



BUYER BEHAVIOUR

AUG 2022

MOCK EXAMS

Time: 5:30 PM – 8:30 PM

Date: NOVEMBER 8th, 2022

Three hours duration

The Mock will be 3 hours in duration

The mock has **TWO** Parts.

Task 1 is worth **40%** of the total marks available

Task 2 is worth **60%** of the total marks available.

You are required to give your answers in the GSM answer booklet provided. Do not repeat the task in your answer, but show clearly the number of the task attempted on the appropriate pages of the answer book. Please start each task on a new page.

Rough work and notes **must** be written in the answer book or on supplementary sheets and **must** be clearly identified.



Part A- Compulsory: Case Studies

Customer Experience Analysis of D2C Beauty and Cosmetic Brands in the USA

Category Analysis – Beauty & Cosmetics – Makeup Region – USA

The global beauty industry is worth \$511 billion and is expected to hit the \$716.6 billion mark by 2025. And the global makeup market will probably be worth around \$85 billion in 2024 as per the studies. According to the Direct-to-Consumer Purchase Intent Index, 43% of American consumers are familiar with D2C brands. It also says that 69% of those consumers made at least one purchase from a D2C brand in 2020. Within this, wellness & beauty is one of the largest categories for consideration in D2C, at 29%

Methodology

The analysis is based on customer reviews and conversations online in the segment. The analysis results presented are completely unbiased and not based on any subjective judgement. The source data used for the analysis are user conversations available publicly online like public forums and social media.

Total number of customer conversations analysed 243,917. The beauty and cosmetics market landscape today is vastly different from that of ten years ago. Through the use of social media, email marketing, and shop-able apps, direct-to-consumer (D2C) beauty consumer brands have been able to sidestep the big giants.

When entering into the makeup industry, it is quite seamless for customers to pick a DTC brand since there is overcrowding of DTC beauty brands in the market.

The hyper makeup obsession and the changing consumer behaviour of millennials and Gen Z have totally been reflected in the D2C makeup industry. Through multiple online stores and physical stores, customers can browse, compare and get the desired one as and when required.

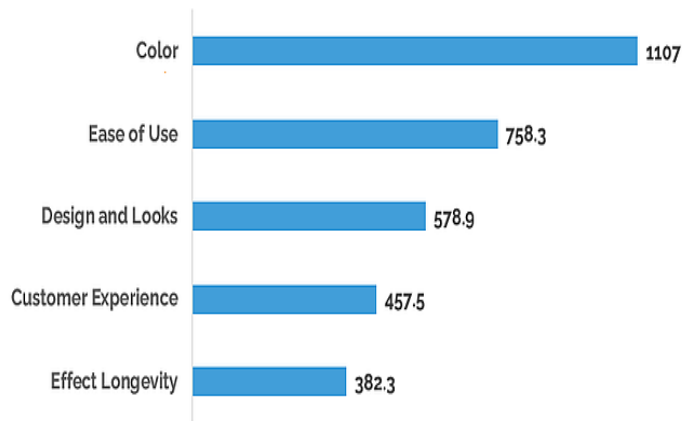
The question here is what are the secret ingredients that give a customer an exceptional customer experience?

Key Considerations for D2C Brands in Beauty and Cosmetics

To set themselves up for success and remain competitive with third-party retailers, a beauty brand must have a solid customer experience strategy in place and consider the following factors.

To create a pleasant customer experience, businesses must ensure that the customer experience is better than or equivalent to that of the beauty trailer store when implementing a D2C strategy, which means they must first define the customer journey they want their customers to take using the consumer data.

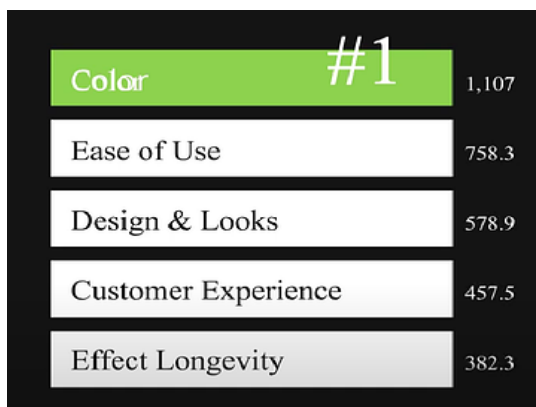
[Cloorack's](#) customer experience that analyses millions of customer conversations gives us a sneak peek into the 5 major factors that drive customers to choose or reject a makeup product, which are Colour, Ease of Use, Design & Looks, Customer Experience and Longevity as indicated below.



