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## **1.0 INTRODUCTION**

### **1.1 Sonic PDA**

Sonic PDA is Sonic's forthcoming Personal Digital Assistant (PDA) which will be introduced to the market. The product is named as Sonic 1000. It would enter a targeted market segment including consumer market as well as business market. In consumer market, the product targeted to professionals as well as students. Meanwhile in business market, the product is targeted to corporate users, entrepreneurs and medical users. Their primary usage will differ based on their requirement but the Sonic 1000 capable of catering of their entire requirement although they are segmented in different classes. This provides Sonic 1000 with capability of entering the market and compete with the rivals such as PalmOne, Samsung, Garmin, Dell, Sony, HP and Handspring.

### **1.2 Consumer Buying Behaviour**

All consumers do not have same attitude and behaviour in buying or adopting a product. How and why a consumer decides to buy or intended to buy a product can be answered by consumer buying behaviour research with the help of research tools such as survey questionnaire, and focus group. Generally they are influenced by several factors which are cultural, social, personal and psychological.

*“Consumer behaviour is the study of how people buy, what they buy, when they buy and why they buy. It blends elements from psychology, sociology, sociopsychology, anthropology and economics. It attempts to understand the buyer decision making process, both individually and in groups. It studies characteristics of individual consumers such as demographics, psychographics, and behavioural variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general.” By Jonathan Dadoo.*

## **2.0 Consumer Behaviour Influences**

### **2.1 Cultural Factors**

Cultural plays important part in consumer's buying behaviour toward PDA. Cultural can be referred as values perception, wants and behaviours learned by a member who belongs to that group of people. This group is more diversified and large such as institution where they work or study. Culture can also be adopted from family. The highlight here is the cultures varies in high amount from countries to countries. For example, Malaysia culture is different from USA. For instance, in USA universities, each student will carry a laptop regardless it would be used or not in the classroom. But in Malaysia, bringing laptop is optional. This culture influences the PDA buyers as well because this Sonic 1000 does play its part as a mobile phone as well. Most of Malaysian does have mobile phone and this influences the buyer in general.

The culture factor can be narrowed down further to sub culture factors. Sub culture is where the member is sharing common life experience and situations with other members. Such as religion based; Indians have their own culture while the Muslims have theirs as well as the others. Indian goes to temple while Muslims go to mosque. They share the same life experience and situation. Another example is college students of Binary University have different culture compared to Sunway University College students where we name it as sub culture although they all are students. Taking PDA into scene, this sub culture influences the buy because if in case most students of Binary University College carry a PDA, this will influence the rest of them to carry one as well.

At the same time, social class influence as well. Almost every society has social structure which the members are placed in classes. The members from same class which behave alike or tend to behave alike other members in the class. This social class influences almost all of individual's characteristics such as dressing, speech, entertainment and others. In USA, there is 7 social classes identified as; lower lowers, upper lowers, working class, middle class, upper middles, lower uppers and upper uppers. PDA wise, the middle class, upper middles, lower uppers, and upper uppers would be in favor of buying the PDA. The class members will copy what the other members are doing in

majority. If majority of upper uppers are having PDA, then the rest of upper uppers class members will tend to own a PDA as well. They learn from each other's life on what they have and what they don't have by comparing themselves. The class is the criteria to compare.

## **2.2 Social Factors**

Consumer behaviour is also influenced by social factors. A break down of these social factors would be reference groups, family and 'roles and statuses'.

### **2.2.1 Reference Groups**

Reference groups are people who the consumer is having contact or interacting with. These people can have direct or indirect influence over the consumer. These people would share the same goals with the consumer. Group that has direct influence is known as membership groups. Example of these people are family, friends, neighbours, work-mates. At the same time, there are also groups where the consumer rarely interact with such as religious, professional and trade union group. For PDA, these reference groups influence the consumer because when they interact with them often and knowing that these groups of peoples are using PDA, the consumer will be stimulated to buy one too.

### **2.2.2 Family**

Family is the most important factor that each and every marketers look into as the influence of family seems to be very visible in the market. For example, my some families, husband will be dominant in decision making. Therefore, when the wife intended to buy something, the husband can influence directly and this might cause the wife follow the husband's word and buy something else as suggestion by the husband. The consumer here is the wife but she might follow what her husband had suggested. This situation doesn't exclude PDA market as well. And it is important to consider this factor as one of the key factor influences a consumer's buying behaviour.

