



Consumer Decision-Making Process: A Conceptual Study

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Abstract : Individuals have freewill – the ability to choose thoughts and wishes freely. The individual is presumed to have special characteristics that are relatively stable in time and space. The individual decision reflects the basic notion of individuals as autonomous actors, free to choose their actions and their futures according to their own specific identities. When individuality is an important value, we can expect people to present many decisions and to think of their actions as being preceded by decisions. If we can prove that we are rational, we simultaneously demonstrate that we are proper individuals. People are called individuals and rationality is seen as being equivalent to intelligence. In a secularize culture, it seems more appropriate that future is controlled by choices of human beings. Hence understanding the behavior of human beings is important for the survival and development of a business enterprise in a competitive world. To achieve a better understanding of the consumer-decision process and the factors influencing thereof, an in-depth analysis of those stages which a consumer goes through in purchasing goods and services is done by the researcher. Such an endeavour would provide better insight into the inner world of consumer psychographics as well as proper explanation as to why and how people as consumers behave as they do in the market place, before, during and after purchase of goods and services. The present study is an attempt to evaluate the decision making process done in buying behaviour of consumers and to provide a new dimension to the existing literature on consumer behaviour studies in the Indian marketing environment.

Keyword: Consumer Behaviour, Decision-making, Consumer Psychology.

Introduction :

Consumers are often studied because certain decisions are significantly affected by their behaviour or expected actions. For this reason, consumer behaviour is said to be an applied discipline. As a matter of fact, consumers collectively influence economic and social conditions of market-oriented economics. At the macro level, analysis of consumer behaviour enables the decision makers to determine the aggregate demand (both current and future) of different products and services and match supply with the changing pattern of demand (Singh, R., 1989).

At the micro level, marketing firms realize the importance of studying buying behaviour for operating successfully in the competitive market. These firms are very much interested to have a thorough understanding, explicit rather than implicit, of what makes consumers buy. In today's world of fast changing technology, consumer tastes are subject to rapid changes. To survive and sell successfully in the market, the marketers need to have a thorough understanding of consumer tastes and preferences. And consumer behaviour studies undoubtedly provide innumerable clues as to why they (consumers) buy, what need they are trying to fulfill and what outside influences affect their product or service choices. These explorations guide the marketers to design marketing strategies that favourably influences related consumer decision (Schiffman, L.G., and Kanuk, L.L. 1993). Therefore the most important aspect is that consumer decision is not an end point but rather the beginning of a consumption process.

Consumers make numerous decisions everyday; sometimes even when they are not consciously aware of how and why they have made a choice. The consumer as a decision maker is viewed in different ways by different groups of researchers. The economic view holds that consumers are rational decision makers, while some other researchers view the consumers as uninvolved, passive decision makers.

Yet another group of researchers view consumers as cognitive decision makers. But all these views ignore the influence of emotions on consumer choices. There are three types of consumer decision making – Habitual decision making (low involvement with no external involvement), Limited decision making (consumer evaluates limited alternatives with some extensive information) and Extended decision making (large number of alternatives with the help of extensive information search both internal and external sources). Hence the actions a person takes in purchasing and using products and services, including the mental and social processes that precede and follow these actions.

The Decision Making Process

Buyers make decisions every day on what goods and services to acquire on the basis of what they see and hear in the market-place. Marketers who expect to influence buyers to select their products must understand the 'whys' and 'how's' of the buyer decision making process. A great deal of research activity in marketing is designed to shed light on the consumer decision process. Consumer buying decision process basically comprises a series of related and sequential stages. Often termed as a problem solving approach, buying process consists of a series of steps or processes, beginning with a felt need or want arising from either internal or external forces. Then the need becomes a drive. Consequently, the consumer begins a search for information regarding the problem or filling the need. It is then followed by evaluation of alternatives and a purchase decision. Finally, the consumer goes through a process of post purchase evaluation, comparing the performance with the

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expectations, leading to either satisfaction or dissatisfaction. A consumer is expected to go through this process while making a purchase decision consisting of five steps. A total stage approach, involving all these steps, is likely to be used only in certain buying situations – a first time purchase of products, for instance, or when buying high priced, long lived, infrequently purchased articles. The buying process may be completed rapidly and with very little conscious thought or effort, or it may be very lengthy involving a considerable thought. Thus, the process varies considerably from product to product depending upon its nature and cost.



Stages in Decision making process

Stages in Buying Decision Process

As pointed out earlier, a five stage process of decision making is mostly used for all kinds of purchases comprising (i) problem recognition, (ii) information search, (iii) evaluation of alternatives, (iv) purchase decision, and (v) post purchase experience and behaviour.

