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**Title:** RACV WISH Gift Card Marketing Campaign

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# RACV WISH Gift Card Marketing Campaign



(source: [Woolworths](#), 2018)

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## **Executive Summary**

This report focuses on the marketing campaign of RACV and Woolworths with the introduction of a new product called the WISH gift card. Research for this particular marketing campaign has been conducted based on Maslow's hierarchy of needs (physiological), the Big Five Model and the Tri component attitude model.

According to the Maslow's hierarchy of need theory, the psychology behind RACV 's marketing activities satisfies almost every consumers' expectations. The first level physiological as well as the second level of needs, security, which points out those motivational factors need to be instructed. RACV 's activities help clients awaken cognitive needs, in which, Woolworths WISH gift cards is related to this concept.

Further exploration shows that RACV activity is related to the five major model theories. The analysis shows that the two models are related to externalities and interpersonal relationships. They are extroverted and awake. In the context of RACV events, WISH gift card is designed to satisfy customers and willing to share their satisfaction with families, friends or even strangers?

Finally, it is found that the Tri component attitude model is also closely related to RACV's marketing activities. The Tri component attitude model consists of three components, namely Cognitive component, Affective component and Conative component. RACV 's activities clearly meet the requirements of the three components. Therefore, RACV 's marketing approach not only maintains customer satisfaction, but also rewards members for discounted purchase of gift card(s). The result is successful retention of customers and continuous increase of satisfied customers.

## **Introduction**

This report focuses on analyzing the RACV Wish Gift Card marketing campaign, utilizing the consumer behavior theories of Maslow hierarchy of needs (cognitive arousal) and consumer perception. The WISH Gift Card marketing campaign is primarily targeted to certain audiences (age group) that can be from any racial background who currently lives in Australia. The WISH campaign offers benefits as well as values for its target audiences as it can be used to purchase necessities/products with less dollar values. Furthermore, there is also a possibility for customers to obtain an appealing and flexible prizes should they decided to include themselves in the campaign. The purpose of this campaign is primarily to deliver customer satisfaction for both, RACV and Woolworths, by offering customers the chance to save money to purchase Physiological (innate) needs when they become/are an RACV member and purchase the Woolworths WISH Gift Card.

## **Background of Campaign**

Royal Automobile Club of Victoria (RACV) Limited as one of Australia's Government Corporation that was established in 1903 has partnered with Australia's largest supermarket chain, Woolworths in a marketing campaign called the WISH Gift Card. RACV members can purchase Woolworths' WISH Gift Card(s), both online and in-store, and save 5% on the value of the actual gift card itself. The WISH gift card comes in different denominations such as \$100, \$200, \$250, \$300, \$400 and \$500. (RACV, p.1) Consumers can either, redeem their WISH gift card themselves at all Woolworths' stores or, simply give the gift card to someone else for the same purpose (redeem at all Woolworth's stores). Not only that consumer can redeem the gift card for purchasing basic necessities such as, groceries and petrol, but consumers will also have the chance to win prizes that will be drawn at given dates. This particular marketing campaign meets the basic marketing concept of satisfying customers' needs, creating value and benefit for both, RACV members and Woolworths. The primary focus of this marketing campaign is to retain current customers as well as to attract potential customers for both, RACV and Woolworths.

## **Physiological Psychology: Fulfilling Basic and Safety needs**

### ***Maslow's theory: Physiological and Safety & Security Needs***

The WISH Gift card marketing campaign used by RACV is a very smart move as the psychology behind the campaign meets almost every consumers' expectations to fulfill their physiological and safety needs with more added value. By becoming an RACV member, consumers will be able to purchase Woolworths' WISH Gift Card at 5% discount, which can be redeemed at all 993 Woolworths Group Ltd. stores across Australia that includes Supermarkets, petrol station, department stores, liquor stores etc. This offer should bring motivation for both, current and potential, members of RACV as there are other benefits that they can gain by being an RACV member. Schiffman, L. & Wisenbilt, J. (2015, p.82) states that "motivation is the driving force that impels people to act". Whereas, needs can be considered to be circumstances or things that are wanted or required, and needs direct the motivational factors. (Schiffman, L. & Wisenbilt, J., 2015).

