

Factors that influence decision making commerce essay



**ASSIGN
BUSTER**

I am assigned on an internship program with a Singapore nature's farm company with operations in china. so my team is tasked with making a decision on moving one of company's product to either china and analysis decision making for company . The nature's farm company will distributing the product is Norwegian Fish Oil in to china market . Which county the company will operations market for product enter. The company for decision making is manager .

2. Background

Since 1982, the farm of nature - in Singapore's first professional health products retail chain to provide a full range of high-quality health care products suitable for modern Asians affordable price, great convenience. In Singapore, we have 23 outlets islandbwide.

Natural farm, dedicated to providing the highest quality nutrition and health food supplements, the best value to our customers.

Natural farm offers modern Asian concept of one-stop health food and supplement retail, to provide customers with a wide selection of products and brands, are a great convenience. Farm in nature, we believe that the health food retail is not just a sales transaction. It addresses the concerns of consumers and consumer in the appropriate health care products. We specially trained, experienced staff, often to help customers understand how to improve their health status .

Over the years, the farm of nature has successfully positioned itself in the market leading supplier of high-quality health food at an affordable price.

This situation has always been to ensure that their products are the finest
<https://assignbuster.com/factors-that-influence-decision-making-commerce-essay/>

ingredients, and retain their natural nutrients when they leave the production line to reach store shelves. Production of its own brand by the famous American health care products companies current good manufacturing practice (CGMP) and quality of private brands.

3. Factors that influence Decision Making

For manager to analysis in this case there are several important factors that influence the decision-making. Important factors, including manager past experience, the commitment of the various cognitive biases, upgrade and sinking results, individual differences, including age, socioeconomic status, and a belief in personal relevance. These things all the decision-making process the impact of the decision.

— The manager past experience can influence the future decision-making.

— Addition to past experience, cognitive biases to influence decision-making, it is based on this observation and generalization of memory errors, inaccuracies judgment error logical way of thinking may cause cognitive bias, cognitive bias, but not limited to: Belief Bias excessive dependence on prior knowledge to reach the decision-making, post prejudices, people tend to explain events are inevitable, events omission, deviation, in general, people have a tendency to ignore the information is considered to be a risk of confirmation bias observed to meet their expectations.

- Some individual differences may influence decision-making. Studies have shown that, age, social-economic status (SES) and cognitive ability to influence decision-making. In addition, older people may be overconfident of their decision-making ability, thereby inhibit its application strategy
<https://assignbuster.com/factors-that-influence-decision-making-commerce-essay/>

- Age is only one individual difference that influences decision making.

4. Analysis for decision making

In this policy decision the manager making decisions is a large part of doing business. When only one person involved in or affected by the decision made by the impact of this decision is relatively easy. However, when colleagues or employees need to consider the decision of a group may be the best solution. Need to decide between the individual and group decision-making methods, the impact of the Group's and the employer's general leadership style decision.

4. 1 Individual Decision Making

Decision making without a group's input or a decision made regardless of the group's opinion is, naturally, an individual decision. This is the more traditional decision-making methods, and can effectively work input of the group, unnecessary or in some cases, the desired one of the managers.

4. 2 Group Decision Making

There are several models of group decision making, and you can put to use. There are two examples of consensus and consultation. Consensus the several options group decision-making, and decision to use the most popular choice. Advisory opinions when making a decision, taking into account the Group. Both of these methods require the participation of the Group, and called for respect for the views and input in the decision-making process of the Group's managers.

4.3 Advantages

A person can be compared, also can quickly make a decision, because only one person needs to consult. Group decision-making, although it can be a difficult process, can help strengthen the Group to allow all members of the input group.

4.4 Disadvantages

Sometimes when each decision making method is not appropriate. The decision to avoid personal decisions directly affect the group. For example, making a blanket decision everyone must work the weekend with opposition from religious to other personal debt. On the other side, the group decision-making should be avoided, if there is a group consensus was possible opportunity. For example, all members of a department must execute an instruction best when the manager decided to action.

4.5 Determining Which Is Appropriate

If the decide the successful implementation requires the participation of the Group, then some type of method to achieve such consensus or consultation. In this type of decision does not involve the Group may cause damage to the Group's overall effectiveness. Result of the decision, however, does not affect the Group or the Group does not require participation is completed, you can make the personal decision to interfere with the small group dynamic.

