CHAPTER TWO
REVIEW OF THE LITERATURE

This chapter provides the theories as well as relevant studies which served as guidelines in conducting the survey research of customers' decision on purchasing toothpaste. To comprehensibly investigate all factors, relevant research and literature concerning the following topics were reviewed.

2.1 THE THEORY OF CONSUMER BEHAVIOR

2.1.1 **Decision process**: Phipps & Simmons (1995, p. 225) indicates that the decision process consists of five basic stages: need recognition, search, alternative evaluation, purchase, and outcomes.

Need recognition - This is an acknowledgement that a problem does exist. That is, an awareness by an individual that they have a need to be satisfied.

Search – Where enough information is available in memory to make a decision then an internal search is all that is required. Where such information is scarce, an external search for information is undertaken.
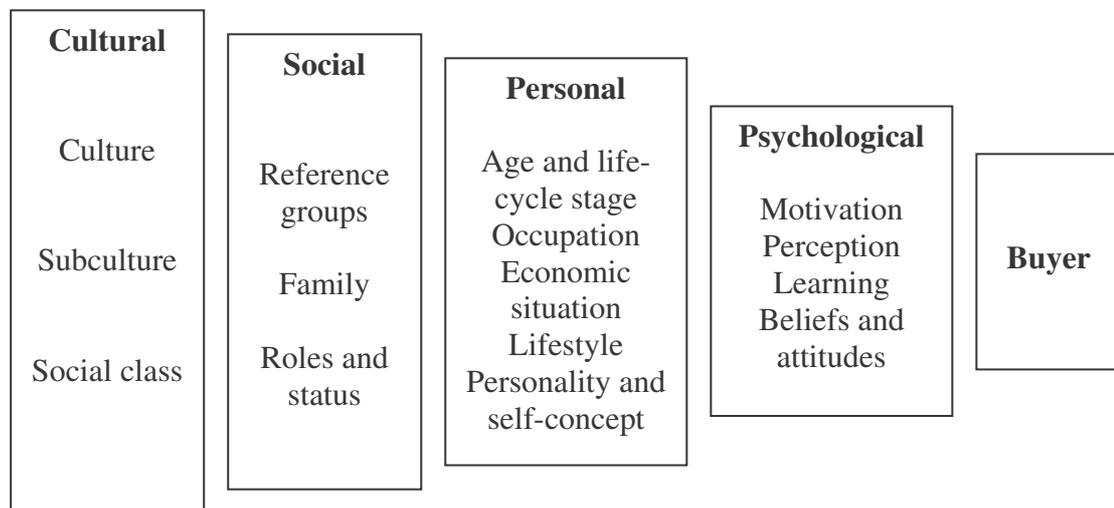
Alternative evaluation – Here an evaluation of the alternatives found during the search is undertaken. As can be seen from the model, this takes into account our attitudes and beliefs.

Purchase – A purchase is made based on the chosen alternative.

Outcomes – These can be either positive or negative depending on whether the purchase satisfies the original perceived need. Dissatisfaction may result in post-purchase dissonance.

2.1.2 **Consumer buying behavior** (Kotler, Armstrong, Ang, Leong, Tan, & Tse, 2005, pp. 138-140) refers to the buying behavior of final customers who buy an incredible variety of goods and services for personal consumption. Consumer purchases are influenced impressively by cultural, social, personal, and psychological characteristics.

Figure 1: Factors influencing consumer behavior

Cultural	Social	Personal	Psychological	Buyer
Culture Subculture Social class	Reference groups Family Roles and status	Age and life-cycle stage Occupation Economic situation Lifestyle Personality and self-concept	Motivation Perception Learning Beliefs and attitudes	Buyer

Note: From Principles of Marketing: an Asian Perspective (p. 140) by Kolter, P., Armstrong, G., Ang, S. H., Leong, S. M., & Tse, D. K., 2005, Singapore: Pearson Education South Asia Pte Ltd.

2.2 THE THEORY OF MARKETING STRATEGIES

2.2.1 **Motivational marketing**: Imbriale (2007, pp.105-171) explains the emotional motivator in terms of media as follows:

Sales letter strategies – A headline is important because people will decide to continue reading the story from the headline that catches their attention. More people will read an ad if you have a great headline which results in more sales. The sales letter in the writer's view is a sales presentation in print and performs as a salesperson which is the powerful sales tool. The power of the sales letter comes from its ability to inform, educate, and motivate a possibility into making a purchase.

Web site strategies – The Internet is simply another channel by which a business can reach to prospects and convert them into paying customers. Pay-per-click (PPC) advertising is an electronic classified ad that you can use to promote business and make the Internet an integral part of marketing efforts. The payment will be paid when a person actually clicks on ad. Changing the headline of PPC ad many times can dramatically increase the response rates.