### **2.2.3 Roles and Statuses**

The consumer will be member of many groups and yet he or she would hold a role to play in the group and tied up with status that represents the role. For example, top management team in a firm has different status compared to ordinary worker. A Chief Executive Officer will present a status in match with his role in the firm. When compared to ordinary workers, he would have higher role and status. Taking the PDA into illustration, if the ordinary users have mobile phones, the CEO will tend to represent himself higher to others by carrying a PDA. This role and status does influence these peoples to buy assuming that PDA will be priced higher than mobile phones and will not be in favor for ordinary users will buy. And this makes the PDA to carry a status by its own which apply the status onto the users as well, in our case, the CEO will now carry the status.

## **2.3 Personal Factors**

Personal factors includes 'age and stage in life cycle', 'occupation and economic circumstances', 'personality and self-concept' and 'lifestyle and values'.

### **2.3.1 Age and Stage in Life Cycle**

The logic that we grow everyday is solid, similar to this, our buying behaviour will change slightly everyday. What we bought when we was kids aren't same with what we bought when we was teen and aren't same with what we bought when we are adults and further. Our product, Sonic 1000, the PDA will be targeted to students, entrepreneurs, professionals, corporate users and medical users. These people are in middle age and older age whereas the young aged kids would not buy our PDA. Therefore this age factor plays role in influencing what the user would buy.

### **2.3.2. Occupation and Economic Circumstances**

Occupation often tied with economic level due to income earned represents the spending power of a consumer and the occupation is the one represents the incomes. For example, a Marketing Manager would earn Ringgit Malaysia of 10,000 every month as income and his spending power is limited to that amount. While an office clerk would earn Ringgit

Malaysia of 1,500. The Sonic 1000 PDA would be introduced at retail price of USD 350 (~RM 1300). This makes the Marketing Manager has the sufficient spending power to buy the PDA while Clerk can barely afford it. This proves that this factor plays an important role as well in influencing buying behaviours.

### **2.3.3 Personality and Self Concept**

Each individual had our own personality which influence on our activity as well as buying behaviour. According to Stanford's Jennifer Aaker research, she had identify five main personality traits. Sonic 1000 PDA would be purchased by most of them as the product able to cater the different demand of different individuals. First trait is sincerity, these people tend to be more sincere and loyal to their preferred brand and this would be a difficulty to Sonic to make them purchase its PDA because Sonic is new brand yet to be introduced to the market. Second trait is excitement, these people always ask for the latest and up to date in the market. Sonic PDA comes with unique feature of voice recognition system and these people's personality would influence themselves to buy the Sonic 1000 PDA. Third is competence where this people want more reliable and stable things, again Sonic 1000 able to cater them because Sonic PDA capable of working with is Palm-compatible peripherals and applications. Fourth is sophistication where these people have complex requirement which Sonic will have difficulty again. Fifth is ruggedness who is more known as fashionable peoples, and Sonic 1000 can cater their fashion needs because Sonic 1000 has case wardrobe of different colors and patterns allows the users to make a fashion statement. In general, most of personal traits does in favor of influencing the users to buy the Sonic 1000 PDA.

### **2.3.4 Lifestyle and Values**

One's way of living might be different with others because of their activities and interest. Examples of activities are sporting, working, hobbies, shopping, helping and others. Sonic PDA would be more preferred to be buy by those work have working activities a lot as PDA is all about helping you out in organizing your daily activity in more professional manner with calendars, reminder, alarms, diaries and so on. These organized lifestyle suits for the individual who has work as their main activity. At the same time,

interest also influences whereas people who have internet in Information Technology will adopt this PDA faster than others.

## **2.4 Psychological Factors**

Motivation, perception, learning, and 'believe and attitude' are psychological factors that will stimulate and influence buying behaviour of a consumer.

### **2.4.1 Motivation**

According to Philip Kotler and Kevin Lane Keller, psychogenic needs arise from psychological state of tension such as the need for recognition, esteem, or belonging. Sonic 1000 PDA does satisfy a consumer's need for recognition, esteem and belonging. Therefore these peoples would be motivated to buy the Sonic 1000 PDA.

### **2.4.2 Perception**

Perception is the process where people select, organize and interpret information into final form. Each individual has different perception toward different products. This is because the information related to the product was interpreted differently. For example, some might have perception that PDA has little extra features compared to mobile phones but priced far costly compare to a mobile phone. These people might avoid buying the PDA. On the other hand, some people would have perception that PDA is nearly a mini computer than can be held with us in pocket and paying for it that much does worth it. This people would prefer to buy the PDA. Generally, perception is how people look at a product from their own way of understanding and approach. It will influence highly the buying behaviour.

