

Influences on the
consumer decision
process sony
playstation marketing
essay



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Abstract

The Sony Corporation is a global, multi-million dollar business focussing on technological innovation in the consumer electronics Industry. Its PlayStation video games console is gaining market share and is now competing with the established players in the market. Teenage males continue to be the dominant purchasers and their desire for fun and fantasy is being fulfilled though the games they play on their consoles.

High-tech products, such as the Sony PlayStation, are ‘ considered’ purchases and require an information search as part of the purchase process. Teenagers are shown to search online sources for information before purchase. They increasingly make purchases online but also visit retail stores. When they are shopping, their need for approval and support from their reference and peer groups means they also prefer not to shop alone.

Teenagers are a major consumer segment and are heavily targeted by businesses like Sony, who recognises the physiological inputs that affect their buying decisions and attempt to take account of these in their marketing activity. Dramatic images and high action content games drive the formulation of the promotional and product strategy. However, perhaps more needs to be done to reassure buyers, after they purchase, that they have made the right choice.

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1. 0 The Sony Corporation

Sony is a multinational corporation with headquarters in Japan. It is one of the world's leading manufacturers of electronic products. Its annual revenue was US \$72. 14 billion for the financial year ended 31 March 2010 (Sony Consolidated Financial Statement, p. 6, 2010).

Introduction and Background to the Video Games Consoles Market

A Brief History

Sony Entertainment Inc. is the business unit that is responsible for the production, distribution and marketing of its video games consoles including the Sony PlayStation. Sony launched the long awaited PlayStation 3 in the USA in 2006, just two days before the launch of the Wii from Nintendo (Herman et al, 2002). Microsoft's Xbox 360 console had a one-year lead in the market and enjoyed buoyant sales as a result. Nintendo's Wii positioned itself away from its main two competitors through the deployment of its ground-breaking motion-sensing controller (Cheng et al., 2007). In 2009, the PlayStation 3, helped by a \$100 price cut, outsold Nintendo's Wii console for

the first time. Sales of the PlayStation 3 more than doubled to 491, 800, while those of the Wii fell 33% to 462, 800 (Satariano, 2009).

The UK Marketplace

The brand leader today in the UK is the Nintendo Wii with an estimated 44% of the market, followed by Microsoft's Xbox 360 with 34% and Sony's PlayStation with 22%. However, a research study by Kelkoo and GameVision Europe is forecasting that the Sony PlayStation will be the biggest selling console this Christmas due to technological innovation in motion video games (Kelkoo, 2010).

Audience Profile

The audience profile for video consoles naturally mirrors that for video games. Although the average age of video gamers is reckoned to be 33, more than 80% of all video games players are teenagers (Williams et al, 2008). This is supported a study in the USA by the Kaiser Foundation which found that games consoles were present in the homes of 83% of 8-18 year-olds (Rideout et al., 2005). Whereas the popular view was that males are by far the predominant gender amongst video gamers, there is evidence to suggest that female participation has increasing rapidly, especially in the UK and USA, where more than 40% of video gamers are now female (Bryce and Rutter, 2002).

The Consumer Purchase Decision Making Process

There are five stages to the consumer decision making process, as shown in the model below (Kotler et al., 1999):

Buying Behaviour Decision-Making Process; Source: Kotler et al., 1999, page 254

This model implies that consumers pass through all of these stages in every purchase that they make. However, this is not really the case as for normal, day-to-day purchases, such as groceries consumers may well leave out some of the stages or apply the stages in a different order.

However, for the purchase of relatively high value, high-tech, electronic products such as the Sony PlayStation (retail cost about £250. 00) it is likely that consumers will adopt the more structured approach shown. Due to the technological nature of the product and the availability of similar products from other manufacturers, consumers will place particular emphasis on the ‘ Information Search’ stage. As well as being important consumers, who search for product information in their own right, teenagers also influence the purchasing habits of their parents. In 2003, research showed that 47% all teenagers in the USA had been requested by their parents to go online to investigate products and make product selections compared to just 37% in 2001 (Mediamark, 2003).

Equally, the ‘ Post Purchase Evaluation Stage’ is also important for an innovative and high value purchase, such as the PlayStation, as it is what will determine customer satisfaction with the product and, ultimately, it will also have some influence over consumer attitudes to the Sony brand generally.

