

The North Face: Understanding Customer Needs And Value For Effective Marketing

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Understanding the concept of customer value

Businesses must understand their customers' needs to know what to produce while still making a profit at the same time. It requires an in-depth understanding of customer value, the "central concept of marketing" (Woodruff, 1997). Customer value definition varies from the more complex to the simpler one. According to Zeithaml (1988), customer value refers to the benefits customers receive compared to the cost or sacrifices they make. Other scholars define customer value as "all factors that make up the overall shopping experience: quantitative and qualitative, subjective and objective" (Schechter, 1984, as cited in Sidorchuk, 2015). The first and second definitions are related in that if the term "receive" in Zeithaml's (1988) definition were to be broadened, the things mentioned in the second definition would be what is meant. To understand the conceptualisation of customer value, one might refer to a specific framework developed by Smith and Colgate (2007), where they categorised different value types. This essay will explore the concept of customer value, its relation to customer needs, and its importance to marketers.

Functional/Instrumental Value

The North Face offers a variety of goods for sale, including clothes and hiking gear (<https://thenorthface.com.au>). Analysis of the needs and values of their target market is one of the ways businesses choose which to sell. For instance, the High-Pile Nuptse jacket that The North Face sells has the value of providing warmth to the person wearing it ("Women's high-pile", n.d.). Another example is the Blue Kazoo Eco sleeping bag which functions as portable insulated bedding where the customers are outdoors ("Blue Kazoo Eco", n.d.). Each product's functional benefits are what Smith and Colgate (2007) call functional value. Goods that address problems with consumption by having desired qualities, being practical, or serving a desired purpose (Smith & Colgate, 2007).

Symbolic/Expressive Value

The original style of the Nuptse jacket from 1996 ("Women's 1996", n.d.), known as the retro Nuptse jacket, also has a symbolic meaning. According to Smith and Colgate (2007), products with symbolic value provide psychological meaning to customers. When a person owns a particular product, for instance, luxury goods, or we give them to someone else, it appeals to their self-concepts and sense of worth (Smith & Colgate, 2007). Based on the Lyst Index ("The lyst index:", 2022), a report released by the

worldwide fashion search site Lyst on fashion's top brands and items, the North Face 1996 retro Nuptse jacket was one of the world's hottest products. Using Smith and Colgate's (2007) principle that was just explained, the jacket's popularity might give the customer a positive impression of owning the jacket. Also, it enables people to express their personalities, preferences, and values (Smith & Colgate, 2007) through the purchase of the Nuptse jacket.

Experiential/Hedonic Value

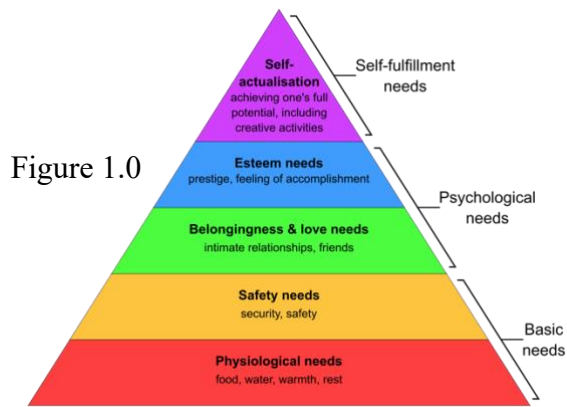
Referring to the sleeping bag example, the lifestyle and outdoor clothing company noted on their website that the product's primary purpose is for hiking ("Blue Kazoo Eco", n.d.). Hiking is a recreational activity that some people love. Positioning the sleeping bag was purchased for hiking purposes; owning a sleeping bag from the North Face can assist a person in joining a group of hikers and developing social ties with people who have that brand's product or enjoy hiking. This means the product has experiential value, that is, when "a product creates appropriate experiences, feelings, and emotions for the customer" (Smith & Colgate, 2007).

Cost/Sacrifice Value

Cost or sacrifice value is the final of the four main categories of customer value. The company charges AUD 650.00 for the Blue Kazoo Eco sleeping bag, which is a significant sum of money ("Blue Kazoo Eco", n.d.). Some buyers may view this purchase as a high involvement buying because it was expensive. This is when other costs that do not involve money come into play, and customers weigh if the price they will have to pay is worth it with what they will get. Simply put, the cost value is "concerned with these transaction costs" (Smith & Colgate, 2007).

