

Consumer decision process boh tea marketing essay



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BOH Plantation Sdn Bhd was found by John Archibald Russell in the year 1929, together with A. B. Milne, a veteran in tea planting from Ceylon they succeeded in obtaining a concession of land in Cameron Highland in order to start the tea plantation business.

Together the duo transforms steep jungles slopes into a tea garden known as BOH Plantations, which is the 1st highland tea garden in the country. BOH Plantations business begins to bloom and currently is the leading tea grower in the country. The plantation expanded and owns four tea gardens, of which three is located 5000 ft above sea level and is situated in Cameron Highlands, and the fourth is centralizing in Bukit Cheeding, Selangor. Collectively, the garden's size in total is 1200ha.

BOH Plantation has been firmly entrenched that most Malaysia drinks BOH tea more than any other brand. BOH tea are available in 3 different forms (tea packets, tea bags, tea dust). The company currently produces 4 million kg of tea in a year. Malaysian consumes 10million kg of tea which makes BOH tea largest producer locally of black tea, in terms of cuppage, BOH tea produces about 5.5 million per day which almost meets 50% of tea consumption requirement in the country. The success story of BOH Plantation continues to be Malaysia's leading brand in tea and is also exporting to Brunei, Japan, Singapore, United Arab Emirates and also the US.

Consumer Decision Process & BOH tea

Consumer Decision Process is basically known as a cognitive process.

Consumer is aware of a need or wants and search for possible ways to satisfy it. Awareness of consumer is not an automatic process; it is actually

selective external procedure. Example, consumers are exposed to thousands of messages that persuade them from advertising, political organization, religious groups, food products and many more other resources. This mass information that seeks out consumer attention then filtered out by individual in order to make the decision in buying a product. In order for a consumer to purchase a product, he or she has to go through the 5 stages of consumer decision process.

These 5 stages of consumer decision making process are very important for consumer to make an accurate decision in satisfying their needs and wants. The stages flow in sequence beginning with problem recognition and ending with post-purchase evaluation. The 5 stages are as graph above:

Problem Recognition

Information Search

Evaluation and Selection of Alternatives

Decision Implementation

Post-purchase Evaluation

Problem Recognition

The consumer decision process begins when a consumer is aware of satisfying their needs or wants. Example, Jason might need a new football shoe to replace the old depreciated one or Sarah needs a new computer to replace the her old want which is not performing as well as it was before.

These kind of problem shows that consumer have recognized and identify

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their problem such as actual state and desired state. BOH tea inspires the consumer by tackling the health benefits of drinking tea and how BOH provides quality and innovative tea products.

For the past decade, health benefits have caught the attention of the wide coverage of media. Numerous studies have shown that the antioxidant polyphenols of tea has the anti-cancer properties and also able to reduce the risk of gastric, and also skin cancer. This health benefits has increase the demand of tea in the market. Prevention is better than cure; this statement has drive consumers to seek for solution in reducing the chance of getting sick and that is mainly the problem face by consumer. This is where tea becomes the problem solver. This is where BOH tea as Malaysian leading brand provides with high quality tea that satisfies and produce a healthier lifestyle for the consumer in Malaysia.

Tea may protect cancer caused by smoking

Tea drinker has lower blood pressure

Green, Black and Oolong tea

Tea can lower cholesterol level and protect against heart diseases

Tea believed to boost the body's defense system

Health benefits from consuming tea (<http://www.2basnob.com/health-benefits-of-tea.html>)

Information Research

When consumers identify a problem, they will find ways to solve the problems. Example, Sarah would pay more attention to product information of a personal computer. She will be more aware and attentive towards computer advertisement, friend's choice of computer brand, and online information regarding different brand of computer. In the process of gathering this information, Sarah as a consumer will begin to learn more about the brands of computers that compete in the market and their features and characteristics that satisfy the needs and wants of various consumers. However, awareness itself is not strong enough to guarantee the continuation of the process decision making, unless he or she believes that there is a solution to solve their problem. If a high level of involvement is engaged, consumers will advance to seek more resources regarding the product that they want. Internal and external search take place within the consumer memory system. In the case of BOH tea, since it is the leading tea brand in Malaysia, it is important to strengthen the brand's leadership by capturing the attention of consumers through innovative tea products. BOH tea has to provide extensive information about their quality and innovative tea products, in order for consumers to obtain knowledge of their tea easily.