Consumer attitudes and behaviour at this post purchases evaluation stage may result in cognitive dissonance if, for any reason, there is dissatisfaction or disappointment in the product. The theory of cognitive dissonance was

first identified by Leon Festinger in his book 'When Prophecy fails' (1956) and was propounded as a serious theory by the same author a year later (1957). Cognitive dissonance occurs when a buyer of any product or service may have made an emotional rather than rational decision. The buyer may start to experience doubts about the efficacy of the decision and starts to look for information that provides reassurance that the decision was correct and rational. This is where Sony needs to ensure that the buyers of its PlayStation receive constant exposure to reassurance-based marketing messages as well as having access to good after sales support – see appendix I.

4. 0 Inputs into Consumer Behaviour

To understand consumer purchasing behaviour generally it is necessary to understand the input factors that influence that behaviour. Consumer purchase decisions are subject to influence from two separate and distinct areas of input, namely marketing and psychological (Cohen and Areni, 1991). The classic four P's of the marketing mix (price, place, promotion, and product) exert a proactive influence over the consumer whilst the consumer's own psychological inputs (attention, perception, motivation, learning, attitude, and memory) and the consumer environment (culture, subculture, group, social, lifestyle) exert a reactive influence on how the product or service is considered and then evaluated.

The purchase decision process, adapted from the model published by Cohen and Areni, is shown below:-

Marketing Inputs

Psychological Inputs

Consumer Purchase Decision

Consumer Environment Inputs

4. 1 Psychological Inputs – Attention, Perception, Motivation, Learning, Attitude,

Memory.

Attention – Consumers have a certain level of ‘cognitive capacity’ available to undertake purchasing decisions. The way in which a consumer allocates this cognitive capacity is known as ‘attention’ (Blackwell et al, p. 151, 2001).

Gaining attention from consumers is one of the primary objectives of marketing activity and the Attention-Interest-Desire-Action (AIDA) model reflects the significance of the attention stage within the consumer communication process (Kotler, 2002).

Perception – The cornerstone of establishing a concept in the mind of the consumer is perception. A consumer’s perception of a product is real and has a major influence on behaviour whether that perception is accurate or not (Dobni and Zinkhan, 1990).

Motivation – A video game must contain certain key features in order to provide motivation to a consumer to play. One of the key motivators for consumers who buy video consoles and games are ‘challenge’, ‘fantasy’ and ‘fun’ and ‘curiosity’ supported by the need to attain certain objectives within the game that are not certain at the outset (Malone, 1980; Draper, 1999, p. 121).

Learning – Consumer knowledge and behaviour changes as a result of ‘learning’ experiences. One of the principle roles of marketing is to enable consumers to ‘learn’ about their product or service. Cognitive learning is closely linked to memory. It takes place following the processing of information and the transfer of that learning into the consumer’s memory (Blackwell et al, p. 86, 2001). Consequently, promotional messages communicated at the ‘information’ stage of the purchasing decision making process can ultimately become ‘knowledge’ and result in learned behaviour at the point of purchase.

Attitude – The consumer buying process has been seen to be complex. However most academics consider that consumers make purchasing decisions largely based on their attitudes (Petty, R. E., Unnava, R. H., Strathman, A. J., 1992). Attitudes strongly influence intentions or ‘desire’, which is part of the AIDA buying model. It is highly unlikely that a consumer will ever be desirous of buying a product that has not invoked a positive attitude in that consumer’s mind (Blackwell et al, p. 288, 2001)

Memory – It is a fact that consumers forget. They forget to purchase certain groceries when they go to the supermarket and only remember when they arrive home. Memory therefore, plays a vital role in the consumer purchase decision process. If a consumer cannot access the memory of a certain product then that consumer will not consider purchasing it unless the product is physically present when the purchase decision is being made (Blackwell et al, pp. 486-487, 2001).

4. 2 Consumer Environmental Inputs – Culture, Subculture, Group, Social, Lifestyle influences

Culture is the set of values, attitudes and beliefs that are learnt early in life and continue to be developed right through to adulthood (Singelis, 1995).

The cultural context for young people is very significant as it is still being learnt and is, therefore, a major influencer on their attitudes and behaviour towards consumer purchasing decisions.

