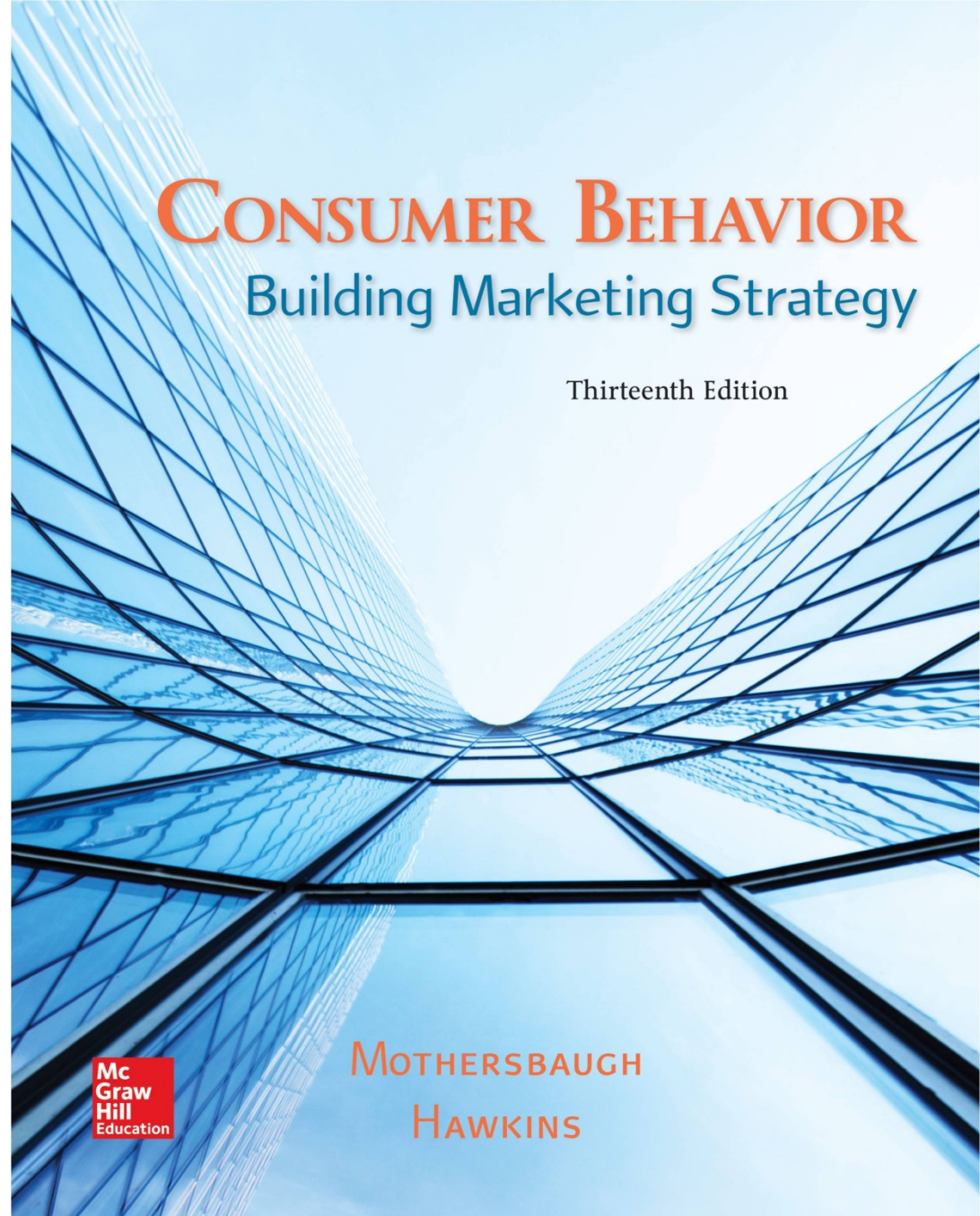


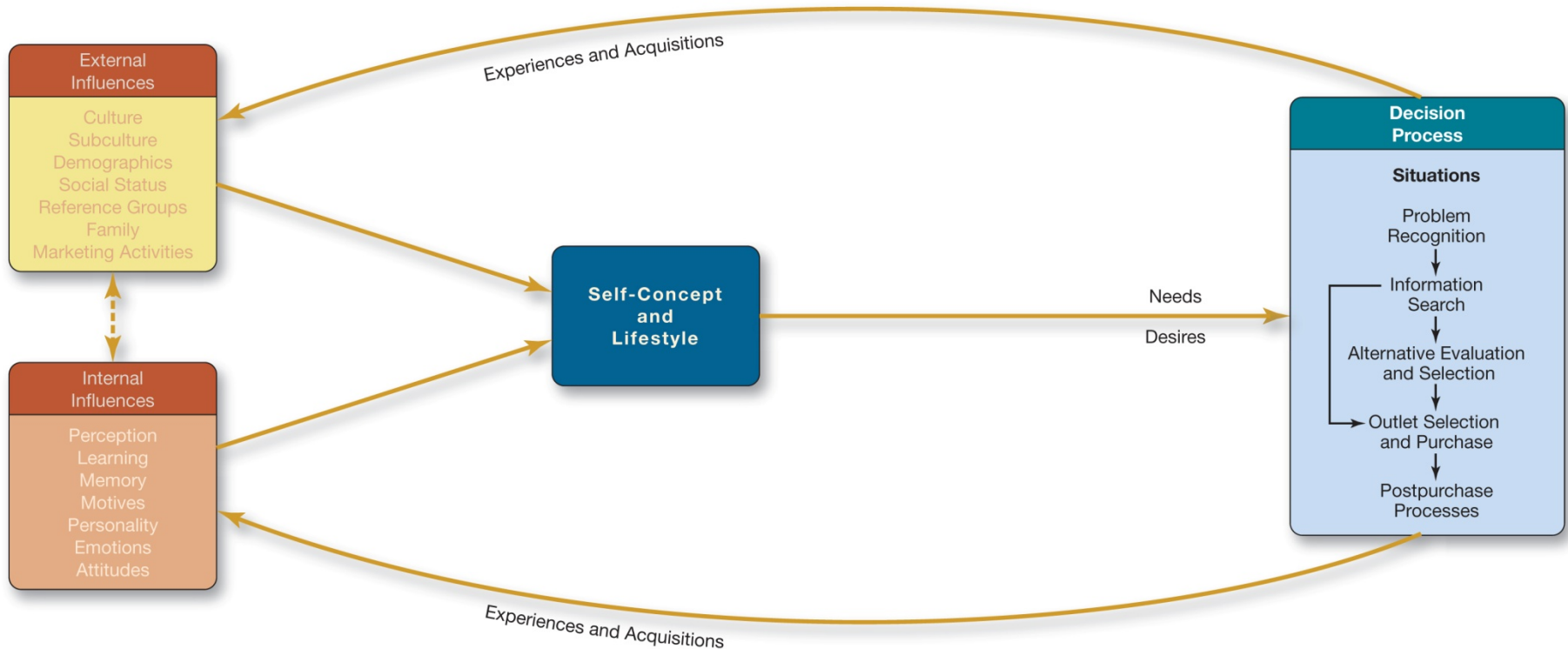
# CHAPTER 14

## Consumer Decision Process and Problem Recognition



# PART IV: CONSUMER DECISION PROCESS

