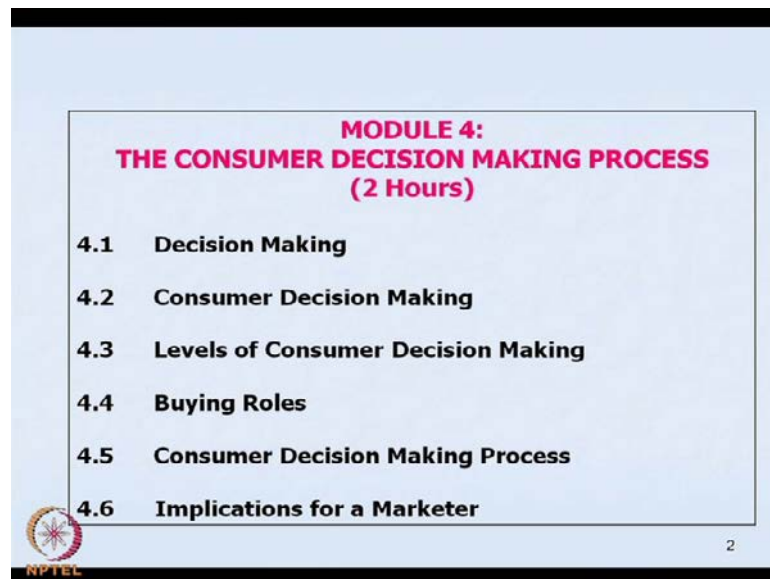


Consumer Behaviour
Prof. S. Sahney
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Lecture - 7
The Consumer Decision Making Process

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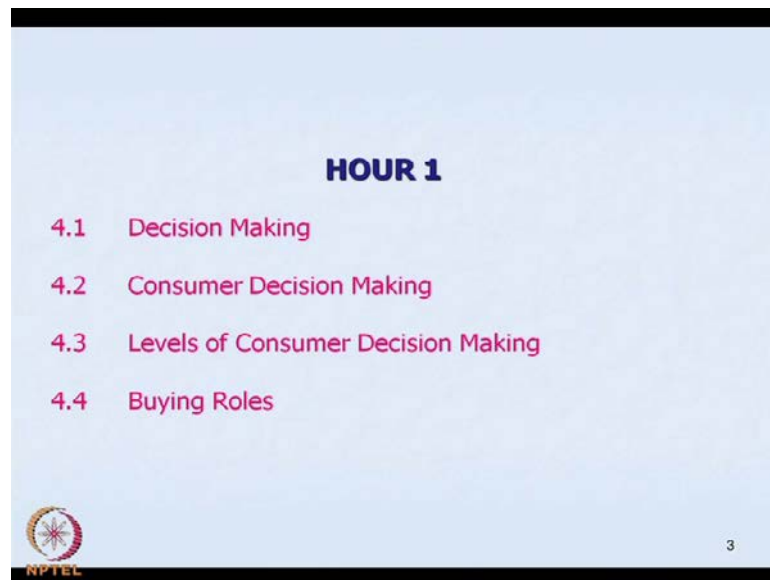
MODULE 4:
THE CONSUMER DECISION MAKING PROCESS
(2 Hours)

- 4.1 Decision Making**
- 4.2 Consumer Decision Making**
- 4.3 Levels of Consumer Decision Making**
- 4.4 Buying Roles**
- 4.5 Consumer Decision Making Process**
- 4.6 Implications for a Marketer**

