

Buying decision making process



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The buying decision making process The buying process starts through identification of need by the consumer in the potential market before, during and after purchase of product and involves certain stages like:

Participation (decision making): Participation or decision making is nothing but the behavior of the consumer of buying and using the product. Decision can not be seen but can be realized through psychological act that a decision has been made. This process makes intention into action through economical, psychological and consumer attitude considerations. The consumer can gather information to buy the product through personal sources like family, friends, neighbors etc; commercial sources like advertising, sales person, retailers / dealers etc; public sources like newspapers, magazines, television, etc and experiential sources like examining the product used in past etc.

Product specification: Product specification may be defined as statement of need by the consumer. It states what the consumer wants to buy and what the supplier is required to offer. Specifications may be simple or complex depending upon the nature of the product. The success of the buying depends much on his / her correct statement to buy the product. Some times the product specification may be used as form of contract to buy in bulk or regular quantity.

Supplier selection: Supplier selection is one of the basic and crucial decisions that a buyer has to take considering supplier's many performance and relationship factors. A number of criteria may be used for evaluation of supplier like reliability of the source, correctness and competency of design, capacity of the product, production rate, quality control, lead time, trouble shooting facilities, etc. A questionnaire covering major and important factors

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is recommended to facilitate evaluation of supplier.

Commitment: No commitment is a state of wish and hope and may lead to illusion. Commitment throws responsibility on supplier to supply the correct product as per agreed specification on time, render after sales service etc.

The commitment brings not only development but success of the supplier for strengthening long business relationship, opening for repeat purchases etc.

The supplier takes challenges to test himself / herself and brings self-discipline through commitment.

Source:

1. tutor2U: http://tutor2u.net/business/marketing/buying_decision_process.asp

Buying decision process of a train operating company buying rolling stock

The buying process would start through identification of need by the train operating company in the potential market for rolling stock and would involve stages like:

Participation (decision making): Participation or decision making is nothing but the behavior of the train operating company of buying and using the rolling stock. The train operating company can buy the rolling stock through established commercial process like direct advertising in news papers, magazines etc. inviting tenders, through sales person or authorized agent / representative etc of the supplier company of both domestic and international companies besides old and existing suppliers. Details of requirements of rolling stock should be ascertained before participation.

Product specification: Product specification of rolling stock would be the statement of need by the train operating company. It would state what the train operating company wants to buy and what the prospective supplier is

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required to offer. The success of the buying would depend much on train operating company's correct statement to buy the rolling stock. The rolling stock specifications may be used to draft a contract to buy.

Supplier selection: Supplier selection is one of the basic and crucial decisions that the train operating company has to take considering supplier 's many performance and relationship factors. A number of criteria may be used for evaluation of supplier like reliability of the supplier company, competency to work on correctness of design, capacity of the rolling stock to make with adequate production rate / quantity, to maintain total quality and lead time, etc. A questionnaire covering major and important factors is recommended to facilitate evaluation of supplier.

Commitment: No commitment is a state of wish and hope and may lead to illusion. Commitment throws responsibility on supplier to supply the correct rolling stock as per agreed specification and quantity on time, render after sales service , future supplies etc. The commitment would bring not only development but success of the supplier for strengthening long business relationship, opening for repeat purchases etc. with the train operating company. The supplier would take challenges to test itself and would bring self-discipline through commitment.