Key psychological processed

Business, Marketing

Marketing and environmental stimuli enter the customer's consciousness, and a set of psychological processes combine with certain customer characteristics to result in decision processes and purchase decisions. The marketer's task is to understand what happens in the customers's conciousness between the arrival of the our-side marketing stimuli and the ultimate purchase decisions. Four key psychological processes : - Motivation - Perception - Learning - Memory Fundamentally influence customer responses. 1. Motivaton We all have many needs at any given time. Some needs are Biogenic (Hunger, thirst, discomfort). Other needs are Psychogenic (Recognition, esteem, belonging). A need become a Motive when it is aroused to a sufficient level of intensity to drive us to act. Motivation has both direction — we select one goal over another — and intensity — the vigor with which we pursue the goal. 2. Perception A motivated person is ready to act. How she acts is influenced by her view of the situation. In marketing, perceptions are more important than the reality, because its perceptions that affect consumers actual behaviour. Perception is the process by which we select, organize and interpret information inputs to create a meaningful picture of the world. The keypoint is that it depends not only on the physical stimuli, but also on the stimuli's relationship to the surrounding field and on conditions within each of us. 3. Learning When we act, we learn. Learning induces changes in our behaviour arising from experience. Most human behaviour is learned, although much learning is incidental. Learning theorists believe that learning is produced through the interplay of drives, stimuli, cues, responses and reinforcement. 4. Memory All the information & experiences we encounter as we go through life can up and end up in our long-term memory. We can think marketing as a way of making sure consumers have the right types of product and services experiences to create the right brand knowledge structures and maintain them in memory. ::: The Buying Decision Process : The Five Stage Model These basic psychological processed play an important role in understanding how consumers actually make their buying decisions. The consumer passes through 5 stages : - Problem recognition - Information Search - Evaluation of Alternatives - Purchase Decision - Postpurchase Behaviour But, consumers dont always pass through all five stages in buying a product. They may skip or reserve some. 1. Problem Recognition The buying process starts when the buyer recognized a problem or need triggered by internal or external stimuli. Marketers can then develop marketing strategies that trigger consumer interest. 2. Information Search Surprisingly, consumers often search for limited amounts of information. We can distinguish between two levels of involvement with search. The milder search state is called Heightenned Attention. At this level, a person simply becomes more receptive to information about a product. At the next level, a person may enter Active Information Search : looking for reading material, phoning friends, going online, and visiting stores to learn about the product. 3. Evaluation of Alternatives Some basic concepts will help us understand consumer evaluation processes : First, the consumer is trying to satisfy a need. Second, the consumers is looking for certain benefits from the product solution. Third, the consumer sees each product as a bundle of attributes with varying abilities for delivering the benefits sought to satisfy this need. 4. Purchase Decision In executing a purchase intention, the consumer may wake up to five subdecisions : brand (brand A), dealer (dealer B), quantity (one computer), timing (weekend) and payment method (credit card). Consumers dont necessarily use only one type of choice rule. Sometimes the adopt a phased decision strategy that combines two or more. 5. Postpurchase Behaviour After the purchase, the consumer might experience dissonance that stems from noticing certain disquieting features or hearing favorable things about other brands and will be alert to information. Marketers must monitor postpurchase satisfaction, postpurchase actions and postpurchase product uses. ::: Other Theories Of Consumer Decisions Making The consumer decision process may not always develop in a carefully planned fashion. Here are some other theories and approaches to explaining it. 1. Level Of Consumer Involvement The expectancy — value model assumes a high level of involvement on the part of the consumer. We can define consumer involvement in term of the level of engagement and active processing the consumer undertakes in responding to a marketing stimulus. 2. Decision Heuristic and Biases Behaviour decision theorists have identified many different heuristic and biases in everyday consumer decision making. They come into play when consumers forecast the likehood of future outcomes or events. 3. Mental Accounting Researches have found that consumers use mental accounting when they handle their money. Money accounting refer to the way consumers code, categorize and evaluate financial outcomes of choices. Formally, it is the tendency to categorize funds or items of value even though there is no logical basis for the categorization. 4. Profiling The Customer Buying — Decision Process How can marketers learn about the stages in the buying process for their product?

They can think about how they themselves would act, in the introspective method. They can interview a small number of recent purchasers, asking them to recall the events leading to their purchase, in the restropective method. They can use the prospective method to locate consumers who plan to buy then product and ask them to think out loud about going through the buying process, or they can ask consumers to describe the ideal way to buy the product, in the perspective method. Each method yields a picture of the steps in the process.