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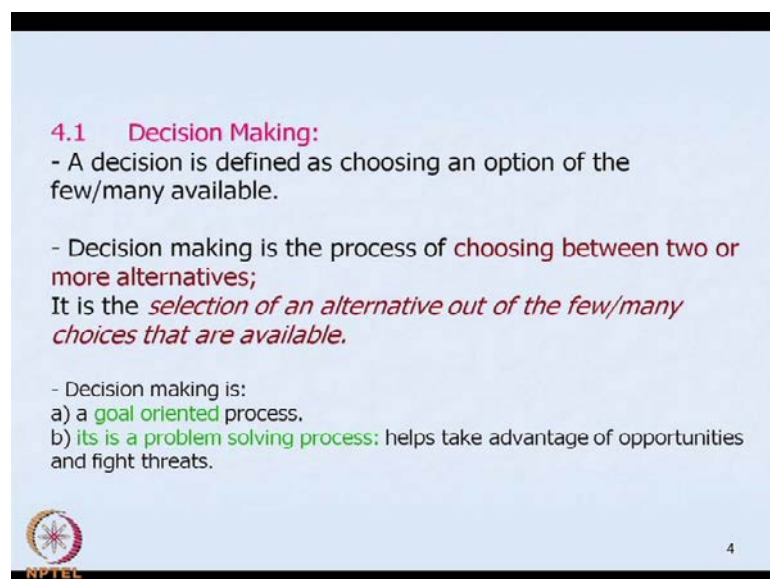
Today, we will be speaking about the consumer decision making process. This is the fourth module of this course titled “Consumer Behaviour”. And in this particular module, we will be covering a few topics, which will be covered in two sessions or 2 hours. The various topics which we will be covering will be decision making, consumer decision making, levels of consumer decision making, buying roles, the consumer decision making process and implications for a marketer.

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In this particular hour, we will be studying the first four constituents of this module which is decision making, consumer decision making, levels of consumer decision making and buying roles.

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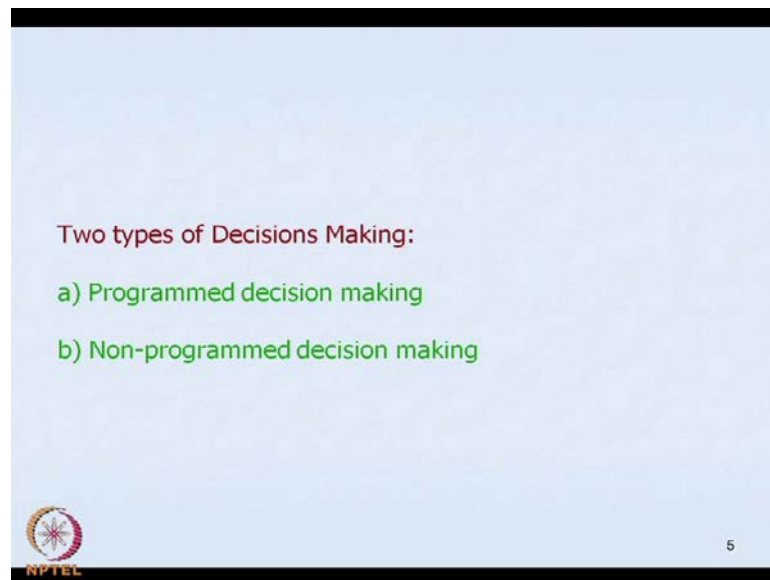


So, let us first start with decision making. Now, decision is defined as choosing amongst two or more alternatives. It is actually the process of choosing an option of the available alternatives or choosing one of the available alternatives which are you know there in any kind of situation. So, with respect to a consumer we would say, decision making is

with respect to choosing one or two brands, out of the many which are available in the market. Now, let's first restrict our decision discussion with respect to decision making; what is decision making. So, as I just said choosing between two or more alternatives choosing one or either two or I mean choosing one of the two or one of the four or one of the six alternatives. So, it is basically choosing an option of the few or many available.

Now, the decision making process is defined as a process of choosing between two or more alternatives and it is actually the selection of particular alternative out of the many choices that may be available. Now, when we talk about decision making, we speak of (()) two perspectives. One it is goal oriented. It helps you reach a desired state or it helps you reach a end objective or a goal. Second is, it is a problem solving process. So, we start with a problem and we look around to look for solution to that problem and when you are looking around, you know look for solution to the problem we find a few alternatives available. So, we choose one of the alternative; we choose the best alternative which may be available and so the entire process is decision making. So, when we define the process or to define a decision making would say, one it is goal oriented; two it is intended to solve a problem. So, it is essentially a problem solving process trying to take advantages of opportunities, trying to take find threats. So, whenever we need to take advantage of opportunities and finds threats in the environment or we identify a problem which is currently there or may be there in future, we actually looking at a state where there is a problem. We are looking at the process as a problem and we are trying to solve this problem through this process called decision making.