Step one: Problem Recognition

The First step in the buying decision process is problem recognition. Need recognition is the awareness of a want or a desire or a consumption problem without whose satisfaction the consumer feels restless and tension-charged. Problem awareness is a result of inputs or stimuli. The problem recognition can be awakened by information on past experiences stored in memory, basic motives or cues from reference groups. Besides, many consumers needs arise from internally generated desires for good shelter and clothing. Sometimes, the problems arise out of the need for replacing old products. Basically, these are internal stimuli. Problem recognition also can be activated by an outside stimulus, such as, advertising.

Once the needs are recognized, conflicts develop as to how competitive needs may be satisfied. Keeping in view the limitedness of the resources as against the unlimited desires and needs, the urgent needs (product and services) are given priority over the less important ones. In fact, it is the intensity or the urgency of want that decides the speed at which it is to be satisfied.

Step two: Information Search

Once consumers are aware of the existence of problems and recognize their needs, the next step in the decision process is to gather information on products and alternative solutions to the consumers' problems. Generally consumers' interest in the product/service is exhibited through the consumers' eagerness to seek further information about the same. Since there are variety of products and services available, consumers usually seek for relevant information. Previous experiences of the buyers with similar products/services are often reviewed to see what product solutions worked in the past. Memory can also be consulted for recommendation of friends, articles, and advertisements. If memory does not provide enough, buyers start consultation with outside sources of information, basically, advertisements, friends, sales people, store displays, and product testing magazines.

The information search phase of the decision making process is important from the marketing stand point, since the buyer can be assisted in gathering the necessary data, through sales people, tags and brochures, point of display, newspaper ads, television ads, radio commercials and so on. All these efforts, mostly sponsored by the marketers, provide vital information on prices, products or services availability and other needed features to the consumers.

Step Three: Evaluation of Alternatives

The third stage in the buyers' decision process is evaluation of alternatives. As a matter of fact, it is consumers' deep interest in the product or service that paves the way for evaluation. At this stage, the prospective buyers seek to employ appropriate choice criterion in analyzing possible purchases. The consumer assigns relative values or weightages to different products or services based on the accumulated information and judges the relative merit of alternative products or service from the angle of want satisfying potential. Since this phase of the purchase behaviour is a mental process, it is hard to observe and is consequently more difficult for marketing people to influence. Thus it is the most complex part of the consumer decision model and the least understood part of the process.

As the consumer evaluates the information gathered during the search process, it passes through two steps: brand processing and attribute processing. In brand processing, the prospective buyer assesses one brand at a time. Thus the consumer may decide to look at a particular brand, examine various attributes of

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that brand, then move to another brand and the process goes on. In attribute processing, the consumer examines a specific attribute and then compares the same attribute of other brands. Then a second attribute is selected for comparison and so on. These two information processing strategies are referred to as 'choice by processing brands (CPB) and choice by processing attributes' (CPA), respectively.

Step Four: Purchase Decision

The information search and evaluation of alternatives phases culminate in the actual purchase decision. Decision to purchase implies consumer commitment for a product or service. In case the decision is negative, the consumer's decision process starts from the beginning i.e. problem recognition stage. If the decision is to buy, a series of related decisions must be made regarding features, where and when to make the actual transaction, how to take delivery or possession, the method of payment, and other issues. So, the decision to make a purchase is really the beginning of an entirely new series of decisions that may be as time consuming and difficult as the initial one. In executing a purchase decision, a consumer has to make up to five purchase sub-decisions: brand decision, vendor decision, quality decision, timing decision, and payment decision.

The job of the marketers at this stage is comparatively easy since the decision process of the buyer is translated into action i.e., the purchase. The location, physical design, assortment of brands and products, attractive layout and display, pricing strategy, sales promotions, personnel, packaging, delivery, and available services in the store are important influences in purchase decision.

Step Five: Post Purchase Behaviour

Post purchase experience stands for the behaviour of the consumers after commitment to products/services have been made. As pointed out earlier, the purchase decision process is not complete with the purchase decision. Instead, consumer at this stage engages himself for an evaluation of the purchase decision. As a matter of fact, purchase allows consumer to learn more about products or services. Consumer expectations are compared with actual products experience, the degree of satisfaction or dissatisfaction, assessed, and possible further consumer behaviour, projected. Highly satisfied consumers, who alter their beliefs about a product in a favourable direction, can be converted to repeat buyers and may become advocates of the products in their conversation with others. Buyers' feelings and evaluation, after the sale, therefore, are significant for the marketer, because they can influence repeat sales and develop 'brand loyalty' or stop the use of the product forever and spread the message around to that effect.

