

*Up to now you have been given the idea on various environmental, social, and individual variables that determine consumer behavior. It is particularly important for marketers to know how situations and internal and external sources of influence affect the consumer purchase decision process. They should know, how these influences contribute to the recognition of consumer problems, the search for information, the evaluation of alternatives, selection of an alternative product and place of purchase, as well as post-purchase evaluation and behavior. In this unit we shall make a brief analysis of the above few topics.*

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## Lesson - 1: Need or Problem Recognition

### Objectives of this lesson

After reading this lesson, you will be able to:

- Understand the process of problem recognition
- Identify the situations leading to problem recognition
- Explain the marketing strategy with regards to problem recognition.

### Introduction

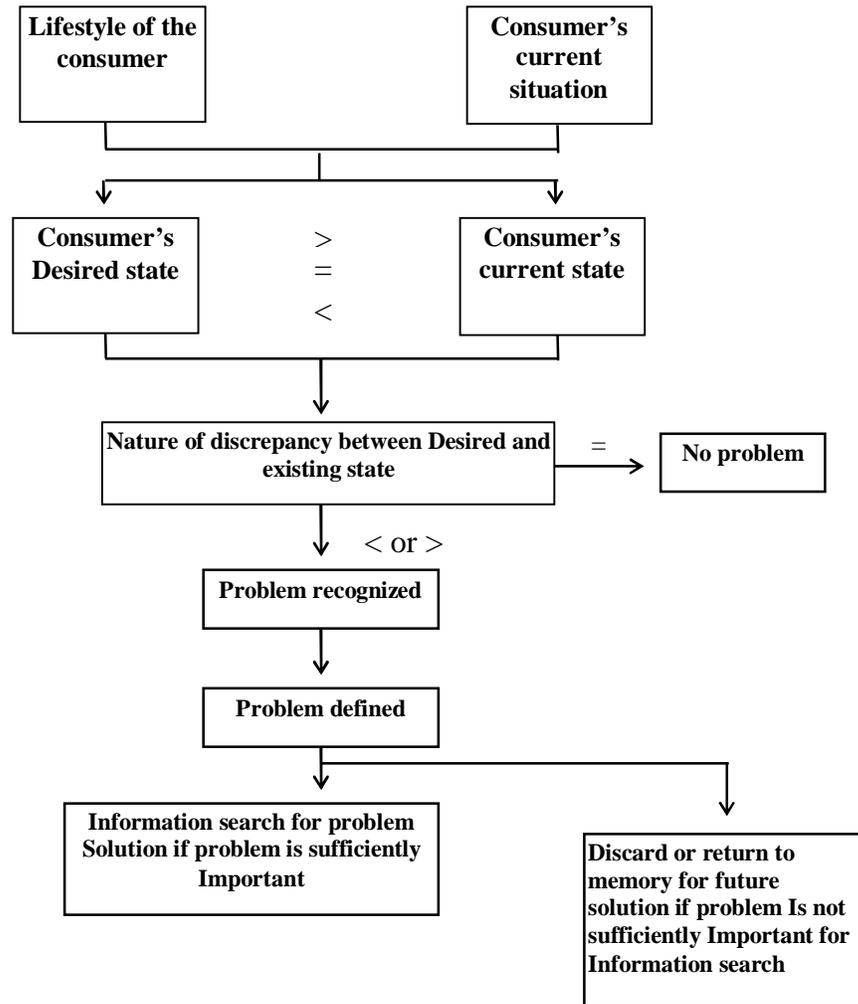
Napoleon said that nothing is more difficult than to be able to decide. The same is true to consumer's decision making, and, as a result, marketers are keen to understand consumer decision making process. The consumer decision process is composed of problem recognition, search, evaluation, and purchase decision. Post-purchase behavior is the result of satisfaction or dissatisfaction that the consumption provides. The buying process starts, when a need or problem is identified by the customer, or when a need arises. It can be activated through internal or external stimuli. Let us now discuss the problem recognition process in detail.



### Need or Problem Recognition Process

When a consumer becomes aware that there is a difference between a desired state and an actual condition, than problem recognition occurs for that consumer. Every individual has unsatisfied needs and wants that create tension or discomfort. Certain needs can be satisfied by purchasing and consuming goods and services. The process of deciding what to buy starts when a need that can be satisfied through consumption becomes strong enough to stimulate a person. Thus, a problem is recognized, when consumer has an unmet need, and, every day consumers recognize purchase or consumption related problems. Consumers may have routine problems when they run out of daily necessities, and may have unexpected problems when major appliances suddenly go out of order. In addition to these two, there is another type of problem, that is subtle and evolve slowly over time, such as a desire to buy a washing machine. Question of consumer decision making arises when an individual recognizes a problem or need that is not met. A problem or need exists when there is a discrepancy between a consumer's actual state and the desired state. This is shown in the following figure along with different stages of the problem recognition process.

