



SUAN SUNANDHA RAJABHAT  
UNIVERSITY

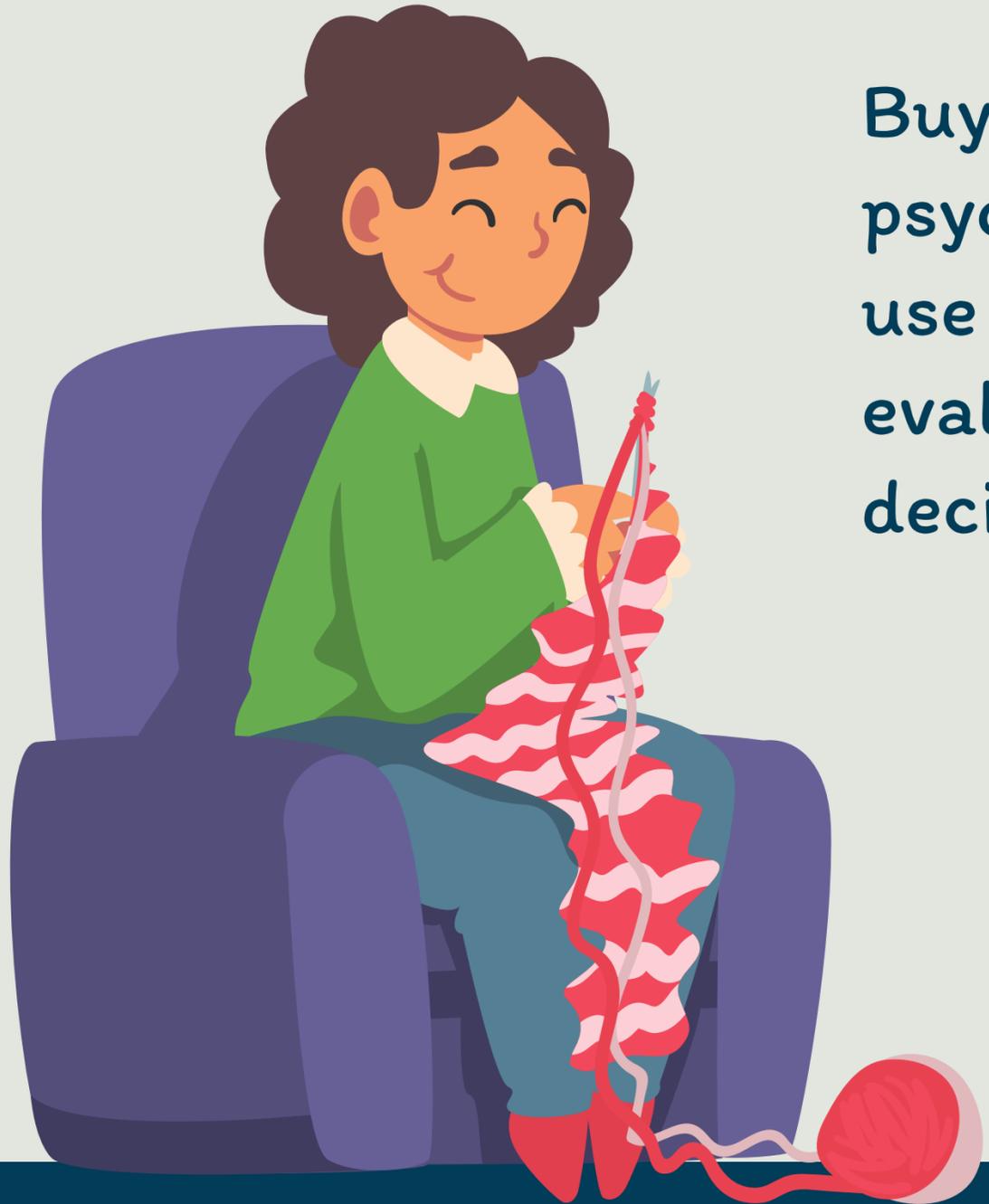
# Consumer Buying Decision Process



# Buying Decision Process

Buying decision process refers to the sequence of psychological and behavioral stages that consumers use to recognize a problem, search for information, evaluate alternatives, leading up to the purchase decision and post-purchase behavior.

**Five-Stage Model by Philip Kotler**



# Need Recognition

Problem recognition is the starting point that arises from the 'awareness' of the difference between the ideal state and the actual state.

Case 1:

Actual state declines (e.g., running out of stock, broken phone).

Case 2:

Ideal state rises (e.g., wanting a larger house).



## **Factors that affect "Ideal state"**

- Culture and social class: defining lifestyle and values
- Reference groups: changes in social groups
- Family characteristics: having children or the growth of family members
- Financial status: an improved financial position creates new needs
- Development: increasing age and physical growth
- Motivation: the need for recognition
- Current situation: the fast-paced nature of modern life
- Marketing efforts: advertising that stimulates desire

## **Factors that affect "actual state"**

- Normal depletion: products are exhausted or damaged (the most common)
- Product performance: the current product does not meet expectations
- Individual development: changes in age or skills make existing items feel inappropriate
- Market availability: the absence of certain products highlights a deficiency
- Environmental circumstances: such as extreme heat triggering the need for air conditioning

# Information Search

Information search is the gathering of information after recognizing a problem, where sufficient and appropriate information must be collected to be used in making a purchase decision.

