The market segmentation archetypes marketing essay

Business, Marketing

Chapter 3

Literature Review

It is widely recognized marketing saying that to develop a successful marketing strategy properly, service marketers must develop segmentation strategies based on the attributes and behaviour patterns of target customers. These attributes would be related to the use of the service. The Purpose of this chapter is to review the academic literature on Market segmentation and provide a comprehensive bibliography. Several points will be covered in the literature review, which are the concept of market strategy, market segmentation archetypes, segmentation approaches, and types of needs, segmentation models, importance of customer service and previous studies and research.

3. 1 The Concept of Market Segmentation

Building on the property that all customers are not shaped equal, customer segmentation ismethod that companies used to know and manage their portfolio of customers. From theviews of marketing activities, segmenting customers are the most significant tasks for theeffective allocation of marketing resources (Chen and Chang, 2004). If companies don't know who their customers are, how will they be able to evaluate whether they are meeting their needs? Since success depends on the ability to meet customers' needs and desires, they must know who their customers are, what they want, where they live and what they can give (Moyo, 2005). The activity of marketing and the concept of the market are related. Organisation can achieves any level of marketing success; through matching its own capabilities to the requirements of the market place. The segmentation of the market is critical to this matching process. Wendell Smith is generally cited as providing the basis for the concept of market segmentation as it is practical today (Jenkins and McDonald, 1997; Kaze and Shapars, 2011). Levina (2010) mentioned that the concept of market segmentation has its roots starting from 1930s, when Chamberlin and Robinson proposed their theories of imperfect competition. The principles of market segmentation can be related to economic pricing theory, which suggested that discriminatory pricing could be used to maximise profits between different consumer groups. The concept of market segmentation was introduced half-a-century ago by Wendell Smith (1956), as an " alternative marketing strategy" in an environment where diversity had become the market custom, and defined as a subject of " viewing a heterogeneous market as a number of smaller homogeneous markets, in response to references differences, attributable to desires of consumers for more particular satisfaction of their varying wants" (Fiang, 2000; Alfansi and Sargeant, 2000). Kim and Lee (2010) noted that Smith acknowledged its close relationship to product differentiation, but argued that the two procedures had opposite orientations: whereas differentiation focused on the supply side and aimed to align demand with the supplier’s priorities via advertising and promotion, segmentation was demand-side oriented, accepted marketplace heterogeneity as a given, and geared product specification and marketing strategy to the satisfaction of distinct consumer requirements. Niche marketing, database marketing, micro marketing, interactive marketing and relationship marketing, and mass customization are some of the concepts that should not be treated as alternative strategy to market segmentation. Although these terms or concepts may sound completely different from one another, the idea behind these concepts is very comparable, that is to create more effective and efficient ways of reaching individual consumers in order to satisfy their unique needs and wants in the best way (Kara and Kaynak, 1997). Target market selection is used to select one or more market segments, so that an organization can take advantage of profits. In general, there are three types of target market selection. Mass marketing (undifferentiated marketing) is usually used in situations where almost all customers have the same characteristics. Organizations using this strategy may save production and promotion costs, but finds them at a disadvantage compared to competitors that target specific market groups (Epetimehin, 2011). Targeted marketing (differentiated marketing) separates the market into groups of customers with somewhat diverse wants and needs. This strategy is often used in markets where customers have different characteristics. Organizations adopting this strategy often support different marketing mixes tailored to the needs and requirements of customers in selected market sectors (Canever et al., 2007; Fu Ho and Chi Hung, 2008). Niche marketing (concentrated segmentation) focuses on fairly small numbers of customers in a market. This strategy has often been used by organizations that have highly specific goods or techniques attractive only to small groups of consumers with certain common characteristics. Although organizations adopting this strategy might create higher customer loyalty, they put themselves at risk by being firmly joined to specific groups, which may see diminished purchasing power to competitive appeals (Fu Ho and Chi Hung, 2008).

