

# Astro consumer behavior



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1.0 Introduction 1.1 Company Background Astro Malaysia Holdings SdnBhd (ASTRO) is Malaysia's leading integrated cross-media group with operations in 4 key businesses which include direct-to-home (DTH), satellite Pay TV, Radio, Content and Digital which provides a wide range of channels providing the latest information in entertainment, news and sports. Malaysia's sole satellite television operator, MEASAT Broadcast Network Systems (a subsidiary of Astro All Asia Networks plc) was launched in 1996.

Today, ASTRO has reach 3 million customers. Currently, Astro broadcasts over 153 channels in four major languages (Malay, Chinese, Indian & English), of which around 19 are in High-Definition (HD), and 19 digital radio channels over the DTH platform. Other services include IPTV, HD, PVR, VOD, Broadband and Voice services The People's Choice, Astro was awarded the "Brand of the Year" award at Malaysia's Putra Brand Awards 2012. The award is in recognition of Astro's efforts to exemplify innovation, quality and strong corporate social responsibilities. (Astro, 2013).

## 1.2 Products and Services Analysis

ASTRO launched the first High-Definition (HD) broadcast in Malaysia in December 2009 under the brand AstroB. yond. Following the launch of HD, Personal Video Record (PVR) was introduced in June 2010 and Internet Protocol Television (IPTV) in April 2011. AstroB. yond is a multi-phased innovative service which compromises: High-Definition Television (HDTV) has moved from black-and-white analogue to widescreen color digital, sharper pictures, more vibrant and richer colors, and true-to-life images in stunning detail with cinematic surround sound and additional 16 HR channels.

Personal Video Recorder (PVR) can record all your favorite shows and create your own personal TV library.

It can record up to two channels at one time. With the 500GB PVR hard disk, it has enough storage to accommodate up to 300 hours of recording.

Internet Protocol Television (IPTV) bring an unparalleled multiply of ASTRO channels in HD with PVR and VOD services delivered via TIME's (is a fast growing fixed-line telecommunications network and solutions provider in Malaysia) 100% fibre broadband, offering the fastest internet speed (up to 30Mbps with unlimited download) with voice capabilities (wireless telephony) to homes in Malaysia. Astro Beyond IPTV customers will enjoy a revolutionary TV viewing experience through its industry-leading and cutting-edge technology via its 'tri-brid' box which operates in all modes - DTH satellite, pure IPTV as well as DTH-IPTV hybrid mode.

2.0 Brand Loyalty According to the Malaysia department of statistics, Malaysia population was 28.250 million in year 2010 while the number of households was 6.2 million. From Nation Master (2006) clarify that the percentage of households have television at home was 88.91%. Besides, the penetration of household is already at 49% in total Malaysian TV household whereas 61% and 27% in the urban and rural areas respectively (Astro Annual Report 2010). The statistics revealed that Astro services still have great potential and opportunity to serve further in the television market.

## 2.1 Recorded services

The recent findings of Regus discovered that generally Malaysia workers are regularly working over 11 hours a day which is 15% (above average) as

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compared with 10% globally (Business Times 2011). Meanwhile, 47% of workers in Malaysia claimed to bring work back home more than three times a week. Thus it eventually increased their work pressure due to working for long hours and heavy workloads every day. In addition, the working group would very much prefer themselves to record services, so as to record his or her favorite TV programs when they are not available to watch at the time its airing.

Meanwhile, they can replay the TV program anytime when they are free, giving them higher flexibility to enjoy TV with their family and relax from the work pressure. Research conducted that Malaysians spend most of their leisure time watching TV as compared to listening radio and reading newspaper. For instance, children like to spend their time to watch cartoons or animations, fathers like to watch sport or discovery channel while mothers like to watch dramas during their idle time. This trend is still going on in Malaysia households.

2. 2 High Definition Television Due to the convergence and development of content, channels, platforms and devices globally, it has significantly influence consumers in Malaysia to shift their preference from watching normal TV channels to HD TV (Malaysian Communication & Multimedia Industry 2008). Reason because HD TV provides them with much clearer audio-visual experience. According to *Business Today* (2010), illustrated that the arrival of HD in Malaysia could not have come at a more rightful time, when the market is beginning to demand for HD content. An industry report showed that 59% of the TV sets sold in Malaysia in 2009 were HD-ready.

Most of the families would prefer to stay-in and spent time with their family members during weekends or holidays to catch up a movie or so, as the HDTV channels provide sharper pictures, more vibrant colors, cinematic surrounds sound with a wider-screen in a way, the total effect appeals to be relatively comparable to going to the cinema. Research from Business today (2010) stated that prices of HDTV units have extensively decreased and an HD-ready TV could cost at an identical price to that of a color TV when it was launched in Malaysia.

