



WEBINAR SERIES

Know Your Customers' Mindset

The Insightful Leader
LIVE



KNOWING YOUR CUSTOMER'S MINDSET

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MARKETING**

Northwestern | Kellogg

WHAT IS A MINDSET?

- A habitual mental state that determines how you interpret and respond to situations
- *Do you know someone...?*
 - Can-do attitude
 - Entrepreneurial spirit
 - The blame game

A MINDSET IS...

- NOT what you are thinking
- BUT how you are thinking
- Some examples:
 - A fixed mindset
 - An incremental or growth mindset

MINDSETS AT WORK FOR BRANDS

- Comparison [“which to choose”] mindset
- Bolstering [“agreeing”] and counterarguing [“disagreeing”] mindset
- Emptying [“not having enough”] mindset

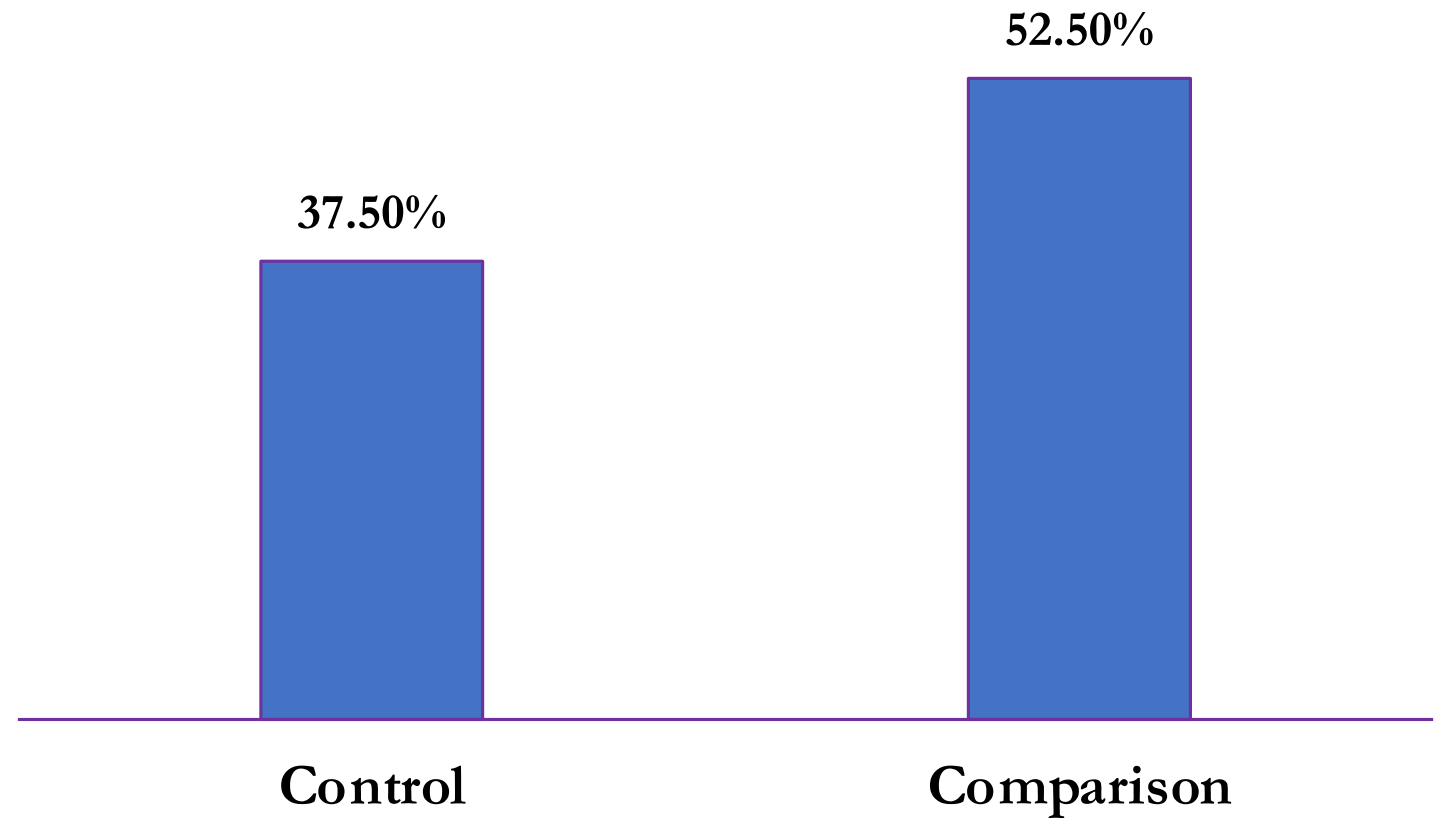
Which fly faster, dragonflies or butterflies?



SOME CHOCOLATES?