**Figure-13.1: Showing the Process of Problem Recognition**



The above figure states that desired state and existing state is an outcome of consumer's lifestyle and current situation. His desired and current state could be same, or there could be discrepancies between these two states. If consumer perceives a discrepancy between his desired and current state, he will recognize that he is having a problem. A consumer defines his problems in terms of his motivation that we have discussed in unit eleven. The degree of an individual's desire to resolve a particular problem depends upon both the degree of discrepancy between the desired and existing states as well as the importance of the problem to him. Thus, an individual consumer will be desirous to solve a problem if he considers the degree of discrepancy as large enough and the problem as very serious or important.

After the problem is identified, the buyer has to define it in some meaningful term to help him to initiate an action that can solve his problem. For example, one may recognize that he is having a status

related problem. This is problem recognition. Now he has to define it in some meaningful term, that is, what is causing the status problem. A consumer may recognize both an active as well as inactive problem that he is having. An active problem is that of which he is aware of or will become aware of, and, on the otherhand, an inactive problem is one of which he is not aware of.

### **Situations Leading to Problem Recognition**

There could be a number of situations that may lead a consumer to recognize a problem to exist. Here in this text you will be given an idea on the major situations leading to problem recognition. They are presented below:

- ***Insufficient Stock of Goods:*** The most common situation leading to problem recognition by a consumer is depletion of stock of goods that he uses. If, for example, an individual runs out of necessities that he uses, he will identify a problem to exist.
- ***Dissatisfaction or Discontentment with the Stock:*** If a consumer becomes dissatisfied with the goods he owns or uses, he will recognize that he is having a problem. A family having a ten year's old car may be willing to buy a late model car. Such a feeling will lead to discontent, and as a result the family will recognize a car related problem.
- ***Changes in the Environmental Characteristics:*** With the change in an individual's or family's environmental characteristics, the individual or the family may recognize a problem. For example, when a family moves from one stage of its life cycle to an another stage, it requires different types of products and services, and as a result problems occur. More so, influence of friends and reference groups may place a demand for new and different products to be bought by an individual or a family. Such a situation also leads to the recognition of a problem.
- ***Changes in the Financial Status:*** Changes in the financial status or position of an individual or a family may also lead to problem recognition. For example, if an individual's financial position improves or worsens, or if he anticipates an improvement or deterioration, he may recognize a problem associated with his actual or anticipated changing financial position.
- ***Promotional Activities:*** By promotional activities marketers try to trigger drives in consumers. Through different promotional activities, marketers try to create discrepancy between actual and desired states of consumers. Such a situation will trigger problem recognition in consumers.

- **Consumer's Previous Decisions:** Other purchases made by a consumer may also lead to problem recognition. For example, if an individual buys a television, it may trigger a problem of buying an antenna or a voltage stabilizer. Or, purchase of a computer may lead to the recognition of a problem of not having a printer.
- **Individual Development:** With an individual's mental development and change in outlook he may recognize problems of not having certain types of products.
- **Efforts of Consumer Groups and Governmental Agencies:** Activities of different consumer interest groups as well as different government agencies may also lead to problem recognition. For example, if consumer groups advocate environmentally friendly products, consumers may feel the need for such products creating problems for the consumers. If government puts an embargo on using private vehicles on city's main roads, that may require consumers to buy bicycles, thus causing a problem for the consumers.
- **Availability of Products:** Availability of a product makes customers aware and informed of it, which make them feel to have one of those. Such a feeling may also lead to problem recognition.

### **Marketing Strategy with Regards to Problem Recognition**

Recognition of problems by consumers bears important marketing implications. They should first identify the problems that consumers face, and, in the second stage, they should develop marketing mix aiming at consumers' problem solution. Marketers may also create situations in which consumers look for problems, or, they can create situations that may suppress the problem recognition by the consumers. In the following few paragraphs, we shall try to acquaint you with these few issues bearing marketing significance.

### **Measuring Problem Recognition**

The first task of a marketer is to identify the problems faced by the consumers or the problems they recognize. A marketer can take a number of approaches in measuring problems recognized by the consumers. One of such approaches is "intuition". By evaluating his product, a marketer can determine whether he should improve his product, and if so, how can do so. Second, he can conduct surveys to identify the problems recognized by his customers. A marketer can also conduct activity analysis focusing on a particular activity performed by consumers, such as, how breakfast items are prepared. A product analysis may also be undertaken to identify the problem or problems consumers face in using a particular product. Another technique used in

identifying problems consumers recognize is to undertake problem analysis. Here, consumers are requested to identify the problems they face and also to give suggestions relating to such problems.

### **Marketing Mix Decision Aiming at Problem Solution**

After the problem that the consumers recognize is identified, a marketer may make adjustments in his marketing mix variables to help consumers overcome problem. This may be done through product modification, changing channel of distribution strategy, adjusting prices, or changing advertising or communication strategy.