## 2. 3Variety of channel selection for consumer

Astro broadcasts over 153 channels in four major languages (Malay, Chinese, Indian & English), of which around 19 are in High-Definition (HD), and 19 digital radio channels over the DTH platform. Other services include IPTV, HD, PVR, VOD, Broadband and Voice services. Astro is being done by getting its services into new areas and having the right marketing strategy. Astro created a lot of channels to attract more subscribers and one of it is Astro on Demand. The Astro on Demand is a new Astro premium service featuring the latest Hong Kong dramas series. Subscription to the Astro on Demand can be made by full drama series. For customers with subscribe to the Astro on Demand Package, the nett subscription fee is only RM34. 95 per month.

It means we just pay for one price then we can enjoy all the new Hong Kong movies in a month. Besides that, every episodes was showed in Astro on Demand will be played back to back to prevent people missing it. But instead people would never miss another episode as they can catch unwatched episodes most of the time. This is designed especially for modern working

people who has terrible work schedule. It also keeps the spirit of 24 hours TV.

## 2. 4 Attractive promotion package

Price is obviously one of the more important aspects to attract customers. Now this can be accomplished many way's with specials, sales, packages, buy one get one at half off or free and so on. Astro are providing lower prices and more offer services. For example, the new package of Astro Dynasty HD is only RM99. 95 and free one month Astro on Demand, 1 month Sports Channel and 1 month HD Service. Besides that, it also frees 1 Astro First Movie and 1 Astro Best Movie to subscribers. Astro also provide the service of installation rebate and Autodebit rebate. Now, Astro incorporates their On-The-Go app with smartphones and tablets that enhance the portability, mobility and convenience of enjoying the Astro experience. It is for everyone. We can catch live sports, exciting events, our favorite movies, dramas and more no matter where we are.

3. 0Threats in future 3. 1Fewer users There will be less supporters and users that need Astro in the next few years. This is because almost everyone knows how to use Internet nowadays. They can easily download their favorite movie, drama, sports channel, news, music and others through Internet. They can choose to watch online as well. Sometimes, people can watch the latest movie or drama before Astro showing them and there will be no advertisement while watching. Even if there is, they can still skip the advertisement. Other than that, the programmes are showing in schedule. This makes the user lose interest in Astro from time to time. Although there

is recording service to make people choose their favorite shows after recorded but it needs to pay extra RM10 for the service. RM10 for the service is cheap but in Malaysia most of the people are downloading movie or drama from Internet.

### 3. 2Production cost become higher

Nowadays, people started to demand more types of programmes to be showing. For example, Astro On Demand can be considered as new launch programmed. People are demanding more from time to time and Astro On Demand won't be enough to satisfy them. People needs are unlimited although there is the best in the town they still request and think to want have more. Therefore, Astro will try to launch more new programmed and channel to satisfy them. This will lead to the increasing of production cost. Because of that, for those who want to watch more programmed or channels on Astro, they will need to pay more. Most of the people are not willing to pay more, so they would rather choose not to watch the channel even though the programmed might be new and interesting. On the other hand, Astro still need to pay for the production cost even though not much people paying for the new channels. This will lead Astro to financial loss.

3. 3Inconvenience for customers Most of the people are having smart phone, laptop, and tablet such as Ipad on their hand nowadays. There are so many applications to be downloaded that allow them to watch movie, entertainment video and other programmes without the need of Astro. They don't need to face the disruption such as nothing can be seen on the screen during rainy day. People will definitely feel frustrated because of that as they

lose the viewing time while the fee is paid. When people do not depend on Astro anymore and the usage become lesser and lesser, they are definitely not willing to pay for things that they feel not worthy. This will cause Astro slowly losing their customers in the future. 3. 4New competitor

As we know, the user of Astro always having problem to continue watching their show during rainy day because the disruption of signal. This will happen because Astro is using satellite to receive signal in order to transfer any programmes that are showing to the Astro's user. On the other hand, they're facing competitor, which is ABN (Asian Broadcast Network). ABN is something like those days analogue cable TV. This new service provider provided 50-60 channels upon launching and offering the cheaper price at start. ABN using fiber optics cable as their cable to receive the signal so that's is no disruption during rainy day.

Fiber optics cable is the fastest cable to transfer and receive data nowadays its still have nothing better to compare with this. ABN can be use by having Internet connection at home or any other places. Until now ABN have offered more than 200 channels to fulfill the customer's needs. Even though ABN is not a big threat for Astro now, they might improve in future by providing more interesting programmes and services to their customer.

4. 0Cultural Issues 4. 1Sensual Gratification and Religious Censorship is a growing issue in Malaysia as it attempts to adapt to a modern knowledge-based economy. Malaysia has one of the world's strictest forms of media censorship, with nearly a hundred movies banned in this decade alone on the pretext of upholding morality. Muslim culture are conservative on this



value. As Malaysia consist of 60% of Muslim citizens, all types of shows or films are carefully conform to the Muslim standards.

Therefore a lot of movies which consist of inappropriate scenes are thereby banned because of religion's law. Not only Muslim culture are conservative on this value, the other ethnic group culture on their acceptance should be taken into account. As the cultures of the local ethnic group are all religiously oriented, understanding the religious influences is important. Due to the religious factor, many of ASTRO advertisement are restricted. For example, displaying ad of intimacy are not allowed and alcohol or cigarette ad are ban in Malaysia while it is openly advertise in the European country.

