

Informative essay on consumer behaviour

[Business](#), [Marketing](#)



1. Situation Analysis Company Background & Products Existentialistic started its first outlet in a coffeepot along East Coast Road, opposite the current 112 Satang Mall in 2005. (Stations, 2009)It specializes in steak and has attracted the media interest and a group of loyal consumers for its tasty fare (steaks), reasonable pricing and good service.

With good response and feedback from consumers, Gaston Specialties shifted a few doors away and opened Its very own shop-front to provide Its customers with a better dining experience in a spacious and comfortableenvironment. Stations' success can be attributed by it listening, considering and responding to discontinues' needs and feedback. Within a few years, the company has established itself as a household name, synonymous with quality and affordability.

Stations Introduced " Stations Prime" as an market restaurant, which Is located at The Counterpoint to be part of its brand extension of Stations Specialties. It offers high-end steak cuts like Waged Grade 9, Fish, Lamb, Pork Xcken based meals at a reasonable price compared to other restaurants. (Stations, 2009) On top of that the company also owns Stations Specialties(wealth shopping malls) ND 1 1 Stations Express outlets (heartland locations) all around Singapore.

Stations Express targets the heartlands' market where steaks are value formoney. (Stations, 2009) SOOT Analysts The following SOOT analysis is to understand our current situation and areas to reinforce. (Nell, 2010, p. 41) Strengths (Internal Factors): Household name F associated with quality and affordability Nation-wide coverage of Stations outlets all over Singapore

shopping malls and heartland areas Known for its " value for money" fine dining concept Weaknesses (Internal Factors):

Brand dilution (lose focus and concentration with too many sub brands)

Supply chain needs to improved to meet demand during peak periods Lack of regional/ international exposure (only well-known locally) Opportunities

(External Factors): Affordable set meals to create more value to customers parties, thereby offering greater convenience Expanding company's target

market to other large foreign countries with similar lifestyles and cultural

traits Threats (External Factors): Aggressive competition in the F&B industry

(Competitors: Angus Steakhouse, Outback Steakhouse, Jacks Place,

Sweeney's and amongst others) Poor economy high Jobless rate, fewer Jobs,

thus less spending power) Unique Selling Proposition (USPS): To offer

consumers good quality meals that are value for money compared to other

steakhouses like Lawyers, Black Angus and Moron's. Benefits: Consumers are

now more sophisticated and do not mind spending a bit more on a better

dining experience. At Stations Specialties and Stations Prime, consumers can

look forward to cost effective premium quality meals. Competitive Position:

Stations' pricing is relatively cheaper and affordable yet its steaks are of

good quality compared to other competitors like Hand's Restaurant, Jacks

Place, Outback Steakhouse and others. Gomez-Mejia & Balkin, 2011 ,

Peggy) Stations' menu and pricing are targeted at the young generation

market where they are looking for a vibrant and fun hang out place with

friends and family. In addition, the company is able to reach out to its target

market easily with numerous outlets located all around Singapore. 2. Target

Market Profile Stations' target market includes thundered generation from

age 15 to 35. The attractiveness of taskmaster segment is that they have relatively high disposable income/spending power. They appreciate good food and are more willing to spend. They also desire for quality meals with affordable price and good dining experience.

Most of the youths are exposed to Western cultures and often dine out due to the hectic working environment in Singapore. When asked about Stations' brand perception, the usual response includes Convenience: With so many outlets all over Singapore, it is convenient to locate a Stations' outlet. Friendly: Stations' staff is young and enthusiastic. They are able to relate well to the consumers as they are about the same age group. Affordable: Consumers feel that Stations' prices are affordable for a good dining experience. 3. Target Market Decision-Making Process Problem Recognition (Awareness of needs): Consumers would select Stations Gathering, First Date, Valentine's Day, and Anniversary Celebration.

When selecting the choice of restaurant for dining for a special occasion, many factors would be put to consideration such as whether the place is suitable or not, type of food they are interested in and also who are they trying to impress. All these will lead to a different consumer behavior outcome. Information Search: Consumers usually learn about Stations through the following; word of mouth from friends and relatives, food reviews/articles/food blogs, Stations' website, advertisements, social networking sites (Facebook, Twitter) and from the experience of their previous visits. Evaluation of Alternatives: Consumers would evaluate these factors from alternative restaurants (e. G.