Internal Research

Internal research is an attempt to seek information in the form of pre-existing knowledge such as attitudes and beliefs of the problem. However, if the problem is new to the consumer, then it is inadequate to make the decision making and external research is a necessity. This research is not entirely resourceful because consumers might be unable to recall the reason

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of purchasing the product or opinion made during the consumption process. In order for BOH tea to leave a good impression, their catchy phrase "ada Ummph" which literally means "more than words can describe" kind of feeling to show the great quality of tea that is produce by BOH tea. This phrase will strongly register the brands name in the mind of consumer, so that the next time they want to purchase tea, BOH tea will be their 1st choice as the "ada Ummph" phrase shows that consumer will never regret in consuming their tea .

External Research

External research provides more resourceful information from organization, friends, families, society and many more. Consumer are willing to access for secondary information from online resources, advertisement, brochures and many more in order to provide them with the excess knowledge to purchase the computer of their choice. Tea drinker in Malaysia will not escape the attention of BOH tea, as their product can be obtained from most retail outlets. BOH tea has also promoted their tea in the form of newspaper advertisement, television commercial, and also campaigns. BOH tea promotes their tea with bonding with love ones by creating moments of togetherness with loved ones. This is to show that a cup of tea can unite everyone together without any restriction .

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All this information plays an important role in the mental processing of the mind which includes short term and long-term memory storage. Example, information gain regarding the personal computer will only be in Sarah's

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mind for a brief moment if it is not stored in the long-term storage. Once Sarah stores it in the long-term storage, she will be able to recall the characteristic of the computer brands and make the decision making without it being lost in a minute. Three main operations take place in the memory so that the information can be retrieved later on.

Rehearsal

Mental repetition of product information. Example, BOH tea "ade Ummph" phrase reminds consumers of their good quality of tea.

Encoding

Information interpreted which allows long-term storage. Example, consumers will register the types of tea products so that consumers can pick the choice that they like.

Storage

Information stored in long-term memory. Example, when it comes to tea consumption, Malaysian consumers will remember BOH tea, as the tea with high quality and creates bonding between family members.

Graph below shows the choice that has to be made by Sarah after obtaining the desired information that is needed by her.

Computer brands that are aware of by Sarah. Example, Acer, Apple, Compaq, Dell, HP, Sony, and Toshiba.

Subset of computer brands that are aware of by Sarah in the market.

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Affordable and high performance brands will be Sarah's best choice of purchasing a computer. Example, Dell and Acer which is affordable and high performance

With more information, only selective few strong candidates are remain

Choice Set

Sarah might make her decision on a Dell computer because it is cheaper and long lasting compared to Sony which is too expensive and unaffordable

Brands that satisfy her buying criteria of a computer. Example, the price is affordable and high performance

Evoke / Consideration set

Awareness Set

Evaluation and Selection of Alternatives

The following step allows the consumer to evaluate the brands from the information that is obtained. However, there is no specific evaluation process is applied by all consumer in buying situation. Thus, consumers sees product as a bundle of attributes such as the need, benefits, and attributes in order to make the right decision that satisfy their needs and wants. This bundle of attributes is actually a product's objective and subjective factors.

Objective factor

BOH tea provides high quality tea that provides health benefits

Subjective factors

Comparison of BOH Tea and Lipton tea, BOH tea being the outstanding as product is a national brand. It is also cheap and easily obtain.