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# Types of Consumer Decisions

## ***Purchase involvement*** is

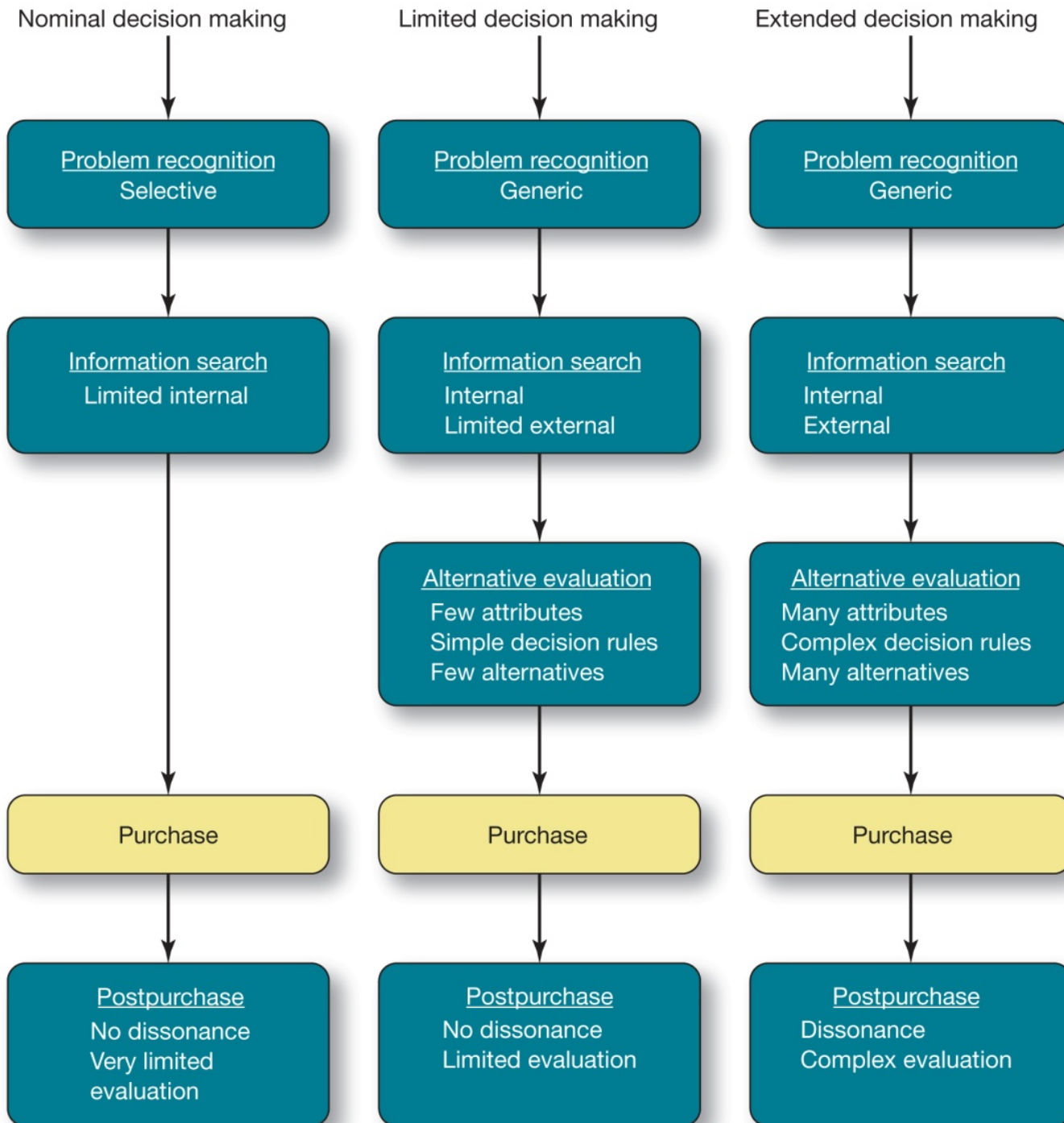
the level of concern for, or interest in, the purchase process,

