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This document is divided into the following sections; Purchase decision making process, factors affecting buyer behavior at Biddy, theories of buyer behavior and their application to Biddy and, the evaluation of the legislations between brand loyalty, corporate image and repeat purchase. 1. 2 Purchase decision making process Behind the visible act of making a purchase lays a decision process. The consumer purchase decision making processes are the stages a buyer passes through in making choices about which products and services to buy. The five stages is summarized in the diagram below: Fig 1. Source: Opposition, 2014 Problem recognition; This is the first step in the process. The buying process is initiated when the customer identifies a problem or a need that has to be fulfilled. Perceiving a difference between a person's ideal and actual situations big enough to trigger a decision. Information search; The information search stage clarifies the options open to the consumers and may involve- Internal search basically involves scanning one's memory to recall previous experience and knowledge on products/ services. However the cost of gathering information in this case is low.

On the other hand there is External search which includes personal sources such as friends and family, marketer dominated sources such as advertising, websites and salespeople and public sources such as consumer reports. Evaluating alternatives; Once the consumer has determined what will satisfy their want or need they will begin to begin to seek out the best deal. This may be based on price, quality, or other factors that are important for them. Customers read many reviews and compare prices, ultimately choosing the one that satisfies most of their parameters.

Purchase; After tallying up all the criteria for the decision the customers now decide on what they will purchase and where. They are definite on what they want to purchase. They may have had prior experience with this exact decision or maybe they succumbed to advertising about this product or service and want to give it a try. Post purchase evaluation; The involvement of marketing takes place even after the product has been purchased. Once the purchase has been made, the consumer looks at if the product has satisfied their need/want.

They evaluate if the product is below or above their expectations. The goal for every marketer is not for a one-time customer but a repeating lifetime customer. One bad experience of buyer's remorse and the brand perception could be tarnished forever. On the other hand, one excellent experience an lead to a brand loyal customer who may even become a brand evangelist for the organization. However, the model implies that customers pass through all stages in every purchase but, in more routine purchases, customers often skip or reverse some of the stages. 1. Factors that affect buyer behavior at Biddy Buyer behavior is a management theory component that analyzes the purchasing habits of individuals and/or groups. It is primarily used for marketing purposes; the analysis includes an examination of perception, desire, decision-making and satisfaction. In general, the main factors that affect consumer behavior at Biddy is rice and the availability of substitutes however Biddy is trying to overcome this through producing a variety of products under the same line. For example, in the edible oils section, they sell Alienate, Golden fry, Sun gold, Olive gold blend, Soya gold, Briar fry and Fat.

There are several factors that affect buyer behavior, these are; Culture, personal factors, psychological factors etc. However, in a broader perspective, the factors that affect buyer behavior at Biddy are; 1. 3. 1 . Social factors; These are the facts and experiences that influence individuals' personality, attitudes ND lifestyle. The marketing department of Biddy needs to take into account the various social factors characteristic of the consumer groups it is targeting to help increase a products appeal to those potential buyers. 1. 3. 1 . 1.

Reference groups- People whose attitude, behavior, beliefs, opinions, preferences, and values are used by an individual as the basis for his/her Judgment. All of Biddy's products are visible products and therefore the influence of reference groups is high. This factor affects buyer behavior at Biddy on the basis that the reference groups may impose the attitude on other individuals on Just to purchase fat-free, cholesterol-free products that may lead to a decline in sales. And therefore Biddy should ensure that they target the markets carefully ensuring that the customers get what they want. . 3. 1. 2. Family- This factor strongly influences buyer behavior on the basis that one member of the family may carry out the roles that would influence the other members to purchase goods likewise. Especially on home products, Biddy should aims at the women of the house so that they can pass on the legacy of the 'secret ingredient' own the line making all generations loyal to Biddy brands. 1. 3. 1. 3. Roles and status- Each individual in the society holds a different role/status depending on the groups, families or organizations in which they belong in.

