

# Application of Consumer Behavior Analysis in Marketing Strategies

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**Abstract.** With the rapid development of digitalization, consumer behavior is becoming increasingly complex, with choices becoming more diverse and demands more personalized and intricate. This presents both new opportunities and challenges for businesses' marketing strategies. In such an environment, the importance of consumer behavior analysis is gradually highlighted. In-depth research into various stages of consumer decision-making enables insight into consumers' psychology, needs, and preferences. From the initial awareness stage to information gathering, evaluation, selection, purchase decision, and post-purchase behavior, each stage presents rich market opportunities. Simultaneously, in terms of product strategy, based on consumer behavior analysis, companies can develop products that better meet market demands, catering to personalized consumer needs. In pricing strategy, more competitive prices can be formulated based on consumers' ability to pay and price sensitivity. In promotion strategy, suitable promotional methods and channels can be chosen based on consumers' information acquisition channels and preferences. In distribution strategy, distribution networks and channel layouts can be optimized based on consumers' purchasing habits and convenience. Through in-depth analysis of consumer behavior, companies can more accurately meet market demands and achieve competitive advantages.

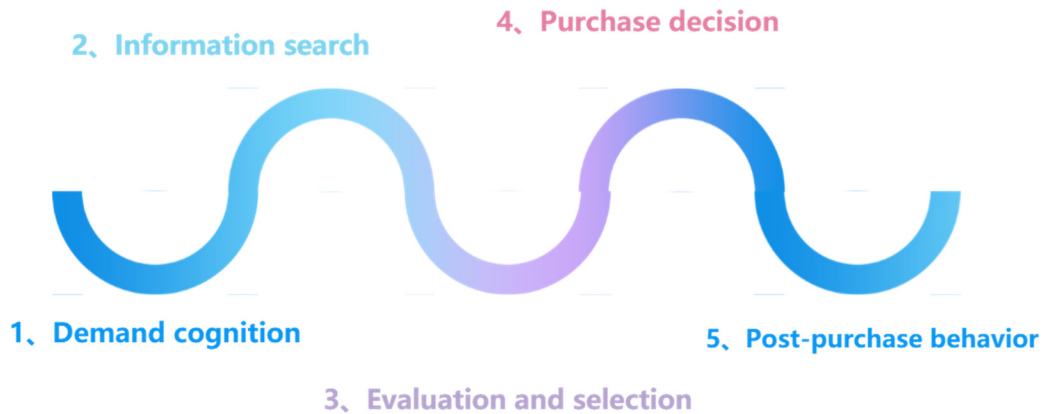
**Keywords:** Consumer Behavior Analysis; Marketing; Innovative Strategies.

## 1. Introduction

Consumer behavior analysis is not only a discipline but also an indispensable part of marketing. Every step in the consumer behavior process contains rich market signals. For example, during the identification of needs phase, consumers' potential needs may be manifested through discussions on social media, keywords in online searches, among others[1-4]. During the information gathering phase, consumers may prefer digital channels such as websites, social media, mobile applications, etc., to obtain necessary product or service information. In the evaluation, selection, and purchasing behavior phase, digital analysis tools can track consumers' browsing history, purchase records, feedback, etc., thus gaining insight into consumers' purchasing preferences and decision-making processes. With technological advancements, marketers can utilize modern tools such as big data analysis, artificial intelligence, machine learning, etc., to deeply understand consumer behavior, improve the accuracy and efficiency of analysis, help marketers discover new market opportunities, optimize marketing strategies, and enhance market competitiveness.

## 2. Consumer Consumption Decision Process

Consumer behavior refers to the activities and decision-making processes of consumers when seeking, purchasing, using, evaluating, and disposing of products and services[5-6]. Before making a purchase, consumers conduct thorough information gathering and consider various factors such as price, quality, reputation, etc., forming their own purchase decisions. After purchase, they also evaluate the product and share their usage experience with others. This process is complex, involving psychological, social, economic, and other aspects, requiring an in-depth exploration of consumers' consumption decision-making processes, as shown in Figure 1.



**Figure 1.** Consumer consumption decision making process

### 2.1. Need Recognition

The initiation stage of the consumption decision process, namely the need recognition stage, is the starting point of consumer behavior. At this stage, consumers begin to realize that they have some unmet needs or problems. These needs may stem from internal stimuli, such as physiological hunger, thirst, or desires for specific items, or they may be triggered by external stimuli, such as enticing advertisements, recommendations from friends, or chance shopping experiences. In any case, once consumers become aware of their needs, they start looking for ways to satisfy these needs, thereby entering the next stage of the consumption decision process.

### 2.2. Information Search

After identifying their needs, consumers actively seek information to aid their decision-making[7-8]. The sources of information are diverse, including personal past shopping or usage experiences, advice from family and friends, advertisements, recommendations from salespeople, and digital media such as social media, online forums, and shopping websites. Consumers selectively collect and analyze this information based on their needs and preferences, providing robust support for their subsequent purchase decisions.

