

Subject: Business Economics

Course: B.A., 5th Semester, Undergraduate.

Paper No: 521

Paper Title: Consumer Behaviour

Unit No.: 5 (Five)

Title: Consumer Decision Making Process

Lecture No: 2 (Two)

Title: Consumer Decision Making

FAQs

Q1 what is extensive problem solving?

Ans:

Extensive Problem Solving

It is a search by the consumer to establish the necessary product criteria to evaluate knowledgeably the most suitable product to fulfill a need.

Consumer purchases involving extended decision-making correspond most closely to the traditional decision-making perspective. Such decisions involve extensive internal (long-term memory) and external (outside sources) information search followed by a rigorous evaluation of several alternatives because consumers do not possess any meaningful information about the product or service and need much of it. The evaluation often involves careful consideration of attributes of one brand at a time and taking stock of how the attributes of each brand measure up to a set of desired characteristics. All this happens in response to a high level of consumer's involvement in making a purchase decision. Such complex decisions are relatively few and may relate to buying a computer, stereo system, washing machine, laser printer, or a new house etc. Post purchase evaluation is more likely to be complex and dissonance causing.

Q2. What is an emotional view?

Ans: Consumers may associate deep feelings or emotions (fun, fear, love, prestige, hope, sexiness, fantasy or a bit of magic). Consumers buy clothes not because they look better but they feel better. Advertisers are recognizing the renewed importance of emotional advertising, eg. LIC Advertisement.

The firms marketing activities is a direct attempt to reach, inform and persuade consumers to buy and use its products. These inputs to the consumer decision making process constitute the product itself - including its packaging, size, guarantees, mass media advertising, personal selling, and other promotional efforts, pricing policy, selection of distribution channels to move product from the manufacturer to the consumer.

The impact of the firms marketing efforts is governed largely by the consumers' perception of these efforts and therefore must be alert to consumer perceptions and must not solely rely on the intended impact of marketing messages.

A strategic marketing plan that has researched the needs of the consumer and positions itself so the consumers' decision becomes less risky will have the desired effect to influence the consumer to purchase the product.

Q3. Explain any two stages of consumer decision making.

Ans: A) Need Recognition

It is the realization by the consumer that there is a difference between "what is" and "what should be."

b) Pre purchase Search

It is a stage in the consumer decision-making process in which the consumer perceives a need and actively seeks out information concerning products that will help satisfy that need.

Factors that are Likely to Increase Pre purchase Search

Demographic Characteristics of Consumer

Well-educated

High-income

White-collar occupation

Under 35 years of age

Personality

Low dogmatic

Low-risk perceiver (broad categorizer)

Other personal factors, such as high product involvement and enjoyment of shopping and search

Q4. Explain gifting relationship.

GIFTING RELATIONSHIP	DEFINITION	EXAMPLE

Intergroup	A group giving a gift to another group	A Christmas gift from one family to another family
Intercategory	An individual giving a gift to a group or a group giving a gift to an individual	A group of friends chips in to buy a new mother a baby gift
Intragroup	A group giving a gift to itself or its members	A family buys a VCR for itself as a Christmas gift
Interpersonal	An individual giving a gift to another individual	Valentine's Day chocolates presented from a boyfriend to a girlfriend
Intrapersonal	Self-gift	A woman buys herself jewelry to cheer herself up

Q5. write a note on different stages of gift giving.

Ans: Gift giving cannot be defined simply by the gift itself. While there is an object involved, the behaviors and emotions surrounding the object are of great interest in learning about gift giving. The act of giving is usually more important and symbolic than the gift itself. The gift giving cycle occurs in three main stages; gestation, prestation, and reformulation.

Gestation: The first stage in the gift giving cycle is gestation. All behavior preceding the presentation and exchange of the gift occurs in the gestation stage. During this phase, concepts regarding the gift are considered such as price, motivation, personal expression, boundaries of the relationship, and both giver and receiver's tastes and preferences.

Prestation: It is the middle stage of the gift giving cycle. During this stage, the recipient and giver have often established a specific time, place, and date for the gift exchange to occur. The gift is presented to the recipient in a manner that can vary in levels of formality and ritualism. Response from the recipient is the giver's reward, occurring in two phases; the recipient decodes the content of the gift, often with immediate facial expressions, and then responds directly to the giver verbally or by actions such as embracing.