### **2.4.3 Learning**

Individual learns from their experience often. And this learning would again influence his buying behaviour. For example, if a consumer had purchased newly launched PDA and found out that the PDA caused many problem due to software instability because initially it wasn't tested with many applications and once it is launched, it failed to work with those applications as it promised. Therefore this people had learn that although new

product such as Sonic 1000 PDA claim to be compatible with PalmOne applications and software, it is merely an unproven statement because thousands of PalmOne software available in the market and Sonic development team can not be testing their product with all this software. Sonic team probably tested with 10% of the software available in the market and gives the statement in general. As a result, this experienced consumer will avoid buying newly launched product as he had learned that manufacturer's claims are often not proven.

#### **2.4.4 Believes and Attitudes**

Believes and attitudes is descriptive thought that a person have about something. For instance, a consumer might believe that the PDA will not last long compare to a mobile phone. This doesn't mean to be true, but just his believe over the product. Therefore he would avoid buying the PDA. At the same time, another part of the consumers might have believed that PDA last longer than mobile phones. Thus they would prefer to buy it. This believes and attitudes will influence the buying behaviours and quite hard to change this believes and attitudes of the consumers.

### **3.0 Marketing Research Tools**

Marketing research helps marketers to study and understand the market. A proper understanding of the market would lead to well designed marketing plan. For Sonic PDA, several marketing research tools such as surveys and focus groups would help to understand the effect on buyer attitudes and behaviours.

#### **3.1 Survey**

Survey can be conducted either through mail, online, face to face or telephone. A survey consists of questionnaire which question the user's attitude and behaviour. For example pricing of a product would affect the buying behaviour. While we can use the questionnaire to question back the consumer on what price they assume reasonable for such PDA product and their willingness to purchase it under certain range of price. This input would help the marketers to determine and predict what would be the best pricing strategy to adopt and will be included in the marketing plan. A break-even figure can also

be constructed based on the price and this information can be passed to production, finance, human resource and all other departments. A marketing research never limited to marketing but it can merely assist all other departments in the firm to understand and prepare themselves to face the market. Main advantage of survey is they are low cost. Main disadvantage of survey is the respondent are not dedicated to answer and they might intentionally provide invalid information. For example, if a user's income is RM 5,000, he might refuse to provide us the true figure in the questionnaire and might answer his income as RM 2,000. For the next question such as either they would buy the product if priced for RM 1,300, he might answer 'yes' because his real salary is RM5,000 and he has the buying power. At end of the day, the information collected by the firm would be wrongly mentioning RM 2000 income earner would buy the PDA for RM 1300 which is not the case.

### **3.2 Focus Group**

Marketers are well aware of the survey's disadvantage and this is why the focus group also used by marketers widely. Focus group promises dedicated answers which the survey lacked earlier. In focus group, a small group of users would be targeted and they will be questioned regarding the product. This people will be dedicated to provide the answers and most of the time they would be honest about it. This would enable the marketers to prepare more specific questions. The disadvantage of focus group is the cost research would be high.

## **4.0 Factors to Emphasize**

### **4.1 Sub Culture**

The PDA is capable of favoring both business professional users as well as students. Therefore if Sonic should emphasize this factor to influence the sub culture such as students or officers to use it more and more encourage the whole sub culture members to use the product.

## **4.2 Social Class**

The lower lowers, upper lowers and working class peoples would have difficulty in obtaining this product as this product doesn't match for their class. By this, we know our buyers would be from middle class, middle uppers, lower uppers and upper uppers. Emphasizing them and influencing them would be fruitful.

## **4.3 Reference Group**

This group of people does play high influence on each others and they tend to adopt each other opinion solidly. For example, when a majority member in a trade union is using PDA, the consumer will adopt their opinion that the product is good enough and will be influenced to buy the same product. The same applies for group of friends who plays the similar role.

## **4.4 Family**

Family influence factor cannot be ignored by any marketers as regardless of the family members are our potential buyers or not, they are the first to influence our potential buyers. This PDA is not cheap and the consumer will first ask for their family's opinion before getting this product.