triggered by need to consider a particular purchase, and so

it is a temporary state influenced by the interaction of individual, product, and situational characteristics.



*Rob Melnychuk/Getty Images*



# Types of Decision Making

## **1. *Nominal Decision Making***

- Brand Loyal Purchases
- Repeat Purchases

## **2. *Limited Decision Making***

## **3. *Extended Decision Making***

# Types of Decision Making

## ***Nominal Decision Making***

***Nominal decision making***, a.k.a., *habitual decision making*, in effect involves no decision per se.

Nominal decisions occur when there is very low involvement with the purchase.

A completely nominal decision does not even include consideration of the “do not purchase” alternative.



*Jose Luis Pelaez Inc/ Blend Images/Getty Images*

**Consumer buys Campbell's without considering other brands, its price, etc.**

# Types of Decision Making

## *Limited Decision Making*

***Limited decision making*** involves internal and limited external search, few alternatives, simple decision rules on a few attributes, and little postpurchase evaluation.

Middle ground between nominal and extended decision making.

Involves recognizing a problem for which there are several possible solutions.



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**Decision based only on buying the cheapest rolls.**

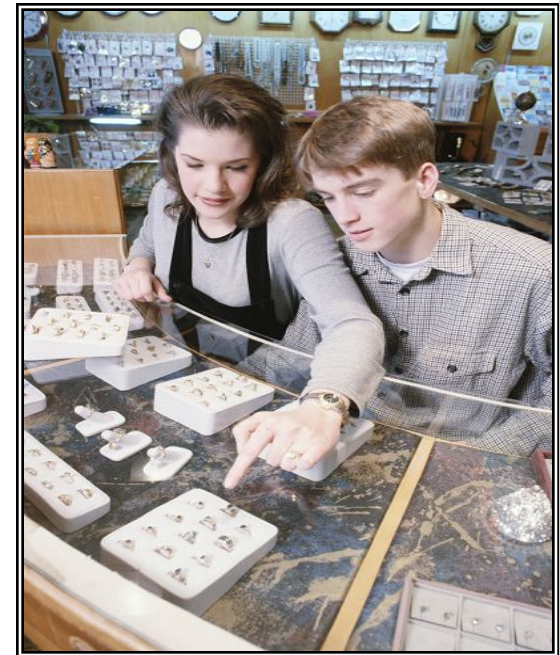
# Types of Decision Making

## *Extended Decision Making*

***Extended decision making*** involves extensive internal and external search followed by a complex evaluation of multiple alternatives.

It is a response to the high level of purchase involvement.

During postpurchase evaluation, doubts are likely and a thorough evaluation takes place.