Display and print advertising strategies - The use of correct photographs is one of the fastest ways to hit many of the emotional motivators in advertising. In the world of advertising, a picture is worth at least 1,000 words. To increase a chance of having more people respond to advertising efforts, a smart marketer needs to be sure to put as many motivators as they can find into a given ad.

Radio advertising strategies – One of the most effective media channels for most advertisers is radio due to its great reach and good prices. Radio is a mass-market medium to produce the best result and emotional benefits to draw in people from the larger radio audience.

Television advertising strategies – Television remains the most powerful of all marketing channels due to the fact that it is easy to understand. Considering the way in which people can respond to television ads is important. Frequency is still important when running television ads because people do need to see them several times. The more often the ad appears on the air, the more response.

2.2.2 **Advantages and disadvantage of television, radio, and billboards advertising** (Blythe, 2000) are as follows:

Television (pp. 67-68)

Advantages	Disadvantages
Realism. Audience can see the product and type of people using in a realistic scenario.	Lack of selectivity. It is difficult to segment demographically due to mass audiences.
Receptive audiences. Many TV adverts are often seen as entertainment and produced in a very high standard and interesting way.	Impermanent medium. It is hard for audience to take note indeed of any detailed information in the adverts.
Repetition. It can repeat until adequate target audience has seen it.	Zapping and zipping. Easy to switch channels or zip past program by remote controls.

Advantages	Disadvantages
Appeal to retailers. Most retailers believe in the power of TV ads and show the products on the shelves. This can increase sales.	Audience fade-out. Audiences often leave the room while the adverts are on.
Zoning and networking. It is possible to localize ads to the region throughout the network.	Cost. It can be very costly. Although it reaches a large audience, it may not attract the right target segment.
Links with other media. Further information such as coupons can be combined with the power of television.	Restrictions on content. Some products cannot be advertised such as tobacco.

Radio (pp. 75-76)

Advantages	Disadvantages
Radios are cheap and portable and can be takeon trips to the beach or park, or to work.	Audio medium only because it cannot show the image of the product.
There is no need to be literate to enjoy radio.	The audience's perceptions rely heavily on audience imagination.
It can grab attention better than press ads due to live medium.	Adverts are impermanent; that is, the details such as prices are not easily retained.
It does not require the listener's sole attention. They can listen while driving, working, or doing housework, etc.	Radio is a noise. The listener is not really listening very closely.
Hard to zap ads because radios usually have no remote controls, so the listener hears the ads.	It is difficult to measure because it is hard to know who has heard the ads and if it has affected them.

Advantages	Disadvantages
Radio can be targeted to a local audience, different people at different times of the day such as drivers listen while driving.	
Production costs are cheap compared with TV.	

Billboard (pp. 85-87)

Advantages	Disadvantages
It is relatively cheap to design and print.	Limited capacity since it is usually read literally in passing. The copy must be very brief which has to be conveyed in very few words.
It can be localized for geographical segmentation.	Audience figures that may have looked at the billboard are hard to measure because they may be walking, driving or riding past on a bus.
It can be used seasonally for short periods. The posters can be changed readily and adjusted according to the season.	There is strict legislation on the design and location which can be environmentally damaging due to obscure views and vulnerability.
It can be easily changed to suit changing circumstances. For example, during a general election the posters are changed regularly to reflect the changing issues or to make use of a political opportunity.	The audience may not be in a good mood with the outside environment due to heat, dust, and noise. This tends to make the individual less receptive to marketing messages.

2.2.3 **Understanding media strategies**. The media strategy decision focuses on four elements: target audience (or market), media classes, media mix, and media timing. (Parente, 2006, pp.190-192) The strategic components essentially involve the delivery of advertising messages to give the company a competitive edge.

Target audience – The frequent media target is important to decisions in the same way as a campaign target. A company can use traditional media to reach a more broadly based target and be sure to determine the target's relevant behavior, purchase frequency, timing of purchase, and the target's passion (sports, game, music, etc.).

Media classes – The strategy decisions involve the selection of a media type, such as newspapers, television, or magazines.

Media mix – The decisions refer to how much emphasis, sometimes called advertising pressure or weight are allocated to various categories: target audiences, geographical areas, time periods, brands, and media types. The most important weighting decision is the one involving the relative emphasis placed on different media types.

Media timing/scheduling – There are two basic decisions to consider. First, it is to consider when the ads appear and the way these ads are scheduled over time such as seasonal sales fluctuations. The aspect of strategy involves building a lot of frequency into the media schedule. Second, decisions focus on the importance of providing continuity from one advertising message to another to achieve communication goals.

2.2.4 **Segmenting dimensions**: Market segmentation forces a marketer to decide which product market dimension might be useful for planning marketing strategies to help guide marketing mix planning. (Perreault & McCarthy, 2002, pp. 79-83) Segmenting dimensions become more specific to the reason why the target segment chooses to buy a particular brand of product. How specific the determining dimensions are depends on the level of concern with a general product type or a specific brand. Customers can be described by many specific dimensions.