RACV currently operates in the areas of mobility, as well as home and leisure. (RACV, p. 1) The main purpose of their business is to provide different types of insurance to consumers, which can include automotive, home, holiday insurance, etc. The products that they offer to consumers provide Safety and Security, which can be related to Maslow's Hierarch of needs theory. Maslow's Hierarchy theory was formulated by a psychologist, Abraham Maslow, to describe human motivation based on the notion that there is a hierarchy of human needs. (Schiffman, L. & Wisenbilty, J., 2015).

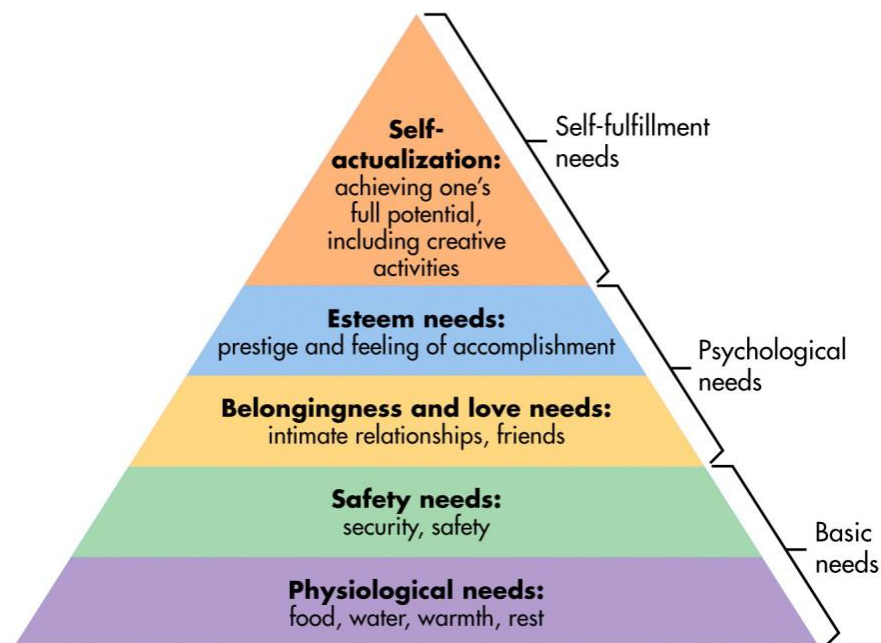
Cognitive need arousal can also help this marketing campaign to make consumer aware of their needs and the added benefits that they will and can receive from RACV and the WISH Gift Card, and thus their consumers can make a cognitive decision-making. There are many psychological models that have been developed in the recent years to try and understand the psychology of consumers, however, the most commonly used/referred to by marketers is Maslow's Hierarchy of needs theory.

There are 5 (five) levels within Maslow's Hierarchy of human needs. Ranking in order of importance from lower-level (biogenic) needs to higher-level (psychogenic) needs. (Schiffman, 2015)

Schiffman, L. & Wisenbilt, J. (2015, p. 90-91) explains that Maslow's Hierarchy of needs consists of:

1. Physiological needs – the first and most basic level of human needs (food, water, air, shelter, clothing and sex)
2. Safety needs – physical safety, stability, routine, familiarity and control over one's life and environment.
3. Social Needs – love, affection, belonging, and acceptance.
4. Egoistic needs - *Inwardly directed ego needs*: self-acceptance, self-esteem, success, independence, and personal satisfaction. *Outwardly directed ego needs*: needs for prestige, reputation, status, and recognition from other.
5. Self-Actualization needs – desire to fulfill one's potential; to become everything that one is capable of becoming.

Maslow's Hierarchy of needs can be illustrated from the diagram below:



(source: [Mcleod, S.](#) 2017)

The WISH Gift Card marketing campaign initiated by RACV and Woolworths clearly tries to attach the first two levels of human needs (according to Maslow's Hierarchy of needs) to their current and potential consumers. Maslow's Hierarchy theory has been highly used as a framework by marketers, which is readily adaptable to market segmentation and development of advertising and other marketing communication appeals. (Schiffman, L. & Wisenbult, J., 2015).