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Now, when we talk about decision making there are two types of decision making. One decision making, one type of decision making is programmed decision making and the other kind of decision making is non-programmed decision making. So, let us discuss what programmed decision making and non-programmed decision making is. Programmed decision making is for the problem that are routine, that are regular which are very simple to deal with; because they are regular, because they are routine, there are guidelines which are available to deal with such problems. We make decisions without much thought. Again because there is a process available they are the guidelines available to solve such problems. We do not, would not have to put in much of physical effort or we do not have to put in much of cognitive effort. The rules already exist the process or (()) you know problem solving mechanism are already exist; we just have to put it in practice. So, you know programmed decision making something which is very easy, which is quick, which is less time consuming, which is very less complex or very less complicated.

With respect to marketing when we talk about programmed decision making, we are speaking about decisions related to day to day purchases of routine, routinized products or convinced products or shopping goods. You know, so we are going to use this products regularly, we are going to buy this products very frequently, we are going to you know use them consume them you know again going for a purchase and use them purchase them. So, the process is going to be very regular it is going to be very frequent

and that is why we say that, this is very simple process, very less cumbersome, very quick, not much of physical effort, not much of cognitive effort, not any cognitive effort at all in fact.

So, these products basically are convenience goods or shopping goods and they also low involvement purchases. What do we mean by low involvement purchases? Low involvement purchases are those which are, you know those goods which are low in cost, they are low in terms of perceived risk, they are infrequently, they were very frequently purchased, they are you know it is more of a habitual purchase or a routine purchase that occurs with respect to these products. So, they are also called routine purchases. So, any and all kind of shopping goods, any and all kind of convenience goods, these are all low involvement products and when we talk of program decision making from the marketers' point of view, we are actually speaking about the purchases which respect to shopping goods and convenience goods.

As I just said these decisions are you know habitual in nature and because they are habitual in nature, because it is routine purchase, because the consumer goes to the process again and again, buying the same brand again and again, buying the same product again and again, there also kinds of develop brand loyalty with respect to these products. So, we have examples in this form of staples, we have the example in the form of grocery items, we have the examples in the form of toiletries, which essentially you know low involvement purchases, very regular, very habitual and brand loyalty can easily develop with respect to these products.

Also remember it is not only loyalty which could develop, switching rate is also would be very, very high. It is very important that when a consumer faces such a kind of problem, the marketer is ready with stocks in the market available to for him. Otherwise the consumer would switch over to another brand and he would just you know he have to buy another brand and if he likes the other brand then he may switch over to the other brand. So, it is very crucial for a marketer that with respect to that purchases he should available at the right time and at the right place with his product and service offering. So, such decisions which are very simple, which are very you know quick, we do not require any kind of an effort are all programmed decision. So, you know it is basically the need arises, so in that form a consumer identifies a problem and he goes about solving the

problem in very simple, routine and you know quick manner. So, this is what we call as program decision making.

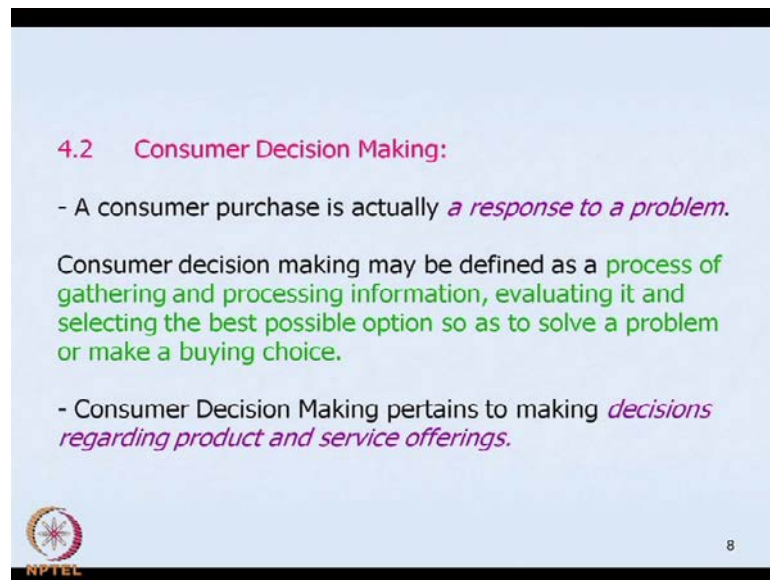
So, is also something called as non-programmed decision making. In non-programmed decision making these are problems which actually arise very suddenly, they were very unique, they were in novel and this kind of a decision making is very complex in nature. Because they are novel, because they are unique in themselves processes of mechanism to solve such problems do not exist. So, the person has to you know going for the lot of information search he as to go in for lot of deliberation, lot of thought and the process is very, very complex. With respect to marketing these are decisions are related to purchase of products which are you know high involving purchases.