Sub-cultures – Culture usually contain sub-cultures of different groups who share interests and values, attitudes and beliefs. Youth culture' is distinguished by its own attitudes and behaviours This is supported by evidence that suggests that members of a sub-culture will often indicate their membership of their particular sub-culture by buying particular and symbolic products or brands (Hebdige, 1979). In terms of the sub-cultural market for video games consoles, then this could be described as ' youth culture'.

Reference groups -. As young adults become more independent then reference groups play an increasingly important role in their development. A reference group can be defined as ' an actual or imaginary individual or group conceived of having significant relevance upon an individual's evaluations, aspirations, or behavior' (Park, C. W. et al., 1977). Reference groups for teenagers will include family members, friends and colleagues, as well as their music and sports heroes. Research has also shown that teenagers are far more comfortable dealing with salespeople when they are with a reference group of their peers than when they are alone (Batat, 2008).

Social – Consumer socialization is how young consumers learn about how to make buying decisions (Jones, KL. 2009). Research by Bahn (1987) shows that very young children learn about this process from their parents.

Children from 9 years of age can be reasonably sophisticated in their purchase decision thinking and start to make decisions on their own in their teens (Moschis, G. P. and G. A. Churchill, 1979).

Lifestyle – Lifestyles are how people live in terms of their behaviour, activities and interests. Lifestyle is driven by the other elements of the psychological core as well as by socio-demographic and psychographic factors. Teenager's basic lifestyle needs are for recreation, sustenance and education (Blackwell et al, pp. 219-226, 2001).

4. 3 Marketing Controlled Inputs – Product; Price; Place; Promotion; Brand Personality and Reputation

Teenagers have become a huge market for a number of consumer brands. Consequently vast marketing budgets are targeted at this group as evidenced by the fact that in the USA alone advertising expenditure targeted at teenagers grew from US \$100 million in 1990 to US \$2 billion by 2000 (Media Awareness Network, 2009). 2003)

Product – The appeal of Sony PlayStation and its games are focussed, as has been shown, predominantly on the teenage male market. Consequently the games feature 'shoot 'em up' and high action such as in 'Crisis Zone' and 'God of War', which fulfil the consumer's motivational desires identified earlier – see Appendix II. Sony has recently updated the 'fun' element of its PlayStation product by adding motion sensor controllers. In addition, the

PlayStation offers the most advanced visuals and audio of any other game console and most computers (Moats, 2008)

Price - Sony has consistently adopted an aggressive price discounting strategy on its PlayStation 3 product as evidenced by the \$100.00 price cut it made in 2009 in order to outsell Nintendo's new Wii console (Satariano, 2009). The teenage market that PlayStation targets has been shown to be actively seeking value for money.

Place - It has already been seen that teenagers research and shop online on behalf of their parents so it is also reasonable to assume that they do this on their own behalf as well. Certainly today's adolescents are becoming consumers at an earlier age than previous generations and are anxious to obtain the best value for money for any specific purchase which was getting the best deal or value with respect to a specific purchase. For some adolescents, this was spending the least amount of money for a purchase. Teenage consumers are always looking for multiples online sources of information before buying anything. Even if they do not buy online, they usually gather information online before going shopping in physical stores (Batat, 2008). Sony sells its PlayStation hardware and software online from its own website as well as from specialist online shops such as Amazon and Play.com. However, the highest volume of their sales still come from retail shops such as Comet, Tesco, and Game (Moats, 2008)

Promotion - The marketing mix, particularly, promotion, has a profound effect on consumer behaviour. The younger consumers in Sony PlayStation's target audience have grown up in the 'digital age' and their consumption of <https://assignbuster.com/influences-on-the-consumer-decision-process-sony-playstation-marketing-essay/>

marketing messages has grown with the increased diversity of the media available to them.

Research has shown that this group generally finds traditional media like newspapers and radio to be largely irrelevant (Robson, 2009). It also finds that, although they watch a lot of TV this is decreasing due to the availability of more selective ways of seeing their favourite shows such as online. Young people are far more likely to be influenced in their purchasing behaviour through what they are exposed to online. However, they do not like intrusive advertising aimed at them through these media.