5. Analysis for Individual decision Making

Good decision making is a skill that needs to learn and master, especially the leadership of the management team. More importantly, the individual must

also practice good decision-makers, because it is not desirable, too dependent on others for personal decision.

Depend too much on the faults of others, you may have a hard stand on their own two feet, you need to make a choice, without the help of anyone. A better way to deal with this problem is to consult a friend or a trusted person, who can tell you, you will want to make what decisions. They can give you tips, advice and warning, and then you realize it. As a result, you still own it reaches the final decision.

5. 1 Pros and Cons of Individual Decision Making

When you make a decision of your own, you take pride in, especially if their choice is successful and effective. However, there are some times when it's just hard not to seek assistance from others. As an independent decision-makers to identify the advantages and disadvantages.

5. 2 Advantages of Individual Decision Making

You can take immediate action to quickly solve the problem or situation.

You are solely responsible for what decisions, whether it is good or bad.

You take Full accountability system decision and its consequences.

You can not take any parameters on how to solve a problem, your personal opinion.

You become efficient use of time and effort in making the decision.

There is no need to delegate roles and responsibilities, so you do not have to be reluctant to take responsibility.

5.3 Intuition and Individual Decision Making

In personal decision-making, the most likely way is through intuition.

Personal decision-making related to anyone, but the decision-maker himself, the usual tendency is to appeal to the emotions triggered by personal faith and belief. A person sometimes follows what the instinct says. For instance, when your gut feeling toward that certain employer is not good, you decide not to join the company and choose another option instead. When your instincts tell you, it is cheating, you may decided to leave the final.

In most cases, although intuition is correct, but it is still the best backup facts and information, to support in the gut feeling. Relying solely on emotions may be a little dangerous, especially without any evidence to support it. A little objectivity may lead to a more effective decision-making

6. Other considerations affecting the decision

This chapter will uses “ PEST” modus to analysis that is for economic, culture and social to analysis china market , These factors to determine the impact of changes in the health products industry, the development of the strategic management process.

6.1 From the economic point to analysis;

The increasingly competitive market, multinational companies to become the industry leader , the health care products market in the past 2 years, foreign multinationals has rarely set foot in the market by the local health care

products companies firmly occupy, 20 years in the health care products industry at a low ebb, Amway but with a unique sales model meteoric rise, to achieve annual sales of 300 million yuan amazing results, despite the the Amway marketing model quite controversial in china. Because of the increasingly competitive health care products showed significant polarization trend: functional demands based products, the use of treatments, gift promotions to stimulate consumers to buy increasingly high prices of such products; nutritional supplements for the demands of the functional foods or supplements, the price is getting lower and lower, have become the trend of commodity health care products.

6. 2 Form the culture point to analysis

China has always been known as the ceremonies, exchanges with Western countries, more and more people began to accept Western culture, and even themselves as traditional traitor. However, through this local appearance, we can still clearly see the mainstream of traditional culture in society. How popular regardless of Western culture in China, Chinese people's understanding of the family and not much change in the pursuit of warm, happy family is still the standard of value for most people.

Humanism' and the ' golden mean' in the traditional cultural characteristics are reflected in consumer behavior in public goods market. Obvious social trends and other orientation of consumer behavior, most consumer perception of the community to regulate their own consumption behavior, like to follow the crowd, catch the trend.

6. 3 From a social perspective to analysis

the social life changes prompted the development of the health care industry. Changes in the lifestyle of the people, is an important foundation for the development of health care products industry. Accelerating the rhythm of life and work with the social competition intensified, a huge shock to people's physical and mental functioning, expanding populations in sub-health state. Various adverse impact of their daily lives, people turn to health care products and then the development and production of health care products to become the economic life of the " hot spots".

Summary

Decision-making is an important area of research in cognitive psychology. Understanding of the individual's decision-making process, it is important to understand that there are several factors that affect the decision-making, the decisions they make. These factors is the experience of the past, cognitive bias, age and individual differences, personal beliefs and commitment to upgrade. Inspired by the spirit of the shortcut, to take some of the decision-makers of cognitive overload. Heuristic There are many ways, but important, commonly representatives, availability, and anchoring and adjustment. After an individual makes a decision, there are several differing outcomes, including regret and satisfaction. Decisions that are reversible are more desired and people are willing to pay a premium for the ability to reverse decisions; though reversibility may not lead to positive or satisfactory outcomes. Therefore, the company's managers to make decisions, so the idea of the manager will not employees interference. So managers will simply clear understand his own goal in the business case.