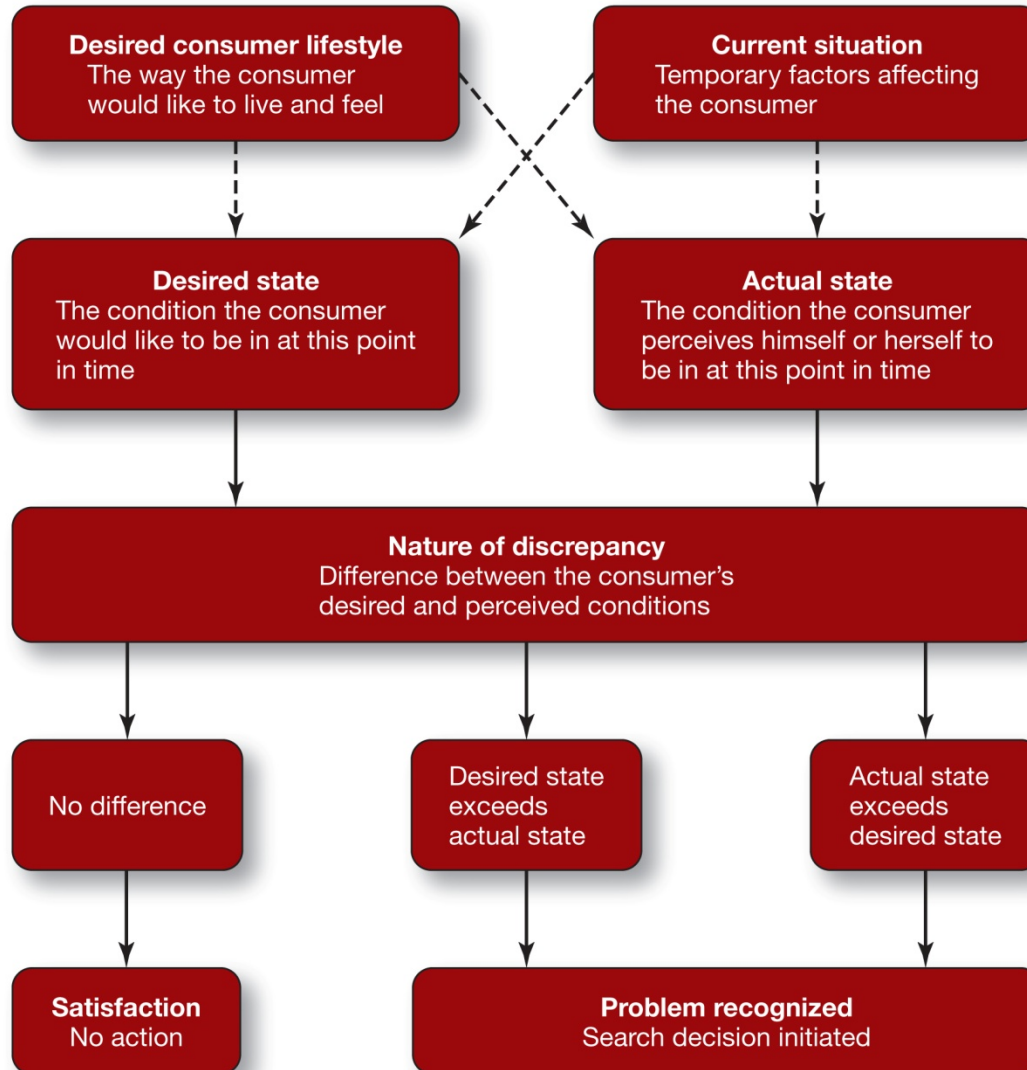
*C. Borland/Photo Link/Getty Images*

**Emotional decisions may involve substantial cognitive effort.**



# The Process of Problem Recognition

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# The Process of Problem Recognition

## *Types of Consumer Problems*

### *Active Problem*

An **active problem** is one the consumer is aware of or will become aware of in normal course of events.

*Marketing strategy:*

Only require marketer to convince consumers that its brand is the superior solution.

### *Inactive Problem*

An **inactive problem** is one of which the consumer is not aware.

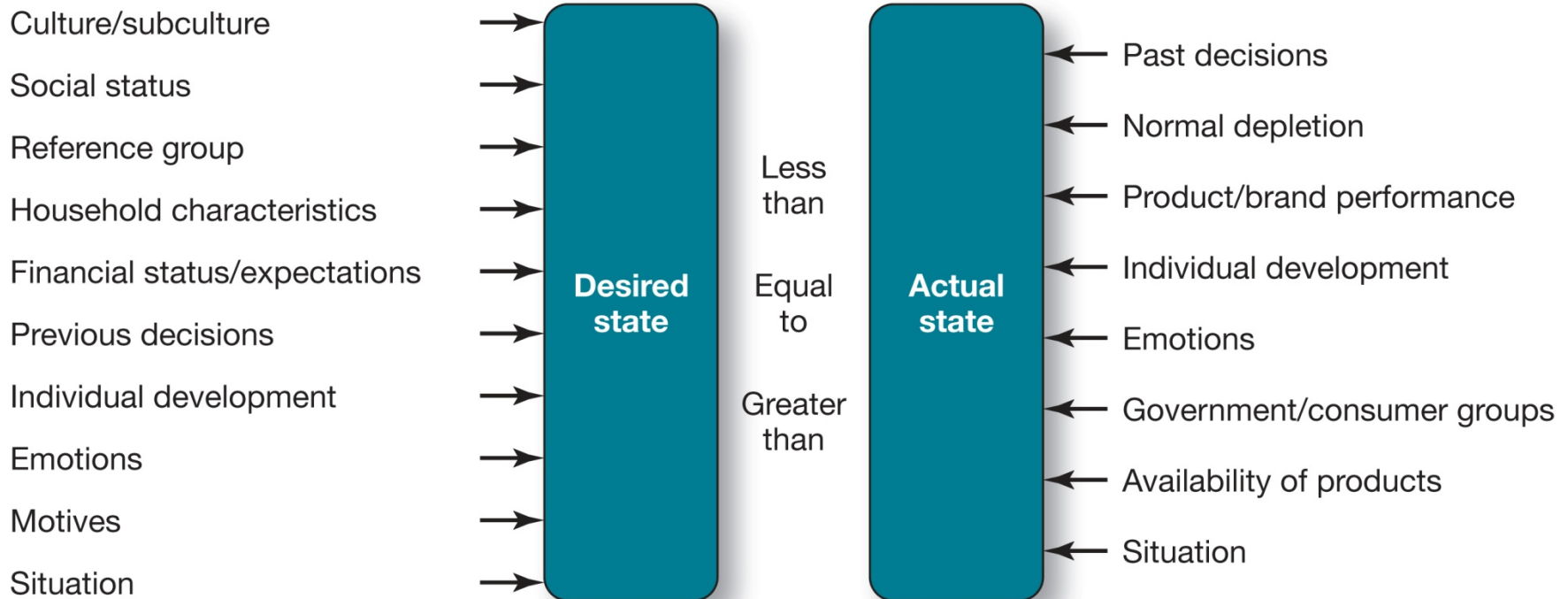
*Marketing strategy:*

Marketer must convince consumers that they have the problem **AND** that their brand is a superior solution.