COMPARISON MINDSET ENHANCES PURCHASING LIKELIHOOD



MINDSET AT WORK FOR BRANDS

- “Bolstering” vs. “Counterarguing” mindset

**Reading enriches
the mind.**

**University should not
raise tuition.**

Generate agreeing arguments

**Reading is bad for
the mind.**

**University should
raise tuition.**

Generate disagreeing arguments

Iglu-Dorf Zermatt



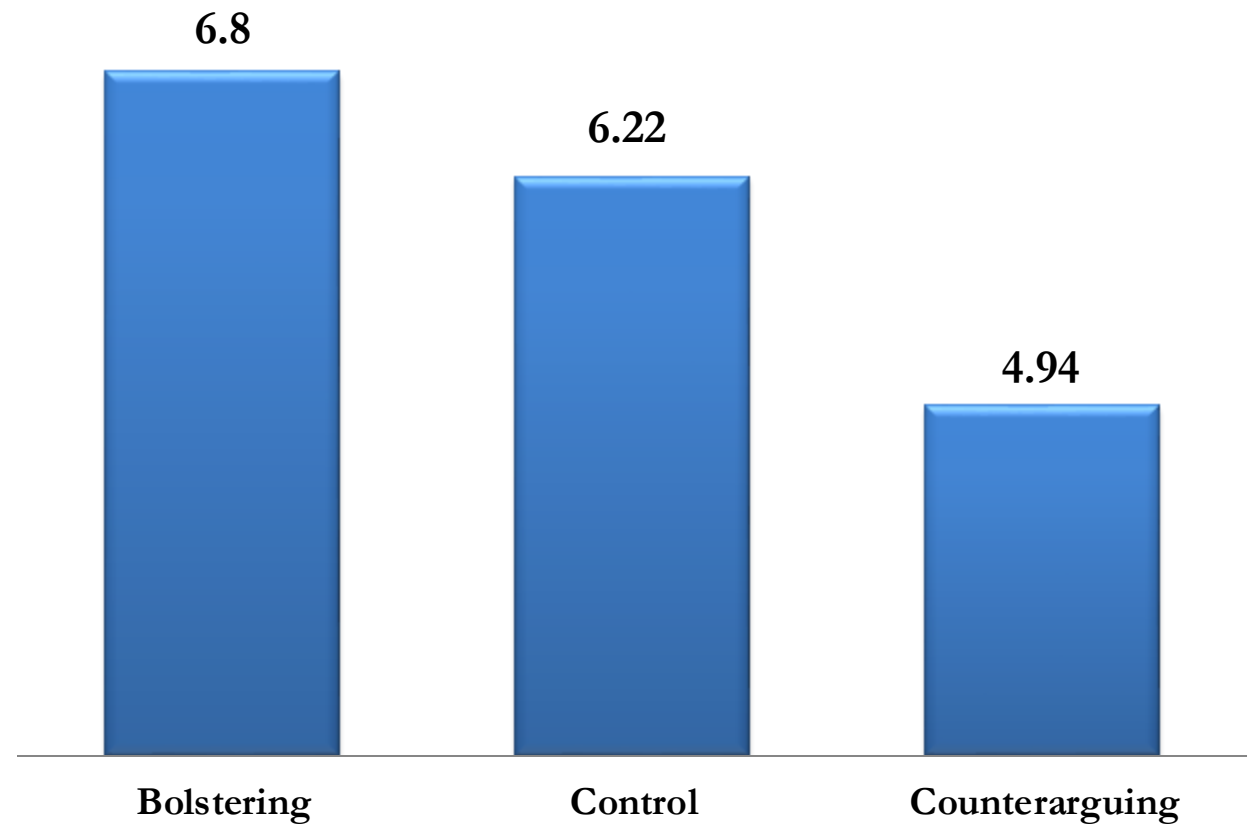
Art Museum Milwaukee



BOLSTERING MINDSET MAKES DESTINATIONS MORE ALLURING



■ Attractiveness of Vacation Spot

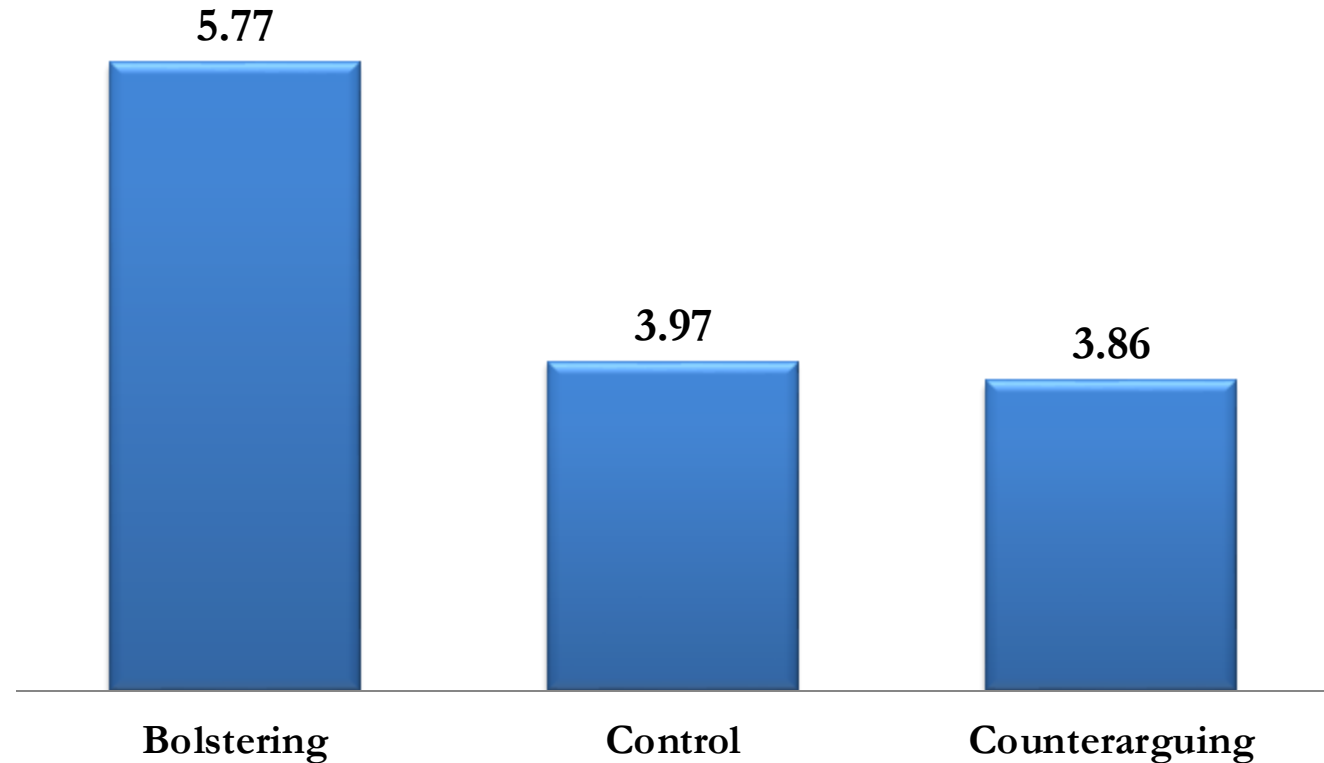


SCORPIONS ANYONE?



BOLSTERING MINDSET MAKES EXOTIC FOODS MORE APPETIZING

■ Attractiveness of Exotic Foods

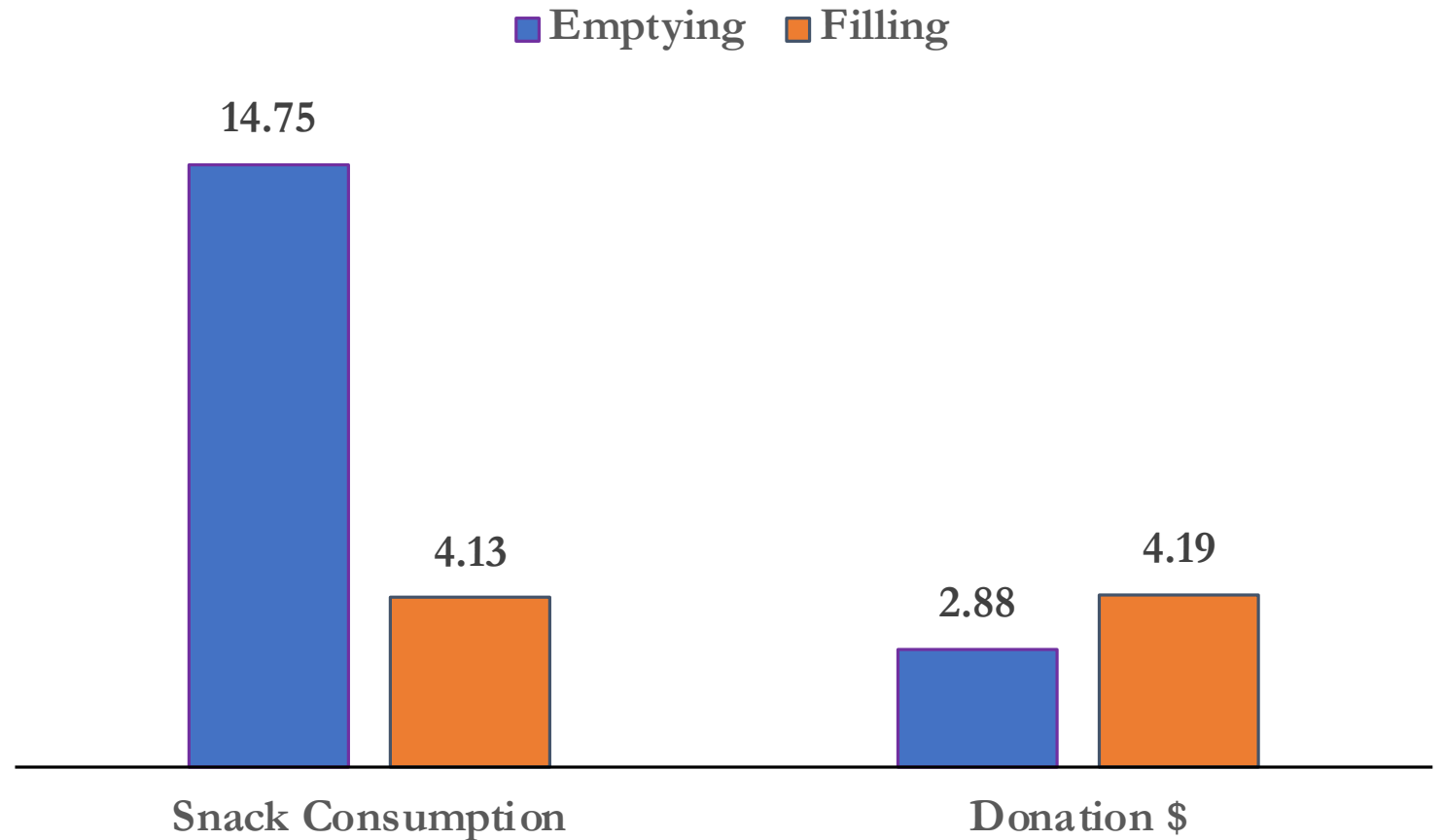


MINDSET AT WORK FOR BRANDS



Emptying pockets, emptying water bottle, unpacking...

