

Buyer's behavior

[Business](#), [Marketing](#)



Buyer's Behavior The marketing concept emphasizes that profitable marketing begins with the discovery and understanding of consumers. And their needs and then develops a marketing mix to satisfy these needs.

Consumers/ buyers considered to be as one of the important element in a company. These buyers/consumers are the one that generates the company's income. In order to established loyalty among its customers a company should understand first the buyer's/consumer's behavior.

Consumer behavior is the mental and physical activities undertaken by household and business consumers that results in decisions and actions to pay for, purchase and use products. It includes a variety of activities and a number of roles that people hold as consumers. Needs are unsatisfactory conditions of the consumer that lead him or her to actions that will make the conditions better. Wants are desires to obtain more satisfaction than is absolutely necessary to improve unsatisfactory conditions. Three Roles as consumer * User role is the one who uses the product. The features of the products have to be the ones that the user is seeking and that will best meet the user's need or want. * Payer role in this role it focus on the products price how it more likely to affect the consumer in buying the product. If the price or other financial considerations do not satisfy the payer, the user simply cannot buy the product. * Buyer role the buyer's task is to find the merchandise and find a way to order or acquire it. If the buyer's access to the products is constrained, the buyer will simply not buy the product, and thus, the user will not have the product available for use. **Consumer Decision Making-** The process by which consumers recognize a need for a product search for information about alternatives to meet the need, evaluate the

information, make purchases and evaluate the decision after the purchase. 3 types of decision making

1. Extensive decision making- requires the most time and effort since the purchase involves a highly complex or expensive product that is important to the consumer. It often involves considerable time and effort comparing alternatives and deciding on the right one. Ex. Car, house, computer, gadgets Marketers should provide consumer factual information that highlights competitive advantages.
2. Limited decision making- is more moderate but still involves some time and effort searching for and comparing alternatives. Ex. Buying shirts, make-ups. Marketers of products used eye-catching advertisement and in-store displays to make consumers aware of their products and encourage consumers to consider buying them.
3. Routine decision making- is the most common type and the way consumers purchased most packaged goods. Such products are simple, inexpensive, and familiar and consumers have developed favorite brands that they purchase without deliberation. Ex. Grocery items. Marketers of such products need to have them readily available for purchase in variety of outlets and price them competitively if price is an important criterion to consumers. Marketers of these low involvement products often use celebrity spokespeople and other non-product related cues to encourage purchases.

a. Need Recognition-Starting point in the buying process. It is the recognition of an unsatisfied need by the consumer. It is the consumer's realization that he or she needs to buy something to get back to the normal state of comfort. *

Internal stimuli are perceived states of discomfort — physical or psychological. Example: Feeling of being hungry and wanting some food, bored and looking for an entertainment place to go to. * External stimuli are

informational cues from the market place that lead the consumer to realize the problem. Example: Seeing a food cart, chain and feels hungry, you suddenly saw a bag and feels like buying it. An advertisement of about multivitamins can serve as a purchase reminder. Marketers have the responsibility to know the consumers' needs and wants for them to develop new products and make innovation of their current products for them to reach customers satisfaction. Abraham Maslow's Hierarchy of need *

Physiological needs. It consists of the primary needs of the human body. Basic needs. * Safety needs. Safety needs consist of such thing as protection from physical harm, ill health. * Belongingness and love needs. These needs are related to social and gregarious nature of humans and the need for companionship. * Esteem needs. These needs consist of both the need for self-awareness of importance to others (self-esteem) and actual esteem from others. Satisfaction of these needs leads to feelings of self-confidence and prestige. * Self-actualization needs. This need can be defined as the desire to become more and more what one is to become everything one is capable of becoming. This means that the individual will fully realize the potentialities of given talents and capabilities. Self-actualization b. Alternative Search- searching for alternatives for satisfying the need. (a) Information Sources 1. Internal sources- The individual will usually search through whatever stored information and experience is in his or her mind for dealing with the need. This is quite common for routine or habitual purchases. 2. Group or personal sources- A common source of information for purchase decisions comes from communication with other people, such as family, friends, neighbors, and acquaintances. Generally, some of these are selected that the individual