Dissatisfaction

Products and services that do not live up to the buyers' expectations for durability or performance result in customer dissatisfaction. The most common reaction to such a problem is for the customer to return the product to the dealer and ask for an exchange, refund, or repair. If the problem is handled carefully by the dealer, the buyers' positive beliefs in the product will be restored and the customer will probably buy again. When customer complaints are rebuffed, a negative belief structure is formed, and repeat purchase probabilities decline. Such buying behaviour is observed in case of durable and high value products. In case of low value goods, however, dissatisfied customers may not go back to the dealer for the adjustment and simply exercise their resentment by not buying again.

Cognitive Dissonance

Another area of post-purchase behaviour that is important is cognitive dissonance or post-purchase doubt. Cognitive dissonance is a post-purchase feeling that occurs after a commitment to purchase has been made. Leon Festinger refers to this state of anxiety as cognitive dissonance which occurs as a result of discrepancy between a consumers' decision and the consumer's prior evaluation. After the purchase is made, the unattractive feature of the product purchase grows in importance in the consumer's mind, as to the attractive features offered by the rejected alternatives. As a result, most often the consumer begins to doubt the wisdom of the choice and experiences anxiety over the decision. By understanding that any choice, even when it is undeniably the best choice, can make a customer wonder whether the right thing was done by them, marketers can seek to allay these concerns. The post-purchase service program, warranties and guarantees, assurances of repair/replacement do a lot in reducing dissonance. Buy handling post-purchase doubts and anxieties adequately, providing customer more product/service information, marketers can increase satisfaction and turn customers into product advocates.

It is relevant at this point to note that the five stage model of buying decision is in fact present in all purchases situations, irrespective of the type and nature of the goods or services. In case of low value and routine purchases, consumer makes a 'snap judgement' whereas in case of expensive, durable purchases, the decision making process is comparatively longer. The range of difficulty of consumer decision processes extends even further to problem solving that may be characterized as being highly complex like, car or home. The snap judgement may be taken in minutes whereas the complex judgement may take months, in some cases years, to finalize.

Recommendations

Marketers, who understand the consumer preferences, their motivation, buying process, shopping behaviour, and consumption patterns, have a great competitive advantage in the market place. Overall, it is argued that the study of consumer behavior is rapidly evolving as researchers recognize and implement new techniques and trans disciplinary perspectives to understand the nature of purchase and consumption behavior. This wider view attempts to study consumer behavior in the light of rapidly evolving lifestyles, values, priorities, and social contexts.

Routinized Response Behaviour is adopted for the purchase of low cost and frequently used items. The marketer must continue to provide satisfaction to existing customers by maintaining quality, service and value. He must try to attract new customers by making use of sales promotion techniques like point of purchase displays, off-price offers, etc and also introduce new features to the products.

Limited Problem Solving Behaviour is the one where consumers are familiar with product and various brands that are available, but have not established brand preference. Here the marketer's job is to design a communication programme, which will help the buyer to gather more information, increase his brand comprehension and gain confidence in the brand.

Complex buying behaviour or extensive problem solving occurs when the consumers are encountering with new product category. The marketers must educate their prospective buyers to learn about the attributes of the product class, their relative importance and the high standing of marketers brand on the more important brand attributes. Hence the consumer in turn gets a great deal of information before they make decision within a short time.

Conclusion

Lifestyle is a mode of living that is identified by activities, interests and opinion. Understanding behaviour of consumers is a key to the success of any business organizations. Marketing personnel are constantly analyzing the patterns of buying behaviour and purchase decisions to predict the future trends. Consumer behaviour can be explained as the analysis of how, when, what and why people buy. Consumer research takes places at every phase of consumption process, before the purchase, during the purchase and after the purchase. Therefore the scope of consumer behaviour includes not only the actual buyer and his act of buying but also various roles played by different individuals and the influence they exert on the final purchase decision. Individual consumer behaviour is influenced by economic, social, cultural, psychological, and personal factors. The choice of the products or

services by the consumers greatly determines the fate of the producers. Indian consumers have also developed lifestyles which have emerged from changing attitudes and mind sets; exposure to western influences and a need for self-gratification.

In the marketing stand point, the demand for a product or service is affected not merely by the physical quantity but also by a variety of other factors that may be termed as psychological or behavioural factors (Singh, R.1989). The more complex and expensive purchase-decisions are likely to involve greater buyer deliberations. Hence consumer preferences consist of actions, reactions and response in relation to the products brought and services bought. Factors like personality, perception, attitude and learning on the one hand and the product, price, physical attributes, advertising and social influence on the other shape the behaviour of consumers. Therefore the marketer has to comprehend these elements for better understanding of the consumers buying decision making process.

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