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## **CONSUMER BEHAVIOUR : CONSUMER DECISION MAKING**

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### **Abstract**

Every day, each of us makes numerous decisions concerning every aspect of our daily lives. However, we generally make these decisions without stopping to think about how we make them and what is involved in the particular decision making process itself. In the most general terms, a decision is the selection of an option from two or more alternative choices. In other words, for a person to make a decision, a choice, for a person to make a decision, a choice of alternatives must be available. On the other hand, if the consumer has no alternatives from which to choose and is literally forced to make a particular purchase or take a particular action (e.g. use a prescribed medication), then this single “no-choice” instance does not constitute a decision such a no-choice decision is commonly referred to as a “Habson’s choice”. The consumer’s decision to purchase a product or service is an important moment for most marketers. It can signify whether a marketing strategy has been wise insightful and effective, or whether it was poorly planned and missed the mark. Every marketer needs to study the different *levels of consumer decision making* and *models of consumers*. On the other hand, consumer decision making is influenced and shaped by many factors and determinants.

**Keywords**: Consumer, Marketing, Motivation, Attitude, Psychological, Dominant, Cognitive & impulsive.

## **Introduction**

Consumer behavior is the process consumers go through when they make purchases & it involves factors that influence their decision and usage. The consumer decision-making process involves five steps that consumers move through when buying a good or service. A marketer has to understand these steps in order to properly move the consumer to the product and close the sale. This consists of five steps which are need recognition process the very first stage in the process is when consumer realize that they have a need for something. After the consumer has developed a want or a need, he or she needs to start an information search about the different alternatives selections that they can purchase to satisfy their need. Afterword's, evaluation of alternatives is taking place and the last stage is purchase and post-purchase behaviors these steps can be a guide for marketers to understand and communicate effectively to consumers. One note is that consumers do not always move in the exact order through the process, it can depend on the type of product, the buying stage of the consumer and even financial status.

**Consumer Decision Making.** Consumer decision making is influenced and shaped by many factors and determinants that fall into these three categories *Individual Differences, Environmental Influences & Psychological processes*. *Individual Differences* have five major categories. *Demographics, Psychographics, Values & Personality* : How people differ affects decision process and buying behavior. These variables make up what has come to be known as psychographic research, which probes into those individual traits, values, beliefs and preferred behavior patterns that correlate with behavior in market segments. *Consumer Resources* : Each person brings three primary resources into every decision-making situation such as time, money & information reception and processing capabilities. Generally, the availability of each has distinct limits, thus requiring some careful allocation. *Motivation* : Psychologists and marketers alike have conducted a wide variety of studies to determine what takes place when goal-directed behavior is energized and activated. *Knowledge* : is defined as information stored in memory. It encompasses a vast array of items such as the availability and characteristics of products and services, where and when to buy, and how to use products. A primary goal of advertising and selling is to provide relevant knowledge and information to consumers so as to assist them with decision making, especially in extended problem solving. *Attitudes* : Behavior is influenced strongly

