

## How Market Research & Consumer Behavior Drive Marketing Strategy

Heaven Yoon

[heavenyoon1005@gmail.com](mailto:heavenyoon1005@gmail.com)

[linkedin.com/in/heaven-yoon/](https://www.linkedin.com/in/heaven-yoon/)

[heaven-yoon.com](http://heaven-yoon.com)

## **The Strategic Role of Market Research in Marketing**

### **Introduction**

In the last twenty years, the evolution of technology and the internet has fundamentally transformed how the world and its markets operate today. Consumers now have instant access to information on firms and their brands, giving them the power to make more informed choices and align their purchases with their values and needs. Historically, firms have controlled this power but since then it has shifted towards the consumer. In this new landscape, success is no longer measured by brand dominance alone but by a firm's ability to listen, adapt, and create experiences that customers can align themselves with. As a result, firms must continuously adapt and build lasting relationships that provide value/benefits in order to remain competitive and retain consumer loyalty. This adaptation is driven by market research and a deep understanding of their consumers and their behavior. This serves as the foundation for effective marketing strategy that allows firms to position themselves and identify key target segments. By understanding market research and how it impacts decision making, firms are able to develop new marketing strategies around these insights to build better brands/products that serve the needs of their consumers.

### **Why Market Research Drives Marketing Strategy**

As previously mentioned, understanding market research is key for firms to ensure their brands deliver on the needs and wants of their consumers. A big component of market research is consumer behavior. Because it is nearly impossible to cater a product/brand to every audience, firms must have specific target segments their brands are specifically positioned towards. By analyzing consumer behavior, firms gain a deeper understanding of who their consumers are which includes their demographics, preferences, motivations, and values. This insight allows firms to identify which features and benefits matter most which enables them to adapt their offerings and refine their marketing strategies accordingly. Market research also evaluates how consumers respond to different channels and touchpoints, allowing firms to reassess existing campaigns for greater effectiveness. Firms could also choose to launch new campaigns as well based on the insights they get from the data. By understanding what drives consumers, firms are able to reduce risk by focusing their efforts and resources more strategically. Market research not only refines existing marketing strategies but also paves for the creation of new ones which allows them to remain competitive.

### **How Research Influences Core Marketing Functions**

Research is essential for firms to survive in today's market. Market research is done on data that has been collected. This data can be within the firm internally or data that has been collected externally. The data is analyzed and allows for a firm to go through the process of STP (Segmentation, Targeting, and Positioning). The research allows for the firm to identify different segment groups based on lifestyles, behavior, demographic etc.. Once those segments have been identified, firms choose which segments to target. This is done based on which segments have the most viability in terms of size, profitability, responsiveness, etc.. Once firms have established which segments they want to target, they must determine how to position themselves so that these segments will purchase from the firm. Market research will highlight how consumers perceive your brand to competitors. Market research reveals what matters most to consumers, allowing firms to position themselves more effectively within the market. It provides the foundation for STP (Segmentation, Targeting, and Positioning), which is a critical strategic process that guides how firms identify and build value for their consumers. Once STP is established, firms can then develop further marketing actions, such as the 4Ps (Product, Price, Place, and Promotion) to ensure their brands and product align with consumer needs and market expectations. Without market research, it is near impossible for firms to keep adapting and staying competitive in the market.

### **Consumer Behavior as a Marketing Blueprint**

#### **Understanding the Marketing Implications of Consumer Psychology and Behavior**

As you can imagine, not every consumer is the same. However, recognizable patterns exist in consumer behavior that allow firms to group individuals into meaningful segments. Consumers engage with firms based on varying needs and wants. The idea is that consumers recognize that they have a gap in their desired state and their current state. This drives the consumers to find solutions to get to the desired state. Consumers reach this state through functional and/or emotional needs. Functional needs are like purchasing new pencils because the current ones are broken. Emotional needs are driven by feelings like buying a new pair of shoes despite already owning several pairs simply to feel stylish or confident. This behavior allows firms to better position their brand and products to their target audience. Just like the needs, decision making can be divided into rational and emotional decision making. Rational decision making is when a consumer considers factors like price, functionality, and quality. Emotional decisions are decisions that consumers make based on feelings like excitement or the desire for social validation. By recognizing these patterns in needs and decision making, firms can create more effective marketing strategies that influence consumer needs and decision making allowing firms to effectively shape perceptions and create deeper emotional connections with their target audience.

