

# Components of decision making



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Consumer behavior is a dynamic ongoing process. That is to say, consumer behavior is not only that happens at the moment a consumer hands over money or a credit card and in turn receives some goods or services, but also a process includes obtaining, consuming, disposing and so on. Then, consumer decision making includes many components. The EKB model is comprehensive and shows the components of decision making and the relationships and interactions among them. This model shows how people buy and use a variety of products to solve real-life problems. The purpose of creating the model is to analyze how people classify the facts and the influences and then to make lawful and reasonable decision-making. On the other hand, the model can guide the market operators and managers to make products' market portfolio, communication and marketing strategy. The model captures consumer decision-making activities of decision process and indicates the interaction among the external factors and internal factors. With the economic and social development, this model is also developing. Now, the consumer decision process model (CDP) that we are familiar with is from the EKB model.

The EKB model includes five components. They are input, information processing, a decision process, decision process variables, and external influences. It will explore each of these components at next part.

## **The Components of Decision Making**

The five distinct parts of consumer decision making presented are input, information processing, a decision process, decision process variables, and external influences.

**Input.** Input includes all kinds of stimuli from our contact with the world around us, such as our experiences, marketer-controlled stimuli (e. g., advertising, store display, demonstrations), other stimuli (e. g., personal recollections, conversations with friends) and external search.

**Information processing.** Stimuli are processed into meaningful information and this task includes the stages of exposure, attention, comprehension, yielding and retention.

**Exposure.** Exposure refers to a kind of stimulation closer to consumer physical, and one of our five senses may be activated by the kind of stimulation. And then, the information that is encoded will be sent to the brain through the nerve conduction. Subsequently, the consuming consciousness may be excited by these stimuli and the consumer decision making begins.

**Attention.** Attention refers to the activity or ability which makes one's thoughts on the matter. That is to say, the basic factor of attention is focus.

Generally speaking, a product which has more relevant information and content can attract more people's attention.

Comprehension. When the product information intended to attract consumers, the information will be further classified, and stored in memory. Because a consumer is attentive toward a stimulus does not mean that the stimulus can be comprehended as intended. Enterprises expect the information can be comprehended exactly.

Yielding. After consumers comprehend this product information, they either accept this product or refuse it. Product information is aimed at changing or rectifying the image of products in people's minds. Making consumers accept the information is the purpose of enterprises.

Retention. Retention refers to the memory process that determines which of the many stimuli that have gone through the initial four stages of consumer information processing will be remembered. This stage prepares for future purchases.

In order to attract attention, the product information is often overloading, everyone will face a host of advertising. So, not all stimuli that have been comprehended will be stored in memory. In fact, the percentage of stimuli remaining in memory is generally quite small, particularly after a period of weeks has passed since exposure.

3. Decision process. According to the processed information, consumers will make consuming decision. Decision process is triggered at any time during information processing. It consists of five steps. They are problem

recognition, search, alternative evaluation, choice and outcomes (post-purchase evaluation and behavior). Consumer demand is the starting point of any purchase decision.

**Problem recognition.** When consumers realize that they need something, problem recognition is the first step in the decision-making process. It is the psychological process used to determine the difference between the consumer's actual benefits state (where you are) and the desired benefits state (where you want to be). The essence of problem recognition is the perception gap between the reality and consumer desire. According to the gap for the importance of consumers and the variability of the gap, consumer will take appropriate purchase decision. Problem recognition is influenced by situation, consumer and marketing.

**Search.** Information collected by consumers is the basis for evaluation and choice behavior. It is important for marketers to know why consumers are searching for information, where will they look, what information consumers seek and how extensively they are willing to search. The breadth and width of the collected information is decided by personality, social class, income, purchases, past experience, the understanding of previous brand, customer satisfaction and other factors.

**Alternative evaluation.** Consumers will choose the product from the brand group which has a number of options to choose. When consumers choose the product brand, the attribute of product will be considered. For instance, the photo resolution or the price of camera will be considered when consumers want to buy a camera. Most consumers will consider a few

attributes, but the importance of these attributes should have different weight.

Choice. In this part, consumers choose one of many retailers firstly. And then, consumers choose product which can meet their demands in the shop. These behaviors are influenced by salespeople, product display and advertisement. The best salespeople will introduce all the good features of the product and attempt to maintain the shop image as much as possible for attract customers to patronize once again.

Outcomes. After purchasing the product, consumers will produce the sense of satisfaction and dissatisfaction. The level of satisfaction or dissatisfaction we experience depends upon how well the product's performance meets our expectations. Objective performance is product-related and depends on whether the product meets all functional expectations Affective performance is consumer-related and depends on whether the purchase meets the emotional expectations of the consumer. Marketers must understand consumer expectations and the extent to which purchases satisfy them. Post-purchase behavior is as important as understanding what causes consumers to buy. It has an impact on future sales. The information can be used to improve products and services, undertake better targeted promotions, and design more effective strategies to keep actual customers and attract new ones.

