



# ***Consumer and Organisational Buying behaviour***

***Consumer Buying Process, Factors affecting consumer buying behaviour, Types of buying decisions, Organisational Buying behaviour – Stages and Factors***

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# Competencies and Course Outcomes

- Ability to analyse the consumer characteristics that influence buying behaviour
- Ability to analyse the factors responsible for consumer buying decision making and consumer's response to marketing program
- Analysing Organisational Buying process and factors responsible
- Case Study - IKEA

# What is Consumer Behavior?

The study of how consumers

- Select
- Purchase
- Use
- Dispose of



goods and services in the process of satisfying their personal and household needs and wants.

# Consumer behavior is more than just purchasing

Consumer Behavior involves

Exposure to the media

Browsing

Influencing others

Being influenced by others

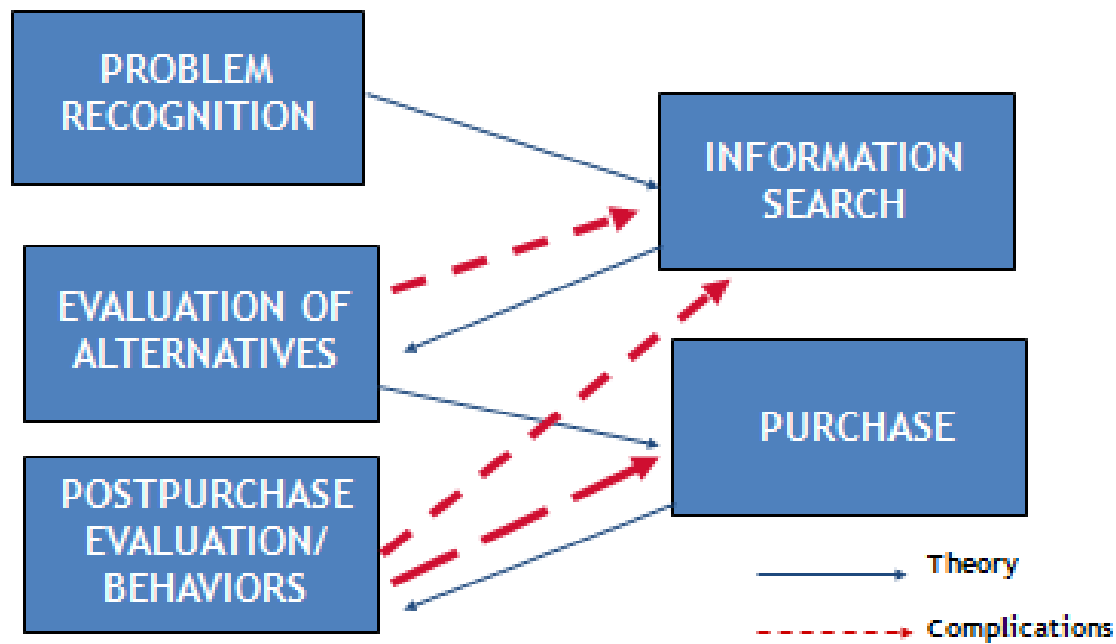
Complaining about and returning products