## **4.5 Role and Status**

People in same status will attempt to act similar based on what is the standard in the market representing their role and status. If a Marketing Manager holds PDA, then IT Manager would be stimulated to hold a PDA too and this would influence him to buy our PDA.

## **4.6 Age and Lifecycle stage**

Teenager and adults will be the first preference in buyer list. Teenagers do have an attitude of buying the product that other teenagers are having. At certain age, the teenager will have the need to own a mobile phone and our PDA can be in his preferred list because Sonic PDA also functions as mobile phone. Basically every teenager and adult is

our potential buyers and we need to stimulate them correctly to influence them in buying Sonic PDA.

#### **4.7 Occupation and Economic**

Certain occupation will highly requirement mobility and IT gadgets such as in medical firm whereas they need to collect the medical report of patients from time to time and this PDA capable of providing them to mobility and be paperless. Further to this, some occupation such as marketing team would need to handle a lot of appointment and important for them to organize all without missing any of them. Therefore these people have higher influence in term of buying a PDA.

#### **4.8 Personality and Self Concept**

Some people have personality that desire for new products. Some people desire for fashion. While some desire for stability. They have the influence within them, it is important for us to make use of them and present this product to them. High changes they would prefer to buy our product.

#### **4.9 Motivation**

People who need for recognition, esteem, or belonging can be stimulated to buy our product whereas having a PDA is same with having a mobile phone. PDA does provide recognition, esteem and belonging which step ahead up over mobile phones.

### **5.0 Consumer Buying Roles and Buying Behaviours**

#### **5.1 Consumer Buying Roles**

##### **5.1.1 Initiators**

These are the groups of people who ask or request for the product as they know it would be useful and required in some cases. The initiators can be the users themselves or others. The example if the initiator is the user, student might request to parents that they require a PDA to be used to organize their daily activities such as schooling, tuitions, sports, hobbies and so on. The example if the initiators are not the users, the Sonic PDA also targeted to medical users whereas the initiators can be the hospital IT manager who aware

the requirement of going paperless in term of collecting, accessing, updating, and exchanging patients' medical records.

### **5.1.2 Users**

Users are those who will end and experience the product at after it was purchase. Feedback or survey of this people would be highly useful for the marketing team to refine the product to cater on what the user wants or expect to use in future. Example from the above situation, if the IT manager is initiators then the users would be the nurse or any data collector who in placed in charge for collecting and managing the patients' medical records as well as doctors.

### **5.1.3 Influencers**

These people tend to influence a buying decision. For consumer market, if the user is student, then the influencer might be his friends and family. For business market, if the user is nurse or doctor then the influencer would the IT personnel in the medical centre who sets a standard on how things can be and they will intend to suggest. For example, the Sonic PDA act the same way as PalmOne where it support most of PalmOne applications under Palm system. But the medical centre's central server might be Windows server which means it is more feasible to buy a Windows system. And Sonic PDA cannot be an option anymore. This shows the influencer has some core evidence or statement that can impact the buying process.

### **5.1.4 Deciders**

These are the peoples who decide to buy the product. They will decide on the final requirement and or supplier.

### **5.1.5 Buyers**

After the decider finalizes the requirement, this is the person who buys the product. If it's the consumer market, the buyer would the student himself or the parents who buys the product for the student. If it's the business market, the buyer would be representative from procurement department.

## **5.2 Buying Behaviour**

Buying behaviours consist of four types which are complex buying behaviour, variety-seeking buying behaviour, dissonance-reducing buying behaviour and habitual buying behaviour. For Sonic PDA, the two types of buying behaviour which are relevant are complex buying behaviour and variety-seeking buying behaviour.

### **5.2.1 Complex Buying Behaviour**

This buying behaviour emphasizes that the buyer will collect information regarding the product and competitors' products and weight each of them based on requirements and fulfillment of the product and finally buying the product with serious and thoughtful selection. After purchase, they conduct only a little re-evaluation. This is the major buying behaviour in the business market.

### **5.2.2 Variety-Seeking Buying Behaviour**

With this buying behaviour, the buyer will collect information and select the product based on what are the features that the PDA promises to provide as an advantage compared to other products. Opinion will be accepted from friends and family and they will buy the product if it meets or promises the level of satisfaction they expected. If not satisfying, they will look into other products. After purchase, they will use the product until another new product enters the market which caters to their new needs or until they get bored of the product. This is the majority buying behaviour in the consumer market.