Jacks place, Outback Steakhouse) 0 Price: Stations is perceived to be affordable compared to other competitors of selling the same products (steaks and western food products). 0 Menu: Stations has a wide variety of products to choose from and offers the consumers to mix and match their side dishes. Service: Stations' staffs are a young and energetic bunch, which are able to communicate well with the younger generation of consumers and provide them with a friendly and better service experience in order for a return visit. 0 Environment: Despite the frequent long queue at Stations Specialties/Prime, consumers are willing to wait because they like the lively and vibrant atmosphere of the restaurant compared to the other alternatives. Location: It's easy for consumers to find an Stations outlet in various parts of Singapore.

Purchase: purchase confluences by situational factors, time, physical and social. Examples: 0 The desired food must be available at the time of purchase, the arrival of staff have to be prompt, friendly and anticipative to consumer's needs. 0 The restaurant's ambiance must be pleasant and acceptable by consumers. The food quality must be maintained; the "doyennes" of steaks has to meet consumers' needs and expectations. Stations has constantly been able to meet or exceed consumers' expectation of its food, price and ambiance to be able successfully grow its business. These factors are the key drivers of purchase and re-purchases leading to revenue growth.

Post-purchase Behavior: consumers will either be satisfied or dissatisfied after sitting and having their meals at a restaurant. With a satisfaction

outcome, consumers will usually share their good experience with their friends and family and this will trigger a return visit. On the other hand if the consumers are dissatisfied with their food and services, they would start complaining to their peers and the bad word of mouth would prevent other consumers a chance to visit the restaurant. The fact that Stations' has managed to grow from its humble beginnings to what it is today is testament to its ability to provide complete customer satisfaction in all areas of the dining experience. Age & Stages in Life Cycle: People buy different goods and services over a lifetime.

They eat baby food when they are young, eat most food in the growing and maturity stage and on special diets when they get older. Taste in clothes, accessories, food and other things is also age related. Most people from this stage of life cycle (age 15-35) have the buying power and money to spend on tasty and quality food in Stations, therefore it's a good market to target. Occupation & Income: A person's occupation and income has significant impact on his/ her buying behavior/power. In the society today, people are very concerned about their image/look and the status, which is a direct outcome of their material prosperity. The status of a person is projected through various symbols like the clothes, accessories and possessions.

For example, Members (Professionals, Managers, Executives and Businessmen) will dine at an market restaurant like Stations Prime/ Specialties, whereas the lower income worker will eat at hawker centers or coffeepots and this will form the target market for Stations Express. Lifestyle: let refers to the way an individual lives in a society and is expressed by the

things in the surroundings. Acquisitiveness's, interests and opinions will determine his/her lifestyle and shape whole pattern of acting and interacting in the world. Then based on the combinations of these dimensions, consumers are classified accordingly. It is proven valuable in segmenting and targeting consumers according to their lifestyle classification.

The lifestyle in Singapore is largely cosmopolitan and the younger generation especially are more geared toward urban living and used to dining at fast food outlets and restaurants rather than hawker centers and coffee shops. Stations is positioned well to cater to the target market with its western-influenced ideology and affordability. . Social Influences on Buying Behavior
Social Class: Social class fuels certain consumer behaviors, especially the popularity of designer items and the desire to purchase them. Certain items are perceived to belong to members of certain classes. Consumers are likely to purchase items they view as a part of their social standing, or that they believe will elevate them to a higher social standing. Hanging out at Stations gives the young generation a hip and trendy feeling and it also enhances their social standing and status.

Culture: The most fundamental external influence on an individual and their buying behaviors. Ethnic backgrounds and geographical locations play a large part in culture and establishing culturally acceptable and unacceptable consumer behavior. With more young generation exposed to western culture, Stations has the market. Reference Groups: let consists of all the groups that have a direct or indirect influence on the person's attitudes or behavior. Groups having direct influences on a person are called

membership groups. Some membership groups are primary such as family, friends, neighbors, colleagues and others, whom the person interacts fairly, mutinously and informally.