## **Behavioral Influence on Marketing Strategy**

Consumer behavior heavily shapes marketing strategy by influencing every component of how a firm and its brand communicates and delivers value. Depending on how consumers view a firm's product, the firm needs to consider whether they are more emotional need based or rational need based. This will shape the tone in which your message is delivered to the consumer. These patterns in consumer behavior also dictate how the message should be delivered in terms of length of content, type of content, etc. The segment's behavior may reveal that they respond more positively towards shorter visual content in which case the firm should tailor its marketing strategy accordingly. It's important to recognize that while a firm can design and communicate its desired market position, the ultimate positioning of a brand is determined by consumers. The consumer's perceptions, experiences, and interpretations shape how the brand is actually viewed in the marketplace, regardless of the firm's intended message. However, this reinforces the importance of market research and understanding consumer behavior, as these insights reveal what a firm's consumer base actually values and how they truly perceive the brand.

## **Coca Cola's Marketing Strategy: A Masterclass in Consumer Behavior & Market Research**

### **The Consumer Truth Coca Cola Uncovered**

Coca Cola had quickly become a dominant force in its industry. It had one of the most loyal consumer bases and a big one at that. Much of this loyalty came from older consumers who had grown up with the brand and continued purchasing it over time. However, market research revealed that younger generations were drifting away from traditional sugary sodas and towards healthier, more functional beverages. As a result, younger consumers were becoming increasingly disconnected from the classic Coca Cola brand. At the same time, the rise of social media and digital culture meant that younger consumers sought brands that felt personal, interactive, and aligned with their values. These shifts highlighted the need for Coca-Cola to better understand and engage younger audiences to remain relevant in an evolving market. Coca Cola could have chosen to just continue to be content with their aging consumer base but they realized an opportunity to adapt their current marketing strategy.

### **Coca Cola's Share a Coke Campaign**

With the findings that Coca Cola had garnered, they decided to create a market campaign on personalization and social media. They chose not to change their product but make Coca Cola the center of a trend where people could feel personally connected to the brand. Coca Cola had relabeled their iconic bottles to have first names of the 100 most common names in Australia. Names like Kylie and

Jason (Exhibit 1) were on bottle labels. Launched in 2011, Australia was the first country that this campaign was marketed in. Quickly gaining traction, people found themselves wanting a coca cola bottle with their own names. Social media posts were flooding in with people sharing a picture of themselves next to a coca cola bottle with their names on it. Consumers who could not find their names were creating posts asking Coca Cola to include their names. Coca Cola's vitality was shooting through the roof with consumers young and old participating in the trend. Despite having started in Australia, Coca Cola would launch this campaign worldwide spreading to over 70 different nations. Each nation had the most common names printed on the labels. In specific locations they even had custom label stations where people who had more uncommon names could have their own names on labels. Coca Cola correctly identified in their market research what was lacking from their brand with the young consumer group and correctly created a marketing strategy campaign around this. Coca Cola was able to not only connect with the younger consumer base but also strengthened its older consumer base. The campaign is seen as one of the greatest marketing campaigns ever created. Its success is one that firms look at to emulate success. Through this campaign Coca Cola increased its sales and boosted its perception. They showed just how important it was to understand the consumer base and adjusted their brand to the younger consumer segment. Coca Cola fundamentally understood that they had to adapt and conducted the proper market research to launch their successful campaign.



