

Buyer behaviour assignment



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Explain how the application of Buyer Behaviour theory has been applied and used in the marketing and purchase of a specific consumer brand BO8383

Word Count 3, 152 This assignment will attempt to discuss the thought process and interaction between a consumer brand and its market. Relevant theory and models will be used in order to underpin arguments put forward; research will be conducted from the perspective of both a consumer and organisational perspective.

The brand that will be researched in this assignment will be Nintendo. The Nintendo organisation is one of the most recognised brands in the video games industry. Established in 1889 the Nintendo organisation was originally set up to produce playing cards, the Nintendo brand evolved and differentiated and is now recognised as one of the leading names in games console manufacturing. Products such as Super Nintendo Entertainment System, Gameboy, Nintendo 64, and most recently the Nintendo Wii and Nintendo DS have been spawned by the Nintendo organisation.

The Nintendo Wii is the product that will be primarily discussed during this assignment. [pic] The Wii console was launched in 2006, and offers a unique gaming experience with a wireless controller and a remote control that detects movement with a sensor. Features of the Nintendo Wii include Wii Sports where consumers are can test their levels of fitness and keep on top of their fitness levels through training. Nintendo provides its industry with something it has never seen before, combining a gaming experience with a fitness workout.

Due to the exclusivity of the product, extensive marketing has to be applied in order to understand the thought process of the consumer and meet the consumer's needs. The Decision Making Process developed by Engel Blackwell and Miniard (1990) is used in order to understand thoughts of consumers when buying products. Problem Recognition A problem is identified when the consumer recognises that there is a perceived difference between their actual and desired state. Both internal and external stimuli can lead consumers to recognise that they have a problem.

There are two types of problems that a consumer can experience, both active and inactive problems. For an active problem the consumer is aware of the problem at hand, and then marketing is used by the organisation in order to promote a particular brand. A consumer can also experience an inactive problem, they are not aware that there is a problem however marketing highlights to the consumer that they have a problem, and then highlight a brands superior quality. Through the Nintendo Wii, Nintendo have recognised a problem within society.

Lifestyles of youths have been heavily criticised for being less active than previous generations and some critics blame computer games for this, as consoles distract children from active lifestyles and playing sports. However doubts may arise as to how much physical activity can actually be done in the home, and if the consumer wants to play on a games console it will buy a console with good game play, if the consumer wants to partake in physical activity they can join the gym, consumers may be sceptical at combining the two.

Nintendo recognises this problem and combines a computer console with an active lifestyle. Therefore through a gaming experience children can also achieve an active lifestyle. During its launch in 2006 the recommended retail price of the Nintendo Wii was around ? 180. 00 and although the Wii is a child's games console it will be the children's parents / guardians that will be physically buying the product. Therefore marketing campaigns also have to be tailored towards the parents. The Wii has also recognised a problem that would hit home to parents.

Society has been criticised for a distinct lack in family values as opposed to previous generations, less time is dedicated to home life and families don't spend as much time carrying out family activities. The Nintendo Wii is marketed as a family game, advertising campaigns show families partaking in the Wii games and through the Wii, families are given a rejuvenated sense of togetherness. Below is a picture taken from a Nintendo Wii advert, in the picture overleaf we have Ian Wright ex Arsenal and England footballer, playing on the Wii with his son and England and Chelsea footballer Sean Wright Phillips.

The advert highlights that the Nintendo Wii is fun for all of the family.

Mustafa (2005) discusses the need for celebrity endorsement, " Celebrity endorsement can be a highly effective form of dramatic communication with the consumer.... They embody meanings which allude to distinction in lifestyle, class, gender, age, status and personality types. " Ian Wright and his adopted son Sean Wright Philips may appeal to the working class, both famous for playing a relatively working class game, in football.

This would make the working class market sit up and take notice, as they can see people that they relate to enjoying the Wii, playing the console with smiles on their faces. [pic] Information Search Once the consumer identifies that they have a problem, the consumer tries to obtain as much information about the product and brand as possible. Nintendo and other competing games console manufacturers make information available through websites, where consumers and potential consumers are able to interact with both the business and one another in order to find out about the product.

Nintendo showcases its products through games workshops where people from inside the gaming industry are able to review the product. Specialist gaming magazines also review the product. Nintendo also set up Wii consoles around retail stores so that potential consumers can try before they buy in order to limit risk. With the price of the Wii at around ? 180. 00 consumers have to be sure that they are making the right purchase decision and with all this information available, will be safe in the knowledge that they have made the right purchase decision. Evaluate Alternatives

Once settled on the games console product, consumers will then evaluate alternatives. It is the job of the organisation to convince the consumer to buy their product. The consumer has a range of different games console to choose from, all with competing characteristics; it is up to the manufacturer to sell the characteristics and benefits of their product. Nintendo Wii offers a unique games console due to the activity side of the game play; however other manufacturers such as Sony with its Playstation and handheld PSP and Microsoft with its Xbox all attempt to sell their unique benefits.

