How does the buyer make purchasing decisions?

THE BUYING DECISION PROCESS:
THE FIVE-STAGE MODEL

- Problem Recognition
- Information Search
- Evaluation of Alternatives
- Purchase Decisions
- Post-Purchase Behavior
Post-Purchase Behavior:

After the purchase, the consumer might experience dissonance about their purchase and be alert to information that supports their decision.

Marketing communications should supply beliefs and evaluations that reinforce the consumer’s choice and help him or her feel good about the brand.

Marketers must monitor post-purchase satisfaction and post-purchase actions.
POSTPURCHASE CONSUMER BEHAVIOUR

POSTPURCHASE DISSONANCE

PURCHASE → NONUSE

USAGE

PRODUCT DISPOSAL

EVALUATION

COMPLAINT BEHAVIOUR

SATISFACTION

COMMITTED CUSTOMER

REPEAT PURCHASE

INCREASED USE

BRAND SWITCHING

DISCONTINUE USE

Power by: ankurchandel@ymail.com
Some purchases are followed by a phenomenon called ‘post-purchase dissonance’ or ‘cognitive dissonance’.

This occurs when a consumer doubts the wisdom of purchase he or she has made. ....occurs at Point of Sale....

** Dissatisfied customers communicate more negative word of mouth than satisfied customers communicating positive word of mouth.

Other purchases are followed by nonuse. The consumer keeps or returns the product without using it. ‘it occurs when a consumer actively acquires a product that is not used or used only sparingly relative to its potential use.’

** Causes of Cognitive Dissonance:
- Perceived Risk
- Performance risk
- Physical risk (wear-out)
- High financial commitment
- High involvement level
- High social visibility
- Discrepant information
- Insufficient time to evaluate
But, most of the purchases are followed by product use, even if post-purchase dissonance is present.
Product use often requires the **disposition** of the product package or the product itself.

During, and after use, the purchase process and the product are **evaluated by the customer**.

**Unsatisfactory evaluations may produce complaints by those consumers.**

**Appropriate responses by the firm may reverse the initial dissatisfaction among those who complained.**
The result of all these responses by the firm leads to a level of satisfaction, which in turn determines a loyal, committed customer, one who is willing to repurchase, or a customer who switches brands or discontinues using the product category.
POST-PURCHASE DISSONANCE

This is a common consumer reaction after making a difficult, relatively permanent decision. **Doubt** or **Anxiety** – referred as - **post-purchase dissonance**.

The probability of a consumer experiencing post-purchase dissonance, as well as the magnitude of such dissonance, is a function of:

- Degree of commitment/irrevocability of the decision.
- Importance of decision to customer.
- Difficulty of choosing among the alternatives.
- Individual’s tendency to experience anxiety.
**Post-Purchase Satisfaction:**

Satisfaction is a function of the closeness between expectations and the product’s perceived performance.

- If performance fall short of expectations the consumer is *disappointed*.
- If the performance meets expectations the consumer is *satisfied*.
- If the performance exceeds expectations the consumer is *delighted*.

-Consumer form their expectations on the basis of messages received from sellers, friends, and other information sources.

-The importance of post-purchase satisfaction suggests that a product claim must truthfully represent the product’s likely performance.

**Post-Purchase Actions:**

Satisfaction or dissatisfaction with the product will influence subsequent behavior. A dissatisfied consumer may abandon or return the product.
Product Non-Use

• Product non-use can be a significant problem in some categories.
• Non-use can indicate:
  – the perception that the utility of the product has changed.
  – situational influences have not been favorable for product use
    (need to expand acceptable range of situations)
Product Use

• Product *purchase* is normally followed by product *use* (though not always).
• Consumers use products to fulfill needs - it is not the purchase which generally fulfills the need, but the product use.
• It is of importance to know how the customer uses a product.
• Satisfaction = Benefits - expectations
• To increase satisfaction, it is imperative that consumers receive maximum possible benefits.
• Need for consumers to use a product so that
  – actual usage = ideal usage (to yield maximum level of benefits)
• To determine this, we need *monitoring*.

Monitoring Product Use

• Monitoring can indicate:
  – New uses for existing products.
  – Needed product modifications.
  – Appropriate advertising themes.
  – Opportunities for new products.
Reducing dissonance

**Marketers’ attempts**
- Match product to needs of consumer
- Focus on benefits, product, packaging, promotion, warranties, return policies, credit, installations, service etc.
- Provide post decision positive information.

**Consumers’ attempts**
- Increase the desirability of the brand purchased.
- Decrease the desirability of the brand rejected.
- Decrease the importance of the purchase decision.
- Reverse the purchase decision (return the product before use).
Disposition of the product or the products’ container may occur before, during, or after product use. No disposition involved, in case product is completely consumed (ice cream).

- **Recycle**
  - As Garbage
  - As Litre

- **Throw Away**
  - As Garbage
  - As Liter

- **Trade In**

- **Sell**
  - to End User
  - through middleman

- **Give Away**
  - to be used
  - to be sold

- **Set Aside**
  - **Loan**
  - **Rent**

- **Get RID of**

- **Use for a new purpose**

- **Use for original purpose**

- **Store**

- **RETAIN**

- **Associated with**
  - Physical product
  - Packaging
  - Promotional material

- **When consumer finds items no longer useful**
  - Parents & instructional manuals
PURCHASE EVALUATION & CUSTOMER SATISFACTION

• The purchase evaluation process is potentially influenced by post-purchase dissonance, product usage, and product disposition.

• Satisfaction generally occurs when the use of the product fulfills the expectations of meeting instrumental and symbolic needs.

• When these needs are not met, dissatisfaction occurs.

Negative Purchase Evaluation

• A negative purchase evaluation may trigger the following symptoms:
  – Existing consumers take no action to re-purchase.
  – Existing consumers switch to competitor brands/stores.
  – Negative word-of-mouth increases.
DISSATISFACTION RESPONSES

DISSATISFACTION

TAKE ACTION

Complain to store or manufacturer
Stop buying that brand or at the store
Warn Friends
Complain to private or Govt. Agencies
Initiate Legal Action

TAKE NO ACTION

LESS FAVORABLE ATTITUDE

Powered by: ankurchandel@ymail.com