Market segmentation is shifting toward mass customization after having left a long way. However, greater market diversity makes it more and more difficult to create meaningful segments. Therefore, it calls for replacing market segmentation with mass customization; mass customization refers to the idea that by leveraging certain technologies, companies can provide customers with customized products while retaining the economic advantages of mass production (Fiang, 2000). Based on Jenkins and McDonald (1997) market segmentation as a proactive process (managers purposefully identify segments) involving the application of systematic techniques to identify these segments: " Realising the potential benefits of market segmentation require both professional acceptance of the concept and a practical segmentation study before segmentation can start". Market segmentation is obvious recognition that customers within the market for a given product are not homogeneous. The concept is based on three critical premises:(1) Differences between customers.(2) Differences in customers relate to differences in demand.(3) Segments of customers can be isolated within the overall market. Segmentation allows identification of the existence of many demand curves which result from a heterogeneous demand where previously only one demand curve was recognized. This heterogeneity of demand is viewed as a chance by the market-oriented company. A practical view of segmentation then it is the structure of groups of customers (segments) who will respond in more or less the same way to the marketing activities of the firm (Matear and Gray, 1995). According to Dibb and Simkin (2010) view of segmentation as a three-part process comprising (1) segment classification, (2) segment requirement, and (3) segment attractiveness.

Under this scheme, segment classification relates to the design of the segments, while the requirement phase concerns the extent to which the emerging customer groups can be operationalised. The segment attractiveness element fits with targeting decisions about resource allocation and segment priorities. Today's consumer marketers look to market segmentation systems to: discover their key consumer segments, identify the varying importance of those segments to their business, understand individual consumers by identifying the group to which they fit in, thus bridging the gulf between mass marketing and a " one-to-one" emphasis, use that newly-gained understanding to predict how consumers will respond to new products, modify brand loyalties, respond to different media, target new prospects more effectively, andCommunicate with both customers and prospects in order to create and enhance relationships (Bickert, 1997; Simkin, 2008). Improved understanding of customer needs ((Dibb et al., 2002). Allocate resources more appropriate (Sausen et al., 2005). Identify market opportunities clear (Sausen et al., 2005) andBetter turned and positioned marketing programs (Epetimehin, 2011; Levina, 2010). Market segmentation arises because it is essential to balance diverse customer needs with the capabilities and resources of competing organizations in the marketplace. In most markets the extent of customer requirements is too extreme to allow single organizations to satisfy all customer products and service needs all of the time. Companies are more likely to achieve a match between their particular assets and the variety of needs by intent efforts on customer groups with fairly homogeneous requirements (Dibb and Simkin, 1997). The concept of segmentation in marketing recognizes that consumers vary not only in the price they will pay, but also in a wide range of benefits they expect from the product (or service), and its method of delivery (Minhas and Jacobs, 1996). The analytic base for segmentation has widely useful to both consumer and industrial markets. Bonoma and Shapiro (1984) propose that the objective of organizational segmentation is to identify members of a given group customer who are more similar to each other than to firms outside the group. Market segmentation would seem to provide a number of closely consistent purposes. It is seen as a means of predicting future behaviour, a method of detecting, evaluating and selecting homogeneous groups and a way of identifying a target market for which a competitive strategy can be formulated (Dibb, 1998). It allows the company to discover key consumer groups, estimate the importance of each segment to the business and communicate and target products and resources more effectively (Bickert, 1997; Dibb, 1998). Further, if one can identify such groups one will have better understanding of the structure of the market for some product or service and therefore be able to do a better job of designing, operating and marketing the product or service (Pas and Huber, 1992). The outcomes that stem from a successful segmentation strategy are various and include a reduction in competitive challenge, pricing stability, protection against replacement and an opportunity to build differentiation (Freathy and O’Connell, 2000). Segmentation theory stipulates that customer needs, preferences, or desired value dimensions are heterogeneous and this diversity can be captured using variables that differentiate among these different needs. Firms capitalize on need heterogeneity by identifying significant clusters of customers that have relatively homogeneous sets of needs (Blocker and Flint, 2007). The purpose is to determine whether any segments meet the needs of the individual organization. Once a segment has been selected then the task of how to position the organization and which marketing mix variables to use can be determined (Freathy and O'Connell, 2000). Sarabia (1996) determine the process for identifying customer segments demonstrated in figure 3. 1Creation of segmentsDescriptionEvaluationSelectionPositioningdecisionsMarketing mix developmentSearch for and select informationFigure 3. 1: The process for identifying customer segmentsSource: Freathy and O'Connell, 2000Any segmentation development must begin with a clear approval of corporate objectives. This guides which broad issues are to be researched and signals areas of main concern. Lack of clear objectives may cause the segmentation analysis to fail before it has suitably begun. An effective segmentation process involve three steps: marketing analysis to increase knowledge or current marketing intelligence; strategy development to formalize ideas; and marketing programs to achievement the determined revised segmentation strategy (Dibb and Simkin, 1997). Segmentation is essential to marketing strategy because different customer groups mean the need for different marketing mixes. The technique of segmenting a market also reveals profit opportunities and " strategic windows" for new competitors to challenge recognized market leaders. As a market develops, new segments open up and older ones lean to decline (Minhas and Jacobs, 1996; Canever et al., 2007). There are three dimensions for defining and segmenting the markets in which an organisation operates: customer group; customer utility; and technology. Identify strategic definitions of markets as being concerned with competitive capability and resource transferability. Therefore conservative segmentation theory has been founded on conceptual, rather than empirical evidence, based on how organisations should segment their markets, rather than considering how they actually construct homogeneity in the market place. Such frameworks are definite value, but have been criticised for failing to consider the practical issues of how these concepts are implemented in practice within organisations (Jenkins and McDonald, 1997).

