

# Business plan on psychological factors

[Business](#), [Company](#)



## I. Conceptual Overview

### a. Market oriented definition

The market is software development oriented. Major product users are individuals, corporations and institutions that find software essential in their day-to-day activities.

### b. Product description

The product is a wireless internet gadget. It is developed for multi- use and thus operates effectively with other products. The product enables users to explore the benefits associated with wireless technology. It targets the wireless internet users.

### c. Customers

#### i. Factors influencing behaviour

Customers' behaviour revolves around the selection, purchase and usage of the product offered to the market for the satisfaction of their wants and needs. Consumer purchase behaviour is well understood in the general buyer purchase decision making process. The process of need identification, commodity selection, and purchase are guided by the following factors. The factors are both internal and external oriented.

## **Personal factors**

A buyer's economic situation, lifestyle, age, personality and occupation greatly influence his/her buying behaviour. For instance, product purchase will be influenced by the economic situation of the consumers. Consumers with higher incomes and saving are likely to purchase more of the product while those with low earnings and savings will not be in a position to purchase the product. Similarly, a buyer's occupation will play a considerable

role. The product will be mostly purchased by those in white collar jobs.

Personality on the other hand varies from person to person and from place to place. Buyer's behaviour in different circumstances is likely to influence his behaviour towards a given product. The behaviour can be dominant or aggressive. This can affect buyer behaviour towards the product or service offered for sale in the market.

## **Buyer's perception, learning, motivation and beliefs and attitude constitute psychological factors.**

### a. Buyer's perception

Perception is the process of selecting, organizing and interpreting information to produce meaningful experience. Buyers' perception is likely to influence their behaviour towards the product. Perceptual processes can either result in selective attention, selective distortion or selective retention which both influences purchase. Selective attention is all about how well the product attracts the attention of customers. It is crucial in the sense that purchase cannot be made without in depth product information. Buyers' interpretation of product information in a way that sustains what they already believe in constitutes selective distortion. This greatly influences their purchase behaviour towards the product as they are unlikely to buy what they do not believe in. Similarly, selective retention will influence buyer behaviour as consumers will try to retain already informed opinion and information that supports their beliefs. Generally, negative buyer perception hinders product purchase.

### b. Motivation

The level of buyer motivation towards the product is likely to affect his/her

buying behaviour. Customer needs can be physiological, biological, social needs. Some needs are more pressing to the buyer than others. This implies that a need or product becomes a motive only if it is most pressing to force the individual to look for satisfaction. Simply put, buying behaviour will be influenced by customer's hierarchy of needs. Therefore, motivation which is controlled by customer's Freud, id, ego and super ego greatly influence customer behaviour.

#### c. Customer beliefs and attitudes

Customers do have unique belief and attitude towards different products. Customers may have a negative attitude or belief towards a given product brand. The beliefs they have in a given product line influences their behaviour towards a specific product brand.

### **Social factors**

Social factors like customer reference groups, family, and customer roles and status in the society do influence the buying behaviour of customers. For instance, a customer's behaviour is greatly dictated by his/her family members. Buyers are influence come from relatives, wife, husband or children. Similarly, the roles played by customers and their status in the society influences their buying behaviour. Buying decisions are greatly influenced by the role and the status of the potential customer in the society. For instance, a man working as a chef will make buying decisions as a chef and as a father. Thus, his buying decisions will be determined by his role and status. Lastly, the reference group of a customer determines his buying behaviour. This is because they play a significant role in structuring an

individual's attitude and behaviour towards a given product. This therefore influences customer behaviour.

## **Cultural Factors**

Customer behaviour will be highly influenced by cultural factors like his/her culture, subculture and social class. Culture for example dictates the customer's wants and behaviour before a product purchase is made. Accumulation of values, knowledge, customs and beliefs influences customer's perception and purchase of a product. The general public as well has some organized form of social class which determines their buying behaviour. Individuals in a similar social class tend to have similar buying behaviour. They therefore influence the buying behaviour of those customers who share with them same social class. Factors like wealth and occupation influences a customer's buying behaviour.

ii. Buying decision behaviour

## **Complex decision behaviour**

The product will require complex buying decision behaviour. Complex decision behaviour is appropriate with as the product will be of high value brand. Customers will therefore need to comprehensively seek information before the final purchase is made. The buying decision behaviour will involve three steps: The customer develops a belief about the product after hearing the information about its existence. The attitude to own the product is then developed. Buyer then makes a thoughtful choice as whether to make a purchase or not. Complex buying decision behaviour is of benefit to the organization since it does not involve a lot of risk. Risks associated with

purchase returns will be minimized as the customers will be knowledgeable enough before they commit themselves to the product. Also, it will present the product as having higher quality in the market place. This earns the company a brand name.

## II. Marketing Intelligence

The marketing intelligence is the process of collection and analysis of information that is significant to an organization's supply markets categorically for purposes of enhancing accurate decision making. The organization will make decisions relating to the macro environmental factors. This is as discussed below.

### a. Macro environment factors

#### **Economic factors**

The economic factors will encompass factors that directly affect the purchasing power and spending behaviour of consumers. The basic economic factors that will help make decisions include income distribution among the customers, customer personal consumption along with their personal debts, and systems policies in place. Economic environmental factors are very complex and keep on changing. Marketing intelligence will specifically be interested in gathering and analyzing information that relates to economic conditions, economic systems, economic policies, international economic environment as well as the economic legislations. This is because these are the economic factors that are likely to have direct impact on the consumer's purchasing power. Economic systems for example may influence economic relations among the customers of the company as the set rules,

goals as well as incentives may not be supportive to the company's activities. Marketing intelligence that regards economic policies are of importance to the company as will enable the company understand monetary policies, fiscal policies and the industrial policy. These will then be used in making accurate decisions.

