

3.2: Buying-Process Stages

The Consumer Decision Process

Figure 1 outlines the process a consumer goes through in making a purchase decision. Once the process is started, a potential buyer can withdraw at any stage before making the actual purchase. This six-stage process represents the steps people undergo when they make a conscious effort to learn about the options and select a product—the first time they purchase a product, for instance, or when buying high-priced, long-lasting items they don't purchase frequently. This is called *complex decision making*.

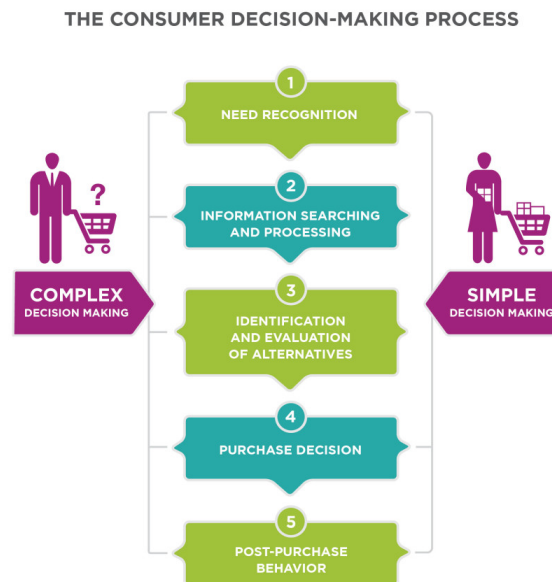


Figure
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For many products, the purchasing behavior is routine: you notice a need and you satisfy that need according to your habit of repurchasing the same brand or the cheapest brand or the most convenient alternative, depending on your personal assessment of trade-offs and value. In these situations, you have learned from your past experiences what will best satisfy your need, so you can bypass the second and third stages of the process. This is called *simple decision making*. However, if something changes appreciably (price, product, availability, services), then you may re-enter the full decision process and consider alternative brands.

The following section discusses each step of the consumer decision-making process.

Need Recognition

The first step of the consumer decision process is recognizing that there is a problem—or unmet need—and that this need warrants some action. Whether we act to resolve a particular problem depends upon two factors: (1) the magnitude of the difference between what we have and what we need, and (2) the importance of the problem. A man may desire a new Lexus and own a five-year-old Ford Focus. The discrepancy may be fairly large but relatively unimportant compared to the other problems he faces. Conversely, a woman may own a two-year-old car that is running well, but for various reasons she considers it extremely important to purchase another car this year. Consumers do not move on to the next step until they have confirmed that their specific needs are important enough to act on.

Part of need recognition is defining the problem in a way that allows the consumer to take the next step toward finding a solution. In many cases, problem recognition and problem definition occur simultaneously: a consumer runs out of toothpaste, for instance. In other cases, these are separate tasks. Consider a scenario in which you injure your knee. You may know that your knee hurts, and you can't walk very well, but you need to further define the problem before you can take action: Do you need a good night's sleep?

A brace? Pain medication? Physical therapy? Surgery? All of these things? As a consumer, you will be able to begin solving your problem once it is adequately defined.

Marketers get involved in the need recognition state at three points:

1. Knowing what problems consumers are facing, so they can develop a marketing mix to address these problems
2. Activating problem recognition, in order to trigger the start of the purchasing process
3. Shaping how consumers define the need or problem, in order to influence their wants as they look for a solution

Marketing interactions through ads, Web sites, salespeople, and any number of other activities create opportunities for marketers to communicate with consumers and become engaged in need recognition. Listening to customers through social media or the customer support team provides insight into the ways consumers perceive the problems they face. A public service announcement espousing the dangers of cigarette smoking helps trigger a sense of needing to do something about cancer prevention. Advertising weekend and evening shopping hours triggers awareness of the problem of limited weekday shopping opportunities for busy working parents. Once a young man recognizes that he needs a new coat, marketing tries to influence his choices: Should it be a trendy, bargain-priced jacket from Old Navy or the pricey North Face coat he can wear snowboarding (assuming he can scrape together money for a lift pass after buying the coat). In each of these scenarios, marketing plays an active role in facilitating need recognition.

Information Search

After recognizing a need, the prospective consumer may seek information to help identify and evaluate alternative products, services, experiences, and outlets that will meet that need. Information may come from any number of sources: family and friends, search engines, Yelp reviews, personal observation, *Consumer Reports*, salespeople, product samples, and so forth. Which sources are most important depends on the individual and the type of purchase he or she is considering.

The promotion element of the marketing mix should provide information to assist consumers in the decision process. When marketers understand which information sources their target consumers turn to during the search process, they can develop a promotion strategy and tactics that put their offerings and message into the search path. For instance, teen boys rely heavily on peer networks to know what's interesting, cool, and desirable. A social media strategy is essential for virtually any product—video games, fashion, gadgets, sports gear, music, and on—targeting these consumers.

In some cases, consumers already have the information they need based on past purchasing and consumption experience—for better or for worse. Good experiences reinforce customer loyalty, while bad experiences destroy opportunities for repeat purchases. For instance, a consumer who needs new tires may look for sales in the local newspaper or ask friends for a recommendation. If she has bought tires before and had a good experience, she may go to the same dealer and buy the same brand.

The information-search process can also identify new needs. As a tire shopper looks for information, she may decide that the tires are not the real problem, but instead she needs a new car. At this point, her newly perceived need may trigger a new information search.