To see where Beauty and Cosmetics is headed, start with understanding the makeup revolution. Drilling down into the key drivers of the makeup industry:

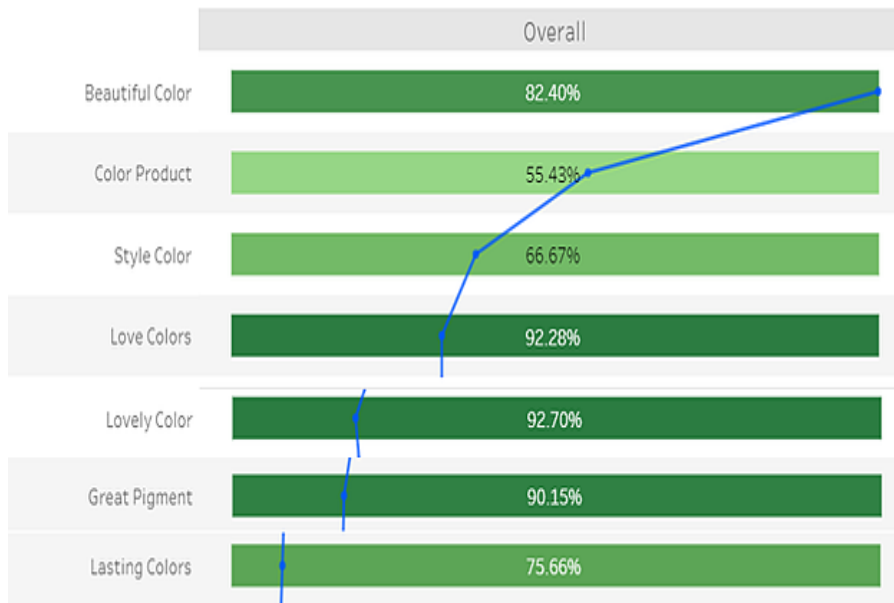
1. Color of the Makeup Products

'Color' of the makeup products stands out as the number one driver of customer experience.



As per Clootrack' customer experience tracker, 92.28% of customers love the color of makeup they bought, shooting up the customer experience to a great extent.



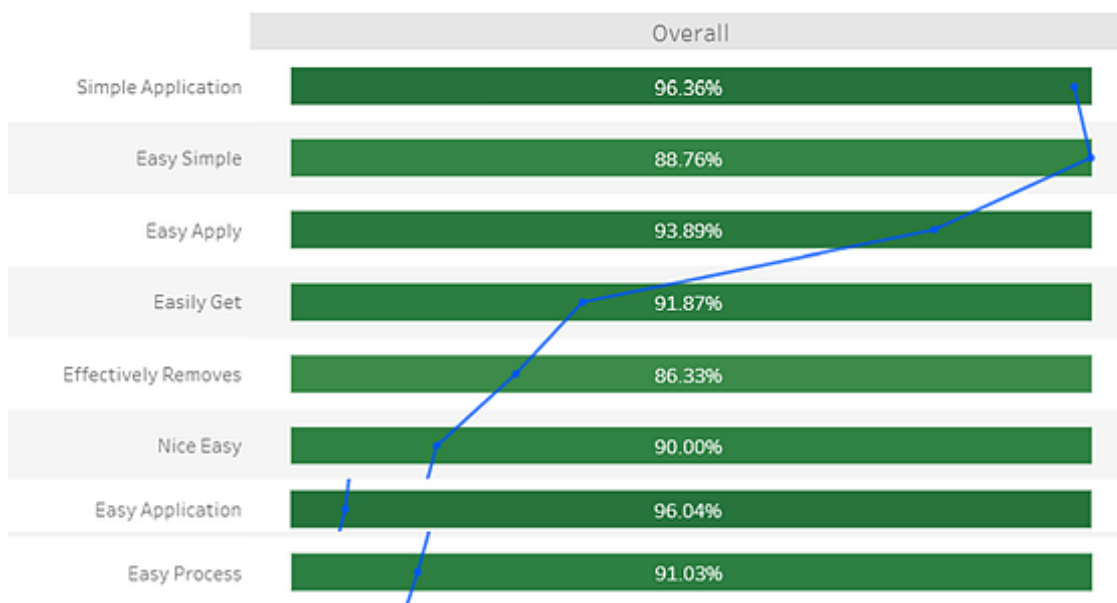


Customer experience insights show that it's hard for customers to go with a bit darker or a bit lighter, they need the exact color they are looking for.

2. Ease of Use

Ease of Use is the second most popular category that drives customers to pick makeup products. Convenience itself is a kind of customer experience. The easier to use a product, customers will stick to that product.

As per our customer experience insights tracker, 87.56% of customers like products that are easier to use. Removal of makeup products is as important as the right application of them. The convenience in the application as well as removing the beauty products makes customers more satisfied.