“NOT HAVING ENOUGH” INCREASES SNACK CONSUMPTION AND REDUCES CHARITABLE DONATIONS



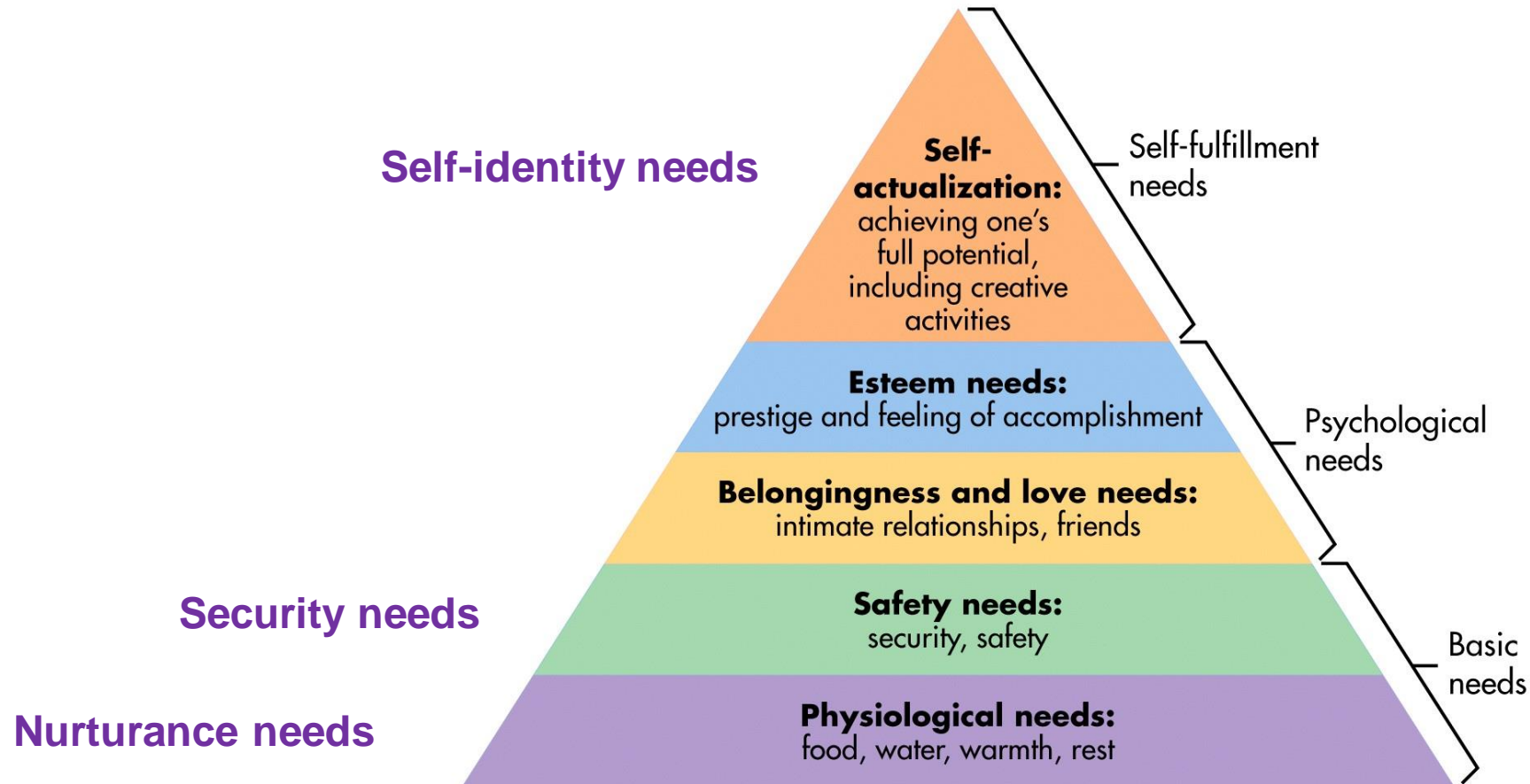
MINDSETS COME FROM PAST EXPERIENCES

A habitual state induced by...

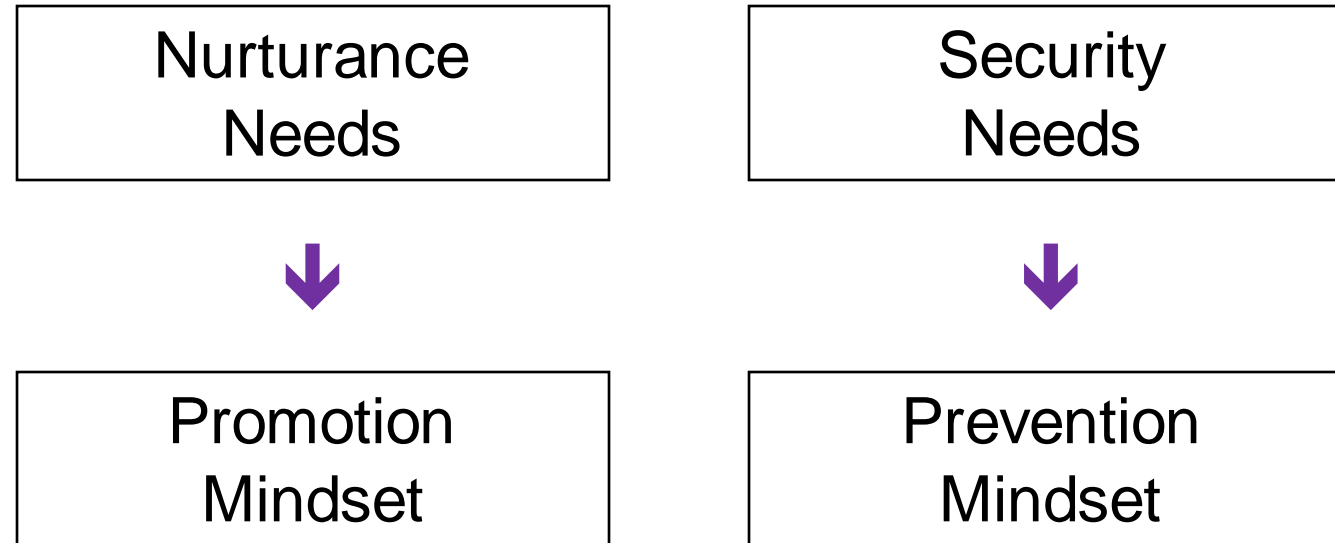
- Environment
- Culture and social norms
- Belief system
- Upbringing

Mindsets can be momentary or chronic

MASLOW'S HIERARCHY OF NEEDS



PROMOTION AND PREVENTION MINDSETS



Promotion and prevention mindsets guide consumers' attention and behaviors even when fundamental needs are satisfied

PROMOTION MINDSET



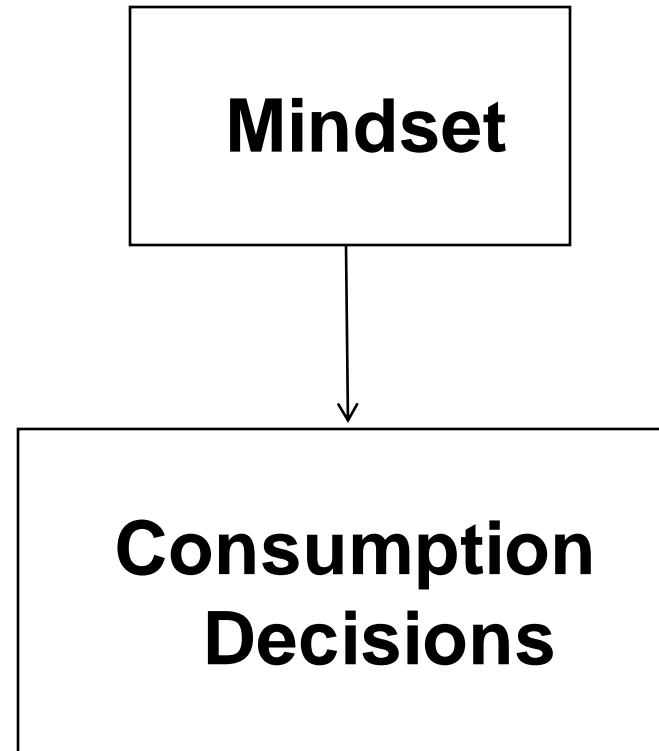
- Sensitive to positive outcomes
 - Approach presence of positive outcomes
 - Avoid absence of positive outcomes
- Focus on attaining ideals, hopes and aspirations