So, you know opposite of low involvement is a high involvement and what are high involvement purchases? High involvement purchases are those which are expensive products, level of perceive risk is high, there infrequently purchased, action is irrevocable in the sense at if you go and purchase the product you cannot go and return it. So, overall the level of perceive risk is high with such products, also they are irregularly purchased. So, you know when we speak about non-programmed decision making, we actually speaking about products which required (()) speak about such buying situation, which require a lot of physical activity in terms of information search. Also require a lot of cognitive effort in terms of information, deliberation, comprehension, retention and final decision making.

In terms of marketing again when we speak about the speciality goods, when we speak about emergency goods; they are basically non-programmed decision making. Of course, speciality goods are very high involving purchases. Emergency goods may not be always very high involving but never the less, because the time require to make such, you know solve such problems very short; when the consumer has to act immediately to solve a particular need or problem. So, in this case you know this kind of a problem decision making is complex and it is something which is non-programmed.

Examples include purchase of laptops or property, real estate or you know also it could include an emergency for medical services. So, you know kind of a immediate attention to save a life all of these are actually non-programmed decisions and they were very, very complex lot of time in effort is require to complete this particular process.

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4.2 Consumer Decision Making:

- A consumer purchase is actually *a response to a problem*.

Consumer decision making may be defined as a **process of gathering and processing information, evaluating it and selecting the best possible option so as to solve a problem or make a buying choice.**

- Consumer Decision Making pertains to making *decisions regarding product and service offerings*.

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Now, let us move to the second topic in this particular module, which is called consumer decision making. Whenever we speak of consumer decision making we are talking about a consumer, have not to choose between different products or have not to choose between different brands or have not to choose between different alternatives that are available. So, in terms of a product or service offering, he would have to decide which of the particular products or services or which of the particular brands he has to choose from. This is essential and you know this is very important because resources with a consumer are limited. So, keeping in mind the limited resources or scarce resources and unlimited needs and wants and you know unlimited number of options available in the market, he has to basically decide and choose to get best possible one. So, this actually starts or initiates a process which we call decision making.

Whenever, a consumer has a need or want, the corollary of this is a problem which he has to satisfy. So, whenever we speak of need or a want we actually talking of a problem state in the minds of a consumer. It is with a motive to solve this problem that he enters into the decision making process. So, when we talk of consumer decision making, they essentially talking about a response to a problem. Consumer decision making may be defined as a process of gathering and processing information, evaluating it and selecting the best possible option so as to solve a problem or make a buying choice. So, it is a process of gathering information, processing information, evaluating it and then deciding on the best possible alternative; so as to able to satisfy a need or a problem; so as to able

to finally enter into a product and or brand choice. So, a consumer decision making basically pertains to making decisions with respect to products and service offerings and or the various brands available.


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Consumer Decision Making pertains to the following decisions:

- a) *What to buy*: Products and Services (and the Brands?)
- b) *How much to buy*: Quantity
- c) *Where to buy*: Place
- d) *When to buy*: Time
- e) *How to buy*: Payment terms.

All purchase decisions are not similar.

The effort put into each decision making is different.

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Now, the consumer decision making pertains to the following kinds of a decisions. When the consumer is faced with a problem I mean, as I said, corollary is there is a need. So, when the person as a need or a want and the corollary of which is that there is a problem and he has to solve these problems; he enters into this decision making process. In how to solve the process he would gather information, he would you know comprehend this information, evaluate the different alternatives and then settle on a particular alternative which he feels is a best possible.