### **Activating Problem Recognition**

Marketers themselves may activate problem recognition by the consumers. Marketers may activate problem recognition, first, by influencing the desired state. By emphasizing the benefits of a product marketers may cause people to think actively to buy a particular product that they lack. Through advertising, personal selling, and sales promotion activities marketers can influence consumers' desired state causing them to recognize problem. Marketers may also activate problem recognition by influencing perceptions of consumers' actual state. For example, an individual buying a particular brand of a product may be given the idea that other alternative is better than one he is having or using. This may also lead to problem recognition by a consumer. Marketers may also activate problem recognition by influencing the timing of problem recognition. If a consumer is thinking to buy a refrigerator before "Eid-Ul-Azha" he may be given the idea that, during Eid time prices of refrigerators will rise causing him to recognize the problem now instead of buying later.

### **Suppressing Problem Recognition**

By this time you are aware of the situations that trigger problems in consumers. Some of the problems recognized by the consumers may create problem for certain marketers. In such a situation marketers try to suppress the problem to be recognized by the consumers. A tobacco marketer may suppress problem recognition by the tobacco users caused by consumer groups or other agencies by developing an advertisement that shows tobacco users in lively mood.

## Self Evaluation

### Objective Questions

1. The consumer decision process is composed of –
  - a. Problem recognition
  - b. Information search
  - c. Alternative evaluation and purchase decision
  - d. All of the above
  
2. Post-purchase behavior is the result of –
  - a. Satisfaction that the consumption provides
  - b. Dissatisfaction that the consumption provides
  - c. Both a & b
  - d. None of the above.
  
3. The buying process starts –
  - a. When a need or problem is identified by the customer
  - b. When a need arises
  - c. Both a & b
  - d. None of the above.
  
4. Consumers may have routine problems –
  - a. When they run out of daily necessities
  - b. When major appliances suddenly go out of order
  - c. Both a & b
  - d. None of the above.
  
5. A problem or need exists –
  - a. When there is a discrepancy between a consumer's perceived State and the desired state
  - b. When there is a discrepancy between a consumer's actual state and the desired state
  - c. When there is a discrepancy between a consumer's actual tension and the desired state
  - d. None of the above.
  
6. The degree of an individual's desire to resolve a particular problem depends upon –
  - a. The degree of discrepancy between the desired and existing states
  - b. The importance of the problem to him
  - c. Both a & b
  - d. None of the above.

7. Which of the following is a situation leading to a recognition of problem? –
  - a. Insufficient stock of goods
  - b. Dissatisfaction with the stock
  - c. Promotional activities
  - d. All of the above.
  
8. Marketers may create situations –
  - a. In which consumers look for problems
  - b. That may suppress the problem recognition by the consumers
  - c. Both a & b
  - d. None of the above.
  
9. Which of the following is an approach used in measuring problem recognition?
  - a. Intuition
  - b. Survey
  - c. Activity analysis
  - d. All of the above.

**Answers:**

1. d, 2. c, 3. c, 4. a, 5. b, 6. c, 7. d, 8. c, 9. d.



**Descriptive Questions**

1. Explain the process of problem recognition. Identify and explain the situations leading to problem recognition.
2. Explain the marketing strategy with regards to problem recognition.

## Lesson – 2: Information Search and Evaluation

### Objectives of this lesson

After reading this lesson, you will be able to:

- Understand the nature of information search
- Trace the sources of information
- Identify the factors influencing the level of external search
- Explain the marketing strategies based on information search patterns
- Understand how consumers evaluate alternatives.

### Introduction



Consumers arrive at purchase decisions based on information gathered regarding the product under consideration. They collect information from many different sources. Effort a consumer will put to collect information from external sources depends on number of factors. Once information is gathered, consumer evaluates them in order to arrive at the purchase decision. Understanding how consumers evaluate alternatives is very important from marketing point of view.

### Information Search

The second step in buying decision making process is obtaining purchasing related information to solve the problem identified by the buyer. Once the consumer is aware of a problem or need, the consumer (if he decides to continue the decision making process) searches for information. Such a search may focus on numerous dimensions, such as the availability of brands, product features, characteristics of sellers, after sales service, warranties, prices, quality, and using instructions. How long the consumer will search for information and how intense his search process will depend on his experience in buying the product and the importance of purchase to him. Consumer may go for both internal as well as external search of information. Information search is a mental process as well as physical activities that are performed in order to make decisions and attain the desired goals. Such a search requires time, energy, as well as money. It may also require a consumer to forego more desirable activities. Time consumers spent seeking information, and the amount of information a consumer seeks, depend on a number of factors. We shall now discuss different important aspects of consumer's information search.

### Nature of Information Search

As mentioned earlier, a consumer may seek information from within or he may search externally. If he tries to recollect his memory to help him decide on the brand to buy, he searches internally. Past purchase experience may help him decide on the desired course of action with

related to his perceived problem. If he fails to arrive at an appropriate solution to his problem, he may go for external search. A consumer may solve some of his recognized problems using his past experiences that he is having with purchases of similar products or brands. By recalling his memory he may decide to buy the same brand that he bought before, if the previous purchase is considered satisfactory. Marketers can influence internal search through different marketing activities, such as advertising and personal selling, or sales promotion that may remind consumer the brand he bought last time. A consumer may go for external search of information if he fails to find out a satisfactory solution to his recognized problem using his stored information. Externally, he may take friends', neighbors', and relatives' opinions; may rely on information provided by the marketers through different advertising materials; he may go for sampling and gather first hand experience; or he may gather information reading articles, books, or company brochures, pamphlets, or leaflets.