## INFORMATION SOURCES

- Personal sources
- Commercial sources
- Public sources
- Experiential sources



# Type of Information Search

## Internal

Search from 'memories' and 'past experiences'

Example: Recalling a restaurant that was delicious in the past and immediately making a repeat purchase

## External

Search from 'other sources' such as markets, advertising media, and social networks (Social Media)

Currently, consumers increasingly prefer searching for information from Blogs and Facebook



## Information search frequency

In consumer behavior, the frequency of information search is heightened by three main psychological and environmental conditions

Purchase importance: **varies according to product value**

Motivation to learn: **interest in the product**

Ease of access: **easy accessibility to information**

# Factors Affecting Search Effort

**Perceived Risk**

**Prior Knowledge and Experience**



**Product Value and Product  
Lifespan**

**Urgency and Situational  
Factors**

# Evaluation of Alternatives

Evaluation of alternatives is the stage after consumers have searched for product information; it is the process of comparison

## Consideration Set

A specific group of brands that the consumer is interested in and retains as final options before making a purchase decision



# Evaluation Methods

(pre-existing evaluation)

Making a decision based on previous evaluations stored in memory

(constructing new evaluation)

Evaluation in cases where there is no prior memory or experience regarding those products and services

2 methods

- categorization  
Upper class Middle class Lower class
- piecemeal process

## **Sources of evaluative criteria** Walters, 1978

- **The consumers themselves:** including needs, motivation, values, personality, lifestyle, and attitudes
- **Consumer reference groups:** such as family, peer groups, or various social groups
- **Business organizations:** such as advertising or communications from manufacturers and service providers

# Evaluation heuristics

## PRODUCT SIGNAL

Using specific attributes for judgment, such as high price = high quality, country of origin, or warranty period

## MARKET BELIEF

Personal beliefs, such as 'the best-selling item is the best item' or 'buying in bulk is cheaper'

# Purchase Decision

The purchase decision is the stage after the consumer has evaluated alternatives, consisting of two sub-activities: selection decision and the actual purchase

Selection decision is the final determination of which product brand to purchase



# Model of consumer decision-making styles

## Sproles & Kendall (1986)

Quality Conscious: Seeking the best quality

Impulsive: Making quick decisions

Brand Conscious: Trusting in reputation

Price Conscious: Seeking the best value for money

Fashion Conscious: Always staying up-to-date

Brand Loyal / Habitual: Always buying the same brand

Hedonic: Enjoying the shopping experience

Confused by overchoice: Overwhelmed by too much information

# **Model of consumer decision-making styles** **new\***

**Shim (1996)**

## **1. UTILITARIAN DECISION-MAKING STYLES**

Consists of two styles: Quality-conscious and Price-conscious

## **2. SOCIAL DECISION-MAKING STYLES**

Consists of four styles: Brand-conscious, Fashion-conscious, Hedonic (Recreational), and Brand Loyal (Habitual)

## **3. UNDESIRABLE DECISION-MAKING STYLES**

Consists of two styles: Impulsive and Confused by overchoice

# The Purchase

The exchange of currency, assets, or items of value to receive the transfer of ownership or the right to use products, services, or benefits from the seller. It consists of choosing the purchase source and making the payment

## Source selection:

The process where consumers consider which source or channel to purchase products or services from

## Payment:

The process of completing the purchase transaction

Cash, checks, credit cards, and digital currency

# Factors influencing the selection of purchase sources

## 1. Retail Format

Each type of retail format has a different appeal to consumers, depending on the type of product they wish to purchase. It consists of 6 types:

**Department Store:** Retailers that organize products into systematic departments

**Supermarket:** Sellers of consumer goods, primarily food and household items

**Discount Store/Supercenter:** Sellers of affordable daily necessities, focusing less on brand prestige

**Category Killer:** Retailers that focus on a single product category with deep assortment

**Specialty Store:** Retailers that focus on a specific type of product

**Convenient Store:** Small retailers focused on providing quick and easy access

# Factors influencing the selection of purchase sources

## 2. Location and Size

Store location has a significant influence on the consumer's selection of purchase source

## 3. Store Image

Consumer perception of various store attributes

## 4. Retail Advertising

Perception of messages or information communicated by the store to consumers

## 5. Service Offered

Individual consumers, therefore, choose to purchase products from stores that offer good service

## 6. Sales/Service Staff

Personnel who have direct contact and interaction with consumers

# Post-purchase Behavior

Post-purchase behavior is the assessment of whether the quality of the product or service used aligns with the consumer's expectations

Product Performance + Expectations



# Expectancy Disconfirmation Model

**Solomon (2009)**

Consumers have expectations regarding product performance prior to using the product

Expectations are formed from prior experiences, advertising information, or word-of-mouth

Type 1: Negative Disconfirmation

**Performance** < Expectations

Type 2: Confirmation

**Performance** = Expectations

Type 3: Positive Confirmation

**Performance** > Expectations

# Outcomes of satisfaction and dissatisfaction

## SATISFACTION

Repeat purchase and development into long-term brand loyalty

## DISSATISFACTION

- Private actions: (exit) (negative word-of-mouth)
- Direct actions: (complaining) (seeking)
- Public actions: taking legal action and complaining to government agencies



# Q&A

