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Consumer Behavior

#4 Consumer Decision Making (Model, Process, Journey)

Linkage & Difference

Consumer decision making MODEL
Consumer decision making PROCESS
Consumer decision making JOURNEY



What do you think about these three concepts?

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LINKAGE = ?
DIFFERENCE = ?
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The MODEL

A general view or perspective as to when and why individuals behave as they do.





Economic Model



Passive Model



Cognitive Model



Emotional Model



Economic model

- Take rational decision
- Compare various choices
- Pursue maximum utility

Seems unrealistic...people are not always rational.



Passive model

- Take decision according to marketing strategies
- Purchase resulted from brand promotional campaign

Also unrealistic...consumers do not purchase only because of marketing efforts.



Cognitive model

- Make decision based on own interest and understanding of market demand
- Involve in information seeking and processing to make "satisfactory choice decision"

The best of 4 models

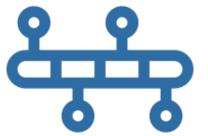


Emotional model

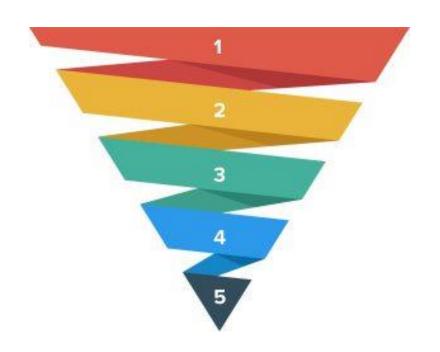
- Act upon emotions while making a purchase decision
- Less time to think whether product is necessary or not
- Buy the one that brings positive emotion

The PROCESS

A series of stages that an individual goes through when they consider buying a product or service.

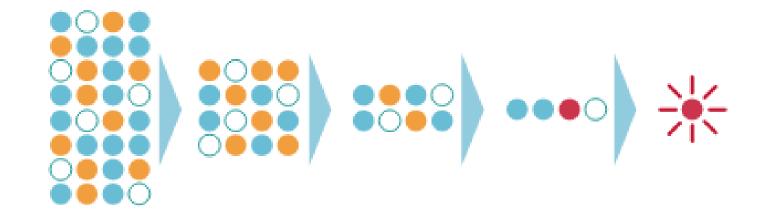


The PROCESS - funnel



Consumers go
through the funnel
when procuring
products and
services

The PROCESS - funnel



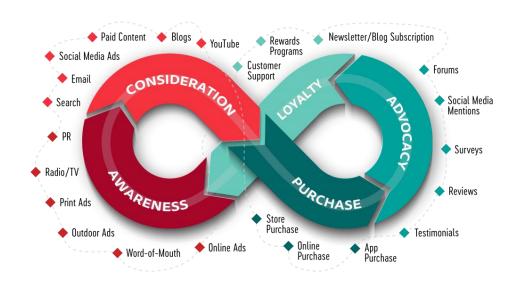
Consumers start with a set of potential brands and methodically reduce that number to make a purchase.

The PROCESS - funnel



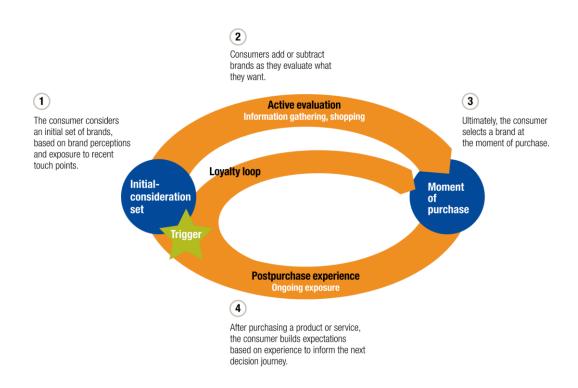
5-step of consumer decision making process (in linear steps)

The PROCESS - continuous loop



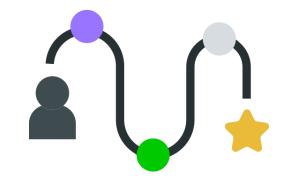
The process is depicted as infinite with multiple stages along the way

The PROCESS – continuous loop



Circular process of 4 (5) phrases

The path (start to finish) the customer traverses to complete a transaction.



