CONSUMER DECISION MAKING PROCESS

The consumer behaviour or buyer behaviour is influenced by several factors or forces. They

are: 1. Internal or Psychological factors

2. Social factors

3. Cultural factors

4. Economic factors

5. Personal factors.

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**1. Problem Recognition:**

In problem recognition, the consumer recognizes a **problem or need or want.** The buyer recognizes a difference between his or her actual state and some desired state.

* + The need can be generated by **internal stimuli** when one of the person’s normal needs − hunger, thirst, sex, etc. rises to a high level sufficient to become a drive.
  + A need can also be generated by **external stimuli.** External stimuli include outside influences such as advertising or word-of-mouth. For example, a consumer who just moved to colder place, may not realize he needs a heavy winter coat until he sees a store advertising for it, which triggers the need in his mind

At this stage, the marketer should evaluate the consumer’s perspective by considering the basic questions like −

* What kinds of needs or problems or efforts arise.
* What brought them about and
* How it led the consumer towards the particular product.

Problem recognition is the result of a gap between a desired state and an actual state sufficient to arouse and activate the decision process.

An actual state is the way an individual perceives his/her feelings and situation to be at the present time.

A desired state is the way an individual wants to feel or be at the present time.

Desired position is his expectation and anticipation about the products. The gap then results in natural fashion. As the consumers grows financially, physically and psychologically, a perceived gap is created between the existing and desired position, *e.g.,*growing child first needs a tricycle, then a bicycle, and then a motor cycle. Marketing stimuli influences the current or desired state of mind or both.

Types of Consumer Problems

1. **Active Problem :** An active problem is one the consumer is aware of or will become aware of in normal course of events.

**Marketing strategy:** Only require marketer to convince consumers that its brand is the superior solution.

1. **Inactive Problem:** An inactive problem is one of which the consumer is not aware.

**Marketing strategy:** Marketer must convince consumers that they have the problem AND that their brand is a superior solution.

1. **Routine** problems – Expected require immediate solution
2. **Emergency** problems – Not expected, require immediate solution
3. **Planning** problems – Expected don’t require immediate solution
4. **Evolving** problems – Not expected, don’t require immediate solution

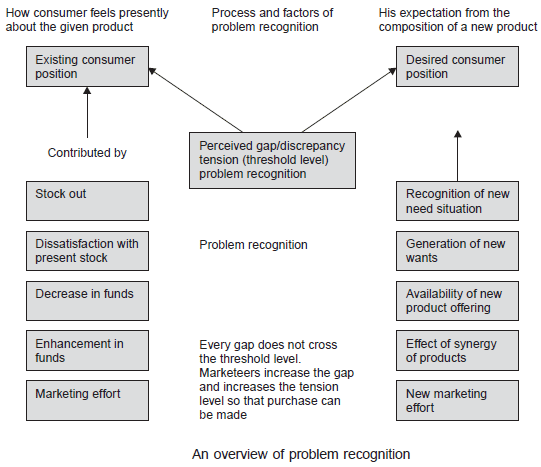
**Discovering Consumer Problems**

A wide variety of approaches are used to determine the problems consumers face.

**1. Intuition -** the most common, however, the problem identified may be of low importance to most consumers

**2. Survey –** asks relatively large numbers of individuals about the problems they are facing

**3. Focus Groups –** composed of 8 to 12 similar individuals brought together to discuss a particular topic; a moderator is present to keep the discussion moving and focused on the topic but otherwise free flowing



**Group I: HIGHER EXPECTED SATISFACTION**

\* Had a car but wanted one more.

\* Old car ran fairly well, but the new models had better styling.

\* Old car ran fairly well, but could get better gas mileage with a new car.

**Group II: CURRENT DISSATISFACTION**

\* Old car needed repairs too often and was not reliable.

\* Old car ran fairly well, but if it broke down, it would not be worth fixing.

