

MODULE
2Consumer Decision
Making

2.1. CONSUMER DECISION-MAKING

2.1.1. Introduction

Understanding the customers' purchase intentions and situational influences are the primary factors that affect the purchasing process. Purchase intentions lead to actual purchasing only if it is supported by situational influences. The situational factors are physical atmosphere, antecedent conditions, social setting and temporal considerations. As illustrated in figure 2.1, purchasing intentions emerge when a problem is felt by the customer and he/she looks forward to fulfilling it by exploring different sources of knowledge; compares and assesses, and forms a favourable opinion about a specific product or brand. In the language of consumer behaviour, at this point, the consumer has reached the phase of purchase intention.

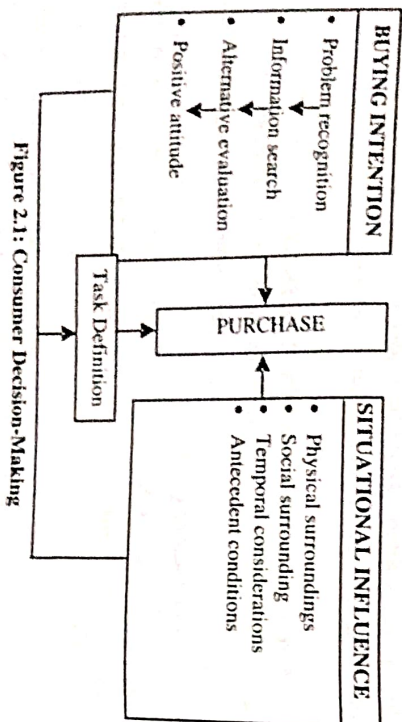


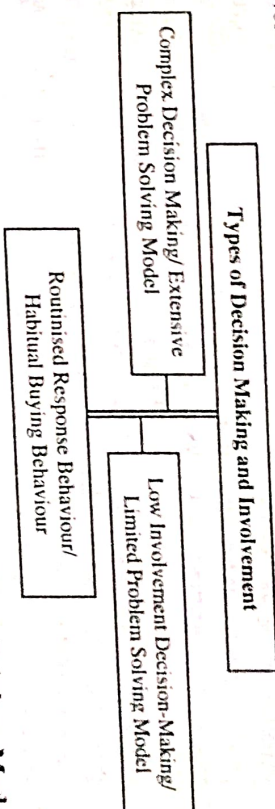
Figure 2.1: Consumer Decision-Making

However, this purchasing intention would lead to actual purchasing only when it is supported by situational factors. Hence, it is utmost important that the physical surroundings of a retail outlet like temperature, ventilation, sound, fragrance, place and size, etc., should encourage buying decisions. Social physical surrounding refers to the different kinds of people visiting the store. Temporal consideration denotes the factors like availability of time and the day/week/month chosen for purchasing. And antecedent condition denotes the circumstances such as sufficiency of cash, right

mood, etc. Alongwith these, there is one more factor which is known as task definition. It refers to the purpose and objectives of purchasing. Both purchasing intention and situational factors help in defining task definition, which in turn influences the actual buying.

2.1.2. Levels/Types of Decision Making and Involvement

The change in consumer decision making occurs with the type of purchase decision. Buying decisions related with products like soap, a baseball bat, a laptop or a new house are completely different from one another. The consumer decision making required extensive effort. On the other side, consumer buying decision would have been and uninteresting, if every buying decision making would have been and uninteresting, if every buying decision was routine. Thus there are following three levels of consumer involvement based upon the range of consumer efforts:



1) Complex Decision Making/Extensive Problem Solving Model:

Complex decision making occurs when an individual fully utilises the buying decision process. For making such a decision, a considerable time and efforts are required for gathering data and evaluating different options regarding the product which needs to be bought and the place from where it should be bought. Under this categorisation, the products are usually expensive and complicated with which the customers have zero experience such as first car, new house, life insurance, etc. Since most of the customers use method of extended decision making which requires a large number of information for product selection and evaluation of alternatives, retailers like auto dealers, or real estate brokers uses methods of personal selling, printed items and other communication techniques to provide maximum information about the product.

2) Low Involvement Decision-Making/ Limited Problem Solving Model:

In situations when individuals utilises every step of the buying process but do not put much time and effort on each step, then a low involvement decision making is said to be occurred. This kind of decision making involves lesser time than extended decision making as the customers require less effort and past buying experience regarding what to