

**Statement:** The buyer decision process varies according to the customer, the organisation, the market, and the product. The buyer decision process has 3-time zones; the first-time zone is purchase behaviour. It is often overlooked that after selecting a product a customer will form expectations which will be assessed and evaluated in the second and third time zones.

**Task 1:** Using the Kiwi Experience product demonstrate your understanding of the first-time zone and the steps a consumer may take when selecting [or not selecting] this product. Ensure you also discuss how expectations influence customer satisfaction.

When a **consumer** is in the process of selecting a **product**, they will first have some idea of their **needs** or **wants**. In this situation we assume that they are in the **market** for a holiday. They may not know at that time exactly what they **want** but will begin to look. This may be through various forms, for example word of mouth, internet search etc. The **consumer** will then commence to consider which **products** may meet their **needs** and form a **considered set of products**. As far as a **product** goes looking at the Kiwi Experience website it is clearly aimed towards the backpacker **market** and the **organisation** has carefully considered the **situational factors** in their **marketing philosophy**. Indeed, the very name 'Kiwi Experience' is the first step in enticing a potential **customer** to the company's **product**. The use of slang for the New Zealand people and the word 'experience' immediately gives a feeling of what type of **product** this will be. In this situation the **organisation** has positioned themselves to a **segment** i.e. the backpack **market**, but you will note from their website that they also used the term 'young at heart' as part of their positioning **strategy** so not to exclude the older **segment** of the **market**.

Given that the **product** is aimed towards backpackers and adventure the **consumer** approach would be one of **reward** rather than **punishment**. In this way the **consumer**, after having started to form their set of **needs**, will **want** a **product** that **best rewards** or **satisfies** these **needs**. They will begin to think of what **consumption qualities** they will **want** in the **product**. This could be in the case of a single person the **want** to meet other backpackers (i.e. **Social**) or for the adventurous the **want** for excitement and stimulation (i.e. **Sensory and/or Epistemic**). They may **want** the safety of knowing the itinerary is set or they could be bound by a short of timeframe (i.e. **Emotional** or **Temporal**) or for those who choose the basic 'hop on hop off' option it may be the **functional** aspects that meets their **wants**. The **wants** could even be **spiritual**, they may feel this **product** will provide them with a down to earth or grass roots experience of New Zealand. If they are traveling with others, then the buyer **decision process** will generally be **syncretic**, or it may be **autocratic**. (e.g. If one person of the group holds sway over the others as maybe they have done this before) Each **consumer** or group of **consumers** would approach the **qualities** they **want** in their own way however they would generally fit a **demographic** that the **product** is aimed at and have a **homogeneous set of needs**.

The **consumer** will then start to weigh up the various options, not only from the Kiwi Experience **products**, but also **competitors** or they may even choose not to select any type of guided tour and **exit** the process. This could be to hire their own transport or **defer** the decision or just decide they do not have the time or money for a holiday and **exit**. During this time of weighing up the options what the **consumer** is really doing is carrying out a **cost benefit risk analysis**. They will do this by comparing the various **products qualities** against the **consumption costs** and determine a **perceived value**. **Value** here will include their own **human, personal and cultural values**. When evaluating the **consumption costs** the **consumer** will consider the **money, time and effort costs**.

The purchasing of holiday would be considered by most as a **high involvement activity** and as such the **consumer** is likely to invest heavily when determining their **cost benefit risk analysis**. They will consider in some form all the **COMP factors** and eventually decide if they should go ahead with the purchase. They are likely to seek out **risk management strategies** such as product reviews, assessing the reliability of the organisation or seek recommendations so eventually they feel they have made an **informed decision**. It is during the **product selection process** which involves researching, analysis and assessing that the **consumer** will be forming and predicting **expectations** of the **products** that will **best satisfy** their **needs**. They will eventually choose a **product** with the **best perceived value**. When a **consumer** chooses a **product**, the **expected value** will always be positive during the **first time zone (product selection)**, although there will be differing levels of **perceived value**. Then if **value** is **exceeded** during the **second time zone (Product delivery)** then during the **third time zone (Product Evaluation)** the **customer** will have been **satisfied**.