I need milk

"I grab my keys and purse, hop in the car, and drive over to the convenience store.

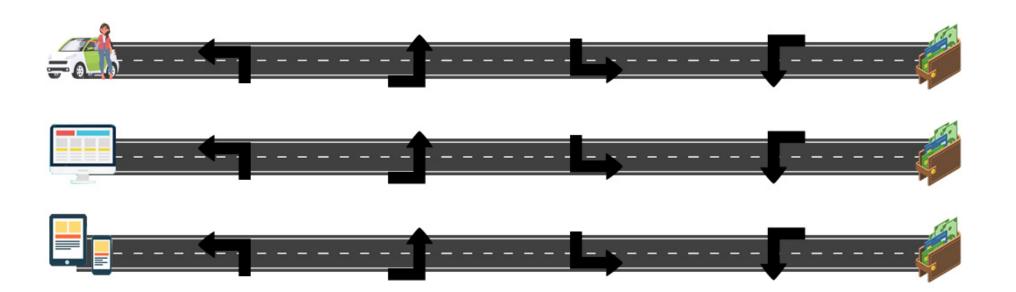
I get to the store and find out that there are two different brands for a gallon of milk. The name brand milk is \$2.59 /gallon, the generic brand milk is \$1.99 /gallon. I come to realize the generic brand, half-gallon milk is on sale for \$0.75 / each.

I buy two, generic brand, half-gallon milk products and returns home."



You may have multiple customer journeys

physical, digital, word-of-mouth, etc.



CUSTOMER JOURNEY MAPPING

You MAP multiple customer journeys

Combining the customer journey along the decision-making process

As a customer moves through their journey, they may be going through their decision-making process at the exact same time

Journey to Decision

Consumer decision journey – how complicate it could be?



THINK

Your last 5 purchases...what are those?

Rate the difficulty in making decision

What is decision?

The selection of an option *from two or more* alternative choices to answer needs





How many kinds of decision?

3 types of purchase decisions (i.e. purchase involvements)



"concern and effort"

Characteristics and marketing implications ???



- Low purchase involvement
- Buying out of habit
- Frequent or repeat purchase





BRAND MAINTENANCE



- Moderate purchase involvement
- Few choices are evaluated on few criteria







INFLUENCING FACTORS



- High purchase involvement
- Infrequent purchase
- Buying of unfamiliar brands or products

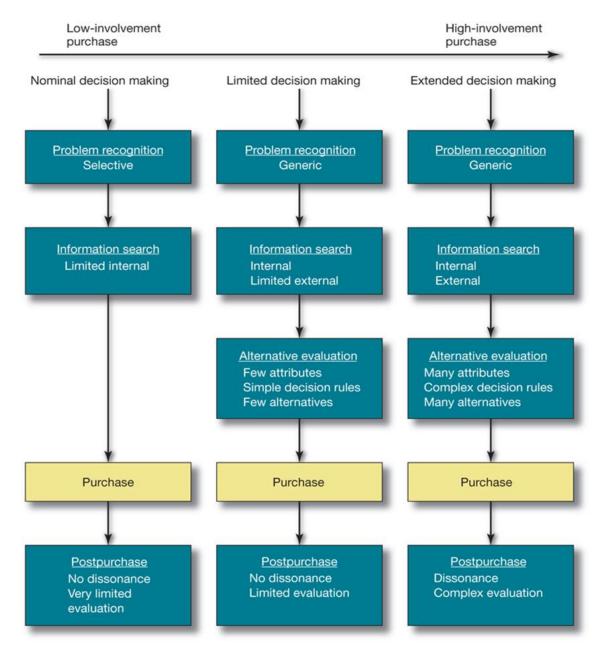




INFORMATION AVAILABILITY

Levels of decision

Same process at different level of involvement for different purchase decision.



Thank you