### **Sources Used by Consumers in Gathering Information**

In seeking information, a consumer may turn to one or several major sources of information. The most widely used source is experience. This is one of the primary sources of information. Personal experience with a product may provide selected kinds of information to the consumer. This is most vital in the sense that, such a selected kind of information may not be acquired in any other ways by a consumer. In acquiring information through personal experience, marketers can help consumers significantly. This may be done through distribution of free samples, arranging demonstration of the product, or allowing consumer to use the product temporarily with or without charging any price. Another important source of information used by the consumers includes friends, relatives, family members, neighbors, or associates. This is referred to as personal source. Consumers are found to rely heavily on their friends, family members, relatives, neighbors, and associates. The reason is that, consumers trust this source more than any other sources. Another source of information as used by the consumers is the marketing source. It includes sales persons, advertisements, product displays, and packages and labels. Though such a source provides marketer generated messages, but it can influence other sources of information that consumers use. Consumers can also use public or independent sources of information. They include government reports, news presentations, report from product testing information, and reports published by different consumer groups. These sources are considered most credible as they are independent sources and are likely to provide most neutral and factual information. Another most widely used source is memory search. Here consumer tries to recollect his memory to find out any relevant information if there is any stored in his memory. If a consumer can successfully search information, it can yield him a group of brands that he may view as possible alternatives. Such a group is called his evoked

set of alternatives as discussed in the Howard-Sheth model of buyer behavior in unit-3.

### **Factors Influencing the Level of External Search**

A consumer goes for an external search, if internal search cannot provide him with sufficient information necessary to solve his recognized problem. He also goes for an external search, if he perceives that the benefits derived from the external search will offset the costs involved in it. A number of factors determine a consumer's level of external search. They are: (1) marketplace characteristics; (2) product characteristics; (3) consumer characteristics; and, (4) situational characteristics. Let us now have a look at them in turn:

- ***Marketplace Characteristics Influencing the Level of External Search:*** Certain characteristics of the marketplace determine the level of external search of a consumer. These characteristics affect the level of external search as they determine the costs involved in search and the corresponding benefits that a consumer may derive from such a search. They include, available number of alternatives, price range, store distribution, and, information availability. If there is only one brand available in a particular product category, consumer does not require an external search with regards to that product. But, if the number of alternative products, brands, and stores are numerous, there will be an extensive external search that a consumer will go for. Consumer goes for extensive external search if prices of alternatives vary greatly as he intends to make the best utilization of his money being spent on a product. If the stores selling a particular type of product are clustered, the external search will be intense. But, if stores selling a particular product are situated in dispersed locations, it will reduce the level of external search, because it involves consumer's time and money to move around stores. Instant availability of external information may also increase the level of external search, as it provides convenience to the consumer looking at and comparing many alternatives at a time, which helps him to take most appropriate decision to solve his recognized problem.
- ***Product Characteristics Influencing the Level of External Search:*** Product characteristics such as, price level and product differentiation also influence the level of external search of consumers. If the price of a product is considered insignificant or very low, limited external search will be made by the consumer. On the contrary, if the price level of a product is high from consumer's point of view, he will go for an extensive external search. Product differentiation is another product related characteristic that influence the level of consumer's external search. If a consumer perceives lot of differences between alternative brands, he will heavily be

involved in external search. He may consider competing brands different in terms of quality, features, design, appearance or style.

- ***Consumer Characteristics Influencing the Level of External Search:*** Consumer characteristics, such as, learning and experience, personality and self-concept, social class, age and stage in the family life cycle, and perceived risk may also influence the level of a consumer's external search of information. If a consumer is satisfied with his prior purchase and consumption of a particular brand in a product category, he will go for repeat purchase instead of searching externally more information on that product category (applies in case of habitual or routine purchase). One's personality characteristics and self-concept also influence his level of external search of information. An individual who considers himself a deliberate information seeker, will go for extensive external search. A person of an authoritarian type of personality will go for less external search. Social class of a consumer is another determinant of the level of external search. Generally, lower and middle class people go for more external search than upper class people. The level of information search decreases with the increase of an individual's age as his learning and maturity increase. Families in the earlier stages of life cycle involve them heavily in external information search. With the increase in risk perception, the level of external search increases, as the consumer tries to minimize his dissatisfaction from the purchase and consumption of a brand.
- ***Situational Characteristics Influencing the Level of External Search:*** Situations surrounding consumers influence his level or intensity of external search. If a consumer for example, is time pressed, he will go for limited external search. A consumer will reduce his search if he finds shops are overcrowded that he visits. He may also search less for information, if he considers a purchase offer made by a seller very attractive. The physical and mental conditions of a consumer may also influence his level of external search. If he is not physically or mentally energetic, he will reduce his level of external search.

### **Marketing Strategies Based on Information Search Patterns**

While developing marketing strategies, a marketer should actively take into consideration the information search patterns of his target consumers. Following discussion will illustrate the strategy implication with regards to information search patterns of consumers.

