

Consumer behaviour and market research essays examples

[Business](#), [Customers](#)



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Introduction

Customers continuously form decisions related to the purchase, choice and application of services and products (Solomon, 1996). Such decisions are considered of high importance not just for the customers themselves, but also for policymakers and marketers. These decisions are normally difficult. Customers are frequently faced with a huge number of options that are continuously altering because of the latest techniques and competitive pressures (Du Plessis and Rousseau, 1999). Moreover, there is often a huge amount of information available from a number of sources (such as packages, advertisements, salespeople, brochures and friends). Additionally, the customer is often not completely certain of how a commodity might perform (Schiffman and Kanuk, 1994). The customers experience difficult trade-offs like price versus security in purchasing a product. Customer decision-making and customer behaviour have turned out to be prevailing research subjects in the several areas of customer science during the recent years (Dubrovski, 2007). Customer science takes in the former discipline of home economics and implies towards a discipline, which revolves around customer behaviour as well as decision making about nutrition and food,

textiles and clothing, housing and merchandise in day to day life so as to satisfy the fundamental and greater order wants for socio-psychological, physical, psychological and financial satisfaction within a complex macro and micro environment. Further, taking the above discussion into consideration this particular paper attempts to throw light on the decision making process of the customers.

Consumer Buying Decision Process

Consumer buying decision process refers to the decision making process carried out by the customers with respect to a potential marketplace transaction before, during and subsequent to the purchase of an item or service. In particular, decision making can be defined as the cognitive procedure of choosing a course of action among several options (Schiffman and Kanuk, 2000). General examples take in shopping and making a decision about what to eat. Moreover, decision making is considered as being a psychological concept. This implies that even though one could never "view" a decision, one could infer from visible conduct that a particular decision has been formed. Decision making is a construction which assigns commitment to actions (Dubrovski, 2007). That is, grounded on observable acts it is assumed that individuals have made a commitment so as to influence the action. In common there exists three ways of examining customer purchasing decisions i. e. economic models, psychological models and consumer behaviour models. First of all, the economic models are greatly quantitative and are grounded on the supposition of near perfect knowledge and rationality. The customer is observed to capitalize on their utility.

Secondly, psychological models lay emphasis on cognitive and psychological procedures like motivation and call for recognition. They are qualitative instead of being quantitative and revolve around on sociological factors such as cultural and family impacts (Solomon, 1996). Thirdly, consumer behaviour models are practical models adopted by the marketers/advertisers. They normally blend both psychological as well as economic models.

Moving ahead, there are 5 phases that a customer frequently goes through at the time when he/she is about to make the purchase (Dubrovski, 2007). These different phases also exist due to usual human psychology. The five stages include problem/need recognition, information search, evaluation of alternatives, purchase/decision implementation and lastly, post purchase behaviour. These 5 stages are illustrated in figure 1 below:

Fig. 1 Decision Making Process

- Problem/Need Recognition

This is the foremost stage wherein the customer recognizes what basically is the need or problem and therefore accordingly the customer could discover the product or type of product that would be needed. Within this decision making process, the customer buying procedure starts at the time when the purchaser recognizes a need or problem (Dubrovski, 2007). For instance, a customer might realize that his/her best suit does not look good any more. Or, an individual might recognize that his/her personal computer isn't working and he/she believed it should. Moreover, these are the types of issue, which the individuals as customers experience every time. When a difference is discovered between the actual state as well as the desired state, an issue is recognized (Schiffman and Kanuk, 2000). At the time when

a problem is discovered, individuals usually attempt to solve it (Solomon, 1996). The consumers, in simple terms, discover the need to resolve the issue.

- Information Search

In this stage, the customer searches information related to the product that would fulfill the requirement that has been discovered by the customer in the previous stage (Schiffman and Kanuk, 2000). When a customer recognizes an issue, he or she is likely to look for more information. The customer might simply lay higher focus on product information of a computer. The customer becomes more considerate to computer advertisements, computers bought by friends or family and lastly, peer conversations related to computers. Or, the consumer might more actively look for information through visiting outlets, talking to friends or going through computer magazines, amongst other options (Solomon, 1996). By collecting information, the customer gains more information about some brands, which compete within the marketplace along with their characteristics and features. Supposedly, there is a whole set of brands accessible to customers, but he/she would become conscious about just a subset of the brands (awareness set) within the marketplace. Few of these brands might satisfy the customer's initial purchasing criteria, like processing speed and price (consideration set). As the customer proceeds ahead to higher information search, just a few would remain as powerful options (choice set).

- Evaluation of Alternatives

During the evaluation of alternative stage, the customer analysis the

different options that he/she comes across, when searching for information. Generally during the information search stage the customer comes across different products and as a result in this stage the individual needs to assess and understand which product would best suit the requirement (Schiffman and Kanuk, 2000). One prevailing outlook, nevertheless, is to view the evaluation procedure as being cognitively directed and rational (Dubrovski, 2007). As per this viewpoint, the customer tries to solve the issue and eventually satisfy his/her wants. In simple terms, he/she would search for problem-solving advantages from the product. The customers after that, looks for products having a particular set of features, which offer the advantages. As a result, the customer views every product like a set of features having distinct levels of ability of offering the problem solving advantages so as to satisfy his/her wants. The differences among the benefits, need and features are highly vital. One constructive way of organizing the relationships amongst the three is the hierarchical one (Figure 2).