### 2.3. Evaluation and Selection

Following the information search stage, consumers enter the evaluation and selection phase. During this stage, consumers comprehensively consider multiple factors such as the characteristics of different brands or products, prices, quality, and market reputation. After weighing the pros and cons of various options, consumers attempt to find the product or service that best fits their needs, offers the best value for money, and is of reliable quality. In this process, consumers meticulously compare and analyze various options based on their budget, usage scenarios, and personal preferences, in order to make informed purchase decisions.

### 2.4. Purchase Decision

In the consumer behavior process, the purchase decision is a crucial step. Throughout its specific development, consumers will make their final decision based on a thorough assessment of various options and considering multiple factors. Price undoubtedly is one significant consideration factor, but not the only one. The attractiveness of promotional activities, brand awareness and image, as well as professional recommendations and advice from sales personnel, may all significantly influence consumer decisions. Consumers weigh various factors based on their budget, values, and expectations of the product, ultimately choosing the product or service that best fits their needs.

## 2.5. Post-Purchase Behavior

The purchase decision is not the end of consumer behavior but rather the beginning of a new evaluation. After using the product or service, consumers compare their actual experience with their pre-purchase expectations, conducting post-purchase evaluations. If the product or service meets their expectations, consumers feel satisfied, which not only enhances their loyalty to the brand but also may prompt them to make repeat purchases or recommend it to others. However, if the product or service fails to meet expectations, consumers may feel disappointed and dissatisfied, considering actions such as complaints or returns to protect their rights.

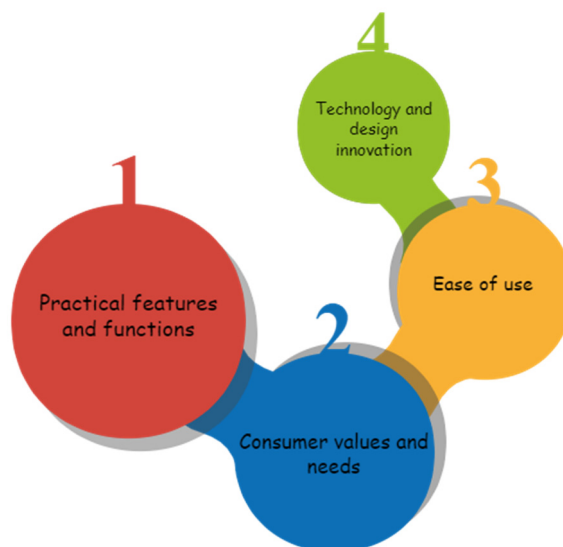
## 3. Application of Consumer Behavior Analysis in Marketing Strategies

### 3.1. Target Market Selection and Segmentation

In marketing, precise target market selection and segmentation based on consumer behavior analysis ensure that companies can concentrate their resources and efforts on the most likely segments to yield returns. A deep understanding of consumer needs is fundamental to marketing. Companies not only need to perceive consumers' surface-level demands but also need to dig deeper into their motivations. Young consumers pursuing technological innovation and trendy designs reflect their pursuit of individuality and innovation. In contrast, older consumers focus more on product practicality and durability, stemming from their rich life experiences and pragmatic values. Consumer preferences reveal their decision logic among numerous choices, closely linked to their unique lifestyles, firm values, or profound cultural backgrounds[9-11]. Market segmentation is the process of identifying and distinguishing consumer groups with different needs and preferences. Companies can develop personalized products, pricing, and promotion strategies for each segmented market, ensuring that strategies align closely with consumer demands, thereby improving market response efficiency and marketing effectiveness.

### 3.2. Product Strategy

#### 3.2.1. Product Design



**Figure 2.** Product design considerations

Product design focuses on the actual characteristics, functions, and value it provides to consumers. In today's dynamic and innovative market (Figure 2), consumer demands are ever-changing, and their expectations of products are constantly rising. Modern consumers not only seek practicality and functionality in products but also value whether products incorporate advanced technology and

unique design elements. Therefore, companies must delve into the market and carefully study consumer needs and preferences during the product design phase. By understanding consumers' lifestyles, values, and expectations for products, companies can ensure that product design not only meets market demands but also possesses attractiveness and usability. With consumers' increasing emphasis on cultural and emotional factors, product design also needs to incorporate these elements to enhance the emotional connection between consumers and products, thereby increasing brand loyalty.

### **3.2.2. Product Positioning**

In marketing, product positioning determines the position and image of the product in the minds of consumers. Accurate product positioning not only highlights the product's unique selling points but also helps consumers quickly identify its differences from competitors. It directly concerns the physical characteristics of the product and the brand concepts and values it conveys. Many successful brands attach great importance to product positioning, ensuring that it aligns with the brand's core values and the needs of the target market. For example, some brands choose a high-end route, positioning products as luxury goods to attract consumers who pursue quality and uniqueness. Such positioning strategies enable brands to form a unique identity in the market, enhancing consumer loyalty. On the other hand, some brands focus on cost-effectiveness, meeting consumers' price-sensitive needs through reasonable pricing and high-quality products, thus gaining a broad market share.

