

Bose environmental trend analysis



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This paper will explore the factors affecting the marketing of the Bose QuietComfort 15 noise canceling headphones. The factors that will be explained will be the Technological, Economic, and Demographic factors. These will be specific to an environmental and trend analysis that Bose has used to market its product effectively. On a flight to Europe in 1978, Amar Bose, the founder of Bose Corporation, put on a pair of headphones supplied by the airline, only to find out the sound emitted by those headphones was not loud enough to mask the loud roar produced by the airplanes engines. He knew something had to be done. One decade later, Bose produced the first pair of noise canceling headphones ever to be developed. Since then, sound quality has evolved into something more than a luxury. Traveling professionals are constantly purchasing the Bose QuietComfort 15 headphones due to the sheer superiority of the headphones over any other brand. The noise cancellation technology provided by Bose is still trying to be duplicated by other companies today.

Some may say they have reached, or come close to reaching the technology; however, Bose still remains as one of the top companies to provide this type of consumer good. We will examine some different factors that affect the marketing strategy that Bose has placed upon its QuietComfort 15 noise canceling headphones. Technological Factors Technology is constantly evolving. One thing Bose thrives upon is the technology demand that drives consumers to purchase non-commodity items such as iPods and other luxurious items like Bose headphones.

Commercial flights used to be a simple, boring flight from wherever you were coming, to wherever you were going. Today, many airlines offer in-flight entertainment that requires passengers to have a pair of headphones to enjoy the movie they watch, or music they listen to. If you have ever been on a plane, you know how noisy those powerful engines are. Airlines have been constantly revamping the construction of airplanes, but one thing has stayed constant: Planes require powerful engines; and those powerful engines emit tremendous noise.

To combat this, Bose developed a noise cancellation headphone that blocks out disruptive low frequency sound waves that would otherwise disturb the classic rock or alternative music you so desire to hear. Bose's philosophy has not changed since the company's early years : " Bose maintains an exceptionally strong commitment to research, for it is within the discipline of research that yesterday's fiction becomes tomorrow's reality. We strive to identify things which, when made better, improve people's lives. " (Bose, 2011).

Without research, Bose would not be able to meet the technological demands and changes that have been made in the past ten years. Economic Factors In regards to the Bose price sticker - they are not the cheapest in the industry. Don't expect to pay less than \$100 for a good pair of Bose headphones. However, the price of the QuietComfort 15s requires a higher income to purchase. This definitely has a strong impact on Bose's decision to make the price higher than most other headphones. However, in 2006, Forrester Research reported that Bose was one of the technology brands that scored the highest with US consumers.

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Forrester also reported that “ Americans’ trust in consumer technology companies is eroding” and “ the decline in trust from 2003 to 2005 is due to ubiquitous technologies like PCs, HDTVs, and MP3 players reaching more price-conscious, mainstream consumers. ” (Forrester, 2006). A major challenge for Bose is selling its products to tech-averse consumers who demonstrate little brand loyalty. However, “ Bose is a gem to be mined, with 10 million regular users today but more than 17 million consumers who aspire to use the brand. ” (Forrester, 2006).

This could be directly related to the high price on the typical Bose product. However, Bose wants to stick to the prestige pricing strategy to allow its products to be viewed on the highest pedestal of any other major brand in the consumer electronics industry. “ Trust is a powerful way to measure a brand’s value and its ability to command a premium price or drive consumers into a higher-profit direct channel,” said Forrester Vice President Ted Schadler. “ A decline in trust causes brand erosion and price-driven purchase decisions, which in turn correlates with low market growth. ” (Forrester, 2006).

Demographic Factors Bose first product in regards to noise canceling headphones was the Aviation Headset, Circa in 1989. Helicopter and Airline pilots needed a way to hear workers in control towers better by blocking out distracting noises. This headset was marketed in line with the original pilot demographic in mind. However, these days the demographic factors have shifted to the working professional. When companies such as Monster are marketing towards the hip hop community, Bose can still focus on the

traveling professional market by advertising on airline magazines and airport billboards.

However, since Bose's pricing structure is a bit higher than most brands, the decline in disposable income over the past few years has definitely affected Bose. In 2009, Bose stated that it would be " restructuring its operations in response to the decline of the global economy, and its impact on consumer spending. " Of course, since Bose is global, the United States economy was not the only factor in this decision; it was the global decline that required Bose to cut workers. " We have been staffed for a growing economy, not a global recession. As a global company, we are responding to these challenges. (Rediff. com).

This has had a tremendous impact on Bose's bottom line as consumer electronics plunged 5. 7% from 2007 to 2009. Overall, the factors that affect Bose the most are the technological, economic and demographic factors. Political and legal factors along with natural and social/cultural factors, do not have as much of a direct effect as the ones previously explained. Bose will continue to be one of the top consumer electronics companies, because its desire to research new and improved ways to provide the consumer with advanced products will far outweigh the downfalls of the global economy.