Schiffman, L. & Wisenbult, J. (2015) explains that every consumer goods are designed to satisfy each of the need levels and needs are shared by large segments of consumers. (2015, p. 92) The goal of the WISH Gift Card marketing campaign is to, perhaps, make consumers perceive it as a need rather than just another product/offer. "Because they need it, they should want it", especially when they can fulfill their basic needs (physiological & safety) by purchasing an RACV membership and WISH Gift Card at discounted price.

Kelly, J. (2014) explains that the basis Maslow's theory of motivation, human beings are motivated by unsatisfied needs, and that certain lower needs need to be satisfied before higher needs can be addresses. Furthermore, Kelly, J. (2014) also states that Maslow believed that all people are motivated to move up the hierarchy toward a level of self-actualization. With the products that, both, RACV and Woolworths have got to offer to the consumers cover a very large part of the first two level of Maslow's hierarchy of needs/motivation. Thus, in theory, this should encourage current and potential consumers to purchase their products that are currently being offered with added benefits in order to boost consumer's motivation and cognitive arousal towards their products.

This marketing technique can also arise affiliation need that can be described as a type of behavior that is strongly influenced by the desire for friendship, acceptance and belonging as this gift card can simply be given to someone else for their perusal.

Burton, N. (2012) also explains that the bottom four levels of Maslow's pyramid are commonly known as 'deficiency needs' because a person does not feel anything if they

are met, but becomes anxious if they are not. Perhaps with the offer of a lucky draw with the WISH gift card can create such effect on consumers' behavior. Missing out on a dream holiday to an exotic place, for instance, can create anxiety for some consumers and thus, drives them more to take action/purchase the WISH gift card in order to get bigger chance of winning prizes whilst saving money.

### **Big Five Model Theory**

#### ***Personality***

In order to attract and retain the customers in today's competitive environment, companies are spending millions of dollars to keep their customers satisfied and loyal. The second theory that RACV has been applying to its company is the Big Five Model Theory. According to Pervin and Cervone (cited in Dev & Heesup, 2013) mentions that personality can be defined as psychological qualities, which are an individual's long-standing and different patterns of feeling, thinking, and behaving. Therefore, the reason that customer's personality traits have been using as a reference for customer's influence on co-creational activities, as customers might not change as much over time as motivators or beliefs. Under the trait perspective, there are big five model include neuroticism, extraversion, agreeableness, openness to experience, and conscientiousness. Moreover, according to Courtney (2017) shows that RACV can learn from the Big Five model theory about RACV's personality and help RACV decide where to focus its power and attention.

Based on Leary & Hoyle (cited in Dev & Heesup, 2013) shows that there are two models that have been related to externalities and interpersonally disposition, which are Extraversion and Agreeableness. Leary and Hoyle said that the reason is that Extraversion refers to quantity and intensity of interpersonal communication, the need of motivation, and the volume for joy (cited in Dev & Heesup, 2013). Moreover, Social behavior is significantly impacted this personality trait. Those type of people tend to have strong social skills and extremely friendly. Despite, Graziano & Harmonious view that agreeableness connects to likableness, delight, and compatible dispositions in relationship with others (cited in Dev & Heesup, 2013).