by attitudes toward a given brand or product. An attitude is simply an overall evaluation of an alternative, ranging from positive to negative. Once formed, attitudes play a directive role on future choice and are difficult to change. Nevertheless, attitude change is a common marketing goal. **Environmental Influences:** Consumers live in a complex environment. In addition to individual variables, their decision process behavior is influenced by environmental factors. **Culture** In the study of consumer behavior, culture refers to the values, ideas, artifacts and other meaningful symbols that help individuals communicate, interpret and evaluate as members of society. **Social Class** is divisions within society that are composed of individuals sharing similar values, interest and behaviors. Socioeconomic status differences may lead to differing forms of consumer behavior (for example, the types of alcoholic beverages served, the make and style of car driven, and the styles of dress preferred). **Family** : Since the field of consumer research was founded, the family has been a focus of research. Cooperation and conflict often occur simultaneously with interesting behavioral outcomes. **Personal Influence** : As consumers, our behaviors often are affected by those with whom we closely associate. Consumers often respond to perceived pressure to conform to the norms and expectations provided by others seeking and taking their counsel on buying choices, observing what others are doing as information about consumption choices and comparing their decisions to those of others. **Situation behaviors** change as situations change. Sometimes these changes are erratic and unpredictable, such as a medical emergency, and at other times, they can be predicted by research. Situation is treated as a research variable in its own right and is discussed in various chapters. **Psychological Processes Influencing Consumer Behavior** : Finally those who wish to understand and influence consumer behavior must have a practical grasp of these three basic psychological processes. **Information Processing:** Communications is a bottom-line marketing activity. Therefore, consumer researchers have long been interested in discovering how people receive, process and make sense of marketing communications. **Learning** : Anyone attempting to influence the consumer is trying to bring about learning-the process by which experience leads to changes in knowledge and behavior. Learning theory is important to understand consumer behavior, especially for those products and services bought with less reflection and evaluation. **Attitude & Behavior Change** : Changes in attitude and behavior are an important marketing objective that reflect basic psychological influences and have been the subject of decades of intensive research.

**Levels of Consumer Decision Making.** Not all consumer decision-making situations receive (or require) the same degree of information research. If all purchase decisions required extensive effort, then consumer decision making would be an exhausting process that left little time for anything else. On the other hand, if all purchases were routine, then they would tend to be monotonous and would provide little pleasure or novelty. On a continuum of effort ranging from very high to very low, we can distinguish three specific levels of consumer decision making. ***Extensive Problem Solving*** : When consumers have no established criteria for evaluating a product category or specific brands in that category or have not narrowed the number of brands they will consider to a small, manageable subset, their decision-making efforts can be classified as extensive problem solving. At this level, the consumer needs a great deal of information to establish a set of criteria on which to judge specific brands and a correspondingly large amount of information concerning each of the brands to be considered. Extensive problem solving often occurs when a consumer is purchasing an expensive, important or technically complicated product or service for the first time (for example, replacing an old TV with a new LCD/ LED). ***Limited Problem Solving*** : At this level of problem solving, consumers already have established the basic criteria for evaluating the product category and the various brands in the category. However, they have not fully established preferences concerning a select group of brands. Their search for additional information is more like “fine-tuning”; they must gather additional brand information to discriminate among the various brands. This type of problem solving frequently occurs when the consumer is purchasing a new, updated version of something that he or she has purchased before, such as replacing an old laptop with new one – the new laptop having a faster processor, a larger hard drive, and so on. ***Routinized Response Behavior*** : At this level, consumers have experience with the product category and a well-established set of criteria with which to evaluate the brands they are considering. In some situations, they may search for a small amount of additional information; in others, they simply review what they already know. Just how extensive a consumer’s problem-solving task is depends on how well established his or her criteria for selection are, how much information he or she has about each brand being considered and how narrow the set of brands is from which the choice will be made. Clearly, extensive problem solving implies

that the consumer must seek more information to make a choice, whereas routinized response behavior implies little need for additional information.