Fig. 2 Hierarchical View of Needs, Benefits, and Attributes

Even though, Figure 2 is an illustration of how a set of features such as a product links with the advantages and underlying wants of the customer. From the below figure and the above discussion, one might state that the product features are significant and vital only to the degree that they result in a particular set of advantages. In the same way, the advantages are significant only if they could deal with the issue and is instrumental in satisfying the underlying want. Since the underlying wants is repeatedly personal customers differ as to their views regarding what product

advantages and features are more (or less) significant and appropriate in fulfilling their requirements (Schiffman and Kanuk, 2000). Grounded on their personal opinion about the significance of benefits and features, the customers build a set of preferences or attitudes towards several brands. One might articulate his/her attitude or preferences about the brands with respect to probability of choice, ranking and so forth.

- Purchase/Decision implementation

After the customer has analyzed all the available alternatives and would be having the intent to purchasing any product, now there could only be two things that might modify the customer decision of purchasing the product i. e. what the other people think about the product and any unpredicted situations (Solomon, 1996). The unpredicted situations for instance, in this situation could be financial losses that result in not purchasing of the product. In order to actually execute the buying decision, the customer needs selecting both particular items (brands) as well as particular outlets (i. e. where to purchase) to solve the issues. There are, in actuality, three manners these decisions could be formed simultaneously; product first, store second or store first, product second. In several situations, customers involve in a simultaneous selection procedure of outlets and brands (Schiffman and Kanuk, 2000). For instance, in the personal computer case, the customer might select a group of brands grounded on the product's technical characteristics (attributes) along with brands availability in the computer outlets and mail-order catalogs the customer knows very well. It is also likely, that the customer decides where to purchase (for example, CompUSA in his/her neighbourhood) and after that decides one or two product brands

the outlet has). Once the outlet and brand have been decided, the customer proceeds ahead to buy.

- Post Purchase Behavior

Subsequent to buying the customer might just go through post purchase discord wherein the consumer feels that purchasing the other product would prove to be a better option (Schiffman and Kanuk, 2000). However, an organization should actually take care of it, considering post purchase dissonance does not just spread good views about the product but also perks up the likelihood of recurrent repurchase. Post-purchase assessment procedures are directly impacted by the kind of former decision-making procedure. Directly appropriate here is the degree of buying involvement of the customer. Buying involvement, time and again refers to “ the degree of apprehension about or interest in buying” situation and it establishes how comprehensively the customer looks for information while making a buying decision (Dubrovski, 2007). Even though, buying involvement is considered like a continuum (from low to high), it’s practical to take into consideration two extreme situations here. For instance, if an individual buys a particular product brand (such as Diet Pepsi) as being a fact of habit (i. e. habitual purchase). For the individual, purchasing a cola drink is a situation of very low purchase involvement and the buyer is not likely to look for and analyze product information widely. In such situation, the customer would simply buy, use and dispose of the commodity with very less post-purchase assessment and usually maintain a high degree of repeat buying motivation (Figure 3).

Fig. 3 Low Involvement Purchase

Nevertheless, in case if the buying involvement is high and the customer is concerned with high purchase decision forming (such as personal computer), the individual is more expected to be engaged in more complex post-purchase assessment, frequently by questioning the precision of the decision: “ Did I form the correct selection? Should I have selected other product/brand?” Moreover, this is a normal reaction subsequent to forming a complex, difficult and reasonably permanent decision. This kind of anxiety and doubt is termed as post-purchase cognitive dissonance (Figure 4).

Fig. 4 Post Purchase Evaluation

The probability of facing this type of dissonance as well as the degree of it is a function of the level of dedication or inevitability of the decision; the significance of decision to the customer; intricacy of making a choice amongst the options and lastly, the customer’s tendency towards experiencing anxiety. For the reason that dissonance is uncomfortable, the customers might make use of one or more of the several approaches i. e. increasing the attractiveness of the brand bought; decreasing the attractiveness of discarded options; decreasing the significance of the buying decision and rejecting the negative information about the brand purchased (Solomon, 1996). In case if the dissonance related to the purchase isn’t trimmed down, the anxiety might change into dissatisfaction (specific or general). Undoubtedly, this unconstructive experience results in new issue recognition and the customer would involve in other problem solving procedure. However, the disparity is that during the subsequent round of procedure, memory of the preceding negative dissatisfaction and experience would be employed like part of the information (Volkema and Ronald, 1998).

As a result, the likelihood for the unsatisfactory product/brand to be selected and purchased again would be considerably lesser than before (Dubrovski, 2007).

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