Individuals belonging in different status's purchase commodities differently. For example, a person in the higher class would purchase the items such as Olive gold blend, Alienate etc while the consumers with a lower status would consume Fat and Briar fry. Biddy should continue the trend of targeting everyone keeping aside factors such as their income and status in he society. 1. 3. 2. Personal factors; These are the characteristics of a person (such as; age, sex, identity, capabilities etc) that would determine the way that individual would purchase goods and services.

Some of these factors are; 1. 3. 2. 1 . Lifestyle; A way of living of individuals, families and societies, which they manifest in copying with their physical, psychological, social and economic environments on a day to day basis and this factor helps influencing the way the individual would now buy products. For example an individual who is used a healthy lifestyle would tend to purchase the Olive gold blend for a healthier living instead of Chips. Biddy has efficiently distributed their products to meet with the specified need of consumers and should maintain that advantage. . 3. 2. 2. Economic situation and Occupation; An individual's occupation will base a ground on their economic situation. For instance a C. E. O of a company will have a well-off economic situation compared to the Cleaners of the same organization. This factor deals with how well off an individual is and this influences their purchasing decisions. For example, a person who has a high income s bound to purchase goods of high quality and of a higher price such as Alienate whilst a person earning the minimum wage would be bound towards the inexpensive products like Briar fry.

Biddy in such ways tries to tackle the consumer behavior of the organization. (This is also relevant to social class. ) Biddy should continue with targeting the whole market rather than Just portions of it. They could do this by focusing on all the individuals and not Just the elite. 1. 3. 2. 3. Age; Consumers tend to change the purchase of goods and services with the passage of time. Biddy only aims t the house-hold section however the house-hold market isn't only dominated by one group but by several groups such as: nuclear and extended family; married without kids and with kids etc.

Biddy needs to ensure that each of these groups is targeted efficiently with products suiting their immediate need. 1. 3. 3. Psychological factors; The main four factors that fall under this area is- perception (the way individuals look at things), motivation (the thrive towards obtaining a certain product), learning and beliefs & attitude. These factors determine the drive that make consumers make the decision on which products they want to purchase. The only way Biddy will be successful in the market is if they are able to strategically place a product for each sub-segment they want to concur.

There are several other factors that affect buyer behavior such as Culture and sub-culture. These are the ideas, customs and social behavior of particular people or the society; they tend to share the same beliefs and interests. However these factors do not influence the buyer behavior at Biddy. Since this organization solely bases it production on house-hold products like edible oils and margarine, such products do not affect anybody ultra in any way and therefore not of a concern to Biddy. 1. 4.

Theories of buyer behavior and their application to Biddy Buyer behavior is the decision process made by individuals before they buy a product. There has been several theories and models that have come forward to explain and predict the buyer behavior of these individuals so that the organization (such as Biddy) can work towards meeting their customers immediate needs. These theories are; 1. 4. 1 . Stimulus response model; Marketing and other stimuli enter the buyer's " black box" and produce certain choice/ purchase responses.

Marketers at Biddy must figure out what is inside of the buyer's " black box" and how stimuli are changed to responses. Marketing stimuli consist of the four AS: product, price, place, and promotion. Other stimuli include major forces and events in the buyer's environment: economic, technological, political, and cultural. All these inputs enter the buyer's black box, where they are turned into a set of observable buyer responses: product choice, brand choice, dealer choice, purchase timing, and purchase amount. Marketing and other stimuli enter the buyer's " black box" and produce certain choice/purchase responses.