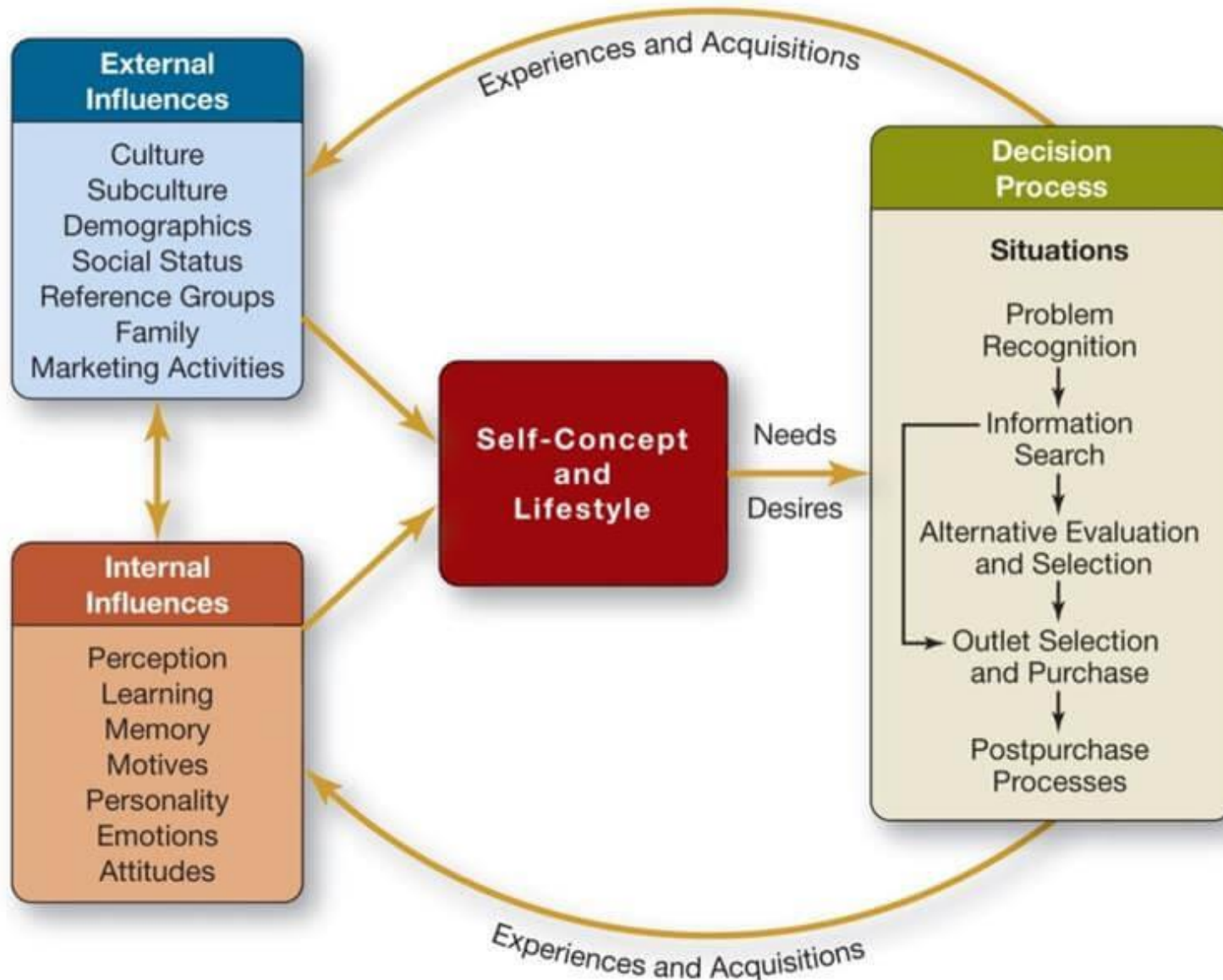
# Consumer Buying Process



# Buyer Decision-making Process



# Factors affecting consumer buying behaviour







# Steps in Buying behaviour

The first one is ***problem or Need recognition***—you realize that something is not as it should be. Perhaps, for example, your car is getting more difficult to start and is not accelerating well.

The realization that there is a difference between actual and desired states, The higher the gap, the stronger the need (or bigger the problem)

The second step is ***information search***—what are some alternative ways of solving the problem? You might buy a new car, buy a used car, take your car in for repair, ride the bus, ride a taxi.

***Internal search*** involves the consumer identifying alternatives from his or her **memory** while **external search** involves other people or media.