Purchase Decision

Purchasing the brand

BOH tea satisfies the entire spectrum of the non-alcoholic beverage in Malaysia and encourages tea to be consumed including, cold, instant, traditional or in any other form that is preferred by consumer. This satisfies the consumer by providing choice of tea consumption according to their taste This is the stage where consumer has decided which brand of product that he or she wants after a making comparison with all the availability of product brands. Consumer will then have to select 2 specific elements which is purchasing the brand choice and purchasing time.

Purchasing Time

Product can be purchase in most retail outlet in the form of packages. Consumer can also buy it in bundle during promotion period too.

Post purchase evaluation

In this stage the level of purchase involvement of consumer is very important, it is often known as " the level of concern for or interest in the purchase" and heavily depends on the extensive information that is seek by the consumer in making a purchase decision.

Low purchase involvement process

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Example, suppose if a buyer buys a certain brand of product (e. g., BOH tea) as a matter of habit, this means the drink is a low purchase involvement situation and consumers do not have to evaluate and seek information extensively. This case consumer will simply buy and consume the product and generates a high level of repeating the same purchase of product. Graph above shows low involvement purchase process that takes place. The benefit of low purchase involvement process is BOH tea has become consumer's loyal brand for tea consumption products as repeat purchase has been taking place from time to time.

However, if the level of purchase is high and the consumer is involved in extensive decision making, consumer will be more likely to face a more elaborated post-purchase evaluation.

High Purchase Involvement process

This graph shows that there is a post-purchase dissonance where consumer are unable to commit to the decision of choosing the brand that they want and it will create anxiety among consumers as it is difficult to make alternatives choices. In order for consumer to reduce this dissonance, consumer has to make approaches such as to increase the desirability of the brand that they want to purchase and reject the desirability of rejected alternatives and also reject the negative data on brand purchased. If dissonance is not reduce, the anxiety experience may turn into a dissatisfaction and leads to a new problem. That is why high purchase involvement needs extensive research of information to reduce anxiety and increase the confidence level in purchasing the product they want.

Consumer will stay loyal to BOH tea because the company is constantly doing research in order to satisfy the future consumer needs .

Psychological Core & BOH tea

Attention

Attention is a concept of cognitive psychology that helps us to actively process information present in our environment. Attention is an unconscious process where consumer can automatically scan the features of the environment surrounding them. Attention can be classified into 2 which are voluntary and involuntary. Selective attention is voluntary where relevant information is focused. Involuntary is orientation reflex where something surprising is put in front of a person and allocates the attention towards it.

Selective Attention

Selective attention is the study of why people pay attention towards things, and how deep is their attention towards things that they focus. Example, being in a classroom, or a busy highway, it is impossible for a person to note everything down. What a person pays attention is actually what they select to pay attention to, thus, selective attention is not entirely conscious. In order to capture the attention of consumer entirely, BOH tea pays attention towards animal and environmental conservation and have won numerous awards. Example, the company's packing facility in Bukit Cheeding has receive the ISO 9002 certification, this can further assured of quality tea every time consumer open up a packet of BOH tea. BOH also won the Super brand Excellence Trophy Award in Food & Beverage category in 2004.

Orientation reflex

Orientation reflex is very important in capturing the attention of consumer.

The aim of this involuntary action is to create stimuli that surprise the expectation of consumers. Example, BOH Tea is able to capture the attention of their consumer with their advertisement in television which focuses on family bonding where family members can socialize through a cup of tea. Health benefits offers by BOH tea also has direct their attention towards consumer automatically because they are aware the importance of health

Perception

Perception is a process that begins with consumer being exposed to information, attended to the information and ending with comprehending the information that is focus on. Perception consists of 5 major elements which is exposure stage, attention stage and comprehension stage.

Exposure stage

Beginning process of perception process where consumer is exposing to information in the environment that is observed by the human senses.

Example, when we are driving on the freeway we are expose towards numerous commercial messages such as bill boards, radio advertisement, bumper- stickers on car, banners on shopping mall and many more .