PREVENTION MINDSET

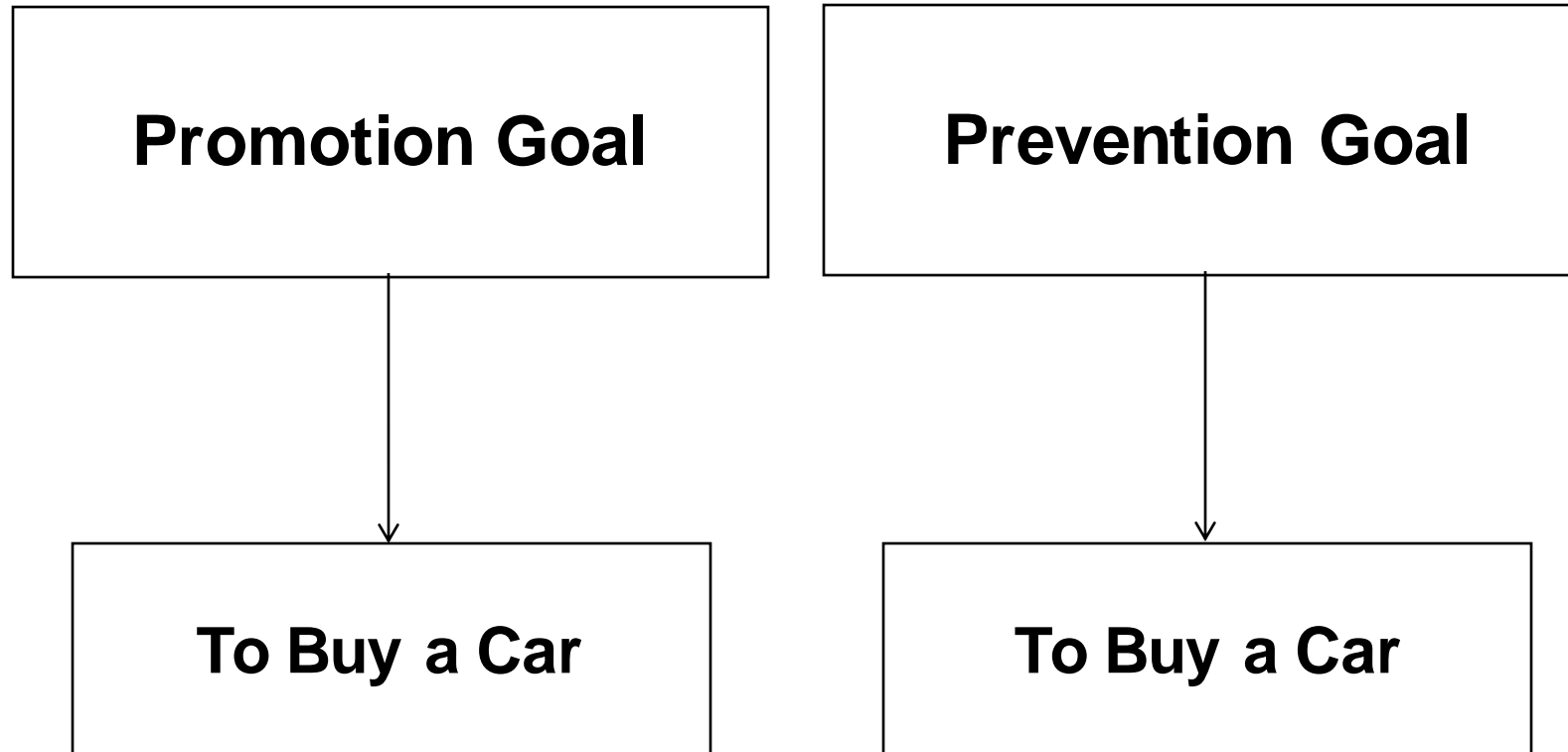


- Sensitive to negative outcomes
 - Approach absence of negative outcomes
 - Avoid presence of negative outcomes
- Focus on fulfilling duties, obligations and responsibilities

MINDSET DRIVES ATTENTION, INFORMATION PROCESSING AND PURCHASE DECISIONS



HIERARCHY OF GOALS



MINDSET INFLUENCES CONSUMPTION DECISIONS

Promotion Mindset

Prevention Mindset

?

?



MINDSET AT WORK

Promotion Mindset



Prevention Mindset



MINDSET AT WORK

Promotion Mindset

Prevention Mindset

**Instant
acceleration**

**Infotainment:
Disney+, Netflix,
Hulu, TikTok**



**No more gas,
low maintenance**

**Eight cameras to
look out for
hazards**

PROMOTION MINDSET

- Strive toward **growth** and **ideals**
- Fear of **missing out**
- Care about absence/presence of **positive** outcomes
- Think **why, distant** future

PREVENTION MINDSET

- Strive toward **safety** and **security**
- Fear of **making a misstep**
- Care about absence/presence of **negative** outcomes
- Think **how, near** future

A PRODUCT FOR EACH MINDSET



Dark spot
correcting cream

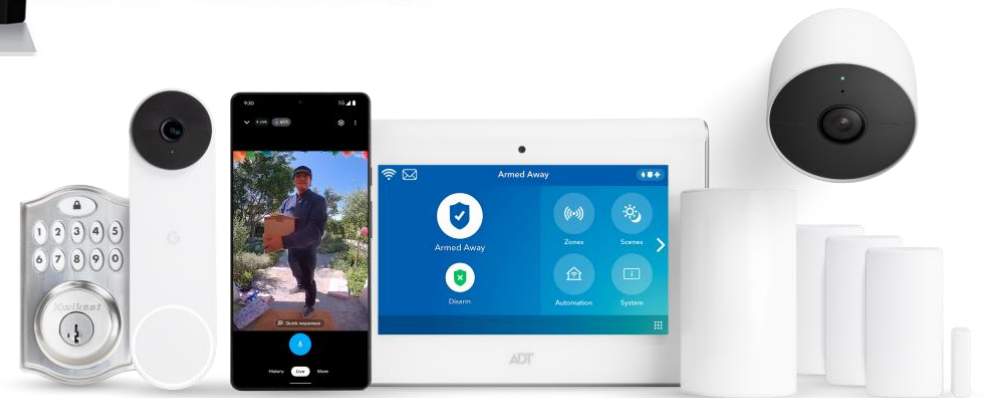


Perfectionist
serum



Samsung Neo
QLED TV

ADT home
security system



WHAT DICTATES THE CONSUMER'S MINDSET?

- Context-dependent
 - Product category
 - Information featured: positive or negative

- Consumer-centric
 - Individual disposition
 - Independent self-view vs. interdependent self-view
 - Cultural difference: individualistic vs. collectivistic

DIFFERENT FINANCIAL INVESTMENTS PROMPT DIFFERENT MINDSETS

Stocks in a Trading
Account



Promotion Mindset

Mutual Funds in a
Retirement Account



Prevention Mindset

FINANCIAL INVESTMENT

- Imagine you have \$5,400 available, and there is an investment opportunity
- Individual stock in a trading account
Assume 1-year horizon, ignore tax considerations



