

# Impact of external influences on consumer-decision making



**ASSIGN  
BUSTER**

Consumer behaviour is a steady ambiguity and even though there has been some achievements in planning consumers' behaviours, sometimes we just don't know how things going on and how some factors drives one consumer may not drive another. Sometimes Organisations took corrective measures for consumers' motivations and sometimes they do not. Which have a real impact on the financial success of the organisation .

The target of this report is to answer the following critical factors:

1. Impact of the external variables which are used by marketers during the various stages of the consumer decision-making process .
2. Evaluation of a specific consumer behavioural theory or model for the understanding of the consumers and the implementation of the marketing strategy for the organisation.

Consumers are faced with the need to make decisions about products and services all the time. Some of them are very important and entail great effort, while others are made more or less automatically. Perspectives on decision-making range from a focus on habits, age, income, personality, level of education and tasks.

## **Task 1**

### **Impact Of External Influences At Various Stages Of The Consumer-Decision Making Used By Marketers**

#### Introduction

In this era of rivalry, indulgent the consumer is very important for marketers.

Consumer desires and preferences are constantly varying, given the changes

<https://assignbuster.com/impact-of-external-influences-on-consumer-decision-making/>

in factors like their demographics and lifestyles. These changes can bring great business opportunities for attentive marketers and threats for marketers who fail to become accustomed. Consumers obtain, devour, consume and dispose off the products and services created by organizations. They went through a number of cognitive and behavioural processes whilst making their purchases and spending on decisions. This information is also vital to make a variety of business decisions associated with product development, packaging, pricing, distribution, promotions, communication, etc.

According to Solomon, et al., (2010) consumer decision making is a central part of consumer behaviour. Typically the buyer decision process takes place in five stages. These stages are essential for a consumer in making purchases on a conscious or a subconscious level.

Consumer Behaviour helps to comprehend the external variables like reference groups, family, social class, and, culture, and their influence on consumer decision-making process. Consumers are faced with many external influences, including an individual's culture, subculture, household structure, and groups that he associates with. Marketers and business owners call these external influences because the source of the influence comes from outside the person rather than from inside.

### **Need/Problem Recognition:**

According to Solomon. M, Problem recognition occurs whenever the consumers sees a significant differences between the current situations and some desired or ideal state.

During this stage marketers have to create need by using the different external variables.

### **Example:**

Marketers are using advertisement as in Kellogg's advertisement marketers focusing on the girls by showing an female athlete to be slim and smart. So marketers using external variables of sub-culture (gender) and opinion leader for developing a need by solving their problem of getting smart.

### **Information Search**

According to Solomon. M, it is the process by which consumer surveys their environment for suitable data to make a realistic decisions.

Different information sources available by using internal and external search. But according to marketer's point of view, external variables such as family & friends opinion leaders, reference group and culture etc

### **Example:**

Pharmaceutical organizations like GSK uses consultants or top level medical professionals (opinion leaders, reference group) for their products by arranging seminars, meetings and TV shows to give information about their products in particular disease the rest of their followers agreed . Because opinion leaders or reference group have adopted them after the completing all information search.

### **Evaluation Of Alternatives**

According to Solomon. M, it is the stage in which a choice must be made by the available alternatives. The product alternatives a person considered

comprise their evoked set. Members usually share some features of evoked set.

Marketers always like their products in evoked set of consumers. According to surveys consumers often include a small number of product in their evoked set.

Example:

Coca cola is using Santa Clause as brand ambassador in UK. In Christmas days, marketing of coke revolves around the Santa Clause because of their cultural influence as an alternative against the different competitors especially Pepsi. Consumers evaluate the product when they go for alternatives but after the strong marketing influence for their evoked set as well they go for Coke as the main drink.

## **Product Choice/Purchase**

According to Solomon. M, after the evaluation of alternatives, decision rules guiding choice can range from very simple and quick strategy to complicated processes requiring much attention and cognitive processing.

Marketers play a role in educating consumers about which criteria should be used and for this purpose they use external variables for consumer decision making.

Example:

Marketers use friends and family members and reference group as external variables for their promotions. Like mobile phone companies i. e. Three in UK

use this tool as their marketing policy and offer their loyal customers different opportunities by referring new consumers and give them discounts as well.

## **Post-Purchase Behaviour**

According to Solomon. M, post-purchase behaviour involves all the consumers' activities and the experiences that follow the purchase.

Satisfaction is important after purchase because, usually it cost more to attract new consumer than to retain an existing.

Marketers can use external variables to improve the consumers post purchase decisions to maintain their loyalty. Companies use guarantee, return policy and after sales services for the customer satisfaction.

For example in UK different online and high street retail companies have all the customer satisfaction programmes to maintain their customer loyal to them in all circumstances. Like Tesco, Asda, Amazone, etc.

