

Consumer behavior report report sample

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



Beats Audio Consumer behavior report

Situational analysis

This paper gives clear explanations of the processes of decision-making, the internal and external factors that influence purchase of headphones and earphones from Beats Audio. Earphones and headphones are the main products of Beats audio and the managing director needs to know everything about the company from the influence to target market. (Loudon, 2008)

Earphones main use is listening to music and closely related to headphones, which has the same purpose. Prices depend on the material used and the quality since the target groups prefer them in different colors and textures. The main information that the managing director needs to know most is about the products such as price, competitive position and distribution. In the report, there will be discussion about social influences, segmentation methods, and psychological influences, positioning and targeting issues. (Shell, 2009)

Segmentation methods

Market segmentation approach is a technique where products get certain products created for specific target markets. It refers to product's design and this is something that Beats Audio takes seriously. Its products are mainly for the music industry where young people are the target group. Beats audio performs product segregation approach to differentiate between its products and other products in the market. From a far, one can tell and recognize earphones and headphones made from Beats Audio. (Howard, 1998)

There are many methods applicable to market segmentation in use at Beats Audio. They include cluster analysis, which is a set of methods meant for knowing the structure or groups of people in a set of facts having measures on each group. In Beats Audio, both headphones and earphones get the same treatment and there is no dependent variable because they all get equal treatment.

Conjoint analysis is also common in Beats Audio where it decomposes preference into component parts. These parts are price, quality and brand. In this method, products get the view of bundles of characteristics where there is use of experimental design to create descriptions of products by varying attribute levels. According Beats Audio, products have ranks and analysis calculates each attribution towards creation of product description. This is a good method especially for the purposes of profit segmentation. (Loudon, 2008)

Another method is the regression trees, which many referred to as automatic interaction exposure, which many people now refer to as answer trees and CART. This method can examine many buyers quickly. In Beats Audio, this method helps in demographic variables such as age group, gender and occupation. Headphones and earphones mainly target the middle age group comprised of young people and youths in general. Occupation still matters because many music producers and customer care representatives use headphones and earphones for communication. Other occupations that need Beats Audio's products include pilots, rally drivers and music producers. Previous behavior about who bought and who did not buy the earphones and headphones helps in knowing how to improve them and make them the

preferred choice. (Shell, 2009)

Discriminated analysis is the last but not the least method used by Beats Audio to quantify the relationship between who bought and who did not buy. This helps to know whether the right target group reacts differently amongst themselves for better choice of change.

Targeting and positioning issues

Beats Audio has many issues when it comes to target consumers and positioning. The target consumer is not stable in terms of when they have money and when they do not have. Many of them depend on their parents to get money meaning the product affects both the parents and the children. When selling headphones and earphones, music is the first thing that comes into the minds of many people. The most difficult thing is determining a target group because the company has to design its products according to the consumer. However, Beats Audio designs its headphones in different colors to suit the young generation where girls want bright colors and boy's dull colors. (Howard, 1998)

After market's segmentation based on different classes and groups Beats Audio has to choose its target consumer. There is no one method designed to suit all consumers and developing different methods to suit all is a very big problem and an issue to the company. For better targeting, the company will have to come up with three methods to suit all target groups.

These are methods are undifferentiated targeting which views the market as one group. In the method there are no individual segments this method does not create a competitive advantage and therefore the company has to use

the next one, which is concentrated targeting. This focuses on a particular group for example boys or girls. This lowers the profits because it does not involve the other groups. The best therefore is multi segment but coming up with a strategy that caters for all target groups is a big problem. All these strategies require money for implementation and they come at very high costs. Positioning which creates the image of the products in the heads of the consumer requires a lot of advertisement hence costly. Coming up with the best price levels is a big problem and to some companies it is almost impossible. (Loudon, 2008)

Beats Audio does not have specific consumers and this limits its advertisement because it fears losing some consumers by concentrating on one group. This is an issue by itself since if it had a target group; it could have an appropriate price level, which it does not have. There are more issues but not related to targeting and positioning.

Social influences on buying behavior

Peer pressure is one of the main influence on buying headphones and earphones. Whenever somebody sees someone with the two gadgets, there is an urge to own the same and it is normal in human beings. The cause of peer influence could be the picture or movie watched on television involving a peer. (Shell, 2009)

Mostly the company uses billboards to advertise these products using individuals of certain target group. These billboards mean to influence the peer to try to look the same. Young people for example easily get influence from friends maybe in school and social places. Peer pressure has influenced

many people to buy what they did not intend to buy. If these people come from rich backgrounds, there are people they want to identify with and mostly in the music industry. Using earphones and headphones appears cool to rich people who would rather put on expensive earphones and expensive phones other than going for the simple ones commonly found. (Howard, 1998)

Social class and culture influence buying behavior in ways that are unclear up to date. Wanting to be the same is what could simplify the idea of social and cultural influence. Whenever one lives in a culture that does things differently, there is that urge of catching up to reduce attention and discrimination. Individuals think they are rich just because of associating themselves with things that the rich do. (Loudon, 2008)

Psychological influences on buying behavior

Perception includes the activities that an individual acquires and gives meaning to stimuli. This begins with exposure, which is usually the result of self-selection. There is an occurrence of attention in cases of more than one sensory receptor. People have different attitudes towards some products and this prevents them and their friends from buying the same. Some think that putting on headphones and earphones is old school and prefer using the hands free feature while on phone. Well, the latter is just an example of attitude as an influence towards buying behavior.

Personality also influences buying behavior and people with a mighty personality rarely go for common things. It is something that just comes. For example, one will not easily spot a president having earphones on and

listening to music. This closely relates to lifestyle and perception. What does that mean? It means that a driver for example will always have earphones on while driving therefore it is necessary for him to have them. This is how lifestyle will influence him to buy them. Many elderly people have a perception that earphones and headphones spoils ears and cause diseases like cancer and ear infections. This affects their buying behavior. (Howard, 1998)

Conclusion

Beats Audio has many challenges while trying to discover the target consumer and it is common to almost all companies. Group influences play a big role in decision, making from friends and family. For example, Steve is from a group of people who have similar lifestyle, similar budget, same education level and habits. He wants to be different from them meaning that he has an identification influence and he will do all he can to be what he wants. The same case applies when one wants to buy a product to be equal to certain members of his group. Beats Audio could try getting different types of its products to suit everybody in the market but mainly target on the young people. (Loudon, 2008)

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