3. 2 Market Segmentation Archetypes

Jenkins and McDonald (1997) sited that Piercy and Morgan (1993) provide a conceptual framework for viewing market segmentation which acknowledges the difference between explicit and implicit aspects of the market. An explicit viewpoint refers to the traditional marketing theorists' view that markets are " out there" and are basically groups of customers. The implicit viewpoint relates to the role of cognitions, culture, processes and structure in determining the organisation's view of the market. The implicit aspects of segmentation are significant for two reasons. Firstly, at an implementation level, conventional frameworks for understanding segmentation tend to ignore the capacity of an organization to implement a marketing strategy within a particular segment. Secondly, there is the issue of market drift. If implicit issues are main in the definition and segmentation of markets, the organization may be unable to recognize changes in the marketplace which may undermine their entire market strategy.

Classifying Market Segmentation in Organizations

Jenkins and McDonald (1997) adopt conceptual framework, established four archetypes of market segmentation, based on the degree of organizational integration as well as on the degree to which the market is customer driven, as demonstrated in figure 3. 2Customer drivenLow highBolt-on segmentationStrategic segmentationSales-based segmentationStructural segmentationLow highOrganisational integrationFigure 3. 2 Market Segmentation ArchetypesSource: Sausen et al., 2005Sales based segmentation, describes as an organizational archetype where is segmented on the basis of how the sales function is organized, which does not necessarily reflect clusters of particular customer characteristics or needs. In addition, these approaches are relatively superficial, and they are embedded in the way organization, as a whole, is structured, or the way is operates. Structured segmentation represents a further archetype where there is little emphasis on segments as groups of customers. Segments are defined by how the organization is structured; this approach is deeply set in the organization as a whole. Bolt-on segmentation, presents an archetype where a high level of customer focus is brought into the significant of market segments. The organization applies customer data which are often available within organization, such as location purchase patterns and product preference. Strategic segmentation combines both a customer focus and a high level of organizational is able to apply customer-based data in order to develop a set of defined segments. These segments have been defined around customer groups, but are also deeply set in organization through their own operations and processes, which are tailored to the needs of their respective segments (McDonald and Dunbar, 2004; Sausen et al., 2005).