## **Political environment factors**

Marketing intelligence will also be focused to the political environment.

Political environmental factors like laws, government agencies and pressure groups do have influence on organizations performances. Also, customers do face different forms of legislation regulations that do affect their buying behaviour. Marketing intelligence will focus political environment due to the following argument:

- i. Governments formulate public policies that guide business. It sets laws that legalize company operations. Any breach of law is liable for damages in form of fines.
- ii. The government puts in place laws and regulations that guide marketing activities of a company.

Conducting marketing intelligence of political environmental factors is of value since it will enable the company make decisions that relates to the business legal and political environments without a hitch. Political information will be gathered to help understand how better the company should operate. For example, law and regulatory systems protects consumers from unscrupulous business practices as well as protecting the interests of the society. The legislature, judiciary and the executive do influence company's operations. Therefore, companies must formulate rules

and regulations that are in accordance with the government and political rules and regulations.

### **Cultural environmental factors**

This is composed of institutions and forces that influence the society's perception, values, preferences and behaviors. Marketing intelligence regarding company cultural environment will seek to gather information relating to the customers cultural beliefs and values, how customers perceive the company product and how the customers perceive themselves. Information on how customers perceive the company will be of importance since it will enable the company to assess customer satisfaction level and company acceptability.

### **Technological environmental factors**

The company intends to undertake marketing intelligence in the technological environment. Technology is constantly changing and influences product offered for sale. Ever changing technology brings in new products and therefore a company should be technologically advanced to remain competitive in the market. Marketing intelligence will gather information that will be used to make decisions that regards measures of remaining on top of technology so that the product remain of highest quality in the face of customers.

#### **b. Competitor analysis**

##### **i. Direct competition**

The company stands to face a stiff competition from two major companies, the Microsoft Corporation Company and Oracle Company. Top competitor is



however the Microsoft Corporation Company. The level of competition is stiff because of the profitability of the industry. Microsoft cooperation is the top competitor because of its domination of the corporate market. Its economies of scale and customer loyalty with well established market brand earns it an upper hand in the market. Oracle cooperation comes closely after Microsoft. Oracle boasts of superb product and service provision and an established market niche.

#### ii. Indirect competition

The company will face indirect competition from the IBM Company. IBM Company majors in the production of computer hardware and software. It is likely to be an indirect competitor as our company will be majoring in the production of software.

#### iii. Strengths and weaknesses of Microsoft Corporation company

### **Strengths**

- a. Multinational Corporation that operates via regional subsidiaries hence easily minimizes culture shock.
- b. It's the world's biggest company with well established global name and better reputation for innovative products.
- c. Its software products have higher name recognition in the market; broad-based corporate and consumer acceptance.
- d. Have a rapid product development processes.

### **Weaknesses**

- a. Products have little significant use in the wireless market
- b. Its products have single use and don't operate effectively with other

products.

c. It does not actively take part in the internet space. Besides, it produces few products for internet usage.

d. Has higher employment turnover

III. Market Segmentation

## **Demographic segmentation**

This base will be based on age, income and social class.

Geographic segmentation

The market will be divided into different units like nations, states, regions, and cities.

Psychographic Lifestyle

This segment will divide buyers into different groups; lifestyle, personality and values. They are differentiable and actionable.

Lifestyle Segments will be made of Thinkers, believers, achievers, strivers and experiencers.

Behavioral User Rate

User rate influences attitude and approach towards a re-purchase. For example, less frequent users will think more critically about the software, influence their peers and plan effectively. Regular users will view this as a more routine purchase. These segments are also both measurable and actionable. User rate segments will be categorized as ones a year, twice a year or four to eleven times a year.

## **Target Markets**

Wireless software users

FLC Stage: Young, married, high income earners

Lifestyle: Achievers

User Rate: 4-11 times a year

Satisfaction -Seekers

FLC Stage: Young married, children, corporations

Lifestyle: Achievers

User Rate: 1-3 times a year

Positioning strategy

The company intends to employ positioning strategy by product use or application. Positioning will entail communicating the product image and position. The product brand will be highly associated with a specific product use or application.

## **Product plan**

Product will be of specialty classification. It will be of distinctive kind.

Individual's product decisions

Attributes:

The product will be of high quality with high level performance. It will come along with other features that are meant to add value but at cheaper cost.

## **Branding:**

The product will have a licensed brand that will offer brand equity to our potential customers.

Packaging:

A secondary package will be used to deliver the product to the customers. Besides, shipping package will be used for storage, identification, and shipping the product to customer locations.

### **Labeling:**

Simple tags and complex graphics will be used as labels. These will primarily describe product features and name of manufacturer, when it was made, its contents and user guidelines.

### **Product support service:**

The company plans to continuously get feedback and cautiously address any dissatisfaction arising from dealerships or users.

#### IV. Pricing strategies

The company will use a prestige pricing strategy. The prices will set at higher since the product quality will be superb. Higher prices will be charged to the product because the product will be branded possess high quality and of unimagined standard.

#### V. Distribution plan

### **The product will be distributed either via the following channels of distributions:**

Manufacturer consumers

Manufacturer Company dealer Consumer

Manufacturer Wholesaler Retailer Consumers

Manufacturer Shipping Agency Consumer

## Reference

Kotler, P. & Armstrong, G. (2011). Principles of marketing. 14th edition.  
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