Purchase Decision There are numerous factors that dictate the purchase decision. One of the main influences is the view of family and friends. For example the family will think the Nintendo Wii is a good purchase as it is keeping them active, rather than sitting on the sofa watching TV, this creates a sense of self esteem within the family, they feel good about buying the product because it contributes to their well being. The consumer may be more respected within their circle of friends as they are seen to be buying this new unique product.

Opinion leaders also influence the purchase decision, how the console is received in the public domain will influence, for example if this innovative new product is well thought of, then this would lead to purchases being made through public opinion. However, specialist games console experts may frown upon the new product due to the lack of game play and may see the product as a novelty which will soon wear off. The credibility of sources is key, for example a specialist games magazine may hold more credibility than a tabloid newspaper review, because the games console is the main area of focus for the magazine. The consumer also has to overcome a perceived risk, with the Wii being a new console it is a great risk for the consumer because they have never experienced anything like it before, this is why product reviews and 'try before you buy' schemes are set up in order to limit the risk. Also at ? 180. 00 if the choice is wrong it is an expensive mistake to make. Although the product is new, Nintendo is an established brand and brand loyalty means that consumers should associate Nintendo with quality through other products that Nintendo have released in their history.

Post Purchase Evaluation Once the consumer has bought the product the consumer goes about justifying the purchase, and seeing if the products suits the consumers needs, this is also called cognitive dissonance. The consumer should now reach his desired state which was sought after in the problem recognition stage. In order to prevent problems, and to help when problems do arise. Nintendo fit the Nintendo Wii with an instruction manual, website, and telephone numbers for consumers to contact.

The after sales service is crucial for the organisation; this view is echoed by Winer (2001) “ By combining the abilities to respond directly to customer requests and to provide the customer with a highly interactive customized experience, companies have a greater ability today to establish, nurture and sustain long term customer relationships than ever before. ” There are various stimuli that an organisation uses to aid the purchase decision process, otherwise known as the marketing mix or seven P’s. Product

The organisation has to evaluate its product, asking the question whether this product is suitable for the target market, and if the product has something that its competitors don’t have. With the Nintendo Wii we have a unique selling point with the sensor detecting movement feature, however we need to be sure that the consumer actually want this feature on their games console or if it’s just a useless gimmick. Price The organisation has to be astutely price its product, making sure that they ensure profitability from its product, but at the same time making sure the price does not alienate a large portion of potential consumers.

The price will also be coupled with demand, if there is a high demand for the product then consumers would more than likely pay more for a product.

Conversely if there is any sort of resistance to a product and demand has dropped then the pricing may have to be revisited throughout the duration of the product life cycle. The consumer will look at value for money and weigh up if the price that is being asked for the product is good value, and also look at prices of competitors to see if they can get better value for money.

At its launch in 2006 the Nintendo Wii retailed at around ? 180. 00 Promotion Promotion includes all the ways in which the organisation tells its consumers about the product. Marketing and communication strategies are used in order to increase sales and these strategies have to be ever changing to suit consumer needs. I commented earlier on the advertising campaign including Ian Wright and his son England footballer Sean Wright Phillips, a recognised father and son combination grasping the family concept of the Nintendo Wii, this is just one marketing campaign that has been used.

The consumers will recognise the celebrity family and then be made aware that the Nintendo Wii is fun for all the family. Place This is where the product is actually sold, the exact location where the consumer meets the salesperson. Nintendo sells the Wii product in retail stores such as Game, Woolworths, HMV and Virgin. Although the Wii is a Nintendo product, Nintendo must fully educate the retails stores on the Wii as these retails outlets will now become a representation of the Nintendo organisation through selling its products, Nintendo need to be sure that onsumers will receive correct information upon purchasing the product. Nintendo also sell the Wii product online through retailers, again the same product information

needs to correctly filter through. The consumer should be able to physically buy the product easily; a hassle free experience will increase sales of the product and make the product more accessible. Packaging This element should be an external representation of everything the company stands for. Nintendo need to be sure that when their product is on the retail shelf it is the Wii that stands out against the Playstation or Game Cube for example.

As well as the actual product, packaging relates to every visual element of the organisation, a salesperson, company logo, company offices etc. If all visual entities give a message of professionalism and competence then consumers will encapsulate this feeling and buy into the experience.

Positioning How an organisation is seen and thought of by its consumers and public is critical to its success. Consumers will become affiliated with a specific feeling or attribute of the organisation and depending on this affiliation, dictates how readily a consumer will buy or pay for a product.