Marketers at Biddy must figure out what is inside of the buyer's " black box" and how these stimuli are changed to responses. Biddy marketer does want to understand how the stimuli are changed into responses inside the consumer's black box, which has two parts. First, the buyer's characteristics influence how he or she perceives and reacts to the stimuli. Second, the buyer's decision process itself affects the buyer's behavior. 1. 4. 2. Models of purchase behavior; This is broken down to different theories that try and predict the buyer behavior process. 1. . 2. 1 . Rational actor theory; An economic Renville that assumes that individuals always make prudent and logical decisions that provide them with the greatest benefit or satisfaction and that are in their highest self-interest. This theory can be applied to Biddy on the basis that the consumers they target also purchase items that greatly benefits them. For example; one individual obsessed with health and fitness can purchase the Olive gold blend while a large family would tend to purchase oil that is of great value but at a lower cost such as Golden fry.

Biddy tends to predict the buyer behavior by analyzing what rouser of action would most benefit that individual. 1. 4. 2. 2. Environmental theory of buying behavior; A buyer can exhibit different buying behavior decisions based upon the situation in which they are in. Biddy should ensure that through factors such as advertising, and usage of sales people, they should try and persuade those individuals to buy their products rather than the competitors. For example, they can have staff stand at the supermarkets influencing consumers to buy Alienate instead of Nor. 1. . 2. 3. The bullwhip effect; Buyer behavior can have a disproportionate effect on the buying behavior of the business. The supply chain is not inherently stable. Demand variability increases as one move up the supply chain away from the retail customer and small changes in consumer demand can result in large variations in orders placed upstream. This means that if consumer demand reduces by a small percentage, the original supplier suffers a full loss for that small damage because the organization will switch to less expensive products to make up for the loss. . 4. 3. Diffusion of innovation; This is the adaptation of new products and services over time by consumer within social making when a new product is involved. The diffusion process is the manner in which innovation spreads throughout a market. The term spread refers to purchase behavior in which the product is purchased with some degree of regularity. Companies such as Biddy follow a similar pattern over time with the diffusion process; Innovators - These are people who want to be the first to try the innovation.

Early Adopters - These are people who represent opinion leaders. They enjoy leadership roles, and embrace change opportunities Early Majority - These people are rarely leaders, but they do adopt new ideas before the average errors. Late Majority - These people are skeptical of change, and will only adopt an innovation after it has been tried by the majority. Laggards - These people are bound by tradition and very conservative. 1. 5. Evaluation of the relationship between brand loyalty, corporate image and repeat purchase.

Brand loyalty; This is the extent of the faithfulness of consumers to a particular brand, expressed through their repeat purchases, irrespective of the marketing pressure generated by the competing brands. Brand loyalty is a result of consumer behavior and is affected by a person's references. Loyal customers will consistently purchase products from their preferred brands, regardless of convenience or price. Companies will often use different marketing strategies to cultivate loyal customers, be it is through loyalty programs (I. E. Awards programs) or trials and incentives (ex. Samples and free gifts). Corporate image; Is the mental picture that springs up at the mention of a firm's name. It is a psychological impression that continually changes with the firm's circumstances, media coverage, performance etc. Similar to a firm's reputation or dowdily, it is the public perception of the firm rather than a reflection of its actual state or position. Unlike corporate identity, corporate image is fluid an can change overnight from positive to negative to neutral.

Organizations always try to carry out the best image possible in order to attract consumers of its products. Repeat purchase; This is the buying of a product by a consumer of the same brand name previously bought on another occasion. A repeat purchase is often a measure of loyalty to a brand by consumers and is often taken into account by marketing research professionals to evaluate a business. The Relationship: The relationship between brand loyalty, corporate image and repeat purchasing depends on the whether the brand loyalty, corporate image and repeat purchasing is negative or positive.

The three concepts are interrelated; that is, brand loyalty can be tested if repeat purchasing occurs, but not only when it does. It should be kept in mind that every repetitive purchasing incident does not denote loyalty. A customer may buy that particular product because it is convenient at that point, or due to lack of alternatives. Brand loyalty may also be present if repeat purchasing behavior does to occur due to situational constraints. If brand loyalty is positive, a positive corporate image is projected to the public.