### **3.3. Pricing Strategy**

Price is often seen as a reflection of the value of a product or service and is an important bridge between companies and consumers. Excessive pricing may deter consumers, who feel that the product's value does not match its price. Conversely, low pricing may raise doubts about the product's quality, affecting the brand image. Therefore, determining the correct price is crucial. When formulating a pricing strategy, companies must comprehensively consider cost factors, including direct costs such as production, distribution, and marketing expenses, as well as fixed costs such as rent and employee salaries. Only by ensuring that the price exceeds the total cost can companies achieve profitability and sustain operations. However, pricing based solely on costs may be insufficient to attract consumers or compete with competitors. Market demand and consumers' willingness to pay are also key factors in determining prices. Through market research and consumer behavior analysis, companies can understand consumers' perception of the value of specific products or services, thereby determining an acceptable price range.

### **3.4. Promotion Strategy**

#### **3.4.1. Advertising and Promotion**

Advertising and promotion are core means for companies to shape brand image, attract consumer attention, and convey product value. In the diverse market of China, how companies effectively communicate with consumers through advertising and promotion is particularly important. With the rapid rise of digital media, the forms and channels of advertising have become more diverse. Social media platforms such as WeChat, Weibo, and short video applications provide opportunities for companies to interact directly with consumers. These platforms allow for more creative and personalized advertising content, precisely targeted based on users' interests and behaviors[12]. Therefore, when promoting advertisements, companies should fully consider the demands and preferences of the target market, tailor advertising content that not only aligns with the brand image but also resonates with consumers, ensuring the accuracy and attractiveness of information transmission.

#### **3.4.2. Sales Promotion Activities**

Sales promotion activities are short-term measures that companies adopt to stimulate consumer desire to purchase. Its forms are diverse, including discounts, coupons, giveaways, and loyalty rewards. In

China, the grand "Double 11" shopping festival has become a highly anticipated shopping spree for consumers. Many brands seize this opportunity to launch various enticing promotional offers to attract consumer attention and boost sales performance. However, although sales promotion strategies can effectively increase sales, clear inventory, and enhance brand awareness, excessive reliance on promotions may have negative consequences. Frequent or excessive promotions may weaken consumers' perception of the brand's value, leading to brand depreciation. Moreover, excessive discounts may also harm the company's profit margins. Therefore, companies should exercise caution when using promotion strategies.

### 3.4.3. Public Relations and Event Marketing

Public relations strategies are critical means for companies to shape and maintain a positive brand image. Well-planned public relations activities can showcase core values and social responsibilities to the public, thereby establishing a positive brand impression among consumers. Event marketing, as an important component of public relations strategies, closely associates the brand with specific events through organizing or participating in various activities such as new product launches, music festivals, or sports event sponsorships. In China, many large brands invite celebrities to endorse or participate in brand activities to increase brand awareness and attract consumers. Meanwhile, brand events also provide consumers with opportunities for close contact with the brand, further deepening the emotional connection between the brand and consumers.

### 3.4.4. Distribution Strategy

Below is a table showing distribution strategies:

**Table 1.** Distribution Strategies

Type of distribution	Examples
Direct distribution	Official website, APP and flagship store of the brand
Indirect distribution	Dealers or brand flagship stores on e-commerce platforms such as Taobao, Jingdong, and Pinduoduo
	Retail stores such as supermarkets and department stores
E-commerce distribution	Open Taobao flagship store, Jingdong self-operated store, etc
	Use Pinduoduo and other social e-commerce platforms for group buying and single teaming
Physical distribution	Open shopping mall stores, department stores counters
	Convenience stores, supermarkets and other retail terminals
Special market distribution	Establish retail outlets in rural or remote areas
	Open exclusive stores in high-end shopping centers for high-end markets

Distribution strategy is crucial for the success of companies as it determines whether products or services can be smoothly delivered from producers to consumers. When considering distribution strategies, companies first need to determine whether to use direct distribution or indirect distribution (Table 1). Direct distribution refers to companies selling products or services directly to consumers, such as through the brand's online store or physical flagship stores. Indirect distribution involves intermediaries such as distributors, retailers, or agents who purchase products and sell them to end consumers. In today's increasingly prevalent e-commerce era, online distribution platforms such as Taobao, JD.com, and Pinduoduo provide tremendous market opportunities for companies. These

platforms, with their large user bases and advanced marketing tools, enable brands to quickly reach consumers and achieve efficient sales. However, for certain specific areas or markets, such as high-end luxury goods or remote regions, physical distribution remains indispensable. By setting up exclusive stores or collaborating with retail stores, companies can provide more professional and personalized services to meet consumers' special needs, thereby gaining market share[13].

#### 4. Conclusion

In the increasingly competitive business environment, understanding consumers becomes the key to companies' success. Consumer behavior analysis not only reveals consumers' surface-level needs but also delves into their inner motivations and latent desires. By accurately grasping these psychological and behavioral characteristics, companies can better meet consumer expectations in product design, pricing strategies, advertising promotion, and distribution channels. With technological advancements, especially in digital and neuroscientific technologies, there are now more advanced and precise tools to study consumer behavior. This provides unprecedented opportunities for marketing but also brings new challenges. Only by continuously learning, adapting, and innovating can companies ensure that their marketing strategies remain synchronized with consumer demands and market environments, thereby gaining the initiative in market competition.

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