If a marketer finds that his brand falls in the routinely purchased product category, he should reinforce consumers to maintain their existing behavior pattern. He can do this by maintaining product quality, ensuring regular distribution, and reinforcing consumers through persuasive

advertising. He should also combat competitive disruptive activities immediately. If a marketer finds that his brand is not included in the buyer's evoked set of alternatives, he may try to disrupt the existing decision pattern by product improvement and persuasive marketing communication that attracts target consumers' attention to his brand. He may also disrupt the existing decision pattern by distributing free samples, reducing price and announcing price cuts, or offering coupons or other inducements to customers. Where consumers search limited information, a marketer can identify the places where consumers search information, and then provide them with sufficient, attention getting, and influencing information to capture as large market size as possible.

### **Evaluation of Alternatives**

“The evaluation phase of the consumer decision model is the most complex and least understood part of the process.”<sup>1</sup> A consumer, in evaluating the products in his evoked set, that results from information search, establishes a set of criteria against which he compares characteristics of different alternatives. Evaluation helps him to select the course of action that may help him solve his recognized problem. Evaluative criteria are characteristics or features that are desired or not desired by the consumer. They include various features that a buyer looks for in response to a particular problem. Evaluative criteria are basically the performance levels or characteristics that consumers use comparing different brands. This comparison is made keeping in mind the problem that consumer recognizes.

How many evaluative criteria a consumer will use, what different types of criteria he will consider, and the importance he will place on each of them depends on the consumer himself and the product under consideration. In developing marketing strategy, it is vital for a marketer to identify the number and type of evaluative criteria that his target consumers use, and also know the relative importance placed on each of the considered criteria. He may measure these, we mean identifying the number and type of criteria as well as their importance, by undertaking research and using techniques such as direct questioning, projective techniques, and multidimensional scaling discussed earlier in unit 11. Some of the criteria such as, price, color, and size, that consumers use can easily be measured, while others such as, quality, durability, and physical benefits, are very difficult to measure. A marketer should recognize that, a consumer rates and ranks the brands in his evoked set of alternatives, using the evaluative criteria and considering the importance of each criterion. A consumer's evaluation may yield him no brand that he is willing to buy. In such a situation, the consumer may go for further search. If his evaluation yields him one or more brands that he is willing to buy, he is ready to move on to the next step of the purchase decision making process.

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<sup>1</sup> Dalrymple D. J. and Parsons L. J., *Marketing Management Strategy and Cases*, John Wiley & Sons, USA, 1983, p. 162.

***Activity:***

Develop a questionnaire designed to measure the information search consumers engage in prior to purchasing refrigerators. Questionnaire should include measures of types of information sought as well as sources which provided this information. Also include measures of the relevant consumer characteristics which might influence information search.



## Self Evaluation

### Objective Questions

1. Information search may focus on numerous dimensions, such as –
  - a. The availability of brands and product features
  - b. The availability of brands and characteristics of sellers
  - c. Product features, characteristics of sellers, after sales service
  - d. All of the above.
  
2. Information search is –
  - a. A mental process that is performed in order to make decisions and attain the desired goals
  - b. A physical activity that is performed in order to make decisions and attain the desired goals
  - c. Both a & b
  - d. None of the above.
  
3. Marketers can influence internal search through –
  - a. Advertising
  - b. Personal selling
  - c. Sales promotion
  - d. All of the above.
  
4. Which of the following is a source used by the consumers in gathering information?
  - a. Personal experience
  - b. Friends and relatives
  - c. Consumer organizations
  - d. All of the above.
  
5. Which of the following is a factors influencing the level of an external search?
  - a. Marketplace characteristics
  - b. Product characteristics
  - c. Consumer characteristics
  - d. All of the above.
  
6. In developing marketing strategy, it is vital for a marketer –
  - a. To identify the number and type of evaluative criteria that his target consumers use
  - b. To know the relative importance placed on each of the considered criteria
  - c. Both a & b
  - d. None of the above.

7. Evaluation helps the consumer –
  - a. To select the course of action
  - b. In solving his recognized problem
  - c. To select the course of action that may help him solve his recognized problem
  - d. None of the above.
  
8. Evaluative criteria are –
  - a. Characteristics or features that are desired or not desired by the consumer
  - b. Characteristics or features that are desired by the consumer
  - c. Characteristics or features that are not desired by the consumer
  - d. None of the above.
  
9. A marketer should recognize that, a consumer rates and ranks the brands in his evoked set of alternatives –
  - a. Using the evaluative criteria
  - b. Considering the importance of each criterion
  - c. Both a & b
  - d. None of the above.

**Answers:**

1. d, 2. c, 3. d, 4. d, 5. d, 6. c, 7. c, 8. a, 9. c.

**Descriptive Questions**

1. Discuss the nature of information search. What are the sources of information that consumers use?
2. Discuss the factors influencing the level of external search.
3. Explain the marketing strategies based on consumer's information search patterns. Discuss how consumers evaluate alternatives.