views as having particular expertise for the purchase decision. It is often considered to be the most powerful influence on purchase decisions. 3. Marketing sources- This source includes such as advertising, sales people, dealers, packaging and displays. Generally this is the primary source of information about a particular product. 4. Public sources- Public sources of information include publicity, such as newspaper article about the product, and independent ratings of the products, such as consumer reports. 5. Experiential sources- Experiential sources refer to handling, examining and perhaps trying the product while shopping. (demos, free taste) This usually requires an actual shopping trip by the individual and may be the final source consulted before purchase. (b) Search Strategy is the pattern of information acquisition consumer's use to solve their decisions problems. Below are the consumer decision strategies * Routine problem solving is a strategy in which no new information is considered. This strategy is used for purchase problems that have occurred and have been solved previously. * Extended problem solving occurs when the search is extensive and deliberation is prolonged. This strategy becomes necessary for purchases never made before or made long ago. * Limited problem solving is a strategy wherein the consumer invests some limited amount of time and energy in both the search and the subsequent evaluation of alternative solutions. There is some familiarity with the product class, but a desire for variety or unavailability of previous solutions. (c) Determinants of the Amount of Search * Perceived risk is the degree of loss in the event that a wrong choice is made. There are five types of risk 1. Performance risk- The product may not perform well or not as well as some other alternatives. 2. Social risk-

Reference group members and significant others may not like it. 3.

Psychological risk- The product may not reflect oneself. 4. Financial risk- The alternative may be overpriced; there may exist a better purchase. 5.

Obsolescence risk-The alternative may be replaced by newer substitutes. *

Involvement is defined as the perceived importance of the product. How long the consumer would likely to take time in looking for the product he/she

wants to purchase. * Prior Experience refers to the history of purchase,

record of consumption and information obtained with respect to that

product. Expertise refers to the understanding of the attributes in a product class and knowledge about how various alternatives stack up on these

attributes. * Time pressure is making consumers look for more convenience

in shopping. In addition, time pressed consumers are likely to cut their

information search, comparison shopping and decision making time. *

Information overload occurs when exposed to too much information 4 steps

in information processing 1. Exposed to information 2. Becomes attentive to

the information 3. Understands the information 4. Retains the information c.

Alternative Evaluation-After information is acquired the consumer evaluates

alternatives on the basis of what he or she has learned. Logic attitude

modeling 1. The consumer has information about a number of brands in a

product class. 2. The consumer perceives that at least some of the brands in

a product class are viable alternatives for satisfying a recognized need. 3.

Each of these brands has a set of attributes (color, quality, size and so forth).

4. A set of these attributes is relevant to the consumer and the consumer

perceives that different brands vary in how much of each attribute they

possess. 5. The brand that is perceived as offering the greatest number of

desired attributes in the desired amounts and desired order will be the brand the consumer will like best. 6. The brand the consumer likes best is the brand the consumer will intend to purchase. d. Purchase Decision-The actual purchase is the common result of search and evaluation. Actually a purchase involves many decisions, which include product type, brand, model, dealer selection and method of payment. There are three sub-steps in purchase decision first is the choice identification this occurs when the consumer identifies the most preferred alternative based on the alternative evaluation process. Second is to form purchase intent a determination that one would buy that product. It is the act of giving self-instruction. Third sub-step is the purchase implementation it entails the arranging the terms of the transaction, seeking and obtaining the transfer of title or ownership from the seller, paying for the product and receiving possession of the product commitment from the seller. The consumer may make a decision to modify, postpone or avoid purchase based on an inhibitor to purchase or a perceived risk. The perception of risk is based upon the possible consequences and uncertainties involved. Perceived risk may be either functional (related to financial and performance consideration) and psychosocial (related to whether the product will further one's self or reference group image). The perceived risk literature emphasizes that consumers generally try to reduce risk their decision making. In general, the more information the consumer collects prior to purchase the less likely post-purchase dissonance is to occur. e. Post-purchase evaluation-If an individual finds a particular product fulfills the need for which it was purchased, the probability is high that the individual will repurchase the product the next time the need arises.

