

### What Goldilocks can teach you about your marketing strategies...

#### Too hot, too cold, just right...

Goldilocks avoided the porridge that was too hot or too cold and went for the middle choice that seemed just right. The consumer who picks a product in the middle of the available range of products typically exhibits one of two types of purchase decision behaviors:

- a more feature driven, knowledge based decision, or
- a fear of either spending too much for unnecessary features or not spending enough to get a product that will meet future needs

Nathan is leaving for college in the fall. It was clear at the parent orientation that Nathan would need a laptop in college in order to succeed, so Nathan's parents want to purchase a laptop for him. Neither of Nathan's parents are particularly knowledgeable about laptop computers. When visiting a retail store they see an array of laptops lined up in front of them with a specification/feature list posted under each. None of the laptops has exactly the same feature set: the most expensive products have a host of features, many of which they are not sure Nathan needs; the least expensive option has many fewer features and they are not sure it will have what Nathan needs to succeed. In their uncertainty they ask the sales person for help, but do not get the feeling the sales person is particularly knowledgeable. In their confusion, they gravitate somewhere in the middle between the least expensive and most expensive options.

Why? Goldilocks has the answer.

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#### Knowledge makes a difference

The inexperienced consumer looks at all those features and doesn't really know which they need. So rather than pay too much on a high-end product and buy features they will never use, or pay too little and discover later that the low-end product doesn't meet their needs, they buy something in the middle what seems to them to be a safe option.

The more knowledgeable and experienced laptop user might also pick the same 'middle of the line' laptop but for different reasons. They know that the high priced option has features that their college bound child will not need and they are able to assess that the lowest priced option is missing some critical features that will be necessary for life on campus. So they pick the model in the middle that provides the most features at the mid-price they are willing to pay.

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#### What does this mean for your marketing strategy?

Understanding that the segment of consumers buying those models that fall in the middle of your product line consist of two very different types of purchasers is critical for developing marketing messages that will appeal to both. The more knowledgeable consumer is easily enticed with a marketing message that is feature driven and value based. The less knowledgeable consumer is drawn to a message that makes them feel like they can make a safe, smart choice.

#### Yarnell Solution

Yarnell, Inc. is your decision expert that will help you understand your customers' purchase decision process and help you develop marketing strategies that are relevant and effective.

#### Budget still matters

Goldilocks decision making does not mean budgets do not matter.

Consumers limit their consideration to products that are within their budget. If the middle of the product line is too expensive, they will focus on less expensive alternatives.

#### What about corporate IT and small business decision makers?

It all depends on experience. A small business decision maker who is not confident regarding technical issues will gravitate to the middle like a novice consumer. Corporate IT and small business decision makers who understand the features will make a more considered judgment, but will tend to exclude the lower end of the product line to avoid buying a product they cannot easily redeploy for another purpose in the future.

**Productivity tip:** Spend research dollars in proportion to your ignorance; anyone can spend less money, Yarnell can help you spend your money smarter.

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