## **Lesson–3: Purchasing Processes and Post-Purchase Behavior**

### **Objectives of this lesson**

After reading this lesson, you will be able to:

- Know why people buy
- Identify the factors determining store selection
- Understand the nature of in-store buying behavior
- Understand the nature of post-purchase behavior.

### **Introduction**



Purchasing processes involve the purchasing decision as well as activities directly related to purchase. Information search and evaluation leads to purchase intentions. Consumer's mind may change, even in case of a most well informed consumer, as he moves from awareness of the product to deciding to buy it. His alternative evaluation may be erroneous which may lead him to wrong decision. By misunderstanding promotion or other sources of information one may wrongly include or exclude products from his evoked set of alternatives. In addition, the situational factors may cause a consumer to alter his purchase decision. A marketer should try to minimize the impacts of situational factors by undertaking pre-selling activities, so that, consumers do not change their minds by the latter events. He may also exploit the situational factors causing consumers to buy his products.

However, once a consumer has selected a product alternative after evaluating them, the next step in purchasing process is to complete the purchase. He may also decide not to purchase, if alternatives evaluated by him are not considered desirable. If he decides to buy, a series of related decisions must be made regarding features, prices, warranties, installation, credit where and when to make the actual purchase (store selection), how to take delivery, the method of payment, and other related issues. Therefore, purchase decision is, in fact, the beginning of an entirely new series of decisions. Selection of store is one of the purchase decisions. Consumers prefer shops where they feel comfortable or which correspond with their liking and values as well as status. The purchase part is facilitated through making the product readily available, and arranging for the positive situational factors. In the following few sections we shall discuss different aspects involved in the purchasing process. The first thing that we shall discuss is the reasons for consumers to shop.

### **Reasons for Which Consumers Shop?**

It is imperative to understand the reasons for consumers to shop before discussing where and how do they shop. Consumers shop in order to satisfy certain motives. Motives could be either personal or social. Personal motives include, among others, role playing, diversion, self-

satisfaction, learning about new trends, physical activity, and sensory stimulation. Social motives, on the otherhand, include, basically, the social experience outside the home, communication with others having a similar interest, peer group attraction, status and authority, and pleasure of bargaining.

An individual consumer may shop in order to display his or her role to others. Consumers may also shop to get rid off the routine life that entertain them. Though economic theories explain buying activity as problem solving in nature that provides certain utility to the consumer, but, he may shop purely for self-gratification. Consumers may also shop to learn new trend or to display a different lifestyle. Some consumers prefer shopping as it can substitute the physical exercise they need to do. Consumers may also shop to provide satisfaction to their senses, such as, hearing sound or handling goods providing tactile stimuli.

One of the social motives for which consumers shop is, to have social experience outside the home. When you go for shopping, you have the opportunity of mixing up with new people and having experience on new situations. One may also shop to interact with people sharing same needs, feelings, beliefs, and attitudes. An individual may also go for shopping to meet his friends and associates. It not surprising to find individuals who go for shopping just to display their power and status. The other social motive, that drive people toward shopping, is exploiting the bargaining opportunity. Some believe that bargaining may help them to purchase products at low prices providing costs savings.

### **Factors Determining Store Selection**

The next important thing that a marketer should know is, the factors that determine store selection of consumers. Consumers select stores using certain evaluative criteria. A consumer undergoes the same process in store selection that he undergoes in evaluating alternative brands in a product class. A consumer generally uses the following evaluative criteria in store selection. One of such criteria is store attributes or characteristics, and the other is consumer characteristics. Let us now discuss them in turn.

### **Store Attributes or Characteristics Influencing Store Choice**

Consumers select store comparing different stores in terms of certain store-related characteristics. Some of the commonly used store-related attributes are: location of the store, store image, retail advertising, store design and physical facilities, store size, product variety available, and, behavior of store salespeople as well as customer services provided by the store. It is to mention here that the influence of these attributes differs depending on the type of product to be purchased, the type of store, and the consumer characteristics.

Location of the store is one of the most important store-related attributes that influence store selection of a consumer. Consumers normally prefer to buy from the nearby store – near either to home or office. Store image is another attribute influencing consumer's store selection. Store image is the target market's/consumers' perception of all the attributes associated with a retail outlet. Virtually, all of the store-related attributes may determine the image of a store. Most of the consumers prefer to shop from stores renowned for their images in terms of different attributes.

Consumers seek store-related information through advertisements published by the stores. Thus, stores that advertise more will be able to draw more consumers' attention, which may drive consumers to stores whose advertisements they see. Moreover, stores that advertise heavily can give consumers an idea that they are well established and sound in doing business. Thus, consumers prefer to buy from stores that advertise extensively. In addition, price advertising of stores may draw people toward the stores with the hope of getting bargain.

Some of the consumers select stores only for their décor and physical facilities they provide to the customers. Design include, among others, the layout, aisle placement and width, carpeting, and architecture. Physical facilities mainly include elevators, escalators, lighting, air conditioning, children's corner, and washing facilities. These may influence consumers' mood, which make them to select the store.