When he makes a final choice his choice or his decision pertains to a number of questions. Some of which are what to buy? So, in terms of what should I buy as a consumer what should I buy? So, it would be in terms of product and services or it would be in terms of brands. How much to buy? What is should be the quantity of purchase? Where to buy? Where should I buy from, what should be the place? Should it be a small place, small store or large outlet or should it be a normal kerana store or mall or should it be a physical format are in today's time could should it be a virtual format or an electronic platform. When should I buy? So, here it means the time. Should it to be bought you know different times of the day or it is different days of the week or is it

going to be an week end or purchase is going to be an a fought lightly based or monthly or half yearly or an annually. So, when should be the, when should purchase been made and how should be buy? In terms of what should be the payment terms? It is going to be cash down or if it is going to be in terms of instalment, what are going to be the EMI?

So, all these decisions you know relate to consumer and to decisions which he has to make with respect to what to buy, how to buy, where to buy, how much to buy and you know how to pay. So, all of these are important decisions which consumer has to take and as we go about the course will do well upon each of these questions. Now, all of these purchase decisions which are made on the part of a marketer are not similar. Just as we discussed you know high involvement products and low involvement products and I just explain that low involvement products the decision making will be simple. On the other hand, it will be very program. On the other hand, for high involvement products it is going to be a complex process, which is going to be, which is actually a non-programmed decision.

So, depending upon the product or service offering depending upon the amount of time available for the purchase. We will say that the different kinds of products or the different kinds of services would not require the same kind of physical or cognitive effort on the part of a marketer; on the part of a consumer I am sorry. So, from the consumer's point of view when he has to purchase a laptop, his decision making process would be much difference than to one when he has to purchase a toothpaste. So, the level of physical effort the level of cognitive effort is not going to remain the same, when we speak about different kinds of product and service offerings.

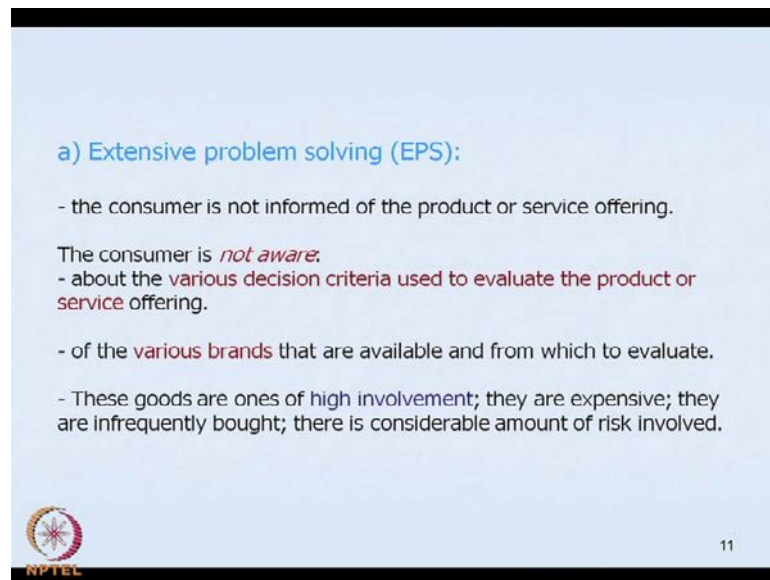
The process is not similar; the decisions are not going to be similar. The effort that is going to be put in into each you know activity, each purchase activity, when we see the differences across the product and service offering, the amount of effort, the amount of time that we will put in will be different depending upon product, depending upon the purchase situation. So, while the process is you know generally we speak about of the five stages process which is you know identifying the problem, searching for a information, evaluating alternatives you know decide making a purchase, decision and post purchase behaviour; while the stages are five staged the amount of effort, the amount of time require to complete each of the stages is not going to be the same. It will

be vary across product and service offerings also it is vary across the time which is available with the consumer.

Now, next this is brings us to the levels of consumer decision making. Now, as I just said that the amount of effort, the amount of time you want to put in to purchase, products and services are going to vary across the nature of product and service offerings. So, let us see, let us discuss in terms of the levels of consumer decision making. Now, while decision making is simply defined as a selection of an alternative to solve a problem, a time and effort requires to solve such problems will vary across buying situations. On a continuum or on a scale we can classify these situations into three categories or we can classify them into three different levels of consumer decision making. We call them extensive problem solving or EPS, limited problem solving or LPS or routinized problem solving or routinized response behaviour or RPS. So, we will now speak about the different levels of consumer decision making in terms EPS, LPS and RPS. As we move along we will see that amount of effort that the consumer will take across these levels it is going to be very, very different, the amount of time is going to be spend in decision making is also going to be very, very different.