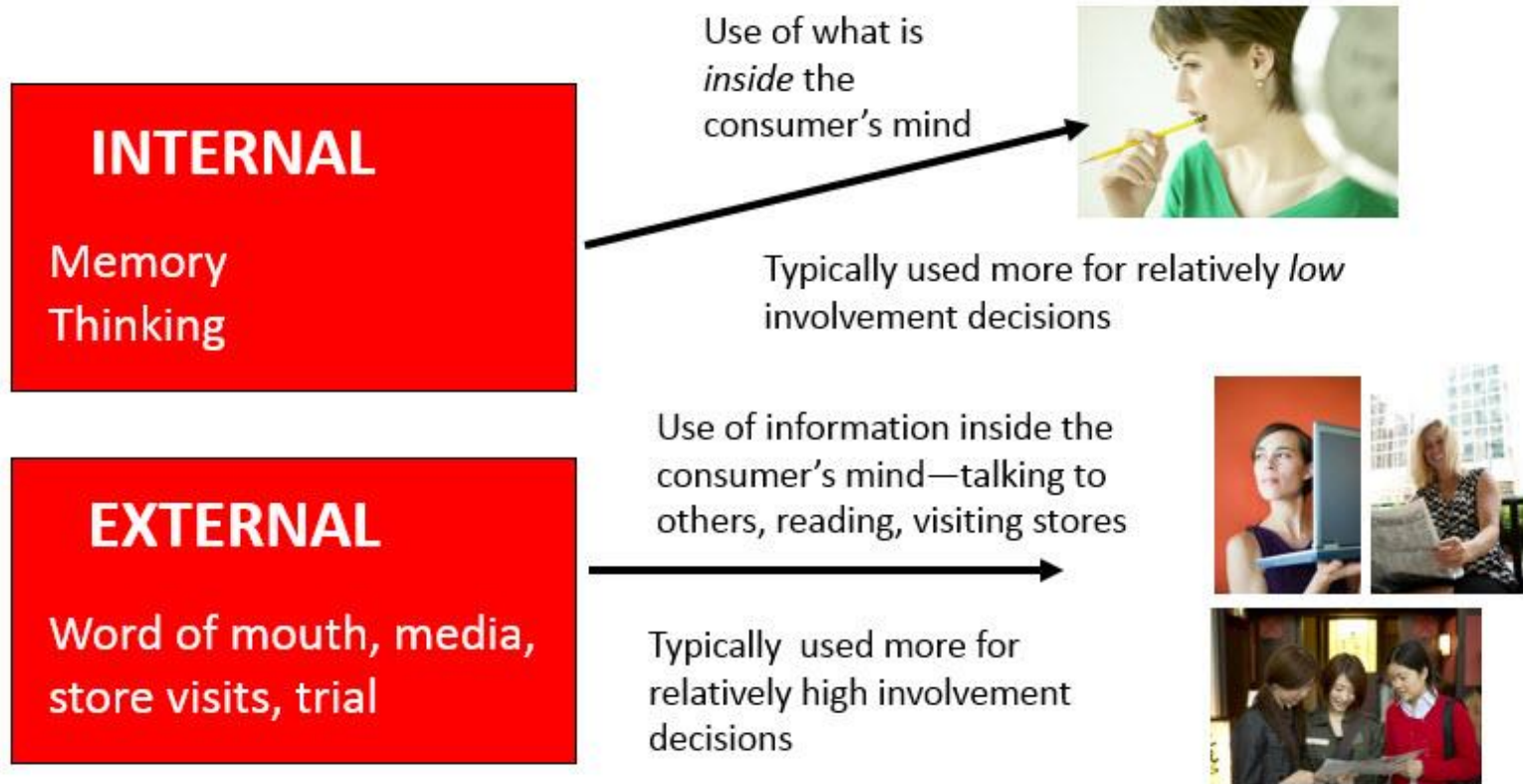
Therefore for certain **low involvement products**, it is very important that marketing programs achieve “**top of mind**” awareness.

For **high involvement products**, consumers are more likely to use an **external search**.