In their research paper 'Theories of Attitude Change' (1992) Petty, Unnava, and Strathman, believe that advertising does indeed influence consumer behaviour. It achieves this by changing the way that existing consumer beliefs are evaluated. The same authors have produced an Elaboration Likelihood Model (ELM) of persuasion that suggests that, if their attitudes are changed by advertising these changes in are likely to persevere going forward. So advertising clearly has a major role to play in changing and consolidating previously held attitudes to a product like Playstation and also possibly generating loyalty to the Sony brand in the longer term. The same research also suggest consumers who find advertising messages 'relevant' will spend longer processing those messages which, in turn, can cause changes in attitude and behaviour.

PlayStation advertising typically emphasises the technical qualities of a console. Television commercials display scenes from games that demonstrate the more advanced qualities of the system all of which are

highly 'relevant' to the teenage buyers of PlayStation. Sony also has certainly demonstrated its grasp of the need for 'attention' in its marketing activities. Its advertising for PlayStation has frequently featured striking images which have often sparked controversy - see appendix III In addition, Sony now uses online techniques as the spearhead of its PlayStation promotional strategy (Shields, 2010)..

Andrew House, Sony's executive vice president of marketing says of the advertising for PlayStation: 'we were essentially trying to tap into a range of emotions that we think we deliver in the games - intrigue, foreboding, excitement, panic, relief and achievement at the end'. (Elkin, 2002)

Brand Personality and Reputation - Young people are bombarded with marketing messages about the importance of brands and image, to such an extent that it has not only influenced their purchasing behaviour but also the way in which they socialize with adults and with their peers, according to child psychologist Allen Kanner (2004). Sony and PlayStation both have strong brand names in the marketplace:

Every contact point between the brand and the consumer, from advertising to point of purchase, when functioning synergistically, has the potential to establish a sense of 'belonging' in the consumer (Blackwell et al, 2001). This can result in repeat purchase and the establishment of a relationship between the brand and the consumer.

'Sony, for instance, has done an extraordinary job of image management overall. Even though some analysts wonder if Sony is not overstretching its

brand, the size and scope of its brand management work is extremely strong by any standard'. (Rusch, R. 2003).

5.0 Summary and Conclusions

The video games console market is highly valuable and competitive. The console brand that consumer's buy is strongly influenced by both psychological and marketing factors plus by the consumer environment. The marketing activity for Sony PlayStation plays on certain of the psychological needs of its consumers in order to gain their attention and influence their purchase decisions, for example the dramatic imagery of some of its advertising.

The consumer environment is undoubtedly creating a positive arena for sales as teenagers have been seen to want to conform to their reference groups and they also exert a lot of power of household decision making for all types of products and especially for video games consoles. Sony has recognised that its buyers are highly internet literate and watching less TV and has, consequently, begun to strengthen its online marketing promotion of its PlayStation product.

Despite this, however, there is little evidence to suggest that Sony is making full use of the inputs into consumer purchasing behaviour of all of the constituent elements of the psychological core and consumer environment when it plans and executes its marketing mix strategy. Consequently, Sony should closely examine all of these factors and consider how best to use both its knowledge of its target buyers and the factors that influence their

purchasing behaviour to increase the relevance and effectiveness of its marketing activity.

Appendix I – Sony PlayStation Support

PlayStation®3 Support

PlayStation 3 is the next generation in home entertainment. It is a fantastic entertainment system that lets you experience fantastic games and brilliant video, as well as letting you manage and enjoy your music and photos, not to mention Internet access and more. Find out how to get the most out of PS3 here.

Guides

Frequently Asked Questions

Community Support

Featured Guides

Activate/Deactivate your PS3

Blu-ray 3D™ disc playback

(Source: <http://uk.playstation.com/ps3/support/>)

Appendix II – Sony PlayStation Games

Become the mighty warrior Kratos, as he seeks bloody revenge against Greek mythology's most fearsome creatures and gods.

The developers of the hit Time Crisis series take the action up a notch, arming you with a sub-machine gun. Action!

(Source: <http://uk.playstation.com/ps2/games/detail/item35654/Crisis-Zone/>)

Appendix III – Samples of Visual Imagery from Sony PlayStation Advertising

(Source: <http://speckyboy.com/2009/09/07/39-creative-and-sometimes-controversial-examples-of-playstation-advertising/> – Accessed 08. 11. 10.)

(Source: <http://www.guardian.co.uk/media/video/2009/aug/24/sony-playstation-3-ad> – Accessed 08. 11. 10)