85% chance of making 12%
15% chance of losing 4.5%

Baseline

85% chance of making 24%
15% chance of losing 4.5%

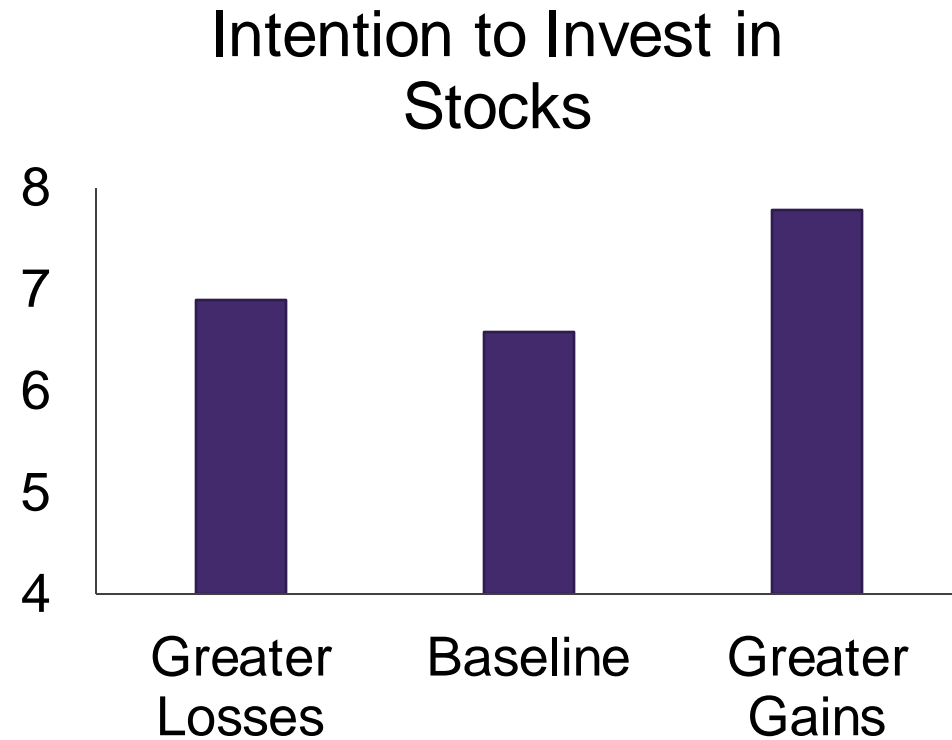
Greater gain

85% chance of making 12%
15% chance of losing 13.5%

Greater loss

How interested would you be to invest in this opportunity?

STOCKS: PROMOTION MINDSET [MORE SENSITIVE TO GAINS]



FINANCIAL INVESTMENT

- Imagine you have \$5,400 available, and there is an investment opportunity

- Mutual fund in an IRA

Assume 1-year horizon, ignore tax considerations



85% chance of making 12%
15% chance of losing 4.5%

Baseline

85% chance of making 24%
15% chance of losing 4.5%

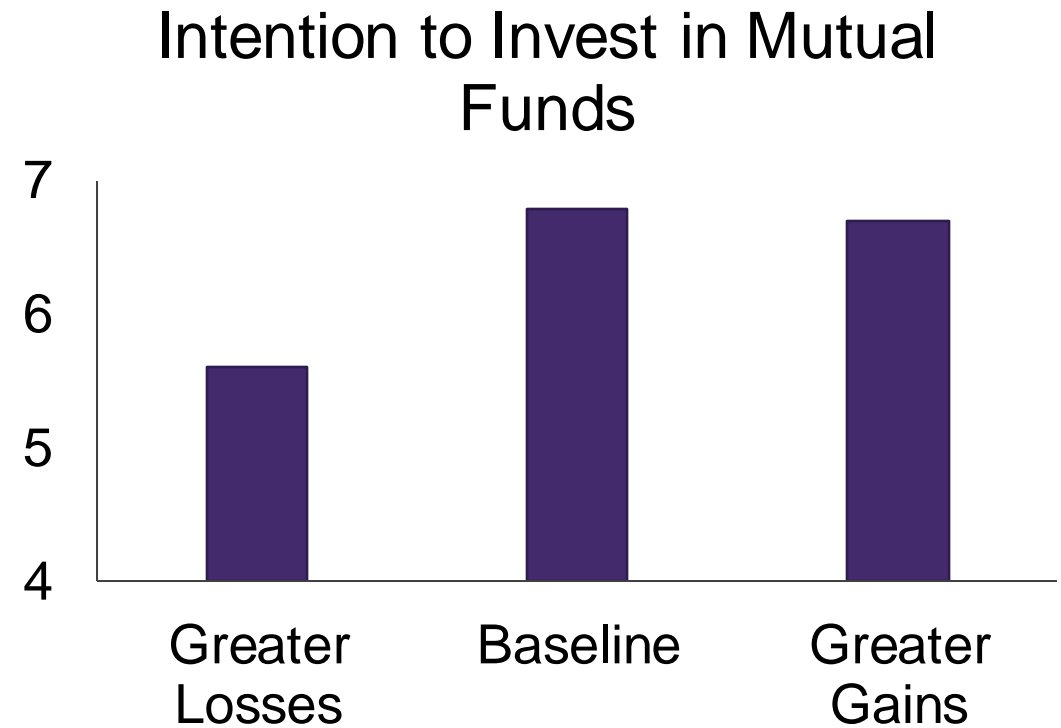
Greater gain

85% chance of making 12%
15% chance of losing 13.5%

Greater loss

How interested would you be to invest in this opportunity?

**STOCKS: PROMOTION MINDSET [MORE SENSITIVE TO GAINS]
MUTUAL FUNDS: PREVENTION MINDSET [MORE SENSITIVE TO LOSSES]**



AN EFFECTIVE MESSAGE IS A CONSISTENT MESSAGE

Promotion Mindset Consumer

- Growth opportunities
- Positive outcomes
- Distant future

Prevention Mindset Consumer

- Hedging and safety, detailed steps
- Avoid negative outcomes
- Here and now

SELF-VIEW AND SELF-REGULATORY GOALS

People with an
Independent Self-view



Promotion Goals

People with an
Interdependent Self-view



Prevention Goals

HOW IMPORTANT IS THE TENNIS MATCH?

You are playing in a tennis tournament and have made it to the finals. This is the last match.

- If you **win** this match, you will **win** the tournament.
- If you **lose** this match, you will **lose** the tournament.

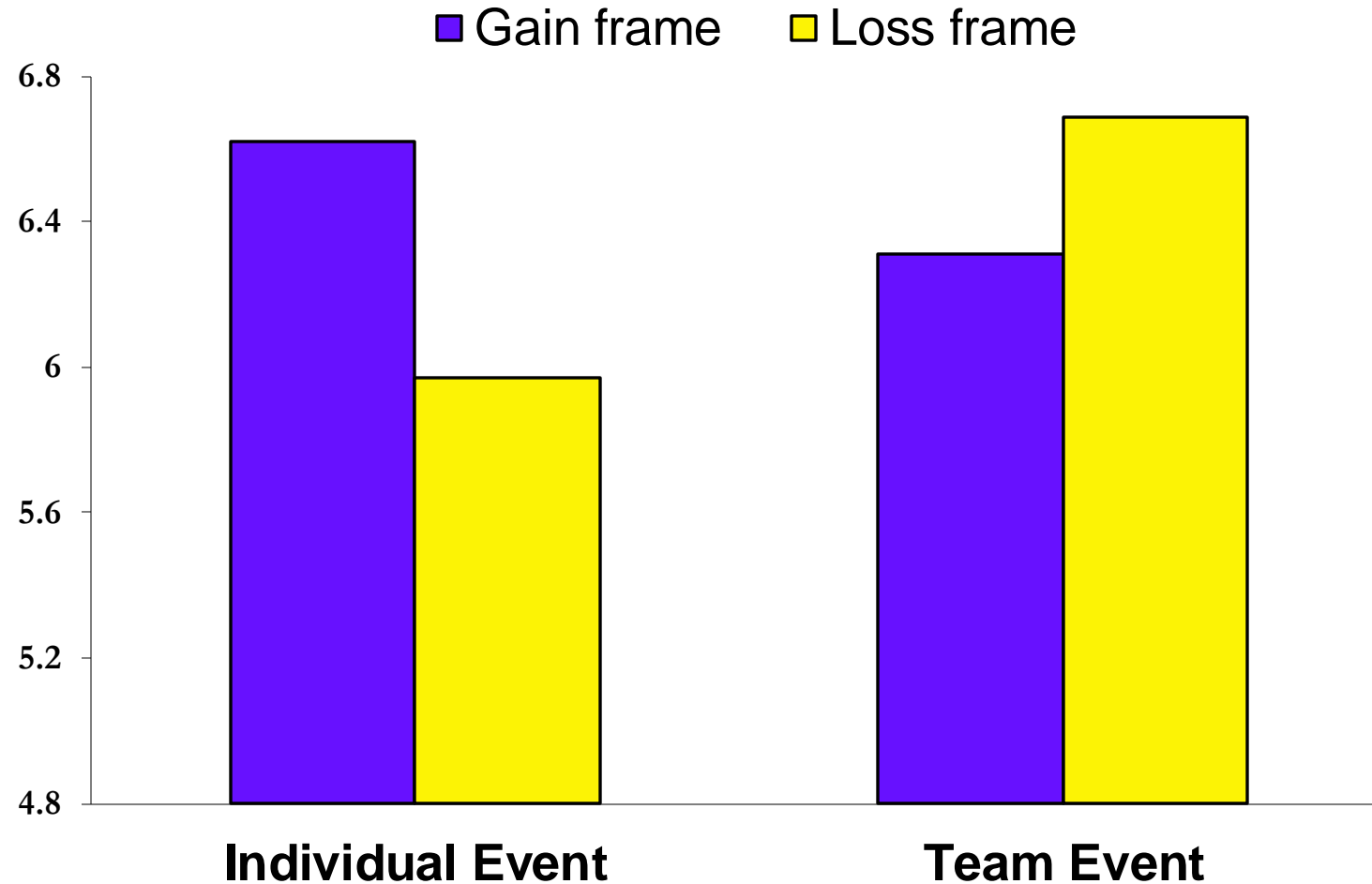
You are representing your team playing in a tennis tournament and have made it to the finals. This is the last match.