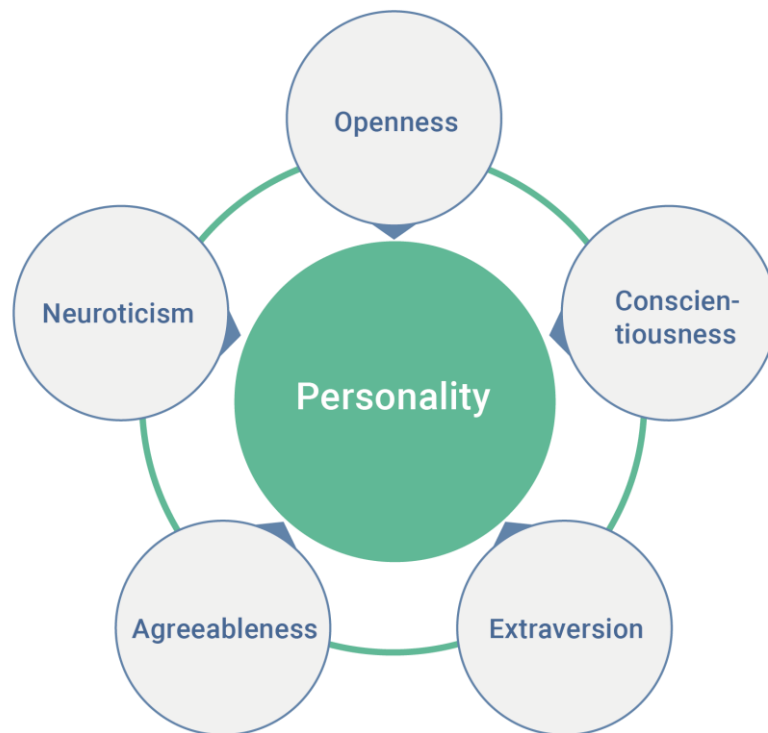


Under the RACV scenario, it can be seen that the purpose of the RACV's Wish gift card is to make its customers happy with meeting new people and introduce themselves to strangers. RACV's customers can use the Wish gift card to go shopping at Woolworths and get some discount.

The third theory is Neuroticism, which refer to people who are always afraid and worriers. This means that those people are often over-thinking their problems or issues and overstating their important. Although, it is the positive situation, those people still see that in negative situation. There are two kinds of neuroticism, which are high and low neuroticism (Psychologist, nd).

Black et al. shows that the kind of people who are proactive, seeking and appreciation of experiences is the kind of Openness to Experience model (Cited in Dev & Heesup, 2013). This means that RACV's members will be provided the new experience and culture for their life. It is a good way for them to get benefit from the RACV.s membership after they have purchase some of the RACV's service. The characteristic of those types of people is willing to try new activities. Finally, Conscientious can be defined as the type of people who know themselves, their actions, and behavior. Moreover, the high in conscientious people are responsible to duties that are assigned to them. Base on Barrick & Mount views that conscientiousness can be the best predictors of job performance and it can be also the most significant trait-motivation variable in the work domain (Cited in Xuan & Bao L et al, 2015). The reason that the Wish Gift Card can provide new information to customers such as getting discount and some benefits. Furthermore, as the surveyed by Javier (2017, p23) shows that there is a strong relationship between 2 personality traits (Conscientiousness and Agreeableness) and both customer empower and satisfaction. This is because issuing Wish Gift card to members can satisfy RACV's customers and attract for new customers to know RACV.

The Big Five Model theory can be illustrated from the diagram below:



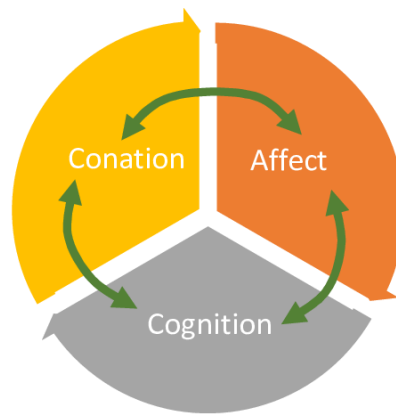
(Source: [Wikipedia](#), 2018)

### Tri component attitude model

The success of RACV's marketing strategy is not only based on the theory of Maslow's Hierarchy and the Big Five Model. In reality, success can be reached when marketing strategy must be implied and adjusted to understand customers' attitude, and constantly improved to keep customer satisfaction. This is primarily caused by the changing customer's attitude that can come from many factors, and lead to behavioral changes, which can result in losing customers for organizations.

According to Cherry, K.(2017), psychologists define attitudes as the stable psychological tendencies that individuals hold towards particular objects (people, ideas, emotions, events, etc.). This kind of psychological tendency contains the subjective evaluation of the individual and the resulting behavior tendency.