However, exposure towards surrounding is not enough to give a major impact towards consumers. BOH tea attracts consumer by promoting their products in television commercial, newspaper advertisement, BOH tea website, and also campaign. Example, BOH tea has done numerous televisions commercial by targeting the culture of tea regardless of religious

or political options and also not to forget the moment of togetherness by the bonding of family members. However, this has allowed zapping and zipping away of television commercial to occur and consumer might miss the television commercial. This mean attention is needed to draw the attention of the people.

Attention Stage

The matter of degree that consumer pays attention towards something, this stage consumer will allocate processing capacity to a stimulus. Example, if we are driving on a freeway and we are running low on gas, our attention immediately becomes high towards signboards that say how far is the next petrol station, but low when commercial regarding shopping or movies on the billboards. However, our attention towards something can be instantly escalates from high to low when we are in need of something. Example, an advertisement for a product that we are interested is on television programs. In order to capture the attention of consumer, BOH tea has involve in animal and environmental conservation. One of their successful story is when BOH Plantation was the first tea company to be awarded ISO22000 certification , an international standard designed to ensure safe food supply chains worldwide. BOH has also strengthened the leadership of their brand by embarking on numerous marketing campaigns. Example of a successful campaign the “ BOH Ummph!” campaign, a tagline that is still remembered by young Malaysian right until today. This campaign has brought attention towards consumer as BOH focuses on family values.

Interpretation stage

The final stage of perception where consumer organize and interprets the information obtain from their environment. BOH tea comes in the mind of consumer when they hear or sees the " Ada Ummph!" phrase in advertisements.

Memory

2 types of memory

Short-term memory

The decision is instantly made, and if without repetition information will be forgotten.

Long-term memory

Information that is repeated will be interpret and stored in the long-term memory, information can be use later on as it can be change to short-term memory for making decision. Consumer that remembers BOH tea can purchase it when tea supply is needed at home

Purchase and consumption decision

Consumer is very clear of the products that benefits or satisfies their need, and purchase process begins when consumer buys the product

Nature of perception

Exposure

Attention

Interpretation

Purchase and consumption decisions

Memory

Perception process

The graph above shows the nature of perception from exposure until purchase and consumption decision of consumers. Exposure provides opportunity for attention but not guarantee that is seen by consumer. Exposure can be then categorise into 2 element which is selective and voluntary. Selective exposure is where there is vast amount of information given but choices is up to consumer's interest, and voluntary exposure is consumer is willing to accept the information as to satisfy purchase goal, and entertainment. Information provided by BOH Plantation may not be consumer's interest, but it is their duty to attract consumer to consume their high quality tea.

Attention is where the information is selected and focus by consumer and information is send to the sensory system to interpret that data.

Interpretation of information begins when consumer allocates the information that is necessity for their purchase goals or objectives , the information is receive from the stimulus of the consumer. The information that is generated is then stored in the memory. Memory has two elements which is short term and long term. Short term memory is where the information is stored for a shorter period of time in order to make a instant decision and is forgotten quickly after that. Long term memory is where the

information generated is stored for a longer period of time where consumer can make decision later on in time and does not have to be instant. Finally, the purchase and consumption stage, consumer will decide to buy the product once they have understand the criteria that satisfy their purchase goal .

Motivation

Motivation refers to an inner drive that reflects the goal of a person, which consist of the urge, wishes, or desire that allow them to strive to achieve the goals and aims that is set. The two motivational theories that is famously know to express the motivation of people are the :

Maslow's Hierachy of Needs

W. J. McGuire psychological motives

Abraham Maslow's Hierarchy of Needs

<http://weareindigo.net/wp-content/uploads/2010/01/maslows-hierarchy-of-needs1.jpg>

Maslow's hierarchy of need is actually a theory to satisfy the human needs . In order to be at the peak of the hierarchy, a person has to satisfy the lower needs in order to achieve higher needs in the hierarchy. We will now study and go through each stage of Abraham Maslow's Hierarchy of needs