- If you **win** this match, your team will **win** the tournament.
- If you **lose** this match, your team will **lose** the tournament.

How important is this match?

1 = not at all important; 7 = very important

IT'S IMPORTANT THAT **I WIN** | **WE DON'T LOSE!**



“You are playing in a tennis tournament and have made it to the finals. If you win this last match, you will win the championship title.”



The Star Tennis Racquets ~ You will win!

THE STAR TENNIS RACQUETS

***The Star Tennis Racquets
~ You will win!***

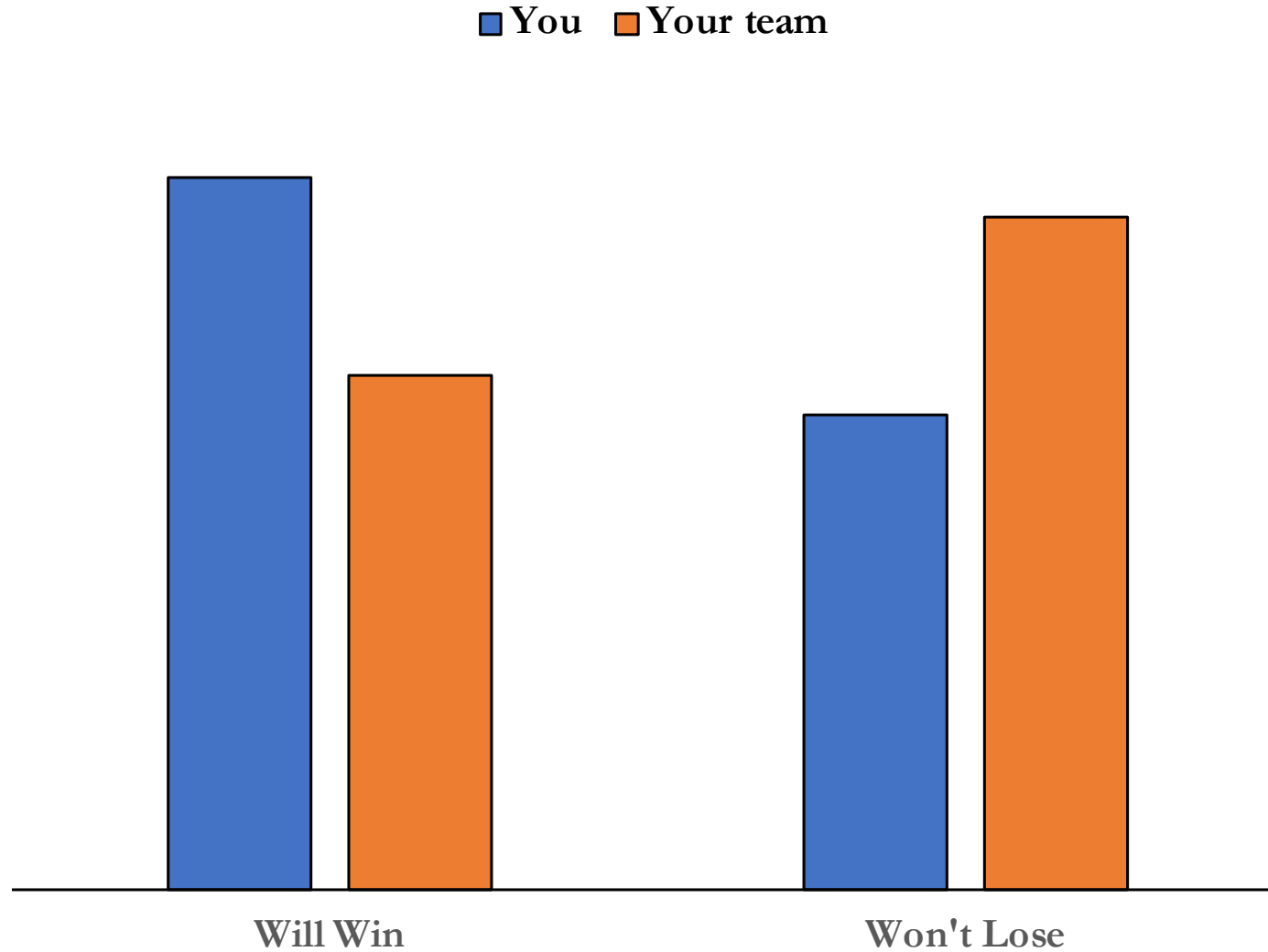


***The Star Tennis Racquets
~ You won't lose!***

***The Star Tennis Racquets
~ Your team will win!***

***The Star Tennis Racquets
~ Your team won't lose!***


BRAND ATTITUDE



MARKETER'S CHALLENGE



Purple
Grape Juice Benefits

100% JUICES  **100% GRAPE JUICE CONCORD GRAPE**

100% Grape Juice Concord Grape

The bold, delicious taste of Concord grapes in every glass. Helps support a healthy heart. No added sugar, flavors, colors or preservatives. Non-GMO. Two servings of fruit and 100% Daily Value of Vitamin C per 8 oz. serving. 100% of profits go to the American family farmers who own Welch's.



No Sugar
Added



USA Grapes



2 Servings of
Fruit per 8oz



Helps Support
Healthy Heart



Excellent
Source of
Vitamin C

MARKETER'S CHALLENGE

Positioning:

- Energizing and delicious to drink
- Reduce risks of cancer and healthy to drink



Purple
Grape Juice Benefits

100% JUICES  100% GRAPE JUICE CONCORD GRAPE

100% Grape Juice Concord Grape

The bold, delicious taste of Concord grapes in every glass. Helps support a healthy heart. No added sugar, flavors, colors or preservatives. Non-GMO. Two servings of fruit and 100% Daily Value of Vitamin C per 8 oz. serving. 100% of profits go to the American family farmers who own Welch's.



No Sugar
Added



USA Grapes



2 Servings of
Fruit per 8oz



Helps Support
Healthy Heart



Excellent
Source of
Vitamin C

MARKETER'S CHALLENGE

Target: Young Adults or Families



Purple
Grape Juice Benefits



IMPLICATIONS FOR MARKETERS

welch1 - Microsoft Internet Explorer

File Edit View Favorites Tools Help

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Welch's Information

Purple
Grape Juice Benefits

Give yourself a chance at great taste!

Welch's Grape Juice has been a favorite for more than six generations. Today, our classic Purple Grape Juice has been joined by a wide variety of wholesome juices to please your taste. They're all made with the same attention to quality as the original.

Further, preliminary medical research suggests that drinking purple grape juice may contribute to the creation of greater energy.

- Growing evidence suggests that diets rich in Vitamin C and iron leads to higher energy levels. According to research by the United States Department of Agriculture, Welch's Purple 100% Grape Juice has more than three times the naturally-occurring Vitamin C and iron than other juices. Our Concord grapes and Niagara grapes are harvested only at the peak of flavor so that Welch's Grape Juice is great tasting as well as energizing. It is simply fun to drink!

Done

start

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welch4 - Microsoft Internet Explorer

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Welch's Information

Purple
Grape Juice Benefits

Give your family a chance at great taste!

Welch's Grape Juice has been a family favorite for more than six generations. Today, our classic Purple Grape Juice has been joined by a wide variety of wholesome juices to please every taste. They're all made with the same attention to quality as the original.