**Statement:** The total product is the totality of what an organisation delivers to the customer – what is promised, therefore, what is expected, what is delivered, and what are the total costs to the customer.

**Task 2:** Given this statement, holistically, demonstrate your understanding of the total product relevant to the example.

We saw in the previous section on the **buyer decision process** how this is mostly a **consumer driven process** however when we look at the **total product** we will see that this is mostly an **organisation driven process**. The **organisation** will be **best served** to deliver their **product** considering the totality of all **qualities** through all **three of the time zones**. If what they **promise to deliver** meets **customer expectations** at a **cost** that the **customer** considers **value**, then the **organisation** is **better** able to **satisfy** their **needs** and be **successful**.

It would be very important for Kiwi Experience when considering their **total product** to also consider their **channel partners** and the **aggregate** of the **total experience** their **customers** will receive. While most packages they offer include accommodation and experiences they do offer additional extras and some **products** which just include the travel component, so they would need to **collaborate** with their **channel partners** to ensure overall **customer satisfaction**.

To develop **product leadership** the **marketing practitioner** would need to consider the **product considerations**. These will vary according to different **market segments** and **products** however it is fundamental for an **organisation** to understand as they will have **consumer influence** during the **buyer decision** process. In the case of Kiwi experience there would be many **product considerations** which need to be managed to ensure that a **unique product value proposition** is developed.

The Kiwi Experience has a basic **core product** which I'd propose is simply that of a bus operator providing a service from point A to point B. When reading reviews this seems to be a sore point for some of those that chose the hop on hop off option when the **organisation** has dropped from say a three weekly service to twice weekly. Here the **customer** has formed an **expectation** of the **product** that wasn't **delivered** so has **punished** the **organisation** for their **dissatisfaction** by a negative review. The customer here has had an **unacceptable outcome** however this may have been solved by **communication** and acknowledging that the **product** has changed and maybe exchanging for a more expensive product which would move the **customer** to feeling they have had an **equitable outcome**. If the **product** was delivered as **promised** and the **customer** was able to hop on and hop buses where and when they liked, then probably the **customer** would have had the **predictive outcome** and been **ambivalence** or maybe due to the augmentation of the driver guide been **satisfied**.

To **augment** the **product**, Kiwi Experience have added knowledgeable driver guides, multiple itineraries and **collaborated** with **channel partners** such as attraction, accommodation and meal providers. They also have the option of **co-produced** private tours. When providing the **augmented product**, they have kept in mind the **situational factors** and target **market segment** for example by not providing top of the line accommodation but providing, in their words, 'Accommodation on our tours is no-frills, but there are no nasty surprises'. I would argue that Kiwi Experience have an **appropriate augmentation strategy** for their chosen **segment of the market**. THL who operate Kiwi Experience also have other **products** which are targeted at **multiple market segments**. So, while Kiwi Experience could be said to be taking a **niche approach**, THL is taking a **segments-of-market approach**.

Not knowing what is going on behind the scenes of Kiwi Experience to determine if they are considering new **potential products** I can imagine some scenario's where they may be. They could work on providing a more upmarket (further **augmented**) **experience** or **reposition** the **brand** to capture more of the **domestic market**. For the upmarket idea this could be in the form of better accommodation or more intimate **experiences** and **ideas** and could appeal to an older **demographic**. It could be the backpacker **gold** (or whatever?) however they would need to be careful to not undermine the current **brand** of Kiwi Experience. The website and videos **positions** them and aligns them with the **idea** that the **brand** is a **holistic, authentic product story** that elicits an **emotional connection** with their **potential customers**. This is played out in the language, characters of the videos, the product names, the biographies on the driver guides, all which provide a **distinct and distinguishable position in the consumer's mind**. The Kiwi Experience **brand** in my view is affordable exciting backpacker tours with passionate guides directed towards adventurous overseas young people. So, while providing upmarket **augmentation** or appealing to older **market segments** may not be Kiwi Experience's **brand** there is no reason they couldn't **reposition**, or their parent company could offer an alternative **product**.

