

CASE FIVE

An Account of the Purchase of a Television Set in Singapore

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Case Objectives

- To understand the concept of consumer buying process.
- To understand the psychological and socio-cultural factors that influence consumer buying process.
- To understand the marketing implications on above concepts.

Case Synopsis

- A newly-wed couple received a 21-inch television set as their wedding gift. It was seen as sufficient for them as they would be the only ones sharing it. A need to buy a new and bigger television set was felt when their parents-in-law were planning to move in.
- They decided on a budget of \$1,300 for the new television set. They browsed through magazines, newspapers and the internet to view the different television models available in the market. Recommendations were also received from friends and colleagues.
- They visited three major home appliances stores in Singapore to shop for their preferred television set. They finally decided on JVC 29" flat-screen model from Best Connection store even though it was priced slightly above their budget at \$1,402.50. They are now happy and satisfied with the new television set.

Case Questions and Answers

Question 1

What are the different stages of the buying process for a television set? What critical stimuli or events drive each stage?

- Buying process or purchase decision process refers to the stages a buyer passes through in making choices about which products and services to buy. The process involves 5 different stages namely, problem recognition;

information search; alternative evaluation; purchase decision; and postpurchase behavior.

- **Stage 1: Problem Recognition.**
This is the stage where consumers perceive the difference between their desired or ideal state and their actual condition. The difference or deficit of a product triggers consumers to feel the need to make a purchase decision. Based on the case, the need to buy a new and bigger television set was driven by the fact that two additional family members would be staying in the house which means there would be more television program preferences that have to be shared by one television set. Therefore, as to avoid conflicts due to different preferences and with more expected relative visits, it would be more appropriate and presentable to purchase a new and bigger television set.
- **Stage 2: Information Search.**
After recognizing the problem, consumers will then proceed to searching for product and seller information. Likewise when buying a television set, once consumers realized the need to buy a new set, they will then move on to searching for information on television such as the brand, quality, performance, durability, price, vendors, etc. For low-involvement products such as shampoo or tidbits, consumers will scan their memory for past experiences with the products and brands. This action is called internal search.

On the other hand, for high-involvement products such as washing machines, cars, or television set, internal search is insufficient and thus consumers have to gather more information through external search. External sources include personal, public and marketer-dominated sources. When buying a television set, personal sources will be recommendations from friends and colleagues on the performances of certain television brands, price ranges, or product durability. Public sources include information or actual television products seen on consumer TV programs, articles or reviews of the products. Marketer-dominated sources include product advertisements found in newspapers, promotional booklets, statements made by salespersons or company websites such as www.home2be.com. At this stage, consumer is seeking what value he can receive in this exchange/ buying process.

The critical stimulus in the case study was the couple's need to purchase a new television set that was reasonably good and priced within their budget of \$1,300. Price played an important part in this case as the couple's did not have much savings to spare.

- **Stage 3: Alternative Evaluation.**
In this stage, television buyers will assess the value of product to be purchased. Information such as the product designs, prices and features have all been collected in the information search stage. Based on this information, consumers will then come up with a set of evaluation criteria that include both

objective and subjective attributes of product brands that will help them to assess the television set value and finally make a purchase decision. In the case study, the objective attributes include television size, durability, price, performance (clear resolution).

Two television sets that fulfilled the couples' evaluation criteria are then classified as the consideration sets. They were JVC 29" flat-screen model and Panasonic 29" flat screen television.

- Stage 4: Purchase Decision.
Purchase decision is made after consumers have decided which vendor to buy from and when to buy. Here, the couple visited three stores namely Courts, Electric City and Best Connection. Their final decision to buy from Best Connection was due to its staff good service, product knowledge and persuasiveness. It was also partly because of the poor service in Courts (first visited store) and lack of product knowledge of Electric City salesperson (second visited store).

The couple's choice of product and time to buy JVC instead of Panasonic TV was due to product price, warranty period, designs, and free gift offered. JVC TV was priced above Panasonic and was slightly above the couple's budget; nevertheless they chose to buy JVC as its value perceived was higher than Panasonic. This is due to longer warranty period of four years and the free JVC VCD player that worth \$180 also its futuristic look and matching design with their home's furniture.

- Stage 5: Postpurchase Behavior.
At this stage, consumer will compare the product perceived value with his expectations. Satisfaction is derived when value exceeds expectations; on the other hand, consumer will get dissatisfied when value falls short his expectation. In the case study, the couple was happy and satisfied with their newly-bought television set as its perceived value exceeded their expectations. This is triggered by the fact that television did not only perform but also match well with their furniture.