**Group III: PRODUCT DEPLETION**

\* Old car stopped running and had to be replaced.

\* Old car ran fairly well, but it is best to trade every two or three years.

**Group IV: NEW NEED**

\* Old car ran fairly well, but wanted a car for a different purpose -- recreation, hauling things, carrying more people (or fewer people).

\* Did not have a car and wanted to get one.

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**2. Information Search:**

Information search starts the moment a need is recognized. It is a deliberate attempt to gain appropriate knowledge about products. Knowledge of brands and their important characteristics, and knowledge of stores from where to purchase the goods is gained. Optimum amount of information is required for making a proper choice. Consumers gather information, they then understand (perceive) by selecting, organizing and interpreting it.

***Types of Information Search***  
***- Internal search****:*It is sufficient in case of loyalty decisions and impulsive purchases. Internal search is also done for routine response behaviour and limited problem solving.  
***- External Search****:*It is a mediated, planned and rational pursuit of information for high involvement purchase decision, *i.e.,*extensive problem solving.  
***- Passive Search****:*Low involvement repetitive advertising use TV Emphasize Price Promotion and in-store marketing stimuli.  
***- Active Information Search:***Marketer must vary message content frequently. Use Print Media. Emphasize advertising and emphasize marketing before customer enters store.  
***- Hedonic Search:***In this, sensory stimuli dominate. There is ongoing information search. Personal sources are more important symbols and imagery is most effective.  
 ***- Utilitarian Search:***Product attributes are more important for purchase. There is specific information search. Non-personal sources are more important. Product information is more effective.

***Sources of Information***

1. ***Controlled by marketers:***
   * ***Advertising:***Provides about 35 per cent to 50 per cent information sought. It is the most important sources of information.
   * ***In-store promotion:*** *e.g.,*display prices, danglers, brochures, technical reports, summaries.
   * ***Information on distribution support:***Yellow pages.
   * ***Package information:***Colour, design, ingredients and mode of using.
   * ***Sales personnel:***Consumer durables, furniture, electronic, clothing indigenous products.
   * ***Samples and demonstrations***(most important): Create a favourable impact for marketers.
2. ***Outside marketer’s control:***  
   Personal friends, independent consumer reports, new articles shopping columns.  
   Some sources are face to face, others are non-personal in nature (advertisement and publicity, etc.). There are many situations which lead to high or low information search.

***Factors Leading to High Information Search***

1. If one feels that there will be more benefit by undertaking a search
2. If there is greater involvement in the product, *i.e.,*a camera bought by a professional photographer or, a racket chosen by a professional tennis player.
3. If one likes shopping and enjoys it search is high.
4. If more time is available
5. If one is mobile and can go from place to place, *i.e.,*his movement is not restricted
6. If one can process the information easily about the product one wants to buy.
7. If many attributes are to be evaluated and one is interested in many attributes and their mix high information search.
8. If there is a little product knowledge and experience it leads to high risk. Therefore, more information search is required.
9. If there is more product differentiation high price is charged.

***Factors Leading to Low Information Search***

1. If the cost of the information search is high.
2. If one relies on his past experience of purchases.
3. If one is satisfied with existing brands he is using.
4. If there is social pressure of friends and relatives to buy a particular product.
5. If one has low confidence in dealing with information or, cannot process much information.

For external information search, certain measures are taken.

* 1. Number of stores visited
  2. Number of alternatives considered
  3. Number of personal sources used
  4. Overall or combination measures

**3. Evaluation of Alternatives:**

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Evaluation of alternatives is the third stage in the Consumer Buying Decision process. During this stage, consumers evaluate all of their product and brand options on a scale of attributes which have the ability to deliver the benefit that the customer is seeking. The brands and products that consumers compare – their evoked set – represent the alternatives being considered by consumers during the problem-solving process.