**Statement:** There are a number of product considerations that would be of importance to the marketing manager of this business.

**Task 3:** Identify the most important [relevant] product considerations [6] and then discuss the implications, from the perspective of a marketing practitioner, each selected product consideration.

As a **marketing practitioner** it would be very important to not only take stock (or **audit**) of the **product considerations** but also to deeply understand them. How a **product** is **positioned, delivered and reflected** on by a **consumer/customer** will greatly be influenced by the **product considerations** during all **three time zones** and are interrelated to the **buyer decision process** and **circle of satisfaction**. Kiwi experience has three different **products** (hop on hop off, guided tour, private tour) that all need to be managed as part of their **product portfolio** and therefore the **marketing practitioner** would need to consider how the **product considerations** relate to each **product**.

### Product Leadership

Kiwi Experience are obviously doing something right given the industry awards they have won. If you consider other **competing organisations**, then they would see the Kiwi Experience **products** as the **benchmark** they would aspire to. For them to maintain this lead then a **marketing practitioner** would need to be **iteratively listening** to their **customers** to understand their **needs** and continually developing **new products** or **augmenting** existing **products** to maintain or improve **customer satisfaction** and **adapt** to the **market**.

### Product Positioning

To **position** the **product** in the **consumers** mind, **marketing practitioner's** will need to ensure all their **communications** are demonstrating how the **product** meets the **needs** of the **market segment**. This is to ensure that the **unique value proposition** of the **product** is well understood. With the Kiwi Experience this will mostly be through social media, blogs and their web site. They actively encourage **customers** to be involved in their promotional **communications** via their media kit however this is managed so they have some control over the content and is an area that would need constant monitoring. A further consideration is their **internal marketing** which needs to be constant and delivering the same message. This is where keeping on top of driver guide training is crucial as these employees are the face of the **organisation** and need to be well versed on how the **product portfolio** is **positioned**. Training would also have a great influence on **product variability** by maintaining **quality** standards.

### Product Strategy

Kiwi Experience have several **products** ranging from what would be a **low-price minimal augmentation product** (hop on hop off), the guided tour options which would be a **higher price with appropriate augmentation** then the premium **product** (private tour) which would also be **higher price** however I'd say **customised augmentation**. So, while on face value the **organisations strategy** would be defined as a **niche approach** as they are targeting a **homogeneous** 'backpacker' **market** there is also elements of a **segments of market approach** in the private tour product. This **product** could have elements of the backpacker **needs** but could be tailored to a totally different **consumer** with very different or **heterogeneous needs**. The **marketing practitioner** would need to understand that all backpackers have varying disposable income available with which to afford a holiday and form a **strategy** to **identify** and **reach** these **consumers**.

### Product Adoption and Life Cycle

Within the **product life cycle** it is important to understand at what point a **product** is at as this will lead you to understand **traits** of your potential **customers** and thereby tailor your **communications** (or **strategy**) to their **needs**. By keeping abreast of **customer expectations**, the **marketing practitioner** will be able to continually review the **unique product value proposition**. Kiwi Experience would be in a **growth phase** so generally most of their **customers** would be the **early majority**. To extend time in the **growth phase** the **marketing practitioner** will need to continually **communicate** the **customer** benefits of their **products** and the **product value proposition**. They will also need to be **augmenting** their **product** and considering the **product components** to stay ahead of their **competitors**.