96.36% of customers reported their satisfaction with the simple application of makeup products.

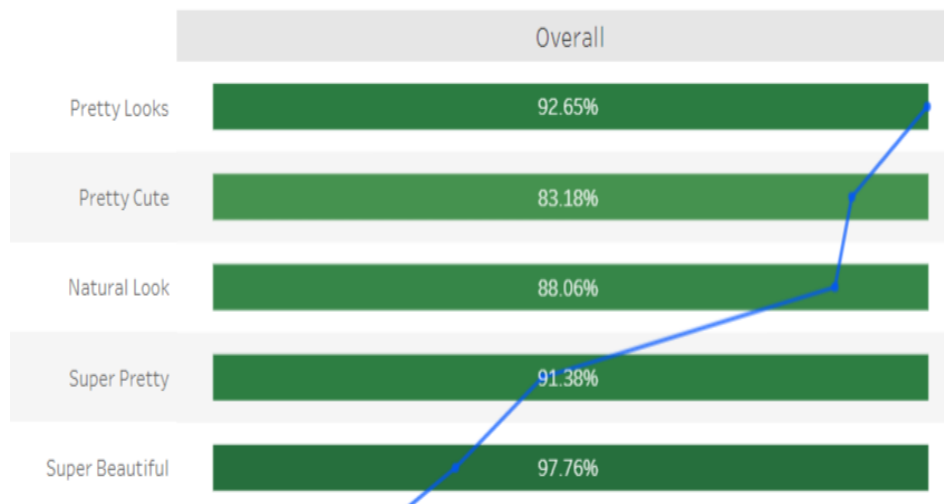


Customers consider a product as ideal when it is easy to apply, easy to carry, long-lasting, and very easy to remove from their skin.

3. Design and Looks

Beauty and Cosmetic products that enhance beauty, highlight facial features and truly do their job, satisfy their customers exponentially.

Consumer insights show, a whopping 92.65% of customers like products that make them pretty, beautiful, and look more natural.



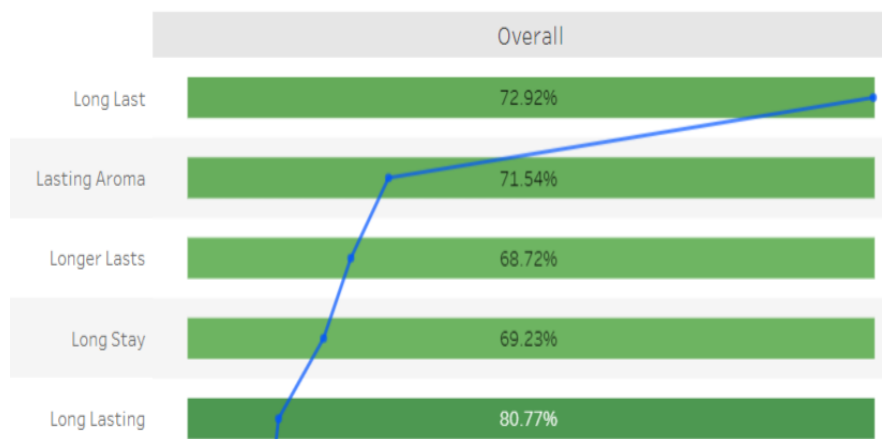
“I love this eye shadow stick in the color dreamy haze and it is gorgeous looking and makes my eyes stand out more.” says a happy customer.

Customers are happy with the products that leave a healthy skin tone rather than a dry cakey look.

4. Effect Longevity of Makeup Products

Long-lasting is one of the preferences of all makeup lovers. Customer experience fades with the fading or smudging of makeup when traveling, sweating, or even drinking water.

As per the consumer insights, 80.77% of customers found satisfaction with long-lasting makeup products.

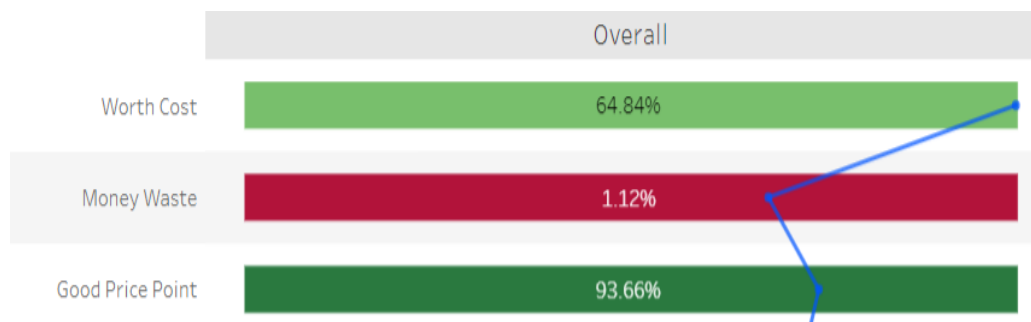


It is waterproof. As for washing it off, you will need a good lathering cleanser, and after that, it will still not all be gone, so you will need a few cotton pads with micellar water or sea breeze to get the last traces of it off your skin, it's that long-lasting." says a customer.