Customer values concerning customer needs

Kotler and Armstrong (2012) define needs as a state of felt deprivation. Deprivation is a situation where customers desire something. Needs are about more than just the necessities such as food and water. Maslow's (1997) hierarchy of needs shows five types of needs and their ranking of importance:



(“Maslow's hierarchy of needs”, 2022)

This theory (refer to figure 1.0) suggests that all people have basic needs, which Maslow (1997) divided into two classifications. On the very first bottom of the triangle lay physiological needs which are directly related to a person's survival, that is, food, shelter, and other necessities to live (Maslow, 1997). Once those needs have been satisfied, comes the need to protect what one has and themselves, for example, by having life insurance. Third is the need to belong to a particular group and feel a connection (Maslow, 1997). Satisfaction of belongingness and love needs leads people to start feeling the need to evaluate themselves highly. Maslow (1997) classified the esteem needs into two categories, “the desire for strength, for achievement, for adequacy, for confidence in the face of the world, and for independence and freedom” and the desire to get respect, recognition, attention, and appreciation from other people. On the highest level of the hierarchy comes the feelings of self-confidence, where needs depend on one’s definition of happiness or whether they feel like they have achieved what they individually want (Maslow, 1997).

All other needs may cease to exist or be subordinated if all needs are not met, leading to the organism's dominance of physiological needs (Smith & Colgate, 2007). However, this hierarchy of needs may only apply to some people. To some, it is possible that self-esteem may seem to be more important than love. Maslow (1997) stated that those who need affection might make a solid effort to project an image of aggression and self-assurance due to the idea that a strong person is more likely to be loved than someone who evokes fear or respect. So, in essence, they want high self-esteem and the behaviours that go along with it less for its own sake and more to receive love.

People have projected these needs on the values they search for when looking for a product. What state of the hierarchy of needs the customers are on will affect their thinking process, including their preferences and buying power.

The Importance for Marketers to understand the concept of customer values and customer needs

People's needs motivate them to buy a product that satisfies their deprivation. The decision-making process when one is to buy a product, specifically the search for information and processing of the information, is when customers consider which product has values that match up to their needs and their buying motive. When customers recognise the need to buy, for example, shoes, they start to think about the brands, the functionality of the products, and all that is included in the buying experience. All the previously mentioned factors depend on each person's circumstances and perspective of what is important to them. Businesses must be able to assess their target markets to generate products or services and manage their companies in a way that their clients will likely find valuable.

These different needs help businesses identify their customers' buying motives and what kind of products they should sell. Marketers can better understand their target market by recognising customers' demands and other crucial factors. Once they have all the knowledge necessary to meet customers' needs, marketers must determine the product's value. Delivering value to customers enables businesses to keep in touch with them over time and have them as repeat buyers if the products succeed in meeting consumers' expectations. As for The North Face, because they have stores in many areas of the world, it is best for them to conduct further research for a different part of the world. That way, the website, stores, advertisements, and products can be specialised to the customers' needs and value in that specific country. In fact, they already do that, as evidenced by the fact that each country's market has been taken into account while designing their websites and the brand ambassador or models shown on the websites (<https://www.thenorthfacekorea.co.kr>; <https://www.thenorthface.co.uk>).

In addition, because The North Face marketers are already aware of the values they can convey through their products to their particular target demographic, they may have high engagement with their promotions, which could result in high sales.

If high sales are maintained, they will reach a break-even point where they will get profit which leads to a higher market share. From there, maintaining the brand's identity and the values of the products, planning and implementing a more effective and efficient

production, and identifying their customers' needs from time to time are the keys to keep the business running.

In conclusion, customer value and its four major types: Functional Value, Experiential Value, Symbolic Value, and Cost Value, which focus on how certain products benefit the customer, are essential (Smith & Colgate, 2007). Customer needs must first be recognised to determine a customer's buying power and motivation. Advantageously, marketers who comprehend these two ideas will find it simpler to manage product development, production, and sales processes.

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