# Uncontrollable Determinants of Problem Recognition

## Nonmarketing Factors Affecting Problem Recognition

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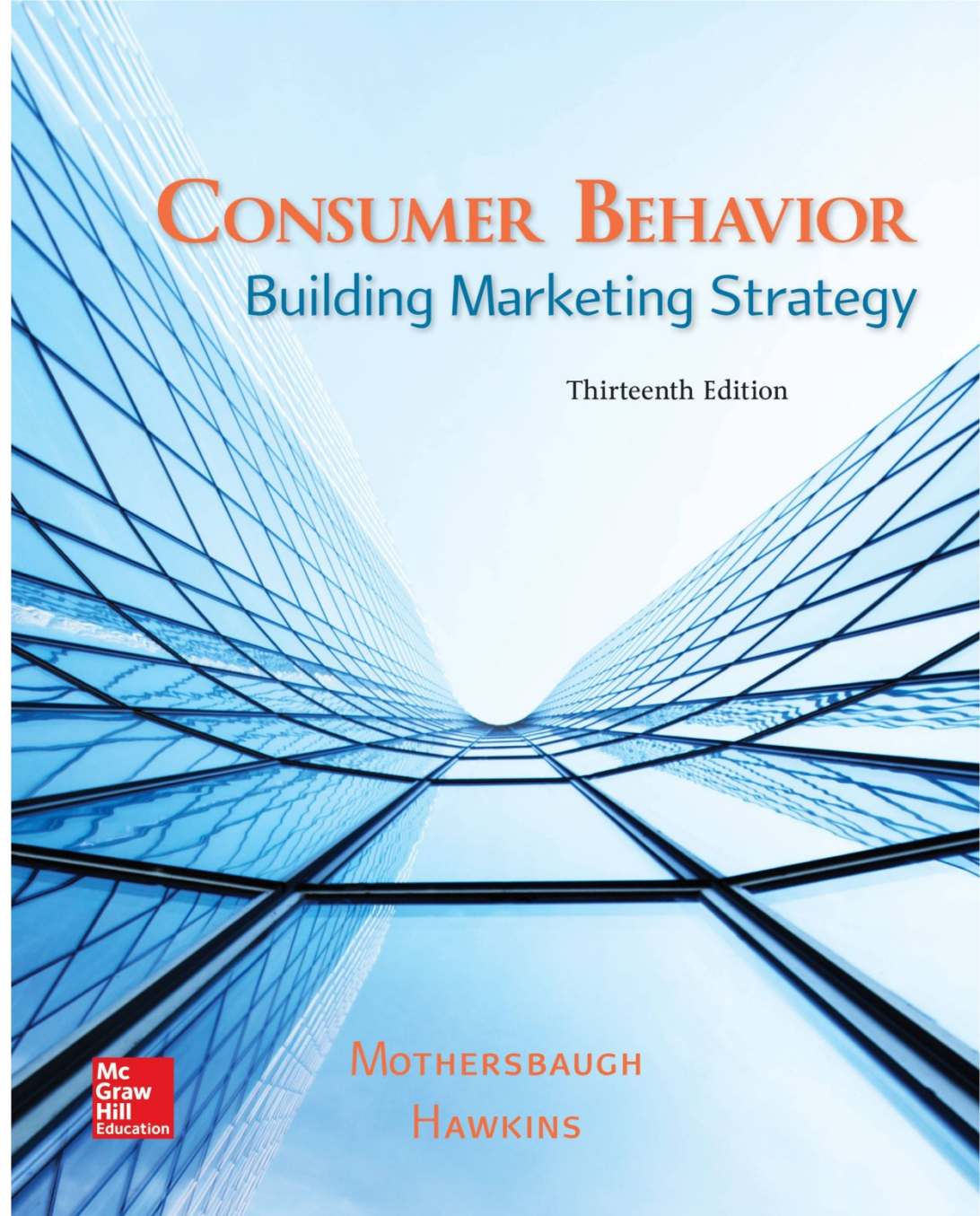


# Marketing Strategy and Problem Recognition

- 1. Discovering Consumer Problems***
- 2. Responding to Consumer Problems***
- 3. Helping Consumers Recognize Problems***
- 4. Suppressing Problem Recognition***