The third step involves ***evaluation of alternatives***

Finally, the ***purchase stage***, and sometimes a **post-purchase stage**

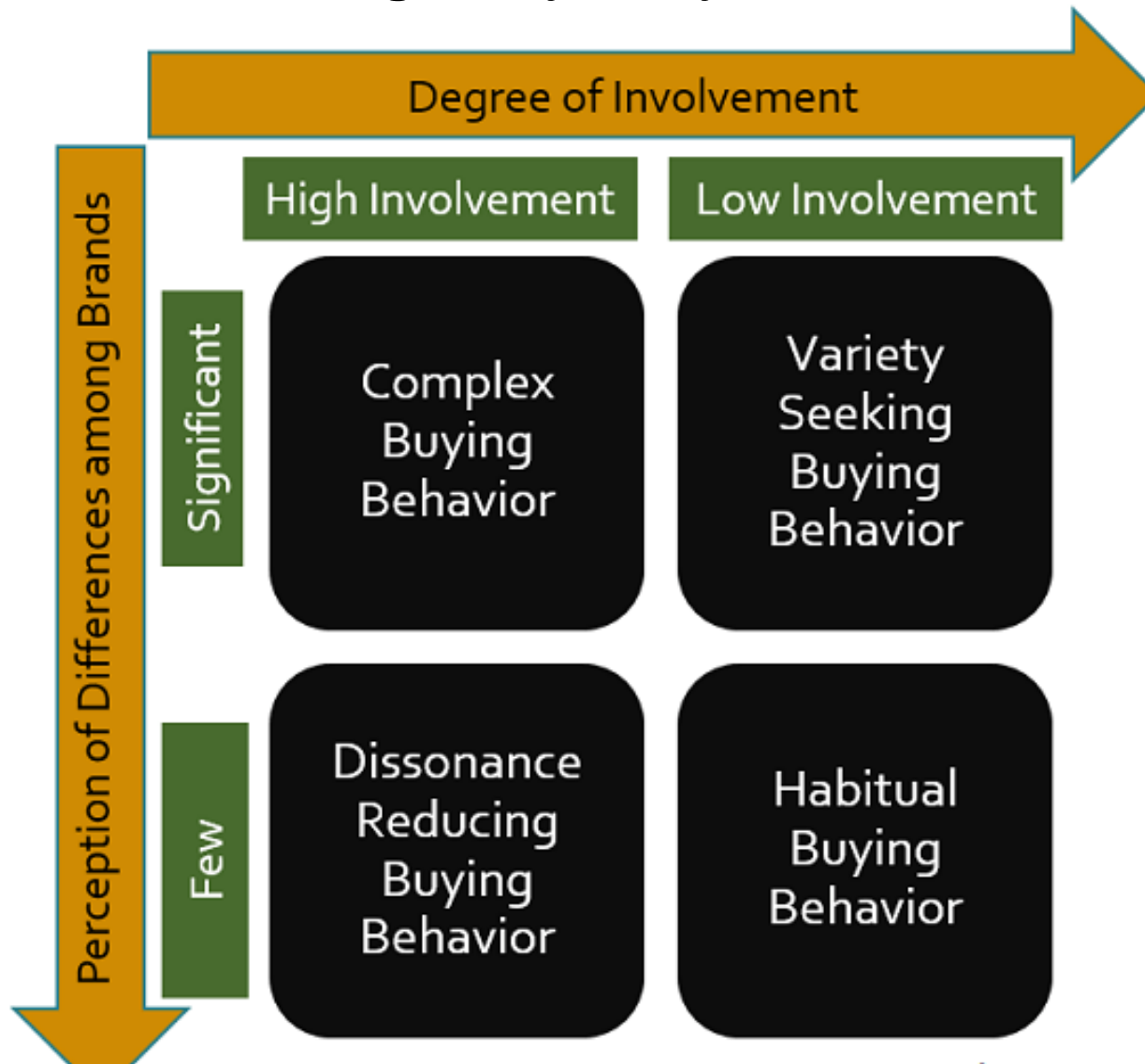
# Information Search: Types of Information Sources