Size of the store is another store-related attribute that influences consumers' store choice. Most consumers prefer larger stores than smaller stores, as they facilitate movement inside the store. Moreover, larger stores can display a wide range of products along with wider assortments, which help consumers to select the most preferred product and brand.

Variety of products and assortment also influence the selection of store by consumers. Consumers prefer to shop from stores that make available a larger variety and assortment. The reason is that consumers can avoid the hassle of moving around different stores for different products. If a store stocks different categories of products that consumers buy frequently (or infrequently), it will be able to attract more customers than stores stocking limited range of products.

Consumers also expect to be well treated by the sales people. Thus they prefer to select those stores where they are likely to get warm and friendly as well as courteous treatment. They also expect the salespeople to be knowledgeable. Thus, they prefer to select stores that they perceive having qualified sales personnel.

Consumers not only buy physical products, they as well buy certain services alongwith products. They at times expect credit, replacement

facilities, information, installment facilities, delivery, parking facilities, free wrapping facilities and so on from the store. Thus, in store selection, a consumer may decide on the above mentioned factors as well.

### **Consumer Characteristics Influencing Store Choice**

Selection or choice of store by consumers is not only determined by attributes relating to stores, but also by some of the consumer-related characteristics. There are four dominant consumer characteristics that influence consumers' store selection. They are: perceived risk, consumer confidence, family characteristics, and shopping orientation. In unit 10, you were given an idea on consumer's risk perception. You came to know that, consumers perceive different types of risks associated with a purchase. Consumers prefer to select those stores that are likely to reduce their social risks, as well as product's performance risk. It is observed that consumers of higher social classes prefer to shop from status stores to reduce social risks, where lower middle class people avoid status stores to reduce financial risks. Selection of store is also influenced by the level of consumer's confidence. Highly confident consumers do not mind purchasing from new shops, where less confident customers prefer to buy from stores established long ago and are well-established. Characteristics of family and the degree of involvement of family members in purchase decisions also influence a family's store selection. In some families, husbands dominate the purchase decisions, and as a result he selects the stores. You were given an idea on consumers' buying motives in the beginning of this lesson. Different motives may influence the purchase decisions of different categories of products. A consumer's purchase motivations for a product category determine his shopping orientation for that product category. Consumers with different shopping orientations prefer to shop at different stores. Consumers, who derive little or no pleasure from shopping for example, prefer convenience stores.

### **Nature of In-Store Buying Behavior**

Some of the consumers are found to visit a store with the intention to buy a particular brand of product, but come out with different brand that he did not plan to buy. Why consumers do so? In-store environment may be the simple answer for such a deviation in their behavior. Some of the in-store variables responsible for deviation in consumer behavior are: store layout and traffic patterns, store atmosphere, point-of-purchase displays (POP), product shelving, pricing strategies of the store, stockouts, sales personnel, and packaging.

Layout of the store is one store-related variable that may influence a consumer's store selection and purchase behavior. If products in a store are found to be more visible, it may influence a consumer's store selection and purchase decision. Layout of the store has a major influence on the traffic flow through the store. If the traffic flow of a

store can create a mood, a consumer will be more willing to buy from that store, because the environment will be perceived positively by the consumer.

The atmosphere of the store is another in-store variable influencing consumers' store selection. Atmosphere of a store is influenced by such factors as, lighting, presentation of merchandise, fixtures, floor coverings, colors, sounds, odors, dress and behavior of salespeople, and the characteristics and behavior of other customers visiting the store. These may have positive impact on consumers causing them to purchase from a particular store or buy a particular product.

Point-of-purchase displays play an important role in consumers' store selection and purchasing behavior. Point-of-purchase displays are used to attract and influence shoppers. A lady, for example, may decide to buy a particular "sharee" being influenced by its display instead of one she planned to buy.

The place where a product is kept may also have an impact in attracting consumers. Products that cover a wider shelf space draw more attention. Moreover, products that are kept on shelves parallel to eye level of people of normal height draw more attention, and as a result influence consumer purchase behavior.

Pricing strategies of stores is another in-store variable influencing store selection and purchase behavior. Special price offers and promotional deals attract a group of customers toward the store. In-store price cut and special price inducements such as, coupons, discounts, and gifts may make a buyer to decide to buy from a particular store or buy particular product.

If a consumer cannot find his preferred brand in a preferred store, he may decide to switch to another brand or store, delay the purchase, or in extreme case postpone the purchase temporarily or permanently.

Characteristics of sales person may also affect in-store purchase behavior of consumers. An aggressive and convincing salesperson may even make a sale to someone having negative attitude toward a particular product. A knowledgeable and smart salesperson can provide required information to consumers that may make them inclined toward the store or the products sold in the particular store.

Packaging is the other in-store variable influencing consumer behavior. Packaging provides convenience, conveys status symbol, and aids in sales promotion. Packaging sometimes can substitute a salesperson. Some of the consumers decide to buy a particular brand only because of its attractive and outstanding package. Thus, attractively designed package may influence customers visiting a store and performs the sales task.