Reformulation: The final stage in the gift giving cycle is reformulation. Reformulation refers to the time after the presentation of the gift when the gift is consumed, redistributed, stored, exchanged, or disposed. It is also

during this stage when the relationship is reassessed and positioning for future giving is considered. Reflection on the gift, the presentation, and the relationship itself all contribute to the outcome of the reformulation stage. In the first stage, the consumer identifies a gift giving, situation. The second stage is the process of gift giving and possibly exchanging gifts. The third stage involves the disposal of the gift by being consumed, displayed, stored away or returned.

Q6. What is relationship marketing?

Ans: Relationship marketing is about forming long-term relationships with customers. Rather than trying to encourage a one-time sale, relationship marketing tries to foster customer loyalty by providing exemplary products and services. This is different than most normal advertising practices that focus on a single transaction; watch ad A and buy product B. Relationship marketing, by contrast, is usually not linked to a single product or offer. It involves a company refining the way they do business in order to maximize the value of that relationship for the customer.

Q7. Who Employs Relationship Marketing?

Ans: Many types of companies have something to gain from developing long-term relationships with their customers. Smaller businesses often serve a steady stream of regulars, and make little effort to draw in new customers. Imagine a small restaurant that sees a steady stream of business from the morning commute. Their daily presence is a large part of the business that restaurant does every day.

Larger companies typically invest the most in carrying out sophisticated relationship marketing campaigns. In some major companies, relationship marketing is a strategy that affects every department with a client facing purpose (sales, customer service, shipping etc). Industry leaders constantly face competition from new companies who claim to provide similar goods with a higher-quality level of service. Holding onto their existing customers is the only way they can maintain their position at the top of their industry. This is true for businesses in all industries, from cell phones to baby food.

Q8. write a note on consuming and possessing.

Ans: Historically, the emphasis in consumer behavior studies has been on product, service and brand choice decisions. The experience of using products and services, as well as the sense of pleasure derived from possessing, collecting, or consuming “things” and “experiences (mechanical watches, old fountain pens or a base ball card collection) contributes to consumer satisfaction and overall quality of life. This consumption outcomes or experiences, in term affect consumers’ future decision processes.

Thus given the importance of possessions and experiences, a broader perspective of a consumer behavior might view consumer choices as the beginning of a consumption process, not merely the end of a

consumer decision making effort. The process stage of a simple model of consumption might include (from the consumers' perspective) the using, possessing, collecting and disposing of things and experiences.

Q9. Explain gifting behavior.

Ans: Gifting is an act of symbolic communication, with explicit and implicit meanings ranging from congratulations and love, to regret, obligation, and dominance

Gift giving is universal and has been a part of cultures and society since the beginning of written history. Gifting is a process of gift exchange that takes place between a giver and receiver. It is an act of symbolic communication associated with important event such as Mother's day, birth and birthdays and engagements, weddings, graduation with implicit and explicit meanings. The model of the relationship between various combination of gifts givers and gift receivers in the consumer gifting process reveals the following five gifting subdivisions:

- (1) Intergroup gifting,
- (2) Intercategory gifting,
- (3) Intragroup gifting,
- (4) Interpersonal gifting, and
- (5) Intrapersonal gifting.

With the increasing stress in work and lack of time, technological advances such as online shopping have paved way and relieved people on the burden of spending time on shopping. By understanding the behavioral and possibly even emotional alterations in the consumer in this new gift selection environment, marketers can enhance the online shopping experience to provide an environment more conducive to the selection and presentation of online gifts.

Q10. Explain evaluation of alternatives in consumer decision making.

Ans: It is a stage in the consumer *decision-making process* in which the consumer appraises the benefits to be derived from each of the product alternatives being considered.

Issues in Alternative Evaluation

- Evoked Set
- Criteria Used for Evaluating Brands
- Consumer Decision Rules
- Lifestyles as a Consumer Decision Strategy

- Incomplete Information and Non comparable Alternatives
- Series of Decisions
- Decision Rules and Marketing Strategy

Consumption Vision