

Patricia Norberg Marketing

Presentation to MBA Students

From Hungary

3/6/09





Where to Start...

- Let's talk about you first...
 - What are your expectations about your visit to Quinnipiac?





Where to Start...

- Let's talk about you first...
 - What do you think you would like to hear from me?
 - In other words, what do you think of when you think of marketing?





Where to Start...

- Why talk about expectations?
 - As marketers, we always want to meet or exceed expectations, which mean we need to know the consumer
 - We need to know expectations and why those expectations exist
 - Answering Why and not just What helps get at the root of the problems
 - We should refer to what we know, learn what we don't, and apply theory appropriately – don't think from the perspective of the marketer, think from the perspective of the customer





What you might want to know about the person speaking to you...

- **Started out in finance**
 - Capital planning for a manufacturer to MBA (Finance focus) to banking (profitability management and reporting)
- **Moved into management and IT consulting**
 - In charge of developing a new line of business (marketing) – customers were other businesses
- **Ended up in marketing**
 - Career in banking lead to interest in leveraging consumer information... but why didn't we consider the consumer during the collection of information?





Research in Consumer Behavior... how does it help?

- The importance of understanding the customer... it's all about exchange of value
 - How does this differ in the U.S. versus other parts of the world?
 - Needs can differ
 - Expectations can differ
 - Concerns can differ





Today's Discussion - Three Projects

Some of the many things we can focus on in marketing:

1. Helping Small Businesses in Nicaragua
2. Consumer Information Disclosure
3. How People Pay





NICARAGUA





Examples – Developed vs. LDC

- Nicaragua...

- Running a bakery, a hotel, a grocery store in a village, a microlender

- Issues of Knowledge about Running a Business – the grocery store
 - Issues of Competition – the grocery store
 - Issues of Knowledge and Risk Aversion – the hotel
 - “That won’t work”
 - Issues of Employee Motivation ... customer service – the bakery

- Aversion to change

- Building knowledge about loans

- Issues of Customer Behavior ... trust





Time for you to teach me... Where would you put Hungary?

- How do small businesses operate there and how does the application of principles of marketing differ in a developed country vs a less developed country? E.g.
 - Regulations / Government
 - Interest on Loans
 - Taxes
 - Employee Behavior
 - Customer Service and Motivation
 - Customer Behavior
 - E.g. Policies on Returning





Consumer Information Disclosure





Topic 2: Customer Information

- What does Privacy mean to you?





Topic 2: Customer Information

- How do you feel about providing personal information about yourself to businesses?
 - E.g. Name, Address, Phone, Email, Date of Birth, Income, Education, Purchases, Loans, Health, What you Own, Interests/Hobbies, Attitudes on Various Topics...
 - You name it, a company will collect it...
 - “Developing goods and services to best meet the needs of customers”





Topic 2: Customer Information

- How do you feel about providing personal information about yourself to businesses?
 - Trust, Risk and Value in Exchange is important
 - Consumers attempt to cope with information requests in different ways
 - Coping is a means of changing one's discomfort with an exchange
 - » Behaviors
 - » Emotions





Topic 2: Customer Information

- In the U.S., concerns about privacy stem from fears that companies or other people might misuse your information...
 - What types of behaviors and emotions might this prompt?





Topic 2: Customer Information

- In many other countries, privacy concerns stem from fear that the government will misuse the information...
 - What types of behaviors and emotions might this prompt?





Topic 2: Customer Information

- In yet other countries, saving face is important...So, privacy in the sense that we typically use it takes on a different meaning – “hide what I don’t know or that which I don’t want you to judge me by”
 - In Nicaragua, we found that it is important to ask questions over and over again, because the story changes
 - It takes a lot of time to foster trust





Topic 2: Customer Information

- How would you describe the perspectives on sharing information in Hungary?
 - What would people worry about?
 - How might that challenge businesses?





How People Pay





Topic 3: Forms of Payment

- How do people pay for goods and services?
 - Everyday items
 - Gifts
 - Spontaneous purchases
 - Large, planned purchases
 - Unexpected purchases





Topic 3: Forms of Payment

- Sellers need to be concerned with our customers' ability to pay and means of paying.
 - How do we help them pay?
 - In Nicaragua, loans are granted to “groups of consumers” living in villages and “chipping in” to pay debt is one type of arrangement
 - Greater assurance that debt will be paid
 - BUT, at high rates of interest





Topic 3: Forms of Payment

- How common is it for individuals in Hungary to pay for things with:
 - Cash
 - Debit Cards
 - Payment Cards (examples – prepaid cards like Visa and American Express, gift cards, “reloadable” cards, but include also foreign exchange cards and remittance cards)
 - These are cards that do not require a bank account
 - Credit
 - Checks





Topic 3: Forms of Payment

- In the U.S.
 - Changes in settlement (how fast money clears at banks)
 - Big shift away from checks (and cash) to debit cards and other payment cards.
 - But, there are other characteristics of non-check payment forms that are important to understand...
 - Ability to maintain anonymity / Internet purchases
 - Caring for the unbanked population
- Security (sending funds to members of family in other countries)





Topic 3: Forms of Payment

- Just four years ago, gift cards were basically unheard of in parts of Europe like the U.K.
 - Based on what we had learned about the adoption of gift cards in the U.S., we were able to predict what adoption would be like in Europe and were able to help retailers understand what they could do to speed that adoption
 - Because the U.K. and other European countries were already used to Oyster Cards, and other forms of “top up” cards, it was likely that gift cards would become popular quite quickly





So, why is this relevant to you?

- Hopefully, you will take away from this that the principles of practice and theories of consumers do not necessarily change around the world.
- Instead, it is how those principles must be applied that are important.
 - In Nicaragua, our basic notions about “simple solutions” based on our U.S. perspective were challenged due to the cultural differences.
 - However, if you have a strong grasp of the principles, then once an understanding of that culture is developed, applying the principles in the right way is much easier.





Thank you and enjoy your stay ☺

