

# Three major types of buying situation commerce essay



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Consumer behaviour is the study of individuals, groups, or organizations and the processes they use to choose, expend, and dispose of products, services, experiences, or ideas to satisfy their needs and the impacts that these processes have on the consumer and society (Noel, 2009). Consumer behaviour mixes elements from psychology, sociology, social anthropology and economics and it also intends to understand the buyer decision making process, both in individual and in groups (Noel, 2009). There are various elements which can influence consumer behaviour, recent research implies that it may vary depending on the buying situation. This essay is going to define the main types of buying situations, outline the characteristics of them and explain factors which are likely to impact customer involvement in each situation.

In general, there are three major types of buying situations (BE, 2005).

- The new task is a business buying situation in which the buyer purchases a product or service for the first time.
- The modified rebuy is defined as a business buying situation in which the buyer wants to modify product specifications, prices, terms, or suppliers.
- Straight rebuy is a buying situation in which the buyer routinely reorders something without any modifications.

The three types of buying situations could be significantly different. Various factors may work in different situations. Every time when the buyer is to take a purchase decision, buying situation can be different, it may or may not be the same as the previous one. The differentiation between the two buying

situations may be caused by the absence of any or all of the following factors (LME, 2006).

- Awareness about competing brands in a product group.
- Customer has a decision criterion.
- Customer is able to evaluate and decide on his choice.

According to the factors above, the three major types of buying situation could be obviously different.

The new task could also be defined as extensive problem solving situation (LME, 2006). In this situation, the buyer has no past experience for products and he is totally new to buy the products which require some and extensive efforts for a buyer to decide about the product purchase. It may take customers longer time to make a decision because it could have a greater risk or cost and take more time in getting know of the new products.

Modified rebuy could also be called as limited problem solving situation in which supplies a change and gives the customer with new experience and new preference (CM, 2005). It gives a chance to the customer to try something new. If the introduction of a new brand or a product shows many advantages to the customer, it could require a change in the customers' decision criterion. For example, a housewife decides to buy a soap and she sees a new liquid toilet soap which promises to keep her skin soft and moisturized, the brand also promises to give vitamin E, which the manufacturer claims is required in temperate conditions. The liquid toilet

soap brand is available in four fragrances . The pack can be refilled every  
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time the soap gets fully consumed . Now this introduction is likely to change her decision and may be the choice criterion. If she spends some time in evaluating the liquid toilet soap against the normal bar soap and then decides to try it, we conclude that for her it was a limited problem solving situation (CM, 2005). As can be seen, modified rebuy might often lead to a trial purchase. The customer may even decide to continue with her current product choice. Generally it has been admitted that brand extension strategy helps the customer to reduce the elements of newness in the purchase decision.

Straight rebuy is also known as extensive problem solving situation and it is characterized by the presence of all three criterion for differentiation (CM, 2005). In other words, customers are aware of his or her choices, they know what they are searching for, as his or her choice, what exactly his need is and which is based on personal experience of either self or others might be relatives, friends or the customers have heard about it that is known to be called as good messages.

Generally, the customers spend little or no time choosing alternatives of the product and the substitutes of the product . Brand loyalty is relatively higher here. Moreover, this is a buying situation where a customer perceives a low risk in buying the product and/or the brand. For example, a housewife goes to the shop or a supermarket and spends much less time in choosing her toiletries, drinks like tea or coffee and other food products. For each time she goes to buy the things for family requirements and needs, she generally finishes up buying the same brand.

As it is shown above, the three factors which make the differentiations between the buying situations appear different in each situation. Thus, there could be different factors which affect customer involvement in each situation. In general, there are four of them (Song, J. H. and Adams, C. R., 1993):

- Capacity: What it does for a buyer;
- Quality: How well or poorly it does the specified functions;
- Price: The amount paid by the buyer;
- Effort: The time and energy expended by the buyer.

These four factors are most likely to affect customers to make the decision when they are doing a purchase, which could participate differently in the three buying situations.

In the new task buying situation, because customer has no experience for the products, it may have more factors affecting the customer involvement. The customers could consider all the factors: capacity, quality, price and also brand, it could take the customers more time than other buying situations. It could be the buying situation which is most likely to affect customer involvement. The firms have to set all the factors right if they want to attract new customers or they want to develop a new product. In the modified rebuy situation, customers may contrast the previous products with the new ones. As the customers understand what they need and what the products can do, the factors like quality and price are important to affect the customer

involvement. Sometimes, a good introduction of the capacity is important as <https://assignbuster.com/three-major-types-of-buying-situation-commerce-essay/>

well. In this situation, the brand loyalty could also act as an important factor of affecting the customer involvement. It also may take customers quite a long time before making a decision. In the straight rebuy situation, the customers know exactly what they need, they have already know the information about the products they want. Therefore, the most likely factors which could affect the customer involvement are the capacity and the quality. Once the firms have done well on the quality of their products and also make a good introduction of the capacity of products, it could make customers spending less time on making a decision. It may let customers feel easy to be involved in the consuming.

In conclusion, there are three major types of buying situations, which are new task, modified rebuy and straight rebuy. Three factors make the buying situations be different from the others, customers may face different problems in these situations. Thus, there are four main factors which are likely to affect customer involvement. Each situation could also have different types of factors which effect the customer involvement. All of the above suggests that consumer behaviour do vary depending on the buying situation. More research could be done on what firms can do to improve the customer involvement while choosing their products.