phone, Symbian, RIM, Bada, Firefox). If you chose a bar phone with Android operating system, gsmarena.com returns 470 results only for 2015 phones. If you think it's ok to have a phone from 2012 you have 2066 options. And these are only two phone characteristics. Gsmarena.com uses 48 filters to help find your phone. With so many options the process of choosing any product has become more complex.

In this context the companies' quest to achieve customer satisfaction has become an aspiration increasingly hard to fulfil. For an educated customer, in the

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moment he buys a product he already knows what that product is missing and what alternatives he had. So the customer satisfaction it becomes more of a fight to reduce the gaps between expectations and reality and less of a chance to offer surprisingly great features.

To achieve sustainable development in this situation, a company will focus more on the available data about purchasing behaviour and process. It becomes paramount to analyse the way a customer chooses a product and to develop models to address the evolution of customer needs. Marketing decision models can provide a framework to increase the knowledge about customer interests.

## **2. Literature review**

Marketing models are the response of marketing science to the dynamic environment the businesses are facing. A model is a “set of assumptions that describes a marketing environment.” (Lilien et al. 1992, 87). The assumptions can each have a different model that describes the situation, and it’s common to reduce the elements of a model to simpler and simpler assumptions (Enache 2012, 3).

Marketing models in relation to customers are good ways to address topics like customer heterogeneity and customer typologies (Allenby, Rossi, 1999, 57; Ho et al, 2006, 307), customer lifetime value (Berger, Nasr 1998, 17) or customer satisfaction and retention (Rust, and Zahorik 1993, 560). Not only customer analysis can benefit from marketing models, but marketing fields like strategy and policy design (Park, Keh, 2003, 155; Wieringa, Leeflang, 2012, 3389), product line design (Michalek et al, 2011, 28), innovation diffusion simulation (Kiesling et al. 2012, 183) or service marketing (Rust, Chung, 2006, 560).

Another framework that proved its usefulness in addressing the growth of an organization and its impact on the environment is sustainable development (Hopwood et al, 2005, 38). The customer’ changing attitudes and the expectations that a business will not only generate products and profit are still playing a major role in the business environment (Dobson, 2007, 276). Marketing science need to address these new challenges. By looking for sustainable market orientation a company can develop products and services with higher chances to be accepted by the customers. (Mitchell et al, 2010, 160). Another strength of the sustainable development is its involvement in benchmarking (Vorhies, and Morgan 2005, 80). By finding better ways to transfer the know-how from leaders to other market players the business environment will develop faster, with more efficient ways to solve problems and more time to address the future challenges.

Sustainable development in marketing is not only about solution to current problems but it offers an alternative thinking for future situations. Concepts like long term strategic thinking (van Dam, and Apeldoorn, 1996, 45) and corporate

social responsibility (Mahmoud et al. 2014, 135) are only two examples of the great synergy between marketing and sustainable development.

### 3. Conceptual framework

A good starting point for the development of a decision model can be the framework proposed by Kotler and Fox:

Experience	Involvement	
	High involvement	Low involvement
<b>Unexperienced</b>	Extended decisions	Extended decisions
<b>Experienced</b>	Simplified decisions	No observable behaviour
<b>Highly experienced</b>	Repetitive decisions	No observable behaviour

Table 1. *A framework for classifying decision models*  
(Kotler, and Fox, 1995)

According to this framework, a customer will always be involved in one of the four decision models: extended decision, simplified decision, repetitive decision and no observable behaviour. The customer will use one of these options according to its experience and involvement. The experience component of the framework is defining the number of similar decisions that the customer has already made. The involvement component is mirroring the risk associated with the decision. A high risk will imply a high involvement in order to reduce the chance of making a bad decision or, in other words, the customer is trying to reduce its opportunity cost by using more resources to reach a decision.

It is important to emphasize the transformation caused by the increased amount of information available. More available information increases the opportunity cost. When choosing a product or service, a customer who knows several other products that could provide similar satisfaction will experience a higher opportunity cost. The more available information, the higher the opportunity cost. An increase of the opportunity cost will transform low involvement decisions in high involvement decisions.

High involvement decisions can be analysed by using marketing models. A basic framework with a five steps iteration can be: need arousal, information search, evaluation, purchase and post-purchase (Lilien et al. 1992, 135). The information surge will impact each step of this process.

With more available information the need arousal will be easier to trigger. A customer will easier find products or services that did not know existed before and can associate these with needs unfulfilled until that moment.

The information search process is taking advantage of the increased available information and the reduced cost of accessing it. If the industrial revolution created product variety, the information revolution created attributes variety. Practically we can select the attributes of our desired product and then chose from several alternatives. This is probably the biggest shift in customer behaviour. Before the information revolution, the process of choosing a product searched for information regarding available products and then compared the characteristics of each of the products in order to choose the best. Now it became easier to look for available attributes and chose a product that has all those attributes. By having so many characteristics to choose from the decision model, at this stage, will relate to product attributes and not product itself. In other words, the information search will look for characteristics not products.

The evaluation step will be focused not only on products but also on attributes. If the customer will find a product with all the required characteristics the evaluation of that particular product will no longer be necessary. In this scenario the evaluation is using a reverse model, starting with the attributes, the customer will develop its demands regarding the product and only at the end of the process the name of the product will be questioned.

In the purchase stage the customer will use the available information to find the best place from where to buy the product. On-line available information has already changed the purchasing behaviour by emphasizing the importance of the on-line presence of a store or brand.

Last step, the post-purchase, it is directly connected with the concept of customer satisfaction. At this point it is important to emphasize the impact of increased opportunity cost on satisfaction. A bigger opportunity cost will lower the customer satisfaction even if no other factors related to the product are changed. In this situation it is expected that the customer expectations will increase. On the other hand, if the attributes will replace the product we can expect that a brand will not be significantly affected by this change because it will represent only the sum of several attributes chosen by the customer.

In relation with sustainable development, the proposed marketing model will force business to focus more on the attributes that makes them special, to discover ways to be more flexible and to rely more on facts than on branding.

For a company, a sustainable development framework will try to observe and insulate the attributes that best describe its products and add features that can provide a wide range of options for the customer. It will be more efficient to provide modular products and services and to bundle the offer with other benefits. The important amount of information available will increase the importance of recognized facts and will lower the impact of the branding. Given this situation, traditional marketing techniques will be replaced by new methods able to take advantage of the available information, able to generate a sustainable business model.

#### 4. Conclusion

The information together with the new ways to search and analyse the data are changing the marketing perspectives of a business. The relation between the customer and the product is facilitated by the information available at points out of reach for the producer. This situation generates different results at each step of the decision making process and forces the companies to rethink their marketing and information strategy in order to maintain a business model able to sustain itself.

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