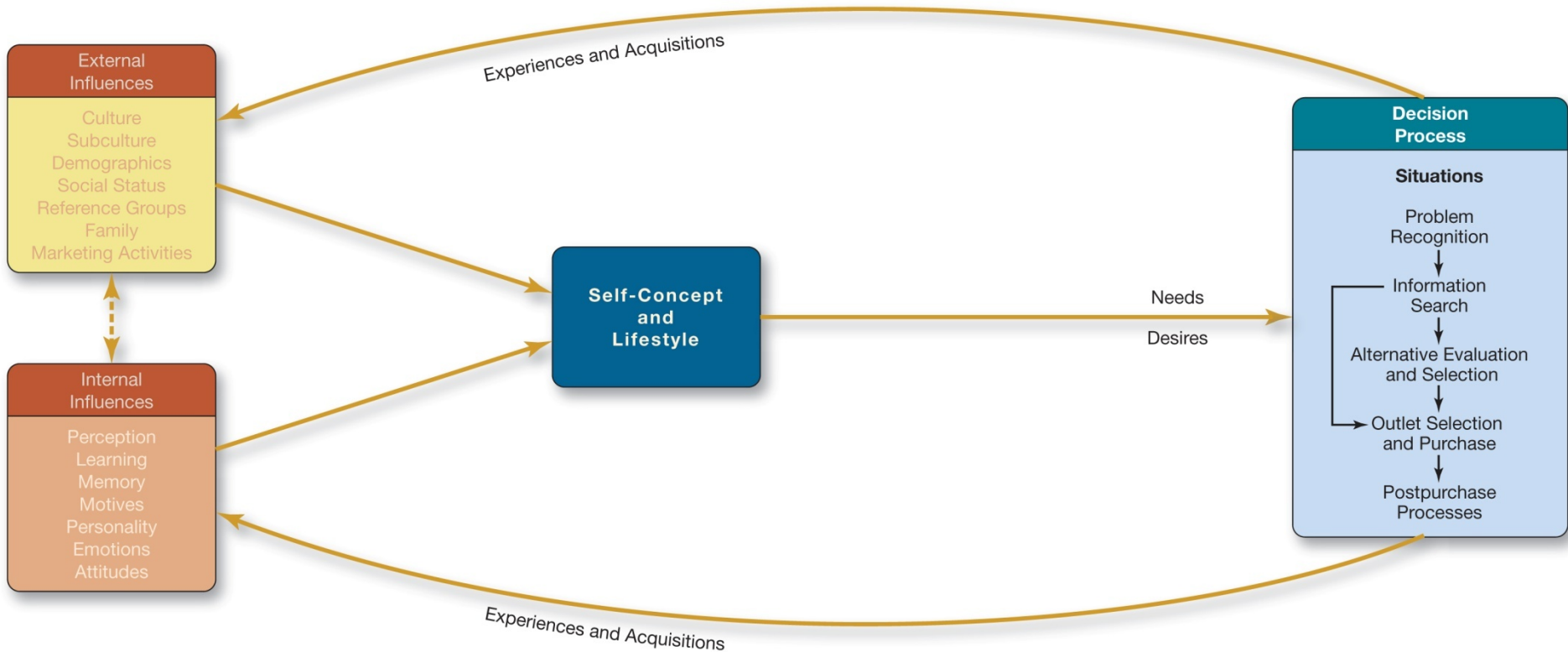
# CHAPTER 15

## Information Search



# PART IV: CONSUMER DECISION PROCESS

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# The Nature of Information Search

Consumers continually recognize problems and opportunities, so internal and external searches for information to solve these problems are ongoing processes.

## ***Internal Search***

Search of long-term memory to determine if

1. a satisfactory solution is known
2. what are types of potential solutions, and
3. ways to compare the possible solutions.

## ***External Search***

If a resolution is not reached through internal search, then the search process is focused on relevant external information.

*Ongoing search* is done to acquire information and because the process is pleasurable.

# Types of Information Sought

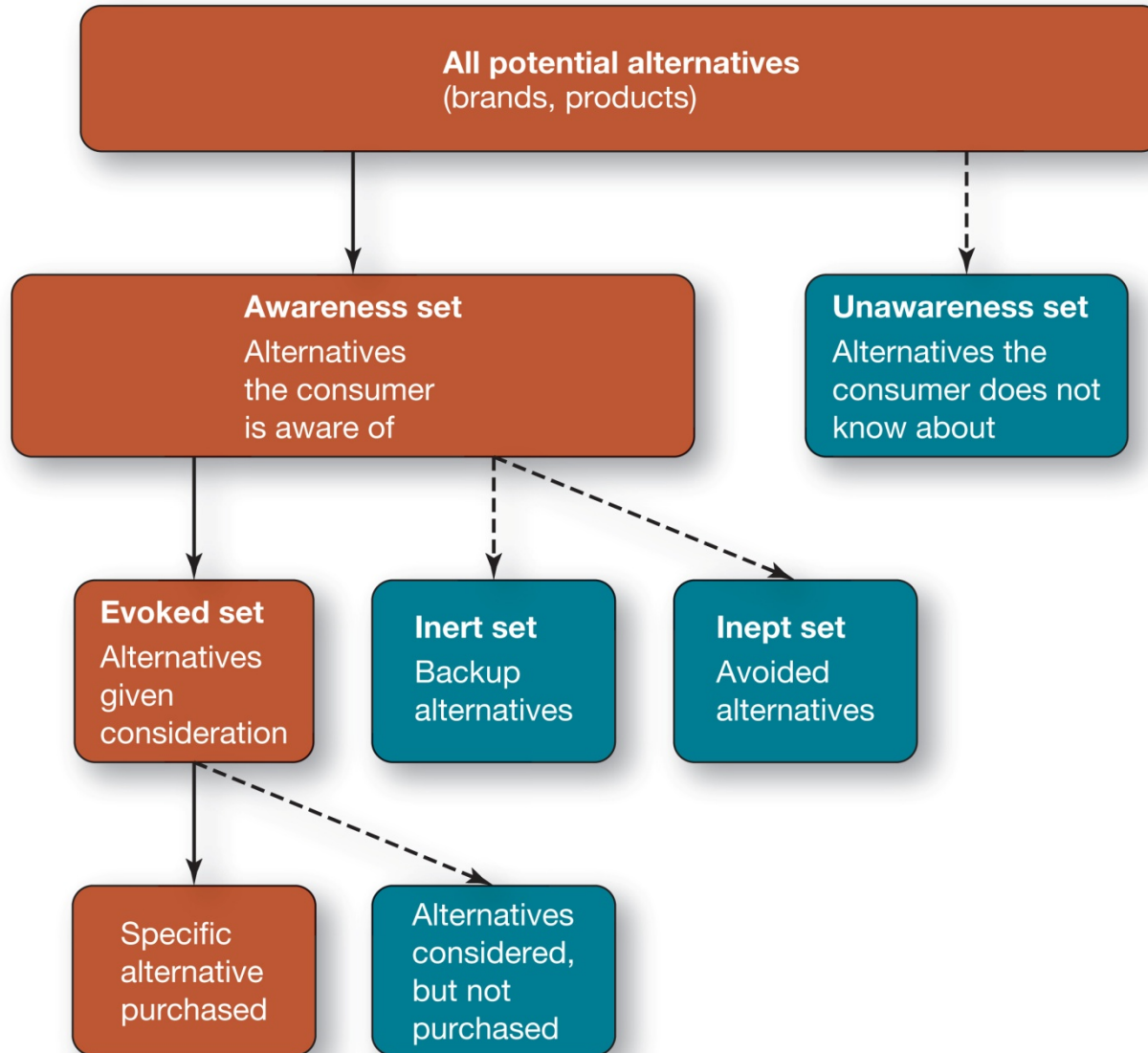
*Consumer decisions require information about:*