## **Conclusion**

In the above report, I discussed all the five stages of consumer decision making in the light of external variables for marketing perspective. As consumer behaviour is affected by different external variables like culture, sub-culture, friends and family, reference group, demographics, opinion leaders and economical environment. Marketers develop different strategies to influence consumers and try to evoke them for their decision making to buy a specific products or services.

### **Task 2**

<https://assignbuster.com/impact-of-external-influences-on-consumer-decision-making/>

In Nokia PLC, How Maslow's hierarchy of need can aid in understanding consumer's actions and its practical implementation of marketing strategy in Nokia.

## Introduction

Nokia is the top selling brand in the mobile phone market of the world. In this report I am going to explain the Maslow's hierarchy of needs for the understanding of consumer's actions and the marketing strategies for the future of the company.

## Maslow's Hierarchy Of Need

According to Solomon, M, Maslow formulated a hierarchy of biogenic and psychogenic needs, in which certain levels of motives are specified. Following are 5 steps of Maslow's hierarchy of need and according to Maslow, 1 level must be attained before the next level.

### Physiological :

According to Maslow, main aim of the individuals is to fulfill the basic needs food, water, shelter and warmth. After getting their basic needs individuals go for the next stage. Therefore physiological needs are must to obtain other above stages of need.

## Implementation Of Physiological Needs In Marketing Strategy Of Nokia PLC

In the era of fastest growing smart phone market, Nokia is becoming the brand leader due to their range of mobiles. As Nokia is the company offering

the variety of mobiles for their consumers which fulfill the basic needs of the consumers in an affordable price as the marketing strategy, which keep Nokia world's largest selling mobile company. In this competitive environment and busy life mobile is the basic need for an individual so Nokia fulfill these basic needs by ranging their price for a common man to elite class as their marketing and promotional strategy.

### Security Needs

Security is the next step according to Maslow, all consumers are basically worried about the after effects of any product or service which related to security, stability and freedom. If an individual have the basic physiological needs then they achieve this as well.

### Implementation Of Security Needs In Marketing Strategy Of Nokia PLC

As Nokia is the well known company in the world of smart phones so consumer have the faith on them about the security of their basic needs and the stability of the product . In case of any problem with the mobile Nokia provides full warranty for their products, free accessories and free repairs as their marketing strategy through which consumer get secured and proud to be Nokia customer.

### Social/Belonging Needs

According to Maslow the next level of hierarchy are social needs, means friends and family, love ones and the communication between all individuals is a social need. According to Maslow this need will be only achievable when the first two needs, physical and security are full filled.

<https://assignbuster.com/impact-of-external-influences-on-consumer-decision-making/>



## Implementation Of Social Need In Marketing Strategy Of Nokia PLC

Nokia mobiles are very well recognized socially and fulfill all the social needs of the consumers that's why they are very popular as user-friendly in the mobile market. Now a days where the social networking on internet made the world very small. Nokia mobiles offered all the features of the current scenario of smart phones by their marketing strategies to promote its product according to consumers demand.

### Self-Esteem Needs

In Maslow's hierarchy of needs, self-esteem followed by the physiological, safety and belonging needs which means any individual feels his recognition, satisfaction and achievement. For this consumers need somewhat unique kind of products or services which feel them different in the society.

### Implementation Of Self-Esteem In Nokia PLC

As Nokia is the largest phone company in the world and provides a large variety of mobiles. So according to Maslow for these kind of people Nokia introduces elite class mobiles in the consumers market, which are used as status symbols as their marketing strategy policy of 'place' in this segment.

### Self-actualization

According to Maslow, self-actualization is the last and the top level of the hierarchy of needs. To fulfill this criteria individuals have their own set of principles to judge the product or service in the market. This last need is only achievable if all other needs of the consumers are being fully filled.

## Implementation Of Self-Actualization In Nokia PLC

Nokia plc is using opinion leaders in their advertisements like Bruce Lee, Shakirra etc. so that people feel proud to have Nokia smart phones by using in the society to full fill their self actualization need.

Nokia brands have a lot of variety of elite class smart phones with lot of applications free of cost for their loyal customer as their marketing strategy. For their promotional strategies they hire top celebrities in their advertisement to attract the consumers market to make them buy their products.

## Conclusion

In the above report , I discussed and explain the marketing implementations of the Maslow's hierarchy of need, its all five stages accordingly. How Nokia plc is using these needs to fullfill the consumer demands through applying the marketing strategies. In this Nokia plc is using all the 4Ps of marketing mix to creat the needs of the consumers and help the consumers in their decision making process.

By using Maslow's hierarchy of need theory, Nokia plc is able to saisfy their consumers demands and needs according to the market and attract more and more customers in the smart phone market of the world.