#### 4. 2Risk Taking/ Security and Competitive

As Malaysia is not a society that admire or support risk taking and tend to stick to the tradition of a stable life, therefore unable to develop enough entrepreneurs to achieve economic change and growth. Due to this ASTRO is still currently the only satellite TV in Malaysia, this causes the monopolization of the market and no imminent competitor. Without competitors, the market would be stagnant and there would be lack of improvement from its service provided.

#### 4. 3Diversity

Malaysia is a multi-ethnic and cultural country, the people embrace variation in religious belief, ethnic background and political views. It is important to filter the programme allowed to be air especially the religious sensitive, political view or shows on ASTRO. Effort must be made in order to avoid

disrespect or racism comment on television to avoid disagreement between each ethnic group. However the wide variety of programme such as foreign movie or drama are more than our locals show are more appealing to the locals and sadly because of this, people enjoy watching foreign films rather than supporting local films.

## 5. 0 Likes and Dislikes about Astro

5. 1 Likes There are many pros and cons on the services that Astro provides to their customers. Some of the pros are as such; Services offered can be altered by the consumer's needs and wants. The channel's subscription can be chosen according to what they want such as households with kids order cartoon channels, teens order fashion and music channels, adults would probably get movie channels. So they only pay for what they want and they don't waste money on what they don't need. Secondly, the consumer's helpline is a 24 hour service.

Astro takes their customer's complains and problems very seriously and they are very aggressive when it comes to after sales service. They go all out, even in the wee hours of the morning to make sure their consumers are entertained on their service. Thirdly, Astro provides movies both new and old, to entertain their customers, both new and old from movies with only black and white, to the latest box office movies, satellite transmission of live telecasts of shows, and such. In a matter of seconds, the public of Malaysia's can see what's going on around the globe. All said and done, it's one of the most affordable services known to a Malaysian.

## 5. 2Dislikes

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Sometimes, Astro on Demand are playing the old drama. They should not repeat the old movie as the subscribers are paying extra money for this channel and Hong Kong TVB latest movie, if not why need to pay extra. It is very unfair to subscribers and this is cheating. Some subscribers will feel disappointed to Astro and it will spoil their company's image. This is one of the reasons we dislike about Astro.

The other reason we dislike about Astro because it is a monopoly. Other TV like Mega TV was tried to get a slice of Astro's business but have failed. So there is no competition to rival it, and it resulting in less business pressure to improve them. Thirdly is bad customer service. This is a case from our friend. She have called Astro many times regarding she have not receive monthly bills from Astro, each customer service agent that attends to her say they will send the bill but it's been months and yet to receive any bills. Out of sudden she got the message from Astro saying to make payment for overdue amount. She is tired of complaining and no one takes it seriously in Astro. She has even talked to a manager but its no use also. If Astro didn't send the bill to customers how are they going to make payment?

6. 0 Recommendation The study of the report, author have been concluded with few of the recommendations of how Astro organization to increase the sales and profit. Astro is the brand name of the Malaysian direct broadcast satellite (DBS) Pay TV service. It transmits digital satellite television and radio to households in Malaysia & Brunei. The name Astro is an acronym for All-Asian Satellite Television and Radio Operator. First of all, the author will recommend by using the nature of perception of Attention, because of Attention occurs when the stimulus activates one or more sensory receptor

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nerves, and the result sensations go to the brain for processing. However, Attention is determined by these 3 factors stimulus, the individual, and the situation, author will more recommended by only using stimulus factors for the attention in this situation. Stimulus factor is a physical characteristic of the stimulus itself.

The size of the Advertisement have to be larger advertisement and more attention and likely to be noticed than smaller advertisement, for example, Astro company can put a larger banner on the street and noticed by customer, if the customer really interested in Astro program they might call up the number given on the banner. Beside of using Size, Intensity is a useful way to increasing the sales as well. By using intensity of loudness, brightness and length of the stimulus can increases the consumer attention. For example, Astro Company can advertise on the internet with a full screen advertisement to block the view of the user and telling the user what actually Astro doing some promotion and register a member to get some discount.

This is very high intrusiveness but get attention on it. Repetition is another way to reduce the attention rate, but increasing recall rate. Astro Company do can make an advertisement with singing together with the phone number of the Astro company, so that consumer could remember the phone number easier and once they needed they can call to the center and request for it. Moreover, the nature of motivation will be the best recommendation. Motivation is the reason for behavior; it helps answer the question of " why" engage in specific behaviors.

In the nature of motivation by the utilitarian need is showing that view consumer as a problem solver who approaches situation as opportunities to acquire useful information or new skills. Thus, a consumer watching a comedy on television is not only being entertained but also learning clothing styles for the drama. When Astro company advertise more about fashionable channel on other program, non-Astro member will get the motivation to sign up Astro about fashion channel and drama after they been motivated.