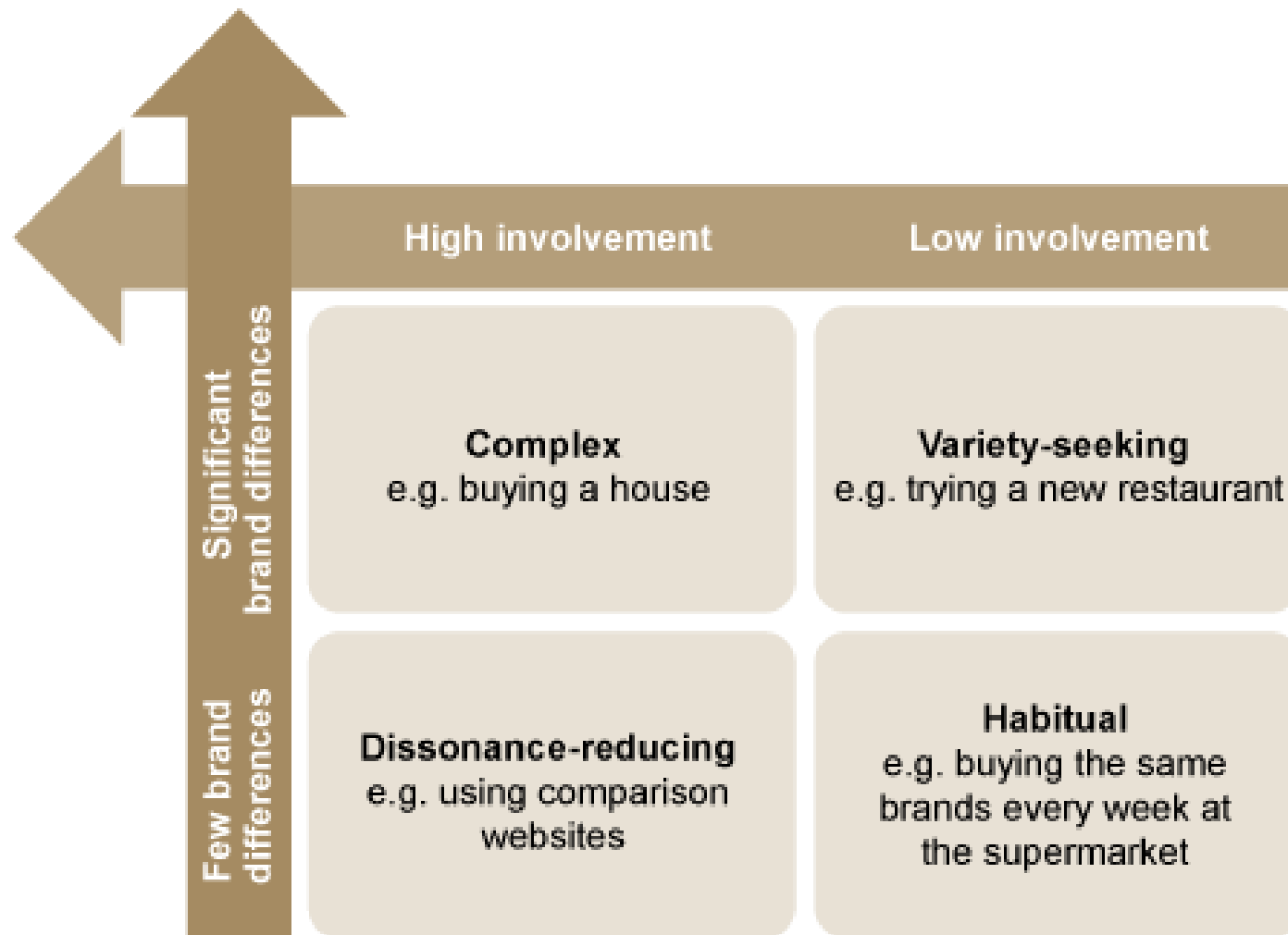
Approaches to Search for Problem Solutions