For example with the Wii and the Nintendo organisation, because of its long history of producing innovative consoles, its public may see the Nintendo organisation as a refreshing and pioneering organisation, leading to a feeling of originality for its consumers, consumers will buy into the product knowing the Nintendo will not disappoint. Here, Dvorak (2007) comments on the unique characteristics of the Nintendo Wii, “ Instead of kids sitting there doing nothing, they have to be up and moving and often jumping around to play many Wii games.

It's quite odd to witness. In fact, the Wii controller is an obvious slam dunk for calisthenics... So my experience with this toy tells me that a fundamental

change has taken place in game play — and it's all down to the controller. People were all pumped up about it before it came out, and now I can see why. It changes all the rules and will dominate the future of gaming. You watch. People This relates to every individual that is responsible for any element of the organisation.

This places great emphasis on recruitment selection and training to ensure that the people that are working within the organisation and that represent the organisation are well equipped to carry out their roles. Nintendo should be happy that all of its employees and also anyone that has any connection to the organisation can represent the company in a sufficient way. Company messages have to be communicated effectively in order to ensure the company policies are embodied. One example of an employee captivating its organisations mindset is Reginald Fils – Aime, President of Nintendo of America.

Below, Hein (2007) describes Fils – Aime, “ Those in the industry know Fils-Aime as brash and competitive, and may recall his introduction at the 2004 E3 gaming conference in Los Angeles: “ My name is Reggie. I’m about kickin’ ass. I’m about takin’ names. And this company is about makin’ games”.... One half cheerleader for the brand, one half bully to the competition, he has become, arguably, as much a public figurehead for Nintendo as Maria, Donkey Kong and (his favorite) Link from the Zelda franchise....

Fils-Aime is often spied practicing his Wii Sports Tennis swing, as he’s talking on the phone in his office, so he can maintain his near undefeated streak when demonstrating his beloved product. ” Buyer Behaviour is also affected

by a number of psychological variables. One of these variables will now be discussed in depth. Perception Perception, in marketing terms, means how commercial stimuli, like advertisements, are seen, interpreted and remembered. Depending on a consumer's perception of themselves, they see what they want to see and at times distort some messages to fit their view of the world.

Screening out non relevant messages allows buyers to engage in selective retention. Given that perception is influenced by motivation, organisations have to know what exactly motivates and stimulates consumers. Just as good advertising may increase sales, bad advertising can decrease sales. Nintendo has to know its consumers, and understand their thought processes in order to reach the target market. Understanding how customers see themselves, their self-image or self-concept, is important, since many goods and services are chosen because they reinforce the buyer's self-concept.

For example, packaging should reflect, and not conflict, with the customer's ideal self-image. In the modern era it has been said that consumers wear their products, products that are bought are an extension of the consumers self, the product has to represent the consumer, this is similar to what Ligas and Cotte suggest, (1999) " The way in which a consumer wishes to present him or herself can lead to the use of a specific product... We believe that consumers look to the meanings created in both the marketing and social environments to assist with this individual meaning construction. Another theory is that consumers buy products in order to indulge in compensatory consumption, this is the process where consumers buy products in order to

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make up for something that they are missing in the real world. This could be relevant in the case of the Nintendo. One facility of the Nintendo Wii is that users can interact online and play within online communities. The compensatory consumption theory would suggest that consumers feel the need to build up a 'virtual community' online as a result of their inability to create a community of friends or associates within the real world.

In conclusion, Nintendo has combined an innovative product with an effective PR and marketing campaign, this has resulted in consumers positioning the Nintendo as a refreshing and original brand. Nintendo has encapsulated the consumer's imagination which has in turn led to the Wii's dominance in the games console arena. Analysis of the importance and appropriateness of the selected papers Reading List Coote J and Ligas M (1999) The process of Negotiating Brand Meaning, University of California

Connection point for technology buyers making brand decisions for their companies. Aims to analyse evaluate and review all technology solutions that build a modern business. Used in order to show the combination of technology with brand positioning. Dvorak J (2007) Ode to the Wii. PC Magazine, Vol. 26, Issue 6 The article presents the author's views on the Nintendo Wii. PC magazine is a magazine that is used by games enthusiasts in order to evaluate new computer technology.

Paper used in order to provide specialist opinion. Hein K (2007) Wii Did It, BrandWeek Vol. 48, Issue 36 A weekly publication of articles, interviews, business profiles, licensing, new products and new campaigns aimed at professionals in marketing in agencies and client companies. Used in order

to show the impact brand Nintendo has made within the marketing industry.

Mustafa N (2005) The Role of celebrities in marketing a background: paper
cass creative stars in our eyes city, City University London

This is an academic paper that discusses the need for celebrity endorsement, published in 2005, the paper is recent and draws on marketing theorists to underpin my argument. Winer R (2001) Customer Relationship Management: A Framework, Research Directions, University of California
Another fairly recent marketing publication used to draw upon theory in discussing subject areas. Aimed at analysing areas such as after-sales service and the interaction between consumer and organisations.