Basic needs/ Physiological needs

Basic needs of human. Example, food, water, sex , sleep, and also

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Exercise

Safety needs

Security, shelter, and normalcy in life

Belongingness and love needs

A person's affection and acceptance as part of family or group,

intimate relationships and also friends

Esteem or status

Prestige, accomplishment, self respect, and the respect of others. Confident, appreciated and also the need of feel competent is also important

Self actualisation

The need to realise one's own potential, to achieve dreams and ambitions

The next theory is McGuire's Hierarchy of Needs, a very detailed set of motives to understand the specific aspects of consumer behavior. This theory consists of 4 major categories with 16 sub-categories which explain the behavior of consumer. The 2 criteria that satisfy the 4 main categories are as follow:

Is the mode of motivation cognitive or affective?

Is the motive focus on preservation of status or on growth ?

Cognitive Preservation Motives

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Need for Consistency (active, internal)

Need for Attribution (active, external)

Need to Categorize (passive, internal)

Need for Objectification (i. e., cues) (passive, external)

Cognitive Growth Motives

Need for Autonomy (i. e., Independence) (active, internal)

Need for Stimulation (active, external)

Teleological Need (i. e., desired outcomes or end states) (passive, internal)

Utilitarian Need (i. e., problem solvers) (passive, external)

Affective Preservation Motives:

Need for Tension Reduction (active, internal)

Need for Expression (active, external)

Need for Ego Defense (passive, internal)

Need for Reinforcement (passive, external)

Affective Growth Motives:

Need for Assertion (active, internal)

Need for Affiliation (active, external)

Need for Identification (passive, internal)

Need for Modeling (passive, external)

Learning

Motives

Motive arouses individual to respond and engage in learning activity. Goal that are achieved will reduce arousal but will have tendency to occur again. Marketer put product in a way that can satisfy the arousal of consumer

Example, when a person is in need for tea consumption (motive) , BOH tea will provide the tea in many form for choices of consumer

Reinforcement

Tendency of motives to re-occur again in a similar situation.

Elements of learning

Response

Physical activity in reaction towards stimulus

Example, the process of going to retail outlet to purchase tea

Cues

Provides direction, respond towards motive.

Example, tea can be obtain in the retail outlets

Cognitive Learning (Thinking)

This learning process focuses on acquiring knowledge and skill is by mental, which is creating mental presentation of physical object and events in our heads. Individuals learn by listening, watching, touching, reading or experiencing then processing and remembering the information. We can conclude that this kind of learning emphasizes on the role of memory and thinking There are 3 types of learning process :

Iconic role learning

Interrelationship between two or more concepts without conditioning learning and without reasoning.

Vicarious learning

Behavior are formed by observing the outcomes of other behavior or imagining the outcome of potential behavior

Analytical learning

New information are updated when new theories or studies are formed.

Behavioral Learning (Conditioning)

Classical conditioning

A learning process between environmental stimulus and natural occurring stimulus. Unconditioned stimulus happens automatically, unconditionally and naturally triggers a response, Example, when you smell your favorites food you may immediately feel hungry. Smell of food is unconditioned stimulus. Unconditioned stimulus is the unlearned response that occurs naturally in

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respond towards unconditioned stimulus. Example, hungry in response the smell of food. Conditioned stimulus is the neutral stimulus that has no connection with the unconditioned stimulus. Conditioned response is learned from the neutral stimulus.

Operant conditioning

Learning method that occurs through punishment and rewards behavior. Example of operant conditioning can be seen around us, consider employees finishing project with excellent result receives praise or promotions. Reward here increases the behavior. Behavior can also be reducing for example, a student to be told to lose recess privileges if they did not finish their homework. This leads to a decrease in disruptive behavior.

