

Consumer decision making process kotler



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Consumer behaviour represents the activities of consumers when they are deciding whether or not they need to purchase a new item, and if so the factors which influence the final decision of what they will buy. This concise essay will examine three concepts which can be used to interpret the consumer decision-making process which are the model of consumer decision-making (Kotler et al, 2009), Maslow's (1943) hierarchy of needs and influences socio-cultural factors (Solomon et al, 2010).

2. Consumer Decision-Making Process

The consumer decision-making process is a reasonably straightforward means of identifying the level of consumer commitment towards purchasing a product or service. Figure 1 provides a five recognised steps in the consumer decision-making process.

2.1 Need recognition

This stage occurs when the consumers establishes that they need a product or service (Kotler et al, 2009). Several precursors can prompt need recognition including advertising and recommendation.

2.2 Information Search

According to Kotler et al (2009), once a consumer has decided that they need to purchase a product or service then they will begin to search for information surrounding the product. The sources of information available to the consumer are numerous and include inter alia the Internet, print media, advertising, personal recommendations and where appropriate an in-store experience (Solomon et al, 2010). This can either be a very detailed process if the consumer is unfamiliar with a

product, or a rapid process reliant on informal information such as word of mouth recommendation (Kotler et al, 2009). The organisation which is selling the product can also be a source of information if they are attempting to up-sell or cross-sell products as part of an integrated marketing campaign (Lamb et al, 2011). Lamb et al (2011) also point out that in order to increase the likelihood of conversion it is imperative that all of these sources of information provide a consistent message to the consumer. For example, if the consumer is purchasing an iPad, it is anticipated that they will look for reviews, recommendations and technical data, as well as practical data such as availability and price when deciding whether or not they require an iPad.

2.3 Evaluation of Alternatives

Once this information has been gathered then the consumer will evaluate alternatives and based on their personal interpretation. Solomon et al (2010) explain that an individual consumer will give a different personal weighting to various factors gathered during the information search, such as perceived value, brand value, price, speed of service and possibly location. The more an organisation understands its consumers, the more they can help the consumer to evaluate the alternatives, for example by emphasising the features and benefits of a product (Kotler et al, 2009). Expanding on the iPad example, this is the stage where consumers would assess different variables such as price, additional extras and other a static factors such as colour and size.

2. 4 Purchase Decision

At this stage consumers will decide what they will purchase at this stage and if a consumer has previously received a product or service which they are happy with, then in future they are likely to repeat purchase meaning they will jump straight to this stage in the process (Solomon et al, 2010). In regard to the iPad at this stage if consumers have previously owned an iPad or a related product such as another Apple Inc product it is likely that this will make the purchase decision easier for them (Kotler et al, 2009)

2. 5 Purchase Evaluation

This is the final stage, after the item has been purchased. Consumers retrospectively evaluate their purchase decision against their original assessment and purchase criteria, identifying the extent to which an item has met, exceeded or even failed to meet expectations (Lamb et al, 2011). According to Solomon et al (2011) positive evaluation at this stage will almost inevitably lead to repeat purchase and future positive word of mouth recommendation. To complete the example of the iPad a consumer is likely to retrospectively evaluate their purchase and decide whether or not the iPad fulfill their expectations and meet the criteria of value for money. Hirschman (2010) explains that branding is integral to this process and when consumers feel a strong affinity with the brand, that is to say an emotive or personal connection then this will significantly influence the decision-making process. For example an iPad is a costly item which has an extremely powerful brand influence. A review of the iPad when it was first launched printed in a well recognised and respected national newspaper, the Telegraph, (Beaumont, 2010) helped to create a very positive brand

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message and product image. According to Lamb et al (2011) endorsement by such a well recognised source helps to reassure consumers both pre-and post-purchase.

3. Individual Factor

In summary, Maslow proposes that an individual has five levels of “ need” ranging from fundamental needs for food and shelter at the lowest or physiological level, and then moving up the hierarchy to the point of self-actualisation which is best described as an emotive state where individual feels able to achieve their potential. Woodall (2003) suggests that if an organisation is able to create perceived value for a consumer then this helps to accelerate the decision-making process and also heightens the perceived need.

Under Maslow’s theory, ownership of an expensive branded consumer item such as an iPad could represent esteem as if the consumer is able to afford such an item then this would suggest that other needs are satisfied. Linking together the hierarchy of needs and the implications of this for marketers it is important to note that understanding the emotional process which consumers experience represents an opportunity for marketers. This is because if a product or service is able to satisfy the needs of consumers at different levels of the hierarchy then this knowledge can be built into the marketing communications process as well as the advertising itself (Solomon et al, 2010). Although the Apple iPad is clearly a very popular product which receives widespread acclaim it is also extremely expensive and its functions can be carried out using other devices but it cannot be sensibly described as

a product which people need in the same way that they need food and shelter. Figure 2 provides a schematic of Maslow's theory.

3. Socio-Cultural Factors

Another factor to consider in respect of consumer purchasing is the influence of socio-cultural factors (Aaker and McLoughlin, 2010; Solomon et al, 2010).

It is recognised in the literature that consumers from different parts of the world have different socio-cultural beliefs and this directly impacts on the consumer decision-making process. A simple example of this would be in collectivist cultures, specifically the Far East and Central America (Mitchell and Imrie, 2011), people like to feel that they belong to a social group and therefore ownership of a particular product is likely to denote belonging.

Particularly in the Far East where conspicuous consumption and displays of wealth are highly valued, on a social footing the ownership of something such as an iPad would help to increase social standing. Linking this back to the hierarchy of needs model it can be suggested that this would also serve as a substitute for esteem albeit for different social reasons. The implications of socio-cultural factors for marketers are that if marketers are to build a successful marketing strategy then they need to be aware of extrinsic factors such as national culture which may impact upon consumer perceptions, they must be aware of the fact that certain marketing messages must be phrased differently in different locations in order to appeal to consumers (Kotler et al, 2009).

4. Conclusion

The key point to observe from this discussion is that even though organisations have very limited control over personal consumer beliefs, they

can use knowledge of their consumers to help tailor products and services and also shape marketing messages.