Likewise, if a response does not satisfy the need adequately, the probability that the same response will be repeated is reduced. The firm's promotional efforts often act as the cue. If an individual repeatedly purchases a product with favorable results loyalty may develop toward the particular product or brand. The occurrence of post decision dissonance is related to the concept of cognitive dissonance. This theory states that there is often a lack of consistency or harmony among an individual's various cognitions or attitudes and beliefs after a decision has been made—that is the individual has doubts and second thoughts about the choice made. Researchers have also studied post purchase consumer satisfaction which results to the disconfirmation paradigm. This approach views satisfaction with products and brands as a result of two other variables. First variable is the expectations a consumer has about a product before purchase. These expectations concern the beliefs the consumer has about the product's performance. Second variable is the difference between expectations and post purchase perceptions of how the product actually performed. If the product performed as well as expected or better than expected, the consumer will be satisfied with the product. If the product performed worse than expected, the consumer will be dissatisfied with it.

Social influences on Consumer behavior In terms of consumer behavior, culture, social class, and reference group influences have both direct and indirect effects on buying process. By direct effects, direct communication between the individual and other members of society concerning a particular decision. By indirect, the influence of society on an individual's basic values and attitudes as well as the important role that groups play in structuring and individual's personality.

a. Culture and

Subculture-It is one of the most basic influences on an individual's needs, wants and behavior, since all facets of life are carried out against the background of the society in which individual lives. b. Social Class-Social classes develop on the basis of such things as wealth, skill and power. Occupation and economic circumstances (elite, middle class, working class, poor, below poverty line) c. Reference Groups and Families-Group that an individual looks to (uses as reference) when forming attitudes and opinions.

Marketing Influences on Consumer Behavior a. Product Influences-The physical appearance of the product, packaging and labeling information can influence. One of the key tasks of marketers is to differentiate their products from those of competitors and create consumer perceptions that the product is worth purchasing. b. Price Influences- value-conscious c. Promotion Influences-Advertising, sales promotion, sales people and publicity can influence what consumers think about products, what emotions they experience in purchasing and using them and what behaviors they perform including shopping in particular stores and purchasing specific brands. d. Place Influences-Place of distribution also has influence. First, products that are convenient to buy in a variety of stores increase the chances of consumers finding and buying them. Availability of products. Second, products sold in exclusive outlets. Third Offering products by non store methods such as on the internet, or in catalogs can create consumer perceptions that the products are innovative, exclusive or tailored for specific target markets.

Situational Influences on Consumer Behavior 5 groups of situational influences a. Physical surroundings are the most readily apparent features of situation. These include geographic and institutional

location, décor, sounds, aromas, lighting, weather and visible configurations of merchandise or other material surrounding the stimulus object. b. Social surroundings provide additional depth to a description of a situation. Other persons present, their characteristics, their apparent roles and interpersonal interactions are potentially relevant examples. c. Temporal perspective is a dimension of situations that may be specified in units ranging from time of day to season of the year. Time also may be measured relative to some past or future event for the situational participant. This allows such conceptions as time since last purchase, time since or until meals or paydays and time constraints imposed by prior standing commitments. d. Task definition features of a situation include an intent or requirement to select, shop, for or obtain information about a general or specific purchase. In addition, task may reflect different buyer and user roles anticipated by the individual. e. Antecedent states make up a final feature that characterizes a situation. These are momentary moods (such as acute anxiety, pleasantness, hostility and excitement) or monetary conditions (such as cash on hand, fatigue and illness) rather than chronic individual traits. These conditions are further stipulated to be immediately antecedent to the current situation to distinguish the states the individual brings to the situation from states of the individual brought to the situation from states of the individual resulting from the situation.