### Analysis of Information

Consumer gathers enough information during the 2nd stage of the decision-making process. Evaluation of Alternatives is that stage where the consumer uses the information gathered on the Information Search stage and starts evaluating the alternative brands in the product category. The consumer compares and evaluates the information to make the right choice. He\she analyses all the information collected and considers various other alternative products and services and compares them to their actual need or wants.

### How Does a Consumer Choose Among These Alternatives?

Practically speaking, there are a number of processes which work inside the consumer’s mind when it comes to choosing from different alternatives. The consumer needs to form a belief and attitude towards all the products before they can choose the final one. Yet these processes all “advance” based on the person’s buying situation.  The situation has again evolved from the set of different characteristics the consumer is elected to evaluate the products by. Some of the characteristics are performance, design, price, and value.  The consumer places, different level of importance to each of these characteristics based on its importance. As I said the consumer will be evaluating each and every brand based on the characteristics and form beliefs about the product.

### Factors That Impact the Evaluation Process

There are several factors which impact the evaluation process.

Factors like age, culture, taste and budget hugely impact the buyer’s decision making.

To add further to the factors, celebrity endorsement is another factor which has a great potential to impact the evaluation of alternatives stage of the consumer decision making process.

Different brands differ in their degree of appeal to each buyer. There can be buyers who purchase a brand based on a single attribute, and there can be another set of buyers who consider a number of them.

It is important for the marketers to study the buyers deeply to understand how they actually evaluate brand alternatives.  If they get insights on how the [target customer](http://isngs.com/tag/target-customer/)’s evaluation process occurs, the [business](http://isngs.com/tag/business/) can take the required steps to influence the buying decision early on which can lead the buyer to purchase much faster.

**4. Purchase Decision:**

This is the stage when the consumer prefers one, the most promising band, out of several brands. The former stage helps consumers evaluate various brands in the choice set. The brand that offers maximum benefits or satisfaction is preferred.

Simply, the most attractive brand, that can offer more benefits in relation to price paid, is selected by comparing one brand with others. Comparison shows superiority/inferiority of the brands.

Now, consumer makes up his mind to purchase the most preferred brand. However, three factors further affect whether buying intension result into actual purchase. More clearly, the consumer’ decision to avoid, modify, or postpone a purchase decision is influenced by these factors.

**Sub-decisions in Purchase Decision:**

**Consumer’s buying decision involves following five sub-decisions:**

**i. Brand Decision:**

For example, Thunderbird from Royal Enfield

**ii. Vendor Decision:**

For example, XYZ Royal Enfield Showroom.

**iii. Quantity Decision:**

For example, one motorbike.

**iv. Timing Decision:**

For example, on 1st June 2021

**v. Payment Decision:**

For example, by Emi

### 5. Post-purchase Behaviour:

Consumer buys the product with certain expectations. Though he decides very systematically, there is no guarantee of a complete satisfaction. There is always possibility of variation between the expected level of satisfaction and the actual satisfaction. His subsequent behaviour is influenced by degree of satisfaction/dissatisfaction.

**Marketer must monitor the post-purchase experience of the buyers that includes:**

a. Post-purchase Satisfaction

b. Post-purchase Action

c. Post-purchase Use and Disposal

#### Post-purchase Satisfaction:

Actual satisfaction may not be equal to the expected one. He may find some problems or defects in the product while using. It is the matter of interest for marketer to know whether consumer is highly satisfied, somewhat satisfied, or dissatisfied. Consumer’s satisfaction is the function of the relationship between expected/perceived performance (expectations) and actual performance.

#### Post-purchase Action:

Obviously, level of the consumer’s satisfaction with the product affects his subsequent behaviour/action. If he is satisfied reasonably, he purchases the product again, and talks favourably to family members, friends, relatives, and co-workers.

#### Post-purchase Use and Disposal:

Marketer should also monitor how the consumers use and dispose the product. Such information can be a very good guideline for the marketer. Marketer can learn possible problems and opportunities relating with the product.