The relation of potential target market dimensions to marketing strategy decision areas are shown in the table below:

1. Behavioral needs, attitudes and how present and potential goods and services fit into customers' consumption patterns affect product and promotion (what potential customers need and want to know about the firm's offering, and what appeal should be used).

2. Urgency to get needs satisfied and desire and willingness to seek information, compare, and shop affect place and price.

3. Geographic location and other demographic characteristics of potential customers affect a size of target markets and promotion (where and to whom to target advertising and personal selling).

Possible segmenting dimensions and typical breakdowns for customer markets are shown below:

Behavioral	Geographic	Demographic
Needs	Region of world, country	Income
Benefits sought	Region in country	Sex
Thoughts		Age
Rate of use		Family size
Purchase relationship		Family life cycle
Brand familiarity		Occupation
Kind of shopping		Education
Type of problem-solving		Ethnicity
Information required		Social class

2.2.5 Marketing Mix: A marketing mix has four major decision areas. The four Ps consist of product, place, promotion, and price. These emphasize their relationship and their common focus on the customer – the target of all marketing efforts. (Perreault & McCarthy, 2002, pp. 41-45)

Product concerns developing of the right "product" for the target market. The goods and service should satisfy some customers' needs.

Place concerns all the decisions involved in getting the "right" product to the target market's place. A product reaches customers through a channel of distribution – any series of firms who participate in the flow of products from producer to final user or consumer.

Promotion concerns telling the target market or others in the channel of distribution about the "right" product. Promotion includes personal selling – direct

spoken communication between sellers and potential customers, mass selling – large number of customers at the same time: advertising and publicity, and sales promotion – promotion activities that stimulate interest, trial, or purchase by final customers or others in the channel such as coupons, samples, or point-of-purchase materials.

Price refers to a kind of competition in the target market and the cost of the whole marketing mix is the "right" price.

Figure 2: Strategy decision areas organized by the four Ps

Product	Place	Promotion	Price

Physical good
Service
Features
Benefits
Quality level
Accessories
Installation
Instructions
Warranty
Product lines
Packaging
Branding
	Objectives
	Channel type
	Market exposure
	Kinds of
	  middlemen
	Kinds and
	  locations of
	  stores
	How to handle
	  transporting
	  and storing
	Service levels
	Recruiting
	  middlemen
	Managing
	  channels
		Objectives
		Promotion blend
		Salespeople
		  Kind
		  Number
		  Selection
		  Training
		  Motivation
		Advertising
		  Targets
		  Kinds of ads
		  Media type
		  Copy thrust
		  Prepared by
		    whom
		Sales promotion
		Publicity
			Objectives
			Flexibility
			Level over
			  product life
			  cycle
			Geographic
			  terms
			Discounts
			Allowances

Note: From Essentials of Marketing: A Global-managerial Approach (p. 42) by Perreault, W.D, & McCarthy, E. J., (2003), Boston: McGraw-Hill

2.3 RELEVANT STUDY

2.3.1 The study **"Different Message-framing for Different Direct Response Marketing Goals: Choice Versus Attitude Formation"** (Smith & Berger, 1998. pp. 33-47) shows the attitude judgments as below:

1. Low-knowledge buyers' intent to purchase was indeed positively influenced by the price frame manipulation. In addition, the results

indicate that attribute frame had a significant effect on low knowledge buyers' intent to purchase.

2. Moderate-knowledge buyers' intent to purchase was not significantly influenced by the attribute frame manipulation. Similarly, moderate-knowledge buyers' choice judgments were also not influenced by the attribute frame manipulation.

3. High-knowledge buyers' intent to purchase was significantly positively influenced by the price frame manipulation. In addition, high-knowledge buyers' choice judgments were not influenced by the frame manipulations.

4. Low-knowledge buyers' intent to purchase was not significantly influenced by the frame valence manipulation, but their choice judgments were. The direction of the effect indicated that positively framed message appeals were chosen more frequently than negatively framed appeals. High-knowledge buyers' choice judgments were not influenced by the frame valence manipulation. In addition, frame valence had a significant effect on moderate-knowledge buyers' choice judgments.

The discussion of the study indicated that in direct marketing there is the ability not only to measure the impact of various marketing strategies, but also there is frequently the concomitant ability to segment the target market in a very detailed way. This would be especially true of a direct mail campaign. This segmentation ability, in turn, will often allow differently framed messages to be targeted towards groups of prospects/customers with different levels of prior category knowledge.

2.3.2 A research of **buying decisions** (McDonald & Leppard, 1992, p. 79) shows that customers are influenced by many factors. However, two of the most potent forces are the nature of the product itself, and the extent to which the customer 'trusts' the seller. The decision to buy automatically resulted 90 per cent from the time. The success seems to depend on the impact that sales and advertising make on the situation.