### Product Classification

When considering buying a holiday the **consumer** will have **high involvement** in the **purchase**. They will consider **alternative products** however if an **organisation** has a good **brand name** they **trust** then they will be more inclined towards their **products** and perceive any **purchase** as lower **risk**. There will be a lot of **interaction** with the **organisation** both prior to **purchase** and during **delivery**. The **products** that Kiwi experience provide would fit into the **classification** of a **speciality product** given the above however there are aspects of other **classifications**. The **product** could be **seminal** if say they met their future partner on a tour. It could be **convenience** if a potential **customer** likes the app that's available for timetables as **costs are also time and effort**. It could even have aspects of **shopping** as the tour visits **channel partners**. Given that **speciality products** would have higher levels of **problem solving** and **personal selling** than **convenience** and **shopping products** a **marketing practitioner** would need to ensure they have systems and processes in place to adequately handle these aspects.

**Statement:** There are 6 product components in the total product [goods, services, ideas, experiences, people, and places].

**Task 4:** Identify the product components within the Kiwi Experience product; rank them by importance; justify your decisions [Note it is expected that ranking will vary between students].

It is important to understand that **product components** can be interrelated and while one **component** may be the **dominant component** it is not necessarily the only **component** or **determinate component** a **consumer** will consider. Even within **consumers** groups they may weigh **components** differently but nether less it is the combination of the **components** that will sway a **consumer** to a **product** and provide them with a **sense of value** and ultimately, as a **customer**, if they are **satisfied** or not.

The below table identifies some of the **product components** of Kiwi Experience ranked from left to right as most important as I see it. You will note a lot of overlap within the **components**. This is to be expected. Consider the Driver guide (**people**), this person clearly provides an **experience** to the **customers** but while doing this they will also be providing their knowledge (**Ideas**) and providing **services**.

People	Services	Experience	Places	Ideas	Goods
Included activities	Included activities	Included activities	Included activities	Included activities	Included activities
Driver Guide	Fixed price for non-included activities	Driver Guide	Locations	Driver Guide	Meals
Other travelers	Driver Guide	Accommodation	Accommodation	The feel and emotion	Souvenirs
Local people	The App	Bus - transport	Itinerary	Local people	Hire equipment
Back stage staff	Bus - transport	Meals	History	Website	
	Accommodation	Local people	Meals	Videos	
	Itinerary	Stories		Reviews	
	Meals	Back stage staff		Back stage staff	
	Back stage staff			Other travelers	
	Luggage storage			Blogs	
				Word of mouth	

I mentioned above that I believe the ranking above from left to right is the most important however I will qualify this by mentioning that this is in the **third time zone** of the **product** as I will explain below.

Prior to **delivery** or the **first time zone** when a **consumer** is determining a **product** to **satisfy** their **needs** and **wants** they would likely be looking at the **places** they want to visit and **experiences** the **product** will offer them. This I believe would be their primary considerations so the **dominant components**. As part of the **consumers cost benefit risk analysis** the **ideas** of **value** and **qualities** embedded in the **product** will be considered along with what **services** are available and they may even consider the **people component**.

In the **third time zone** is when the **customer** will reflect on the **product** and form their opinion if their **expectations were exceeded** or not. I have put **people** and then **services** as the most important **components** as **people** in the Kiwi Experience are the drivers of the business, they are the ones that will provide most of the **services**. **People** are who the **customer** will remember most, be it staff from Kiwi Experience or fellow travellers, after the **product** has been **delivered**. The driver guide that excels at their **role** could be said to be an **iconic** part of the overall **experience**. I also chose **people** and **services** as the **product** is very **customer involved** and a **coproduced experience**, given this there would be **variability** and a heavy reliance on the skills of the staff to continuously ensure that everything is running smoothly, and to course correct when required. The driver guide would need to have a **high human judgement factor** and act as the **boundary spanner**.

I have put **experience** and **places** next even though it could be argued that the Kiwi Experience **product** is an **experience dominant product**. The reason is, you could have some great **experiences** and visit some awesome **places** while the **product** is being **delivered** however if the **service** is poor or the driver guide lacks **people skills** then this will **affect** your reflections on the overall **total product** and outweigh the great individual moments.