Further, preliminary medical research suggests that drinking purple grape juice may contribute to healthy cardiovascular function.

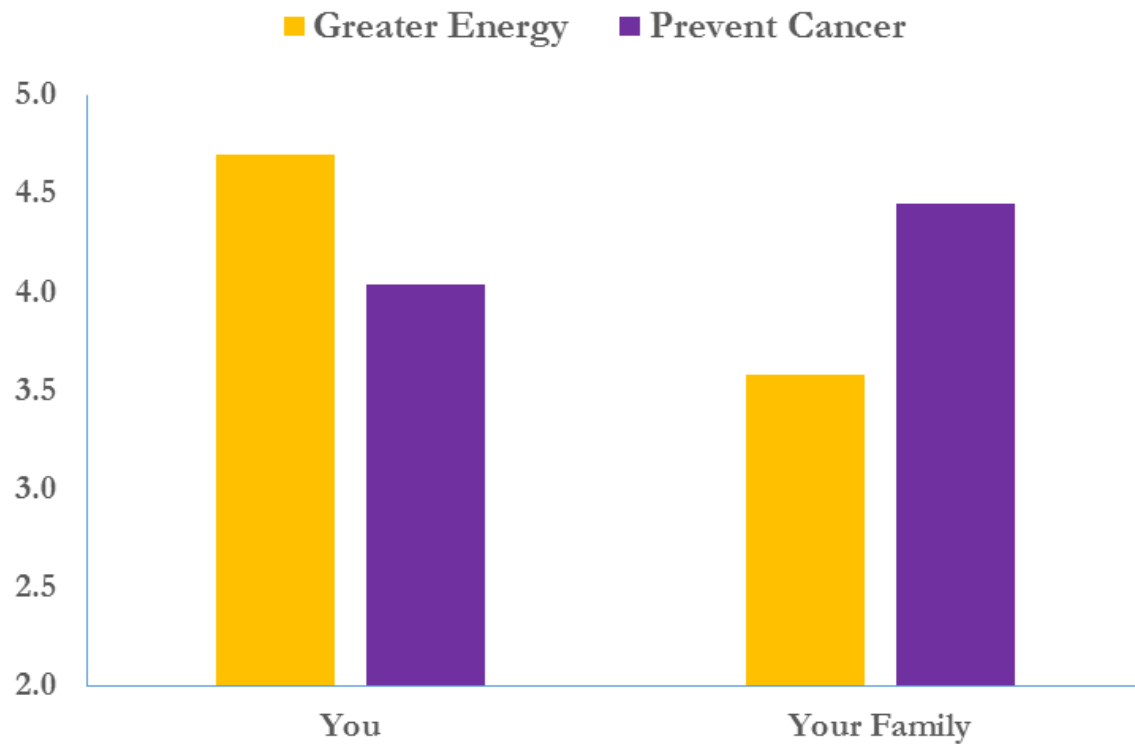
- Growing evidence suggests that diets rich in antioxidants may reduce the risk of some cancers and heart disease. According to research by the United States Department of Agriculture, Welch's Purple 100% Grape Juice has more than three times the naturally-occurring antioxidant capacity of other juices. Purple grape juice's antioxidants are commonly attributed to the flavinoids contained in the juice that help keep arteries clear so that blood can flow freely. Therefore it is healthier to drink.

Done

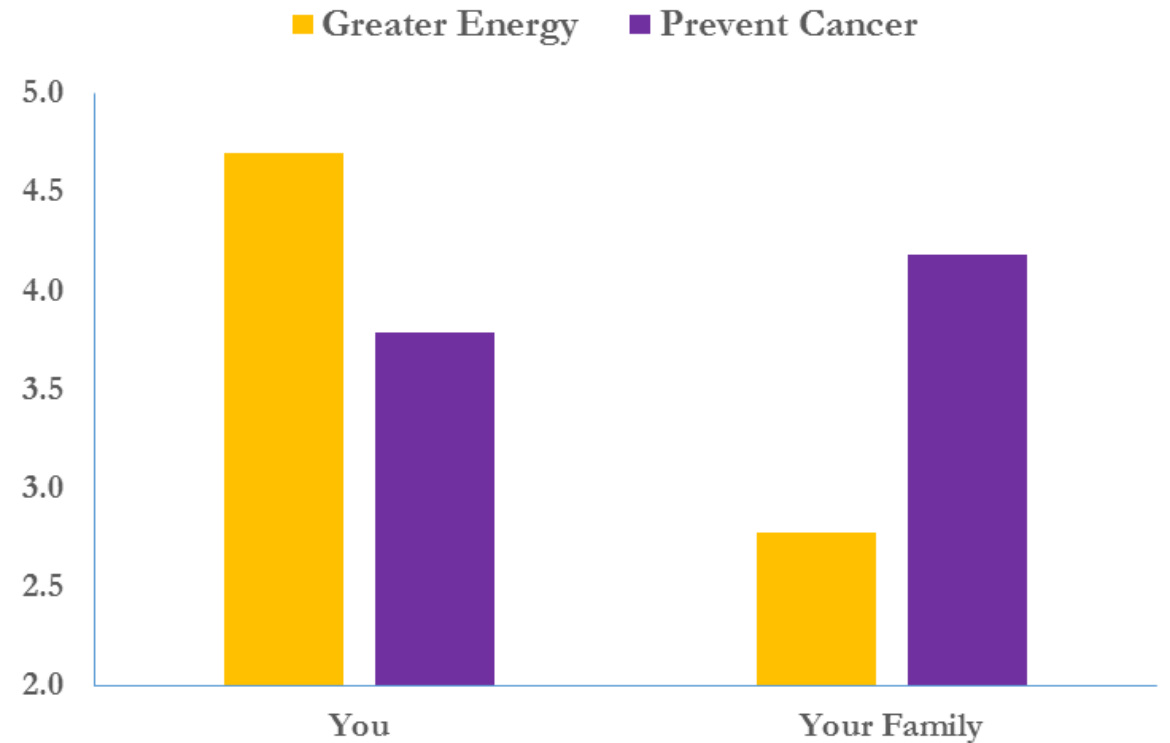
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INDIVIDUAL → GREATER ENERGY FAMILY → PREVENT CANCER

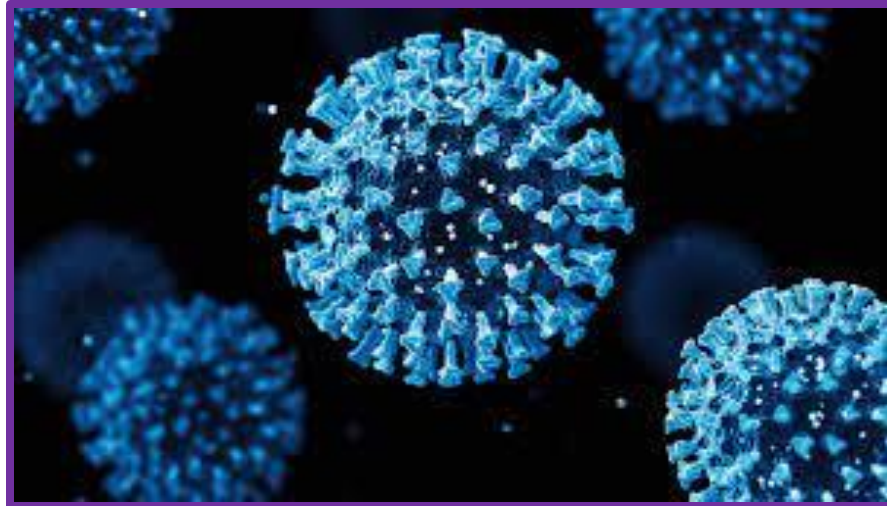


Website Evaluation



Brand Attitude 2 Weeks Later

CDC RECOMMENDATIONS DURING THE PANDEMIC



Stay home as much as possible to put distance between yourself and other people.

Avoid touching high-touch surfaces in public places – elevator buttons, door handles, handrails, handshaking with people, etc. Use a tissue or your sleeve to cover your hand or finger if you must touch something.

Avoid close contact with people who are sick.



Wash your hands often with soap and water and scrub for at least 20 seconds especially after you have been in a public place, or after blowing your nose, coughing, or sneezing.