# Types of Buying Decisions

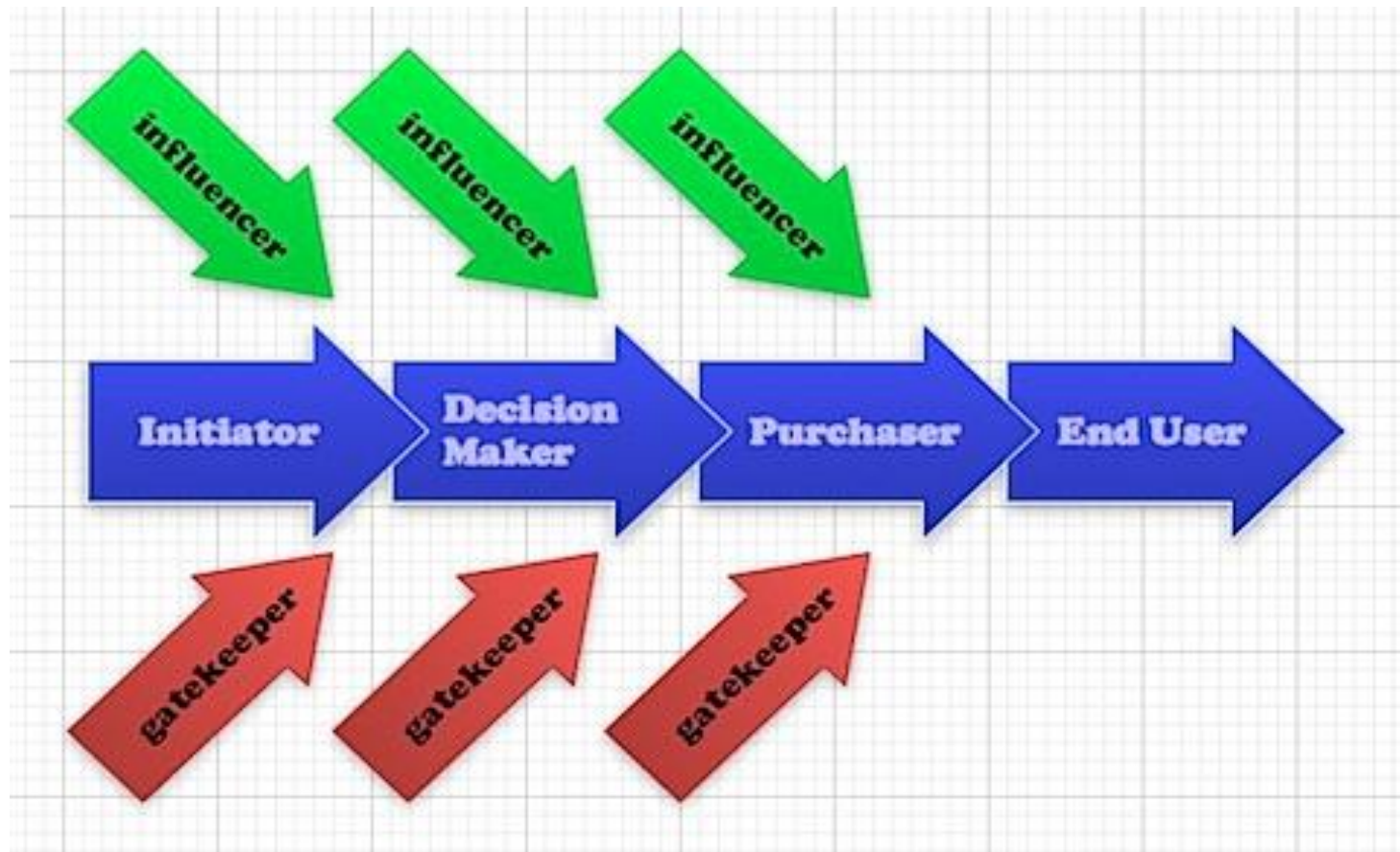
Model given by Henry Assael



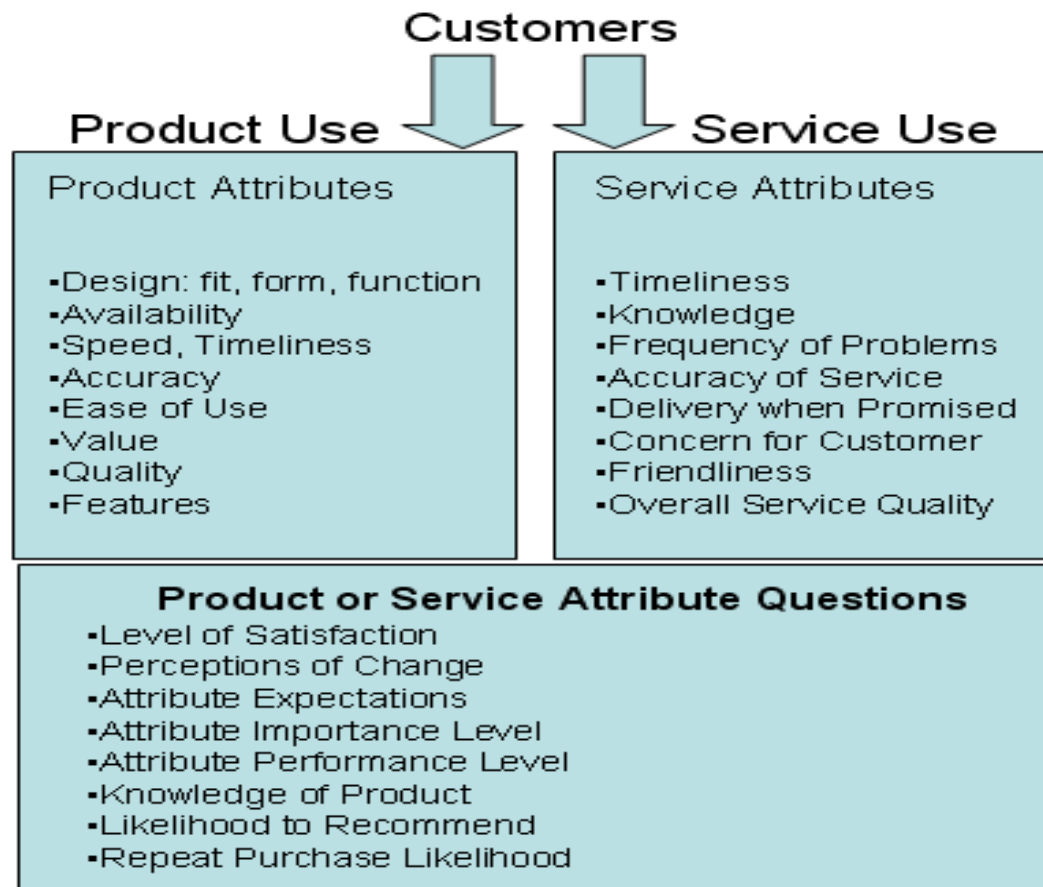
# Types of Buying Decisions - examples



# Different Roles in Consumer Decision making



# Post-purchase stage



# Organisational Buying process - Buying Centre Roles





# Organisational Buying Process





# Types of Organisational Buying

## Buyclass Theory of Purchasing

Buying Situation	Extent of Effort	Risk	Buyers Involved
<b>Straight Rebuy</b>	Habitual decision making	Low	Automatic reorder
<b>Modified Rebuy</b>	Limited problem solving	Low to moderate	One or a few
<b>New Task Buying</b>	Extensive problem solving	High	Many

# Factors Affecting Organisational Buying

External Environment	Organizational Factors	Inter-personal Factors	Individual Factors
Economic Environment Social Environment Political Environment Legal Environment Infra-structural Environment Competition in market	Goals & Objectives Policies & Procedures Organization Structure Organization Culture Financial Position	Status and Authority Involvement Persuasiveness Negotiation Buying Role	Education Expertise Experience Job position Attitude towards risk

# Case study Discussions

- Tata Nano Case
- IKEA Case
- LG case
- Identify important learnings for a marketer from the above three cases.



**LG**