- ***Appropriate evaluative criteria***
- ***The existence of various alternatives***
- ***Performance of each alternative on each evaluative criterion***



# Types of Information Sought

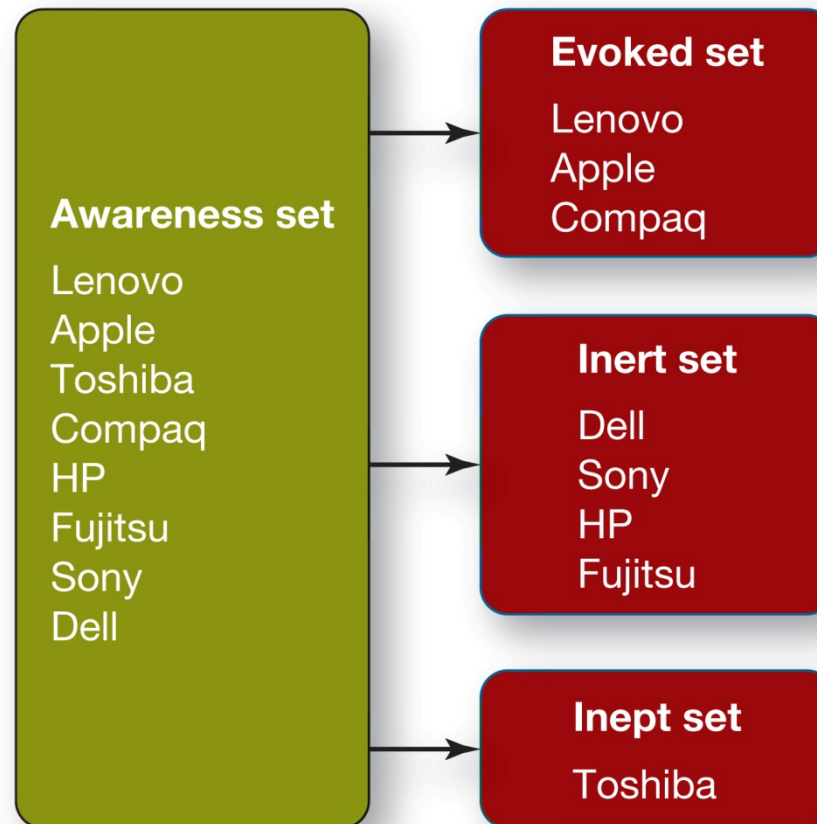
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# Types of Information Sought

## *Example of Decision Alternatives for Laptop Computers*

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*Chart your last big purchase information search.*