**Models of Consumers : Four View of Consumer Decision Making.     *An Economic***

***View*** : In the field of theoretical economical, which portrays a world of perfect completion, the consumer has often been characterized as making rational decision. This model, called the economic view, has been criticized by consumer researchers for a number of reasons. To behave rationally in the economic sense, a consumer would have to be aware of all available product alternatives, be capable of correctly ranking each alternative in terms of its benefits and disadvantages and be able to identify the one best alternative. Realistically, however, consumers rarely have all of the information or sufficiently accurate information or even an adequate degree of involvement or motivation to make the so-called “perfect” decision. It has been argued that the classical economic model of an all-rational consumer is unrealistic for the reasons such as, people are limited by their existing skills, habits and reflexes, people are limited by their existing values & goals and people are limited by the extent of their knowledge. Consumers operate in an imperfect world in which they do not maximize their decisions in terms of economic considerations, such as price-quantity relationships, marginal utility, or indifference curves. Indeed, the consumer generally is unwilling to engage in extensive decision-making activities and will settle, instead, for a “satisfactory” decision, one that is “good enough”. For this reason economic model is often rejected as too idealistic and simplistic. ***A Passive View*** : Quite opposite to the rational economic view of consumers is the passive view that depicts the consumer as basically submissive to the self-serving interests and promotional efforts of marketers. In the passive view, consumers are perceived as impulsive and irrational purchasers, ready to yield to the aims and into the arms of marketers. At least to some degree, the passive model of the consumer was subscribed to by the hard-driving super salespeople of old, who were trained to regard the consumer as an object to be manipulated. The principal limitation of the passive model is that it fails to recognize that the consumer plays an equal, if not dominant, role in many buying situations—sometimes by seeking information about product alternatives and selecting the product that appears to offer the greatest satisfaction and at other times by impulsively selecting a product that satisfies the mood and emotion of the moment. All that we have studied about motivation, selective perception, learning, attitudes, communication and opinion leadership supports the proposition that consumers are rarely objects of manipulation. Therefore, this

simple and single-minded view should also be rejected as unrealistic. *A Cognitive View* : The third model portrays the consumer as a thinking problem solver. Within this framework, consumers frequently are pictured as either receptive to or actively searching for products and services that fulfill their needs and enrich their lives. The cognitive view focuses on the processes by which consumers seek and evaluate information about selected brands and retail outlets. Within the context of the cognitive model, consumers are viewed as information processors. Moreover, information processing leads to the formation of preferences and ultimately to purchase intentions. The cognitive view also recognizes that the consumer is unlikely to even attempt to obtain all available information about every choice. Instead, consumers are likely to cease their information-seeking efforts when they perceive that they have sufficient information about some of the alternatives to make a “satisfactory” decision. Consistent with the problem-solving view in the notion that a great deal of consumer behavior is goal directed. *An Emotional View* : Although long aware of the emotional or impulsive view of consumer decision making, marketers frequently prefer to think of consumers in terms of either economic or passive models. In reality, however, each of us is likely to associate deep feelings or emotions, such as joy, fear, love, hope, sexuality, fantasy and even a little “magic”, with certain purchases or possessions. These feelings or emotions are likely to be highly involving. For instance, a person who misplaces a favorite fountain pen might go to great lengths to look for it, despite the fact that he or she has six others at hand. Still further, several interrelated studies found that consumer’s superstitious beliefs can play a meaningful role in their purchasing-related decision making when such belief were non-conscious in nature. Possessions also may serve to preserve a sense of the past and act as familiar transitional objects when one is confronted with an uncertain future. When a consumer makes what is basically an emotional purchase decision, less emphasis is placed on the search for pre-purchase information. Mood appears to be important to consumer decision making, because it impacts on when consumers shop, where they shop, and whether they shop alone or with other. In an emerging market like India, where different emotions may be the triggering factor for purchase among different segments of the society, marketers need to understand the mechanics of emotional buying behavior and the trigger emotions of consumers. The important aspect with regard to the emotional view of decision making is to obtain insights that can be developed into goals and articulated through advertisements.

## **Conclusion**

Consumer decision making is a complex process which involves all the stages from problem recognition to post purchase activities. All the consumers have their own needs in their daily lives and these needs make them make different decision. These decisions can be complex depending on the consumer's opinion about a particular product, evaluating & comparing, selecting and purchasing among the different types of product. Therefore, understand and realizing the core issue of the process of consumer decision making and utilize the theories in practice is becoming a common view point by many companies and people. There is a common consensus among many researchers and academics that consumer purchasing theory involves a number of different stages. Depending on the different factors and findings, numerous researchers and academics developed their own theories and models over the past years.

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