If soap and water are not readily available, **use a hand sanitizer** with at least 60% alcohol. Cover all surfaces of your hands and rub them together until they feel dry.

Avoid touching your eyes, nose, and mouth with unclean hands.



Cover your mouth and nose with a tissue when you cough or sneeze or use the inside of your elbow.

Throw used tissues in the trash.

Immediately wash your hands with soap and water for at least 20 seconds. If soap and water are not readily available, clean your hands with a hand sanitizer that contains at least 60% alcohol.



Clean AND disinfect frequently touched surfaces daily. This includes tables, doorknobs, light switches, countertops, handles, desks, phones, keyboards, toilets, faucets, and sinks.

KEY MESSAGE DURING THE PANDEMIC: STAY HOME!



HERE'S WHAT YOU CAN DO TO...

- Keep you safe from the coronavirus
- Keep America safe from the coronavirus
- Help you stay healthy
- Help America stay healthy



Stay home as much as possible to put distance between yourself and other people.

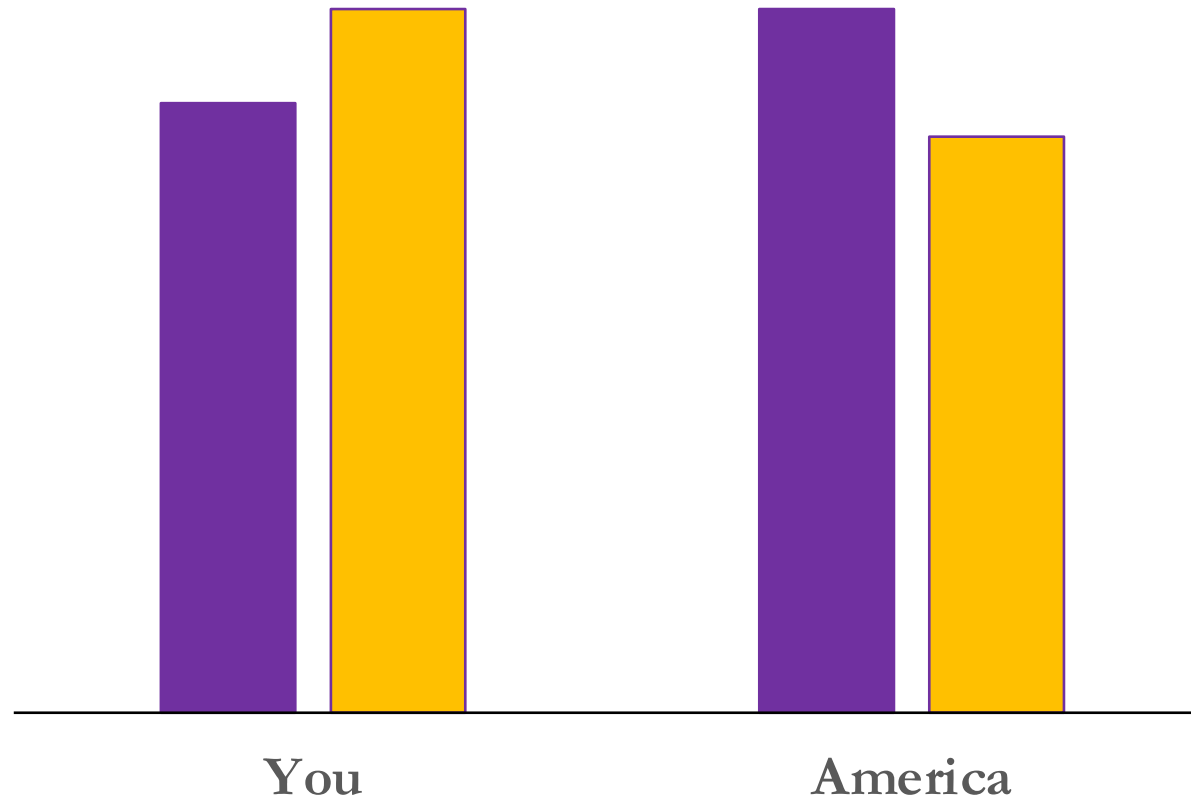
Avoid touching high-touch surfaces in public places – elevator buttons, door handles, handrails, handshaking with people, etc. Use a tissue or your sleeve to cover your hand or finger if you must touch something.

Avoid close contact with people who are sick.

INTENTION TO PRACTICE SOCIAL DISTANCING

■ Keep Safe ■ Stay Healthy

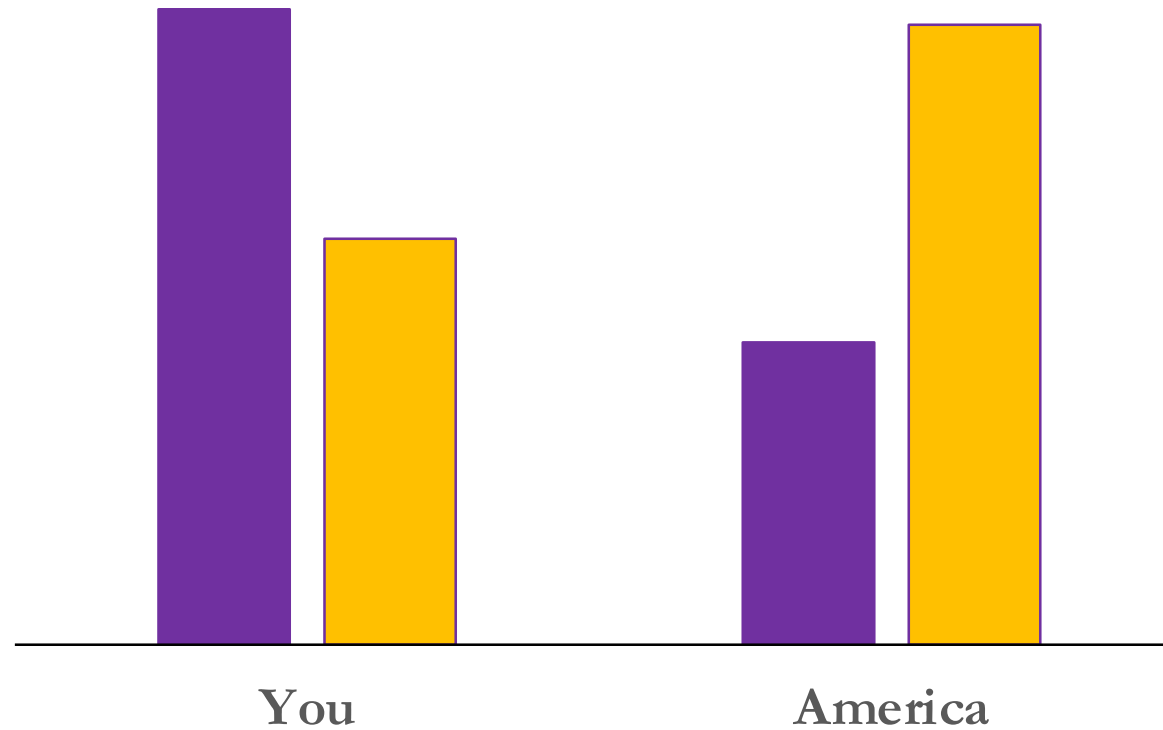
- Data collection on 3.18.2020
- N = 800



HOW MANY TIMES YOU PLAN TO LEAVE HOME NEXT WEEK?

■ Keep Safe ■ Stay Healthy

- Data collection on 3.27.2020
- N = 988



A FOCUS ON WHY [ABSTRACT BENEFITS]



A FOCUS ON HOW [CONCRETE FEATURES]



Apple iWatch



Apple iWatch



CULTURAL DIFFERENCE

Store Signs and Ebay

STORE SIGN IN USA SAYS...

40% Off

Big Sale!

STORE SIGN IN CHINA SAYS...

六折
大減價

STORE SIGN IN CHINA MEANS...

Pay 60%

Big Sale!

Promotion Mindset

40% Off

Prevention Mindset

Pay 60%

Thanks for joining us.

For more of the latest faculty research and ideas visit:

[Insight.Kellogg.northwestern.edu](https://insight.kellogg.northwestern.edu)

Sign up for our December 7 webinar with Hatim Rahman, "How to Thrive in the Age of AI" here: <https://kell.gg/HR-1207>