

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

DR VN BRINS

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

BRAND X BRAND Z BRAND Z

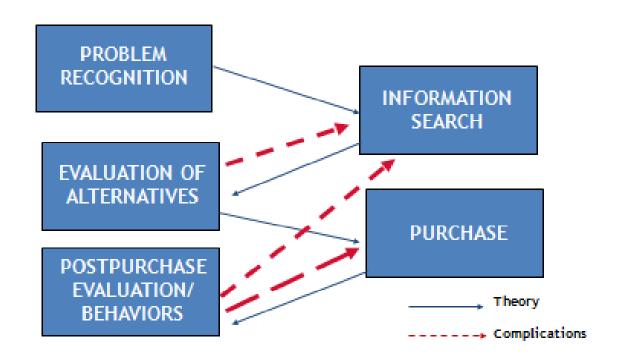
Complaining about and returning products

Consumer Buying Process



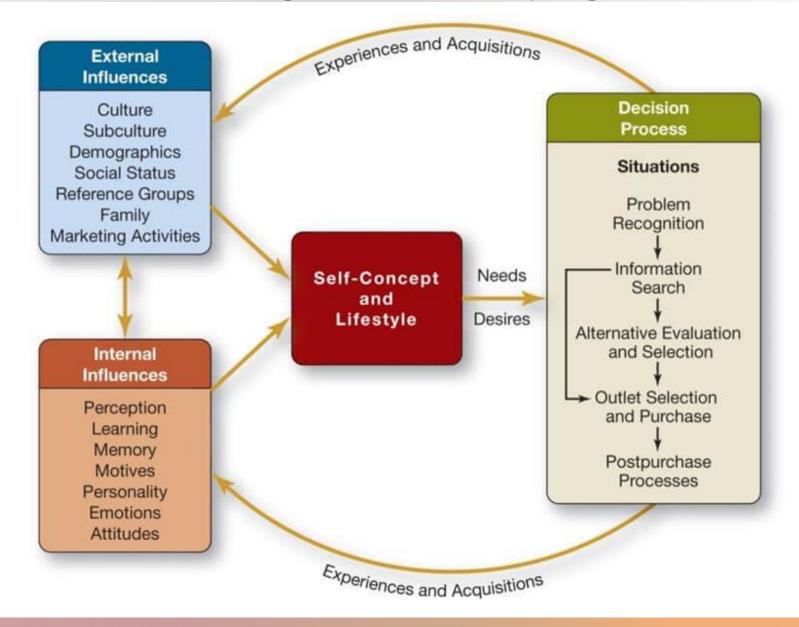


Buyer Decision-making Process





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



INTERNAL

Memory Thinking

EXTERNAL

Word of mouth, media, store visits, trial

Use of what is inside the consumer's mind



Typically used more for relatively *low* involvement decisions

Use of information inside the consumer's mind—talking to others, reading, visiting stores

Typically used more for relatively high involvement decisions







Approaches to Search for Problem Solutions



Types of Buying Decisions

Model given by Henry Assael



High Involvement

Low Involvement

Significant

Brands

among

Perception of Differences

Complex Buying Behavior Variety Seeking Buying Behavior

Few

Dissonance Reducing Buying Behavior

Habitual Buying Behavior



Types of Buying Decisions - examples

High involvement Low involvement differences Complex Variety-seeking e.g. buying a house e.g. trying a new restaurant Few brand differences Habitual Dissonance-reducing e.g. buying the same e.g. using comparison brands every week at websites the supermarket



Different Roles in Consumer Decision making





Post-purchase stage

Customers

Product Use



Service Use

Product Attributes

- Design: fit, form, function
- Availability
- Speed, Timeliness
- Accuracy
- Ease of Use
- Value
- Quality
- Features

Service Attributes

- Timeliness
- Knowledge
- Frequency of Problems
- Accuracy of Service
- Delivery when Promised
- Concern for Customer
- Friendliness
- Overall Service Quality

Product or Service Attribute Questions

- Level of Satisfaction
- Perceptions of Change
- Attribute Expectations
- Attribute Importance Level
- Attribute Performance Level
- Knowledge of Product
- Likelihood to Recommend
- Repeat Purchase Likelihood

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
Straight Rebuy	Habitual decision making	Low	Automatic reorder
Modified Rebuy	Limited problem solving	Low to moderate	One or a few
New Task Buying	Extensive problem solving	High	Many



Factors Affecting Organisational Buying

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	External Environment	Organizational Factors	Inter-personal Factors	Individual Factors
	Social Environment Political Environment Legal Environment Infra-structural Environment	Policies & Procedures Organization Structure Organization Culture	Authority Involvement Persuasiveness Negotiation	Expertise Experience Job position

Case study Discussions



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