3. 3 Segmentation Approaches

There are two main approaches for market segmentation. One is an a priori or post hoc approach or " management- imposed" method (Allred et al., 2006; Dennis et al., 2001), in which the segmentation variables and their categories are decided before data are collected. Traditional segmentation approaches based on geographic, socio-demographic variables (Rao and Wang, 1995), demographic and socio-economic characteristics such as age, income, occupation, family size and education fall into this category (Dibb and Wensley, 2002 ; Salaimeh, 2008). These variables have influence on consumer behaviour, and that they can be used as proxies for direct needs analysis (Minhas and Jacobs, 1996; Epetimehin, 2011). A prioriisegmentation presumes that a significant correlation between the external characteristics of customers and their needs exist (Machauer and Orgner, 2001). The other approach is a clustering-based segmentation design in which the segments are determined a posterior by a cluster analysis on a set of relevant variables. An example of this approach is benefit segmentation. Benefit segmentation means the benefits which people are seeking in consuming a given product are the essential reasons for the existence of true market segments (Rao and Wang, 1995; Lupas and Moisey, 2001). Benefit segmentation may be possible based on the major dimensions of service quality (process and outcome), other aspects of the service offer (McDougall and Levesque, 1994), and product- specific features (Maenpaa, 2006). Koh et al. (2010) noted that benefit segmentation predicts performance better than demographic or geographic segmentation. It has been proposed that when the benefits present as attributes of a product or service, may cause consumers to purchase the product or service, rather than just describe who they are as consumers in terms of socio-economic, demographic, or psychographic data. By having knowledge of the benefits sought by customers, a marketer no longer needs to estimate which motivation might encourage consumers to buy a particular product or service. Park et al. (2011) demonstrated that the benefit segmentation formula based on three levels (benefits sought, personal characteristics, and attitudinal outcomes). That is, consumers are clustered based on benefits sought, and the identified segments are then evaluated for differences in both personal characteristics and attitudinal outcomes. Personal characteristics such as demographic information, lifestyle, and psychographics suggest " potential efficiencies" in reaching and engaging to the segmented groups of consumers. In addition, attitudinal outcomes and usage of a particular product or service obtained from benefit segmentation can support marketers to further develop detailed promotion and advertising decisions and predict target consumers' buying behavior. In addition to the above, there is now a more focus on behavioral segmentation, which contrasts with the process of segmentation based on customer characteristics in that the focus is driven by customer " needs". It is argued that such a need identification approach is more powerful than a classification of characteristics and that it is more probable that the segments, which are consequently identified, will be ultimately more predictive of purchase behavior (Hollywood et al., 2007). The past decade has witnessed a growing responsiveness of increasingly diverse consumer needs in many market sectors. For many practitioners this emphasizes the need to gain a greater understanding of particular markets and some practitioners have seen segmentation approaches as a logical step towards gaining this insight (Quinn et al., 2007). Any approach to segmentation that is not focused in clustering customers according to their motivations " is basically an approximation based on the assumption that descriptors (i. e. characteristics) and motivations (i. e. needs/behaviour) are closely linked usually they are not" (Hollywood et al., 2007). By identifying how a consumer behaves during the purchasing process a company can determine what a consumer actually needs and translate this into a product offering. Therefore, within a product purchase, investigating consumer motivations can emphasize the process by which underlying purchase needs can be satisfied (Solomon, 2006). To satisfy the target consumer’s needs, benefit needs and product attributes are the most accepted variables for segmenting the market. When benefit needs variables integrated with benefit segmentation analysis can add more focused and effective marketing strategies (Wu, 2001). Martin el al. (2000) mentioned that segmentation variables are classified according to their objective versus subject character, general and specific characteristics. The variables as general and objective (demographic and socio-economic and geographic variables) has been frequently used in the field of services and widely used in segmenting markets. The variables that is general and subjective like personality and lifestyle, the variables that are specific and objective like consumption structure, company loyalty, type and place of purchase. The variables that are specific and subjective like benefit sought expectations, perceptions and preferences. Psychographic