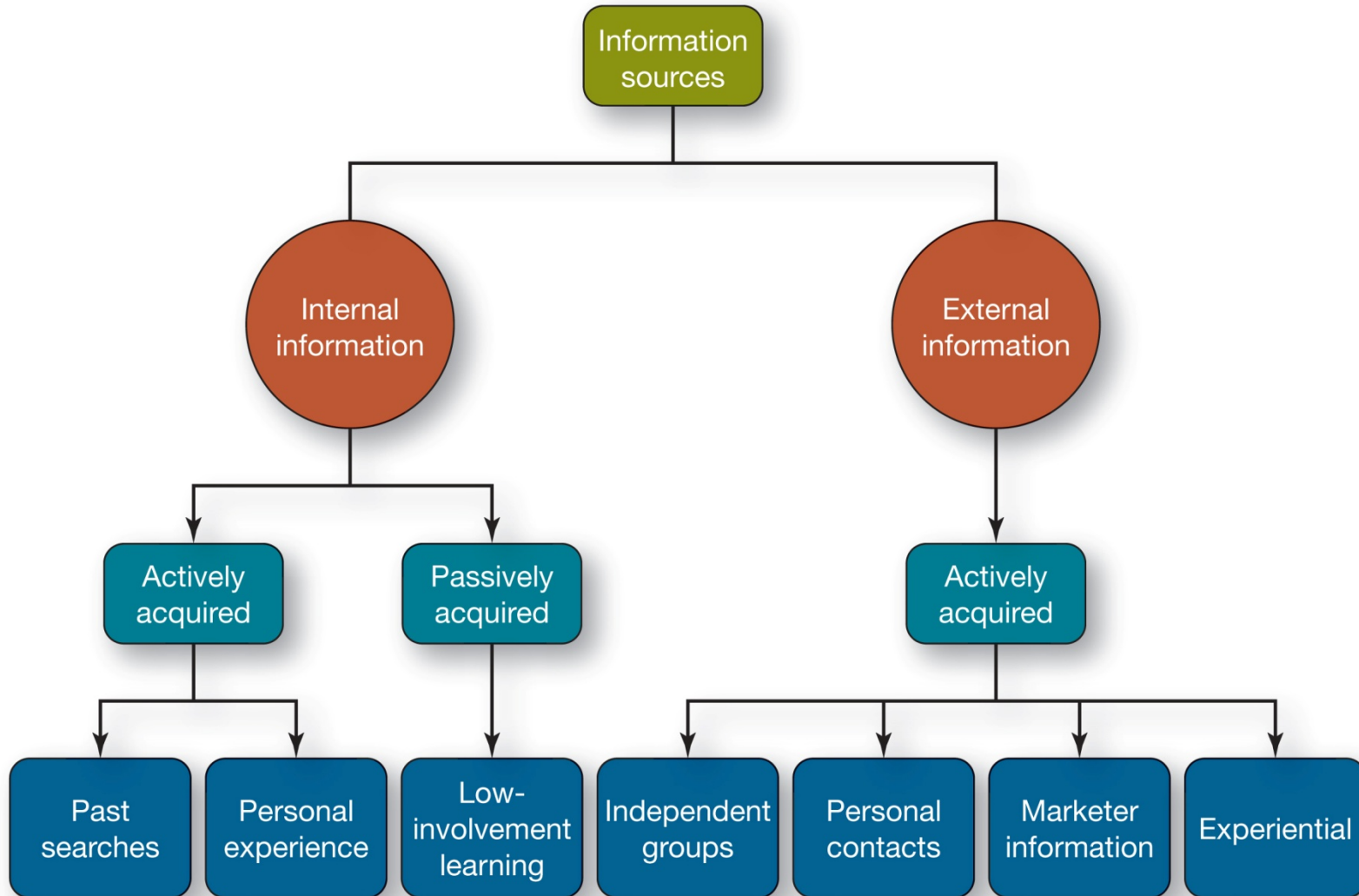
# Sources of Information

*Five primary sources of information available to consumers:*

- **Memory** of past searches, personal experiences, and low-involvement learning
- **Personal sources**, such as friends, family, and others.
- **Independent sources**, such as magazines, consumer groups, and government agencies
- **Marketing sources**, such as sales personnel, websites, and advertising
- **Experiential sources**, such as inspection or product trial

# Sources of Information

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# Costs vs. Benefits of External Search

- ***Market Characteristics***
- ***Product Characteristics***
- ***Consumer Characteristics***
- ***Situation Characteristics***

## Factors Affecting External Search Immediately Prior to Purchase

Influencing Factor	Increasing the Influencing Factor Causes External Search to:
<b>I. Market Characteristics</b>	
A. Number of alternatives	Increase
B. Price range	Increase
C. Store concentration	Increase
D. Information availability	Increase
1. Advertising	
2. Point of purchase	
3. Websites	
4. Sales personnel	
5. Packaging	
6. Experienced customers	
7. Independent sources	
<b>II. Product characteristics</b>	
A. Price	Increase
B. Differentiation	Increase
C. Positive products	Increase
<b>III. Consumer characteristics</b>	
A. Learning and experience	Decrease
B. Shopping orientation	Mixed
C. Social Status	Increase
D. Age and household life cycle	Mixed
E. Product involvement	Mixed
F. Perceived risk	Increase
<b>IV. Situation characteristics</b>	
A. Time availability	Increase
B. Purchase for self	Decrease
C. Pleasant surroundings	Increase
D. Social surroundings	Mixed
E. Physical/mental energy	Increase

# Marketing Strategies Based on Information Search Patterns

Position	Target Market Decision-Making Pattern		
	Nominal Decision Making (no search)	Limited Decision Making (limited search)	Extended Decision Making (extensive search)
<i>Brand in evoked set</i>	Maintenance strategy	Capture strategy	Preference strategy
<i>Brand not in evoked set</i>	Disrupt strategy	Intercept strategy	Acceptance strategy

<https://youtu.be/yMNR2kwPt4o>

<https://www.youtube.com/watch?v=uRvnA6kC04>

<http://fortune.com/2015/04/23/dr-pepper-snapple-soda/>

<https://www.honda.com/>