5. Price of Makeup Products

Pricing of products is crucial in makeup products. Overpriced products with poor quality will be washed out of the market since customers always seek products that are worth spending.

As per our customer experience tracker, 93.66% of customers are satisfied with products that provide good quality with an affordable price range, while 98.21% of customers are concerned about the money they wasted on products with less quality.



When customers see a price range, they come to an expectation of quality in terms of that price range. If they get better results at an affordable price, they will be more satisfied. Hence, fixing the price of products needs to be decided based on the quality that cosmetics brands offer.

Which D2C Beauty and Cosmetic Brands Are USA's Favourites?

USA is home to many established beauty and cosmetic brands such as Revlon, L'Oréal, NYX, and has seen emerging DC brands play a major role in the online beauty space. Although traditional brands tend to still dominate the overall market, new-age D2C brands are giving them a run for their money.

Challenges Faced by Beauty and Cosmetics D2C Brands?

The biggest challenge faced by makeup brands is the side effects and allergic reactions faced by customers. A whopping 44.41% of the customers raise concerns about the side effects of makeup products.

When we drill down using the customer experience tracker, it's crystal clear that the underlying issues are skin irritation, skin burn, skin itch and a dry eye.

Part A. Compulsory Question: Answer all (40 marks)

As a Marketing Consultant hired by a Makeup & Cosmetics Company to provide direction and strategy, you are required to write a report on the following:

- a. Identify and discuss the key drivers of the Makeup Industry with it relevance to Customer's Behaviour. (15marks)
- b. What kind of Customer Experience Approach will you adopt and suggest looking at what customers expect from your company.(15 marks)
- c. To represent and position your makeup brand in Ghana, discuss how the marketing mix can be used to improve your product and services. (10 marks)

Part B. Answer 3 Questions Only: (60 marks)**Question 1.**

As a Market Executive, your company has introduced new products that would help grow and position your brand and most importantly encourage better buying behaviour. Write a report to the Chief Marketing Officer on why you would adopt Product Positioning strategy.

- a. Define Product Positioning (4marks)
- b. List 5 types of Product Positioning and justify why you would opt for any 3 looking at the preference and strategy (10 marks)
- c. Identify and discuss the importance of Product Positioning (6 marks)

Question 2.

The company you work for as a Marketing Manager is introducing a new product promotional campaign aimed at influencing different categories of customers. You have been tasked to prepare a presentation for the CEO on the following key issues to assist in the development of the promotion.

- a. Differentiate between Product Positioning and Brand Positioning and explain which would be an option to drive (10 marks)
- b. Discuss the characteristics of Product Positioning which would be key indicators for your product promotional campaign (10 marks)

Question 3.

In an interview which you are likely to be the next Regional Marketing Manager, you are to convince the panel of your full understanding on Market Position, by addressing the following:

- a. List and discuss the 4 market positions and recommend the 2 suitable options for your Ice Cream and Pizza Company (8 marks)
- b. Define Position Statement and recommend your position statement (4 marks)
- c. List and explain the core elements of Market Position (8 marks)



Question 4.

At your Quarterly Performance Review, some questions were asked by your Sales Team, Address accordingly the following questions as the Marketing Manager.

- a. Explain Market Segmentation (4 marks)
- b. Explain Target Market (4 marks)
- c. Explain Buyers Behaviour (4 marks)
- d. Discuss the importance of Segmentation, Targeting and Positioning (STP) relating it to buyer's behaviour (8 marks)

Question 5.

Customer Service training has become necessary due to the market dynamics, as the marketing trainer, address the following:

- a. List and Discuss the 7Ps in Marketing (6 marks)
- b. List and Discuss the 7Cs in Marketing (6 marks)
- c. List the 7Cs in Communication and discuss the importance or why it is necessary to buyer's behaviour (8 marks)

Question 6.

You work for a fashion company as a Marketing Officer. The company is contemplating coming out with a new product to serve the market base on generational gaps. The Marketing Manager has asked you to submit a REPORT.

- a. List the 5 factors that influence Buyer's Behaviour (4 marks)
- b. Discuss in detail 3 factors of buyer's behaviour that relate to your assignment (7 marks)
- c. List the Generation names and discuss any 3 categories in relation to your fashion company, the relevance and influence it would have on your new product line (7 marks)
- d. Give your final recommendation (2 marks)