segmentation can be based on social class, lifestyle, personality variables, motivation, attitude, satisfaction or perception of quality (Romberg, 1999). Psychographic and lifestyle variables contain more information about consumer than do purely demographic variables (Thompson and Kaminski, 1993). In practice, the choice of approach will depend on the purpose of the study, the nature of the market, the method of distribution, the media obtainable for market communication, the motivation of the buyers, and the choice of segmentation methods (Goyat, 2011). The geographic, demographic and volume segmentation schemes prevalent at that time were based on descriptive factors, rather than causal and therefore were not " efficient predictors of future behaviour" (Rao and Wang, 1995; Alfansi and Sargeant, 2000; Canever, et al., 2007) whereas " benefits that people are looking for in consuming a given product are the necessary reasons for the survival of true market segments" (Minhas and Jacobs, 1996). Segmentation by demographics is an over simplistic approach of targeting (Lancaster and Williams, 2002; Dimitriadis, 2011). In other words, the perception of potential benefits determines consumption choices much more precisely than consumers’ demographic characteristics or the amount of a product category they consume (Kim and Lee, 2011). Socio-demographic and geographic classification have been most widely used in segmenting markets, but benefit segmentation is more useful in planning unique positioning messages to appeal successfully to each benefit segment and in adjusting advertisement messages (Lupas and Moisey, 2001; Park et al., 2011). The objective for marketers is to " get to the root of consumers’ true feelings about a product or service" in order to discover target markets and to develop the marketing mix most proper for approaching each segment (Hudson, 2007). Segmentation that based on marketing elements (4Ps) and consumer perception would allow not only the identification of meaningful market segments, but also the identification of controllable marketing variables that can affect each segment. This approach would produce two benefits. First, it will guarantee that the resulting market segments would reflect a high degree of homogeneity with respect to marketing variables and therefore each segment will be willing to standardize marketing program. Second, the resulting segments, which were derived on the base of marketing variables, will be targeted by different marketing strategies (Souiden, 2002). The classification of industrial market segmentation is based on macro segmentation and micro segmentation (Freathy and O’Connell, 2000). Macro segmentation focuses on the characteristics of the buying organization and the buying situation and thus divides the market by such organizational characteristics. On the other hand, micro segmentation requires a higher degree of market information, and focuses on the characteristics of decision-making units within a macro segmentation including buying decision criteria, perceived importance of the purchase, and attitudes toward service vendors (Chih et al., 2010). Segmentation can be based on customer value matrix, the customer value matrix was developed from a desire to apply RFM (recently, frequency and monetary value) analysis, the customer value matrix assists in identifying appropriate, segment-specific marketing strategies and tactics, and it enhances the evaluation of cross- segment strategies and tactics that provide a considerable return on marketing investment (Marcus, 1998; Montinaro and Sciascia, 2011). Transport market segmentation has been classified using different approaches. These approaches are categorized into the priori approach and post hoc approach (Yalch, 1998). In the priori approach, segments are defined in advance based on known characteristics, and then, the perceptions/behaviors of each segment are analyzed. While, the post hoc approach relies on a multivariate analysis of several combinations of variables to define the relevant segments, the population and therefore, the segments are identified by the similarity of individuals' attitudes towards these variables. Although each approach utilizes different concept of market segmentation, they are not isolated as they first appear, instead, they represent different end on a field (Yalch, 1998; Mahmoud et al, 2012). All segmentation approaches have their own advantages and drawbacks. However, behavioral variables are assumed to have an advantage over the other types of base on responsiveness and action ability. In particular, the benefits that potential customers request have been one of the most-used segmentation bases in both consumer and industrial markets (Canever et al., 2007). Among various approaches of segmentation, need based segmentation, marketing mix variables and demographic characteristics are selected for this study as it focus on specific attributes of products and services that consumers consider in the railway sector. The focus on needs instead of another base that needs is the primary determinants of purchase behavior. Also, unlike consumer markets, business market participants buy or take on products or services to meet the consequential demand for their own products and services most profitably.