Information search involves both mental and physical activities that consumers must perform in order to make decisions and solve their problems through the marketplace. As anyone who has purchased a car, computer, or pet knows, it takes time, energy, and money to achieve a satisfactory outcome. Often it means foregoing more desirable activities. Eventually most consumers learn that the benefits of information search can outweigh the costs, particularly for bigger-ticket purchases. A thorough information search may save money, improve the quality of selection, or reduce risks.

Evaluation of Alternatives

As a consumer finds and processes information about the problem she is trying to solve, she identifies the alternative products, services, and outlets that are viable options. The next step is to evaluate these alternatives and make a choice, assuming a choice is possible that meets the consumer's financial and psychological requirements. Evaluation criteria vary from consumer to consumer and from purchase to purchase, just as the needs and information sources vary. One consumer may consider price most important while another puts more weight on quality or convenience.

The information search helps inform consumers about the criteria they might consider as they are evaluating options and making a final selection. For any given purchasing decision, each consumer develops a set of criteria—often only a mental list—along with the relative importance of each quality in their final selection. This evaluation process may be very systematic and comprehensive for some people and purchases. There are also people who find the selection process difficult or frustrating, and so they cope with their

discomfort by keeping the number of alternatives to a minimum, or by making an impulse purchase at the last moment. Note that the selection and evaluation phases of consumer problem solving are closely related and often happen simultaneously.



Consider a situation in which you are buying a new vacuum cleaner. During your information search process, you identified five leading models in online reviews, as well as a set of evaluation criteria that are most important to you: 1) price, 2) suction power, 3) warranty, 4) weight, 5) noise level, and 6) ease of using attachments. After visiting Sears and Home Depot to check out all the options in person, you're torn between two models you short-listed. Finally you make the agonizing choice, and the salesperson heads to the warehouse to get one for you. He returns with bad news: The vacuum cleaner is out of stock, but a new shipment is expected in three days. Strangely relieved, you take that as a sign to go for the other model, which happens to be in stock. Although convenience wasn't on your original list of selection criteria, you need the vacuum cleaner before the party you're having the next day. You pick the number-two choice and never look back.

From the marketer's perspective, understanding your target consumer's evaluation criteria is critical. You need to demonstrate these qualities in order to be short-listed in the selection set. Often these qualities make the difference in your offering being selected over competitors'. In the end, selection remains something of an unpredictable black box because people think differently, and the circumstances for any given purchasing situation are unique to the person, the product, and the problem being solved.

The Purchase Decision

After much searching and evaluating (or perhaps very little), consumers at some point have to decide whether they are going to buy. Anything marketers can do to simplify purchasing will be attractive to buyers. For example, in advertising, marketers might suggest the best size of product for a particular use or the right wine to drink with a particular food. Sometimes several decision situations can be combined and marketed as one package. For example, travel agents often package travel tours, and stores that sell appliances try to sell them with add-on warranties.

To do a better job of marketing at this stage of the buying process, a seller needs to have answers to questions about consumers' shopping behavior. Those answers will increase the likelihood of closing the sale and maximizing value at the moment of purchase. Useful questions to ask include the following:

- How much effort is the consumer willing to spend in shopping for the product?
- What factors influence when the consumer will actually make the purchase?
- Are there any conditions that would prohibit or delay the purchase?

Marketers should look for opportunities to influence things in their favor at the point of purchase. Product pricing, labeling, and packaging can be hugely influential at this stage of the process. Product sampling, coupons, and rebates may also give an extra incentive to buy. Personal selling, product display, convenience, and ease of finding the product may also lead the consumer to make one choice over another. Actually determining how a consumer goes through the decision-making process is a difficult research task, in part because it can vary so much from consumer to consumer. The key for marketers is to be aware of the influencing factors and how to shape them to your advantage.

Postpurchase Behavior

All the behavior determinants and the steps of the buying process up to this point take place before or during the time a purchase is made. However, a consumer's feelings and evaluations after the sale are also significant to a marketer, because they can influence repeat sales and what the customer tells others about the product or brand.

Marketing is all about keeping the customer happy at every stage of the decision-making process, including postpurchase. It is normal for consumers to experience some postpurchase anxiety after any significant or nonroutine purchase. This anxiety reflects a phenomenon called *cognitive dissonance*. According to this theory, people strive for consistency among their cognitions (knowledge, attitudes, beliefs, and values). When there are inconsistencies, dissonance arises, which people try to eliminate.

In some cases, the consumer makes the decision to buy a particular brand already aware of dissonant elements or things that are inconsistent with their internal criteria. A common example is price: a consumer falls in love with every aspect of a product, but it costs more money than he intended to spend. His cognitive dissonance is whether to spend the extra money for a product he loves or else stick with a second-best product that fits the budget. In other cases, dissonance is aroused by information received after the purchase. For instance, a disturbing report about sweatshop labor comes out days after you purchase a pair of athletic shoes from the company involved.

Marketers may take specific steps to reduce postpurchase dissonance. One obvious way is to help ensure delivery of a quality solution that will satisfy customers. Another step is to develop advertising and new-customer communications that stress the many positive attributes or confirm the popularity of the product. Providing personal reinforcement has proven effective with big-ticket items such as automobiles and major appliances. Salespeople in these areas may send cards or even make personal calls in order to reassure customers about their purchase.

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