## Post-purchase Behavior

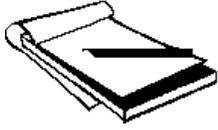
Post-purchase aspects of consumer behavior are very important to marketers interested in repeat business, as most buying is repetitive. Previous purchase determines consumer learning, as he begins to evaluate the purchase, which influences his future behavior. A consumer makes regular decisions on products, services, brands, and retailers. The results of these decisions are fed back to consumer's cognition that determine his future purchase decisions. A consumer may become satisfied with one of his previous purchases, or may be dissatisfied with it. This satisfaction or dissatisfaction will obviously influence his future purchase decisions. "Satisfaction refers to the buyer's state of being adequately rewarded in buying situation for the sacrifice he made"<sup>2</sup>. The level of satisfaction depends on the expectation and the product's perceived performance. If expectation matches with what he gets from the product, the buyer will be satisfied, and if they do not match, that is, if actual result is less than he expected, the buyer will be dissatisfied. Expectation of a consumer depends on the messages and claims made by the seller. A consumer is likely to be dissatisfied if seller makes exaggerated claims. Thus, a marketer should make such claims that match with the product's actual features and quality. Thus, a marketer's job does not end once the buyer purchases his product, as his future behavior is dependent on the satisfaction or dissatisfaction that receives from purchase and consumption of a brand. It implies that consumer behavior continues in the form of post-purchase behavior.

Marketer should realize that, a satisfied customer may become one of his very good friends. The reason is that, a happy customer will be inclined to buy other products sold by the company. Moreover, he will advocate the company's products to his friends and acquaintances. On the otherhand, a dissatisfied customer may take against the company. He may either take public or private action against the company whose products dissatisfy him. Public action includes, among others, seeking redress directly from the company, taking legal action to obtain redress, or lodging complaints to business, private, or governmental agencies. Private action may include deciding to stop buying the product or boycotting the seller, and, warning friends and others about the product or the company. A consumer may also experience cognitive dissonance with regards to his purchases. He may ask him, "was my decision to buy this brand right?" Such a situation will discourage him to make purchase of the similar brand. To combat such situations, a marketer may undertake program to provide information to consumers to reinforce their decisions, which may make them feel good about the purchases they made. A marketer can help reassure buyers that they made the right decision by sending them warranty cards, providing manuals, and sending out questionnaires on product quality and service. In unit 12, you

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<sup>2</sup> Loudon D. L. and Bitta A. J., *op. cit.*, p. 579.

have been given ideas on other aspects of cognitive dissonance that may help you in decision making as a practicing or prospective marketer.



***Activity:***

Undertake a study to measure housewives' satisfaction and dissatisfaction with household appliance purchases. Determine what actions they took for purchases they were satisfied as well as dissatisfied.

## Self Evaluation

### Objective Questions

1. Purchase intentions are based on –
  - a. Information search
  - b. Alternative evaluation
  - c. Both a & b
  - d. None of the above.
  
2. One may wrongly include or exclude products from his evoked set of alternatives –
  - a. By misunderstanding promotion
  - b. By misunderstanding other sources of information
  - c. Both a & b
  - d. None of the above.
  
3. If a customer decides to buy, a series of related decisions must be made regarding –
  - a. Features, prices, warranties and installation
  - b. Credit, where and when to make the actual purchase
  - c. How to take delivery, the method of payment, and other related issues
  - d. All of the above.
  
4. Consumers prefer shops –
  - a. Where they feel comfortable
  - b. Which correspond with their liking and values as well as status
  - c. Both a & b
  - d. None of the above.
  
5. Personal motives include –
  - a. Role playing, diversion and self-satisfaction
  - b. Learning about new trends and physical activity
  - c. Sensory stimulation marketplace characteristics
  - d. All of the above.
  
6. Social motives include –
  - a. Social experience outside home
  - b. Communication with others having a similar interest
  - c. Peer group attraction, status and authority, and pleasure of bargaining
  - d. All of the above.
  
7. One may shop to interact with people –
  - a. Sharing same needs
  - b. Sharing same feelings
  - c. Sharing same beliefs, and attitudes
  - d. All of the above.

8. Some of the commonly used store-related attributes are:
  - a. Location of the store, store image and retail advertising
  - b. Store design and physical facilities
  - c. Store size, product variety available, and, behavior of store salespeople
  - d. All of the above.
  
9. Some of the consumer-related characteristics influencing store selection are:
  - a. Perceived risk and consumer confidence
  - b. Family characteristics, and shopping orientation
  - c. Both a & b
  - d. None of the above.
  
10. Some of the in-store variables responsible for deviation in consumer behavior are:
  - a. Store layout and traffic patterns
  - b. Store atmosphere, point-of-purchase displays (POP), and product shelving
  - c. Product pricing strategies of the store, stockouts, sales personnel, and packaging
  - d. All of the above.

**Answer :**



1. c, 2. c, 3. d, 4. c, 5. d, 6. d, 7. d, 8. d, 9. c, 10. d.

**Descriptive Questions**

1. Explain the reasons for which people shop. Identify and explain the factors determining store selection.
  
2. Describe the nature of in-store buying behavior. Explain the nature of post-purchase behavior.