These need-based segments are likely to show similar price and product feature elasticities and respond similarly to changes in the marketing mix (Dowling et al., 1993).

3. 4 Explaining Customer Behavior

To really understand what lies behind the choices made by customer requires their behavior to understand in terms of the needs they are seeking to satisfy. This is the most useful and practical way of explaining customer behavior as it provides the insights required for putting together the most appropriate offer for each of the concluding segments, thereby realizing the most valuable benefits of segmentation (Beirao and Cabral, 2005). There are two principal theories of customer behavior. One theory refers to the rational customer, who seeks to maximize satisfaction or utility. This customer's behavior is determined by the utility derived from a purchase at the margin compared with the financial outlay and other opportunities foregone. Another view of customer behavior which helps to explain this phenomenon is that which describes the psycho-socio customer, whose attitudes and behaviors are affected by family, work, prevailing cultural patterns, groups they relate to, perceptions, aspirations, and lifestyle. The most useful and practical way of explaining customer behavior has been found to be benefit segmentation, the benefits sought by customers when they acquire a product or service in order to satisfy their explicit needs (McDonald and Dunbar, 2004).

3. 5 Consumer Behavior and Choice Process

The adaptation process presented by Solomon (2006) is founded in " consumer behavior: understating the stages of consumer behavior." The stages are based on two characteristics (1) consumer decision process, and (2) the consumer’s level of participation in the purchase decision. The framework for classifying consumer behavior models assumes consumer go through five steps in the purchase cycle: need arousal, information search, evaluation, purchase decision, and post-purchase feeling. According to this framework, the choice process for consumers begins long before an actual purchase and each phase can be influenced by the marketers. The buying process begins with a need arousal step (Judson, 2000). Needs can be activated through internal or external stimulus. Internal stimuli could be food or water. External stimuli such as television or newspaper can also activate consumer needs. Abraham Maslow put forth the " hierarchy of need" paradigm that basically address the psychotically implications of need arousal (Judson, 2000; Osuji, 2007).

3. 6 Types of Needs

People are born with a need for certain elements necessary to maintain life, such as food, water, air, and shelter. These are called biogenic needs. People have many other needs, however, that are not innate. Psychogenic needs include the need for status, power, and affiliations. Psychogenic needs reflect the priorities of a culture, and their effect on behavior will vary from environment to environment (Solomon, 2006). Consumer can also be motivated to satisfy either utilitarian or hedonic needs. Utilitarian needs are a desire to achieve some functional or practical benefit and tangible attributes (Irani and Hanzaee, 2011). Hedonic needs are subjective, experiential and intangible attributes; consumer might rely on a product to meet their needs for excitement, self confidence, or fantasy. Consumer can be motivated to purchase a product because it provides both types of benefits (String fellow et al., 2004; Hanzaee and Khonsari, 2011). Social need can be treated as a type of hedonic need, as interaction with others in the communities, as the process itself becomes a source of fun, pleasure and excitement. In the communities of fancy, people can create new personality and stories as they wish and treat it as a chance for their self expression. Self expression is the course of action which provides performer with an anchor of his/her identity, thus self expression needs are defined as the need to present one's identity to other people. Self expression is a type of utilitarian need, because self expression is a means to achieve the objective of expressing self identity in the community (Han et al., 2007). Meeting consumers' needs is the essential goal of marketers. Consumer products are generally marketed to appeal to three necessary types of consumers' needs. Previous segmentation studies identified the three types of consumer needs: are functional needs (e. g. quality, benefit seeker); social needs (social directedenvironmental directed) (Hagen, 2009); and experiential needs (taste, delight, pleasuregratification) (Humayun and Hasnu, 2009). Needs can be measured either directly or throughout the use of surrogates such as past purchase behavior, type of industry, or size of firm. However, needs-based segments give managers only the part of the information necessary for target market selection and the development of marketing strategy. To be able to access firms in these benefit segments, the firms must be described in terms of their buying practices, media usage, and demographic characteristics. These descriptor variables provide insight into finding potential customers and selling products and services to them (Dowling et al., 1993).