The attitude is composed of three different components: cognitive components, affective (emotional) components and conative components, and it is known as the Tri-component attitude model. (Cherry, 2017) The Tri component attitude model can be illustrated as below:



(source: [Jayasuriya, N. A., 2016](#))

### **Cognitive component**

Cognitive factors, as the name implies, refers to people's thoughts and ideas through personal attitude object understanding, understanding, doubt, believe it's pros and cons etc, usually have faith on this kind of thoughts and ideas. (Pluzinski and William J,1986)If the customer wants to achieve a certain belief in the attitude object, the first attitude object should have a certain attribute to be convincing, and can carry out actions to lead to positive results. Just as RACV, as we all know, is a very prestigious insurance company, the business covers every field, the brand effect is produced. In addition, RACV already has 2.1 million members, it is a huge number, is also an important condition to trust the company, and RACV has been constantly improving technology and electronic platform, moment to deal with the different challenges, the ultimate goal in order to better like members to provide perfect products and services. These actions can only lead to a result that makes the customer more trustworthy and satisfied, which is why the RACV marketing strategy is successful that members can buy WISH gift CARDS at a discount.

### **Affective (EMOTIONAL) component**

The emotional factor is defined as the emotional experience of the object of the attitude, the simplest explanation is to like or dislike, respect or contempt, sympathy or indifference (Kasi, 2018). Reflecting back to RACV scenario, the first 2.1 million members on behalf of the insurance business most of the people will be happy with RACV, second people like products are inexpensive and high efficient service diversity, precisely because of these reasons, RACV launched cooperation with Woolworths, RACV members can purchase discounted gift cards, this is a win-win strategy, which enables RACV to seize customers' decision making to become a member.

Woolworths is a famous supermarket chain in Australia that provides necessities for the public. In this instance, with the Woolworths WISH gift card marketing campaign, consumers will pay more attention to RACV. As consumers are able to purchase basic necessities at cheaper price, people naturally would want to get it. However, it is compulsory for them to become an RACV member. Not only that consumers can save money on their basic necessities, consumers' safety needs will also be fulfilled with RACV products (i.e. insurance policies). This marketing strategy should gain, both, Woolworths and RACV competitive advantage over their competitors, such as Coles, Aldi or other insurance companies in Australia.

### **Conative (ACTION) component**

The action factor refers to the tendency or readiness of the individual to respond to the attitude object, which is how the individual prepares to respond to the attitude object (Gerald, 2014). According to the survey, more than 75,000 Victorians buy rack insurance every month because RACV insurance companies provide the best services, such as 24 hours a day, seven days a week. In addition, the important reason for choosing RACV insurance is because the customer will automatically become a member of RACV. As a member of RACV, not only will the gift card be discounted, but also benefits in various fields such as accommodation and tourism. Of course the most important example is RACV's member annuity plan, which is why consumers will

continue to purchase RACV insurance. RACV rewards customer loyalty through a series of discounts on products and services.

## **Conclusion**

The report discusses the theory of Maslow's, the theory of the Big Five Model and the application of the Tri component attitude model. This report also discusses how these theories have been applied to the marketing activities of RACV's WISH gift card. The Maslow's theory is based on the hierarchical structure of human needs to describe human motives. RACV's products bring customers the security needs, while WISH gift card can fulfill the physiological needs of consumers.

RACV's marketing activities will obviously be two levels of demands that are attached to consumers. The Big Five model theory points out that personality is defined as psychological quality. This is a person's long-term different feeling, thinking and behavioral patterns. Therefore, the customer's personality traits have always been used as a reference for influence, particularly in marketing. Therefore, in RACV's marketing activities, it is extroversive and pleasant. Neuroticism is attached to customers. Any consumer is happy to share good things with friends, families or strangers. Everyone also likes to try activities that are good for him or her. Finally, the tri-component attitude model points out that the customer's attitude is an important factor leading to the loss or maintenance of customers. It is composed of three components: cognitive components, emotional components, and constitutive components. RACV's marketing activities and company background visibility all meet the above criteria. These conditions of the components enable RACV, not only to maintain customer satisfaction, but also to retain and expand their customers' database.

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