4. Decision Process variables. Those individual qualities what make consumers unique. Decision process variables include motives, beliefs, attitudes, lifestyles, intentions, evaluative criteria, normative compliance and

informational influence and other aspects of self. Motives refer to a tendency for people to behave in a general way in order to satisfy a need. Motive is an inherent power which can promote individual activities for attain consumer purpose. In fact, buying motives indicates that consumer behavior is generally purposive or goal-directed. Closely related to the concept of motives are consumers' evaluative criteria. Evaluative criteria refer to the dimensions or performance characteristics desired from a product or service. Evaluative criteria are developed from a consumer's past experiences, personality traits and the influences of other people, and so, are more than just manifestations of consumer motives. Beliefs are foundation of will. It combines the individual goal and the overall goal. Belief is a psychological momentum, the role of its behavior aims to arouse people's potential energy, physical, intellectual and other capabilities for achieving a certain purpose. Attitudes refer to people will assess things based on morality and values. Lifestyle refers to a pattern of consumption reflecting a person's choices of how he or she spends time and money. Intentions are subjective judgment about future activities of people. Purchase intentions refer to what people think they will buy. One of these variables can influence consumers' behavior.

5. External influences. Such influences are called " Circles of Social Influence." They are: culture, sub-culture (co-culture), social class, reference groups, and family or household influences. Culture refers to non-individual, as members of society, exchanges and understandings each other. Culture also is the symbol of values, ideas and other meaning. Culture is described as the foundation of human activities what determine the interaction

between social activities and production activities. Social class refers to relatively permanent and identical part in society. In the same social class, depending on the same or similar values, lifestyles, similar interests, wealth, status, education, economic status, behavior and other factors, individuals or families are classified into different separate parts. Family or household influences are also important to consumers' behavior.

### **How the model applies to individual buying behavior**

When consumers make buying decision, they are influenced by many factors and conditions. These factors and conditions have already been illustrated above. And then, it will use an instance to illustrate how the model applies to individual buying behavior.

With the development of society, the computer is more and more popular. The computer bring us a lot of convenience is obvious. Jim was a student and a computer would bring him a lot of convenience. Most of Jim's friends owned their computers. And advertising of computer is overwhelming. Finally, Jim's purchase desire was aroused by these stimuli and he decided to buy a computer. And then, Jim started to collect information about computer. To his surprise, there were a lot of advertising about computers and he began to digest them. Because he could spend 600 dollars, he decided to search target from the various information in this grade. During this period, his friends gave him plenty of recommendations, including computer brand, fitness and style. After several days of collection, Jim got a lot of information what he wanted. Then he began to understand and process these information what included brand, price, functionality, and service, etc. After preliminary selection, Jim set the target at several well-known brands. They

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are MACBOOK, HP and GATEWAY. And then, he listed characters of these brands and compared among them. The evaluative criteria included color, performance, style, price and service. The weight of these evaluative criteria was 20%, 20%, 20%, 30%, and 10% respectively. After a period of assessment, Jim decided to buy a white MACBOOK computer and its price must be less than 600 dollars. Before making the purchase decision, Jim must choose a vendor. He entered the first store and began browsing. A good salesman can promote this activity into a purchase. But a bad salesman would be messed up it. Of course, many factors could cause failure of the deal. Such as color or style did not meet Jim's requirements. On the other hand, there are many factors can affect Jim's decision-making, such as culture, social class, personal consumption habits and lifestyles. In the end, Jim found a computer which met his requirements completely and had a pleasant conversation with salesman. Finally, he completed the purchase. And then, Jim started the journey of using the computer. At this phase, Jim would assess the computer according the sense of using. Then, Jim would generate a sense of satisfaction or dissatisfaction. If the use results of the computer were consistent with his expectations, he would produce satisfaction. On the contrary, if the use results do not meet his expectations, he would produce dissatisfaction. The enterprise should collect consumer's using information at this stage. According to the information, the enterprises can improve their products and services in order to maintain consumers and attract new consumers.

## **Conclusion**

In conclusion, consumer behavior is a dynamic ongoing process. So, the enterprises should study consumer behavior for meeting the consumer demand completely. The EKB model is a way to solve this problem. This model indicates the steps of consumer behavior and what every step refers to. Consumer behavior is influenced by many factors. External influences include culture, social class, family and household. Individual differences include motives, beliefs, attitudes, lifestyles and intentions. From the enterprises point of view, studying consumer behavior can help the enterprises more understanding consumer consumption habit. And then, because the satisfaction of consumers can make them come again and introduce the product to their friends, the enterprises can profit from it. The last part, a case explains how the EKB model applies to individual buying behavior. It can make us understand this model better.