3. 7 Benefits of Understanding Customer Needs

Purchase decisions are determined by two kinds of needs: (1) functional-those satisfied by product functions; and (2) emotional-deeper needs associated with the psychological aspects of product ownership. Only by understanding such deeper needs firms are capable to provide true value to the customer. To build customer relationships, firms need to " turn strangers into friends and friends into customers" by knowing more about them and then using the detailed information gained to provide them what they need. To fully understand customer purchase behavior requires viewing a customer as a human being first and a customer second (Stringfellow et al., 2004). Stringfellow et al. (2004) noted that " the most basic concept that frequency used in marketing is that of human need-based segmentation, also known as benefit segmentation, classifying a market on the basis of the needs satisfied by the product, then creating the proper value suggestion for one or more market segments. While need-based segmentation is more difficult to achieve than simple demographic segmentation, offering accurate needs has the potential to create more satisfied long-term customers. " Demanders buy groups of features" mean that " demanders buy groups of features rather than products, their opinions regarding the similarity of products must also be determined by features". On the other side research into purchasing patterns indicates that it is not the objective description (either tangible or technical attributes) themselves, but rather the subjective perception of these that drives the consumer option (value, style and prestige) (El Kodaly and Taher, 2010). Unlike most physical phenomena, the goal of meeting customer needs often can hardly be expressed in objective and quantitative terms, which restricts the option of exploring, assessing, and optimizing different alternatives. In the mean time, it has been acknowledged that the key to product success relies on better understanding of the voice of the customer and on better links between the preferences of the customers, including artistic appreciation, sensory feedbacks, and value judgment with the capability of the companies. These preferences often have to be articulated in subjective and qualitative terms. It is obvious that there is a need to discover new ways to characterize and integrate customer needs, particularly, subjective characteristics of customers' preferences like aesthetics, user friendliness, comfort and ownership pleasure of products (Wang and Tseng, 2011).

3. 8 Emotions in Consumer Behavior

Emotion is generally considered as a key determinant of consumer behavior and affects especially customers Purchase decisions. Several studies have demonstrated that positive emotions are important predictors of behavioral intentions (Bouguerra et al., 2011). Consumer behavior is one of the most exciting areas in marketing studies. In first place, because understanding how and why consumers perform is a great challenge. Besides it, there are so many variables concerned in the consumption process. Human behavior is depending not only on personal characteristics, but also on the psychological, environmental, social and cultural environment that they are submitted. Consumer behavior has implicit a strategic role in organizational studies, since research results indicate that the more satisfied the consumers are, the more time and resources they tend to spent with companies that better assist them (Barcellos et al., 2005). After a long period in which consumers take a rational decisions based on utilitarian product attributes and benefits, in the last two decades, marketing scholars have started to study emotions attributes represented by marketing stimuli, products and brands. Many studies concerning consumer emotions have focused on consumers' emotional responses to advertising, and the mediating role of emotions on the satisfaction of consumers. Emotions play an important role in other contexts, such as complaining, service failures and product attitudes. Emotions are often conceptualized as broad dimensions, like positive and negative effect, but there has also been an interest in more specific emotions (Laros and Steenkamp, 2005). In studying consumer emotion in services both situational influences and individual differences need to be measured. Services are not a homogeneous area that the diversity is based on industry classification but are heterogeneous according to certain essential characteristics across industry; these characteristics may moderate the differing emotional knowledge structures that people form (Edwardson, 1998).