So, let us first discuss what extensive problem solving is. Now, in extensive problem solving the consumer is not aware of product or service category. He is not aware of the different brands as well. He is also not aware about, 1) the different products, the different services, the different brands; 2) the different criteria on which he has to evaluate those product and service offering and or those brands.

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a) Extensive problem solving (EPS):

- the consumer is not informed of the product or service offering.

The consumer is *not aware*:

- about the *various decision criteria used to evaluate the product or service offering.*
- of the *various brands* that are available and from which to evaluate.
- These goods are ones of high involvement; they are expensive; they are infrequently bought; there is considerable amount of risk involved.

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So, he is not actually aware about the decision criteria or the evaluative criteria which is going to be used to evaluate the products; he is not aware of the various brands from which he has to evaluate. In most cases such goods are expensive goods. They are very infrequently purchased the level of perceived risk is very, very high and essentially we are speaking of goods which are ones of high involvement. So, if you see the consumer has no idea about the product or service category; he has no idea about the various brands that exist in the market and he has no idea about various criteria which is going to be used to evaluate the different brands and different alternatives which are available in the market. So, we call this extensive problem solving.


Naturally the amount of information gathering which he will have to undergo going to be determine this the cognitive effort which is going to be used to comprehend information, retain it store it, is going to be very, very complex. And the amount of time which is going to finally take to you know solve this problem or you know we corollary which is to decide a product or service offering to meet his particular need is going to be very, very long, the time it is going to be substantial is long. The effort that is going to be put is very, very high.

Now, second we come to you know, before we move we will also speak about the implications of EPS, one the purchase effort involves lot of, purchase process involves lot of effort on the part of the consumer. He has to gather information about the

evaluative criteria or the decision rule, decision criteria which he will use to evaluate the brands; he also has to gain the information about the various brands available and he also has to finally, make the choice with respect to the brands. So, first collect the information about the product category. So, has to able to identify the evaluative criteria or the importance features which he should use to evaluate them. The evaluative criteria what we mean is these are the criteria these are the features or attributes or benefits which a consumer which is valuable to the consumer and which he will use as a parameters or as a standards to evaluate against the different brands. So, 1) consumer has to collect the lot of information with respect to the product or service category so that he can identify the evaluative criteria, 2) he has to collect lot of information about the various brands or various alternatives available and 3) he also has to finally, make a choice with respect to product or service offering.

As I just said these are goods of high involvement also they are first time purchases. For example, if you are buying a laptop for the first time and you are absolutely new to this particular product category; you do not, you are not aware of the laptop at all or you know even a computers, if a buying a computer for the first time, nobody in your family has ever had a computer or owned a computer; and you do not know anything about how, what are various attributes or features or characteristics on which you should be evaluating them. You are basically talking of an EPS. Other examples of an EPS may be with respect to electronic goods or jewellery or real estate and property. So, all of these will required tremendous amount of effort in terms of you know collecting information and then evaluating it and this amount tremendous amount of physical cognitive activity that the consumer will have to undergo. So, this is about we mean by extensive problem solving.

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b) Limited problem solving (LPS):

- The consumer is familiar of the product or service offering; but he is unaware of the various brands.

The consumer:

- *is aware* of some brands and also of the various criteria used to evaluate the product or service offering.
- *is unaware* of the new brands that have been introduced.
- *has not evaluated* the brands amongst the awareness set and has not established preferences amongst the group of brands.
- The amount of effort ranges from low to moderate.