Memory

Memory consist of 2 component which is Short-term memory (STM) and Long-term memory (LTM)

Short term memory

Short term memory which also known as working memory is the portion of total memory that is currently in use or activated. Rehearsal of information is needed to ensure it is encode in the long-term memory is the information is important for later usage. If information in short term memory is not repeated it will be lost in 30seconds. Example, if we were to see an advertisement regarding fast food delivery , we will not pay much attention to the advertisement but only remember the number for future usage

Long term memory

Long term memory has essentially unlimited capacity to store information permanently. Stored information is either semantic or visual. Semantic memory deals with encoding and storage of words, while visual deals with storage of images. Memory here is stored permanently and can be used when needed to make a decision. Rehearsing is important to register something in the long-term memory. Example, if we move to a new house and change our phone number, we ourselves probably have to repeat it until we register the number in our memory storage.

Learning process consist of 3 element

Schemes

It stores facts and generalize information such as verbal information, concepts, rules, principles, and problem solving skills. Information that stored here is simply meaningful and helps consumers to make decision. It is well-establish schemata

Scripts

A special issue in the memory that is also known as procedures we remember for doing things. Scripts involve a series of sequences in doing something. Example, the manufacturing of tea in the BOH tea plantation to where it is distributed so that consumer can purchase it. In general, it is important for firms to have their brand names incorporated into scripts. Example, consumer reflexively can search for BOH tea in the shops rather than unspecified brand of tea

Repositioning

Repositioning is an attempt to change the consumer's perception of their brand; this is because the existing product's position is less attractive towards consumer. Example, a product that has great quality but the price is not affordable has low return in profit to the firms, this means they have to change their strategy to lower the price of their products. Repositioning is a very tough process as large sum of money is needed for advertising and promotion of their products.

Attitude

Attitude is feeling or affection against a stimulus; it is stored in the long-term memory. The 4 function of attitude consist of Utilitarian function, which is use to obtain reward and avoid punishment, Ego-Defensive function is self-protection, knowledge function is simplifies decision such as brand, and value expression which is express identify towards others.

Culture

The direct definition from textbook about culture is " That complex whole which includes knowledge, belief, art, morals, custom, and any other capabilities and habits acquired by man person as a member of society".

From this definition, we can learn several important characteristic of culture such as

Culture is comprehensive

This means that everything must have a connection in order to create culture. Example, bowing and a strong desire to avoid the loss of face are unified in their manifestation of the important of respect.

Boundaries of acceptable behavior

Everyone must understand their surrounding before taking action. Example, a person cannot be naked while attending class, the least outfit will be shorts and a T-shirt to wearing suits and tie. However, if a person is to wear a suit in the beach, they will definitely be laugh at . So it is very important to know your environment.

Cultural characteristics as a continuum.

There is a tendency to stereotype cultures as being one way or another (e. g., individualistic rather than collectivistic). Note, however, countries fall on a continuum of cultural traits. Hofstadter's research demonstrates a wide range between the most individualistic and collectivistic countries, for example-some fall in the middle.

Subculture

Identification with core culture

Identification with a subculture

Mass market behaviors

Unique market behavior

Core culture values and norms

Subculture values and norms

Individuals

A subculture is a section of a larger culture whose member's shares distinguish values and pattern behavior. Social history and current situation of the groups generates the unique values and pattern of behavior which they practices in their subculture. Subculture members exist from the core culture where they share their unique value the most. Figure above shows to which degree an individual behave in manner of unique dependent to the extend which individuals reach out towards that subculture.

Segmentation, Targeting and Positioning

<http://www.consumerpsychologist.com/images/cb/STP.png>

Segmentation, targeting, and positioning comprise is a three stage process, this process will helps us in

Determine which kind of customer exist

Which customer that we target in the market

Implement our segmentation by optimizing our products or services for that segment

Segmentation has three different approaches:

Undifferentiated strategy

All consumers are treated the same and firms are not making any specific efforts to satisfy particular groups. This strategy only works well if the product is standard and competitors can't offer many choices for the people. These choices only happen in the case for commodities.

Concentrated strategy