Question 2

What are the social and psychological factors influencing the buying process for a television set?

- Psychological factors are useful to help marketers to interpret buying processes and directing marketing efforts. Psychological factors that influence the buying process for television include motivation, perception, learning and lifestyle.

- Motivation is the energizing force that stimulates behavior to satisfy a need. Buying a new television set is to fulfill the social need of consumers. Social needs usually focus on friendship, love, a sense of belonging or togetherness. In this case, television played an integral part in a family especially in Singapore as they spend much time on watching television together.
- Perceived risk represents the anxieties felt because consumer cannot anticipate the outcome of the purchase but believes that there may be negative consequences. The durability, performance and suitable designs or outlook can hardly be determined at the time of purchase and thus representing consumer with quite high perceived risk compared to buying low-involvement products such as tidbits or cookies. Furthermore, products with higher monetary value represent higher perceived risk as compared to less expensive products.
- Learning refers to behaviors result from repeated experience and reasoning. When buying product such as television set, learning can stimulate brand loyalty. As routine problem solving (purchases) lead to habit formation of buying from the same product brand thus creating brand loyalty in consumers' minds. Brand loyalty is formed when consumers are satisfied with their previous experiences with the brand. Similarly, if consumers are satisfied with their previous purchases with other JVC electronic products, for instance, they are more likely to buy JVC television set compared to other available brands.
- Lifestyle is a mode of living that is identified by how people spend their time and resources, what they consider important in their environment, and what they think of themselves and the world around them. Lifestyle can be one psychological factor that influences television buying process. This is especially so for Singaporeans as majority of them spend their free time watching television programs thus making television an important household appliance. In that case, consumers are more careful in their selection process and also willing to invest more money on it.
- Sociocultural influences that evolve from a consumer's formal and informal relationships with others exert a significant impact on his behavioral. Social factors that influence television buying process are consumers' word of mouth and family life cycle.
- Word of mouth is the influencing of people during conversations. It is the most power and authentic information source that can promote a positive or negative attitude towards a brand almost instantly. Such information usually comes from trustworthy persons like family members, friends and colleagues. Likewise, consumer's decision on which television brand to buy can be easily influenced by his friends or colleagues recommendations.
- Family life cycle also influence consumers' choice of product as they act and buy different product as they go through different stages in life. In the case of

television set for instance, young singles may not put much attention when buying a television set like the young married couples without children as they may not spend as much time at home watching television and thus it is not as important home appliances for them.

Question 3

What lessons can be learnt for the marketing of television sets from understanding the consumer buying process and influences?

- In the first stage of consumer buying process, the salespersons or advertisement of television products must be strong enough to show the deficiency of current products consumers are using or those of other brands in the market. This way, consumers will start to feel the need to buy a new product. For instance, marketers marketing new television products must show to consumers that their current television take up much space as it is thick and bulky or that it has poor image resolutions.
- In the later stages such as alternative selection stage, it is essential that marketers also identify the right attributes seen as important to its target market. For television products, marketers should put more attention in polishing up and then promoting its product features and durability to consumers. This is important as brands performing better in those attributes will be more likely to be purchased.
- Unlike buying books, consumers usually visit stores to view the actual television sets. Also, purchase decisions are usually made at that point of time and therefore it is important to ensure that salespersons are available and have good product knowledge to serve consumers enquires whenever and wherever they need them. Salespersons who believe in their brand can also increase consumer's confidence on products.
- Nevertheless, marketers should not over promise consumers by overselling product's features. When television set does not perform as good as what has been told to consumers before purchase, consumers will get disappointed and dissatisfied as the product perceived value falls below their expectation. Bad experiences with brand will create negative impression and affect consumers' future purchases. In worse cases, dissatisfied consumers will spread poor comments about the brand to others and therefore influencing others' buying process. This is one way how marketers can affect the outcome of consumer's social influence.
- Considering the level of risk perceived by consumers can also help marketers to market their products more effectively. A small television product such as remote control does not carry high perceived risk; hence marketers are not required to provide extensive technical information. However, television set does carry high perceived risk as it costs much more than the remote control. In this case,

consumers will put in more attention and time gathering information from external search. To reduce perceived risks, marketers can also adopt a few strategies such as product endorsement by celebrities, obtaining certificates or approval for safety use, or offering longer warranty period as mentioned in the case study.