Family members such as a spouse, children and parents can exert strong influence on the consumer's vaingloriously. When the word gets around from a family member or friend about their good experience at Stations, the person who hears it will tend to believe them and give it a try. As for colleagues, they are usually influenced by the recommendations of their follow co-workers. 6. Psychological Influences on Buying Behavior Motivation: The driving force within individuals that impels them to action and that leads consumer towards buying a product or service. For example, a person is hungry (has a need), this will translate into a drive to obtain food to eat and the goal is to satisfy the need.

This factor is directly related to "Mason's Hierarchy of Needs" which indicates that every individual will actively seek to satisfy physiological needs first, followed by safety, social, esteem and lastly, self-actualization needs. Dining at Stations potentially fulfills the individual's social and self-esteem needs. Perception: The process that a person selects, organizes and interprets information inputs to create a meaningful picture of the world. For example, two sweaters on sales in the same store, one mass produced in China and the other marked as hand-made in USA, the hand-made sweater is likely to have a higher price and be perceived as more valuable and desirable by consumers, even though both sweaters would keep the consumer warm equally well. N comparison with Jacks Place, Cotton's is

perceived as more hip and trendy restaurant at the same price point.

Learning: People remember each good or bad experience for later use when a similar situation arises. These experiences influence the consumer's buying behavior by changing the way they react to products similar to those they already have experience with. Many consumers choose to dine at Stations Prime because they had good previous dining experiences. Companies that focus on the consumer experience often gain repeat business because the consumer does not feel the need to look anywhere else to fulfill that particular need. Beliefs and Attitudes: Beliefs are the way people think about a particular product or subject.

An attitude is the individual's consistently favorable or unfavorable evaluation, tendency or feeling about a particular subject. Consumers who are constantly satisfied with their dining experience at Stations would tend to be very loyal.

7. Marketing Strategy, Recommendations & Conclusion

Stations Brand Identity: To serve quality food at affordable prices with a friendly service and atmosphere for dining. Positioning: position as the mid-class steakhouse, which have 3 different levels of restaurants targeting different types of consumers with different atmospheres. Stations Prime is for the upper class, Stations Specialties for the mid-class and Stations Express for the average class (located in heartland within coffee pots).

Andrew, 2010, p. 7) Product Strategy: Try to introduce new products to attract more new consumers to Stations or improve on the existing dishes Stations have on menu. Price Strategy: Adopt a different pricing compared to other competitors, in order to make it affordable for the good quality steak at Stations. Place Strategy: Location must be convenient to a consumer, that's

why Stations have many outlets island wide. Promotion Strategy: In order to minimize costs and facilitate brand building, local media advertising and carnival type of promotion tactics will be emphasized. Stations can invite local food magazine editors and food critics to taste and comment positively on its products or to create a loyalty program (membership card) to retain customers.

With all these in place, Stations should be able to increase its growth sales by 2% each year and achieving a total of 10% for the next 5 years. 1) To provide better in-house dining service by giving intensive training to its frontline staff to ensure its customers are happy and will return for more. 2) With the expected growth in Singapore, Stations has to ensure that it meets the market demand for western food. 3) To observe the market trend and its competition so that Stations will be able to enhance its product quality and services at a competitive price together with on going promotions to attract more customers over from other steakhouses. 4) To create a strong brand awareness through marketing communication activities such as to introduce the Reward Stamp card.

For example, with every \$30 spend, customers will receive one stamp on the card and upon collecting 10 stamps, they will be able to redeem a free main course. 5) To create Stations very own Smartened App to attract more customers via games and lucky draws to gain more brand awareness and on-going promotions. 6) Participate in the Smartened Rewards Program APS like Peer (Peer, 2012) and Squirmy. (Squirmy, 2012) 7) To open another 3 Stations Express, 2 Stations Specialties and 1 Stations Prime in 12 In conclusion, Stations has the potential to bring its brand identity to the next level (high-

end market) because: 1. Singapore is potentially a good market for the expansion of Stations' western food business. 2.

There is a large segment of population who is Stations' target market including the youths and teenagers and young working adults. 3. The Stations brand is well established in Singapore and is recognized for its quality food and affordable prices. Stations has gotten good reviews from Her World Magazine, The New Paper, Weekend Today and popular food critic KEF Seethe. (Stations, 2009) 4. Singapore, especially the teenagers are influenced by western cultures and their taste buds have also gone that direction. This results Stations' ability to take advantage of the current situation to sell more western food items. However it is important to observe the recommendations made above, in order to improve and maximize its growth.