## **6.0 Marketing Activities coincide with Consumer Buying Process stages**

### **6.1 Problem Recognition**

Problem Recognition is where the buyer recognizes a problem or need. This need is normally triggered out to force the buyer to begin the buying process. Sonic will arrange a sales promotion campaign in January. They would participate in exhibitions at the major consumer electronics trade shows. This is to highlight the new comer into the market. The buyers will be notified by this but at the same time, they would provide samples to selected product reviewers, opinion leaders and celebrities. They are people who have

influence to stimulate others. When the product reviewers receive the product and go through it and identify the voice recognition as unique feature in the product and spread his words out to others. They are actually spreading a new need that voice recognition is something nice to have in the PDA product although it's not a trend. The example is when iPhone entered the market, it is the first mobile phone with touch screen and this had stimulate the market that it's nice to have touch screen whereas the competitors such as Samsung introduced touch screen mobile phone after iPhone.

## **6.2 Information Search**

When the consumer aware of the new need, they will intend look for information. The information will reach them in personal such as friend and families are talking about it and providing information about it. Else commercial side such as dealers is providing the information. And the most effective way is public information which normally broadcast to large audience such as through mass media or consumer rating organizations. Sonic, will start their integrated print or radio or internet campaign targeting the professional and consumers on February which is right in time.

## **6.3 Evaluation of Alternatives**

Consumers are careful in term of selecting the right product and they always seek for benefit and avoid being a loser. Even a small promotion or offer from competitors can attract our potential buyers as the buyer wants value for money. This is the most critical stage whereas Sonic must stand up over competitors. In March, sonic will be adopting sales promotion tactics such as giving away leather carry-case as a premium. Further to this they will provide new point-of-purchase displays to retailers.

## **6.4 Purchase Decisions**

This is the process where the consumer will be finalizing their decision on going for preferred brand, dealer, quantity, timing, and payment method. The sales will take place and this is the peak season where the retailers should take advantage. In some cases, the retailers won't be aware of this peak season and might lose out the potential sales figures. To overcome this, in April, Sonic plans for sales contest which offering prizes for sales

person and retailers who sells most Sonic PDAs during 4 week period. Absolutely the right thing to do because by having this contest, Sonic alarms the sales persons and retailers to be proactive in this season. This will help Sonic PDA to bite higher market share. The sales contest only is not sufficient because brand also being a consent of the buyers. Sonic is a new brand and they can hardly win other brands. As solution to this, in May, Sonic will be starting new national advertising campaign. The radios ads will feature celebrities promoting the Sonic PDA. These celebrities are opinion leaders as they have influence on the buyers and Sonic can inject their brand into the consumers' mind in more effective way.

### **6.5 Post Purchase Behaviour**

A marketing process and buying process never ends at buying steps but taking a step further, after-sales also considered important especially for the marketing input. Once a product sources to buyer, it is important to follow up and evaluate the product again based on customer satisfaction as meter of judgment. Therefore in June, Sonic had planned for new radio campaign which adds a new voice over tag line promoting Sonic PDA as graduation gift. This is because once a buyer purchased the product, to make then repeat the purchase would be harder, one user need only one PDA. That is the limitation of PDA, cutting this out; we know those buyers are having the buying power and student have less buying power. The Sonic marketers brings this together by encouraging those who have buying power to buy the product for students as graduation price where the student completed studies and time for real job. By this the same buyer and repeat the purchase but for different users. Sonic will also participate in semiannual electronics trade show exhibition. They will provide new competitive comparison handout which will aid in sales emphasizing their key features and benefits over-taking the competitors. Finally, most important activity where they conduct customer satisfaction surveys which will be studied for future promotions and marketing activities.

## **7.0 Conclusion**

All factors of cultural, social, personal, and psychological have influence on consumers buying PDAs. Some of the factors should be emphasized by Sonic to make use of it such as sub culture, social class, reference group, family, role and status, 'age and lifecycle stage', 'occupation and economic', 'personality and self concept', and motivation. They influence highly on PDA buyers and important for Sonic. Marketing research is important while survey and focus group would be better research tool to help the marketers to understand the effect on buyer attitudes and behaviour. Consumers play several buying role such as initiators, users, influencer, deciders, and buyers. Meanwhile two buying behaviour is relevant with Sonic PDA which are complex buying behaviour in favor of business market and variety-seeking buying behaviour in favor of consumer market. Sonic had planned different activities for each stage of the consumer buying process which will aid to success of the marketing plan and positioning the product appropriately.

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