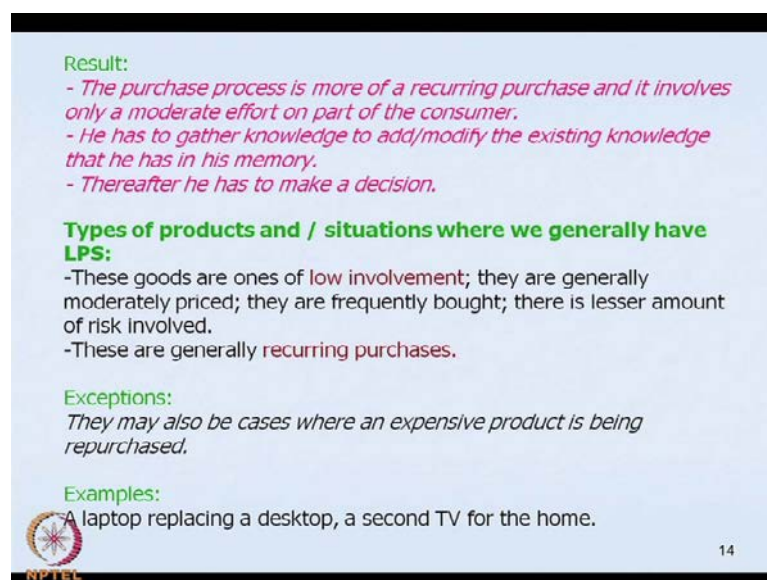
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Now, let us come to second which is limited problem solving. Now, in limited problem solving the consumer is familiar about the product or service category. But he is unaware of the various brands that are available. So, you know he is he has some idea about the product or service category. He is aware about the some of the evaluative criteria or different you know parameters which may be used to evaluate the different brands, but he is unaware of all the brands that may be existing. So, what it is he is aware of some brands, he is aware of evaluative criteria which exist, but he may not be fully aware of the newer brand which have enter of late or he has not basically aware of you know newer models which have entered into the market, even if he is aware of these models, even if he is aware of the various alternatives; he has yet not prioritized his preferences. He is (()) said yes this brand is better than that. So, this process involve, limited problem solving basically involves gaining information about sorry updating information about the various brands or about the various models and then prioritizing your preferences or arranging you are the various brands in order of preferences.

So, the effort which actually required ranges from save out low to moderate disk. Low to moderate amount of activity with respect to physical activity in terms of collecting or gathering data or gathering information and again low to moderate effort in terms of cognitive effort which is, you know just trying to evaluate the various brands and arrange them in the order of preference.

So, the result of LPS or a limited problem solving is that the purchase process becomes more of a recurring purchase on it you know it requires a limited effort on the part of the marketer. In fact, many offers second time purchases of high involvement products will also fall into LPS. Although they are high involving, but the very fact that we have fought them earlier; means, we have some experience with the product and service category and so the amount of effort which will be required on the second purchase of the same product is going to be lesser. So, you know he just has took consumer just basically has took update his knowledge update and modify the existing knowledge base of knowledge in his memory, and then he has to take a decision just has to you know update his data base and then decide or order out his preferences with respect to various brands.

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Result:

- *The purchase process is more of a recurring purchase and it involves only a moderate effort on part of the consumer.*
- *He has to gather knowledge to add/modify the existing knowledge that he has in his memory.*
- *Thereafter he has to make a decision.*

Types of products and / situations where we generally have LPS:


- These goods are ones of **low involvement**; they are generally moderately priced; they are frequently bought; there is lesser amount of risk involved.
- These are generally **recurring purchases**.

Exceptions:

They may also be cases where an expensive product is being repurchased.

Examples:

A laptop replacing a desktop, a second TV for the home.

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Now, the types of products or the situation where we generally have LPS are the goods which of low involvement. Low involvement here meaning they are moderately priced or they are, you know they are frequently bought, but not very frequently bought and this lesser amount of risk. These are generally as I said recurring purchases. Now, as I said little while ago that even if you are, for example, buying a laptop second time. So, you have an idea about laptop which you purchase 8 years ago. So, now you want a second laptop for yourself or you want a second refrigerator for yourself. So, you already have some idea about the product category; you already have some idea about the evaluative criteria. You just need to know more about brands or more about the newer models that

have enter the market place and you have to just finally, arrange them in the order of preference. So, this is what we mean by LPS or limited problem solving amount of effort required would be low to moderate.

Then we speak about the RPS or routinized problem solving. It is also called as routinized response behaviour. Now, here the consumer is very well formed very well experienced with the product category. He knows about the various features on which he has to evaluate brands; he know about the brands which are available. He has been using these products or brands very frequently and the purchase has been more in terms of a routine purchase. That is why they are called routinized purchases or routinized response behaviour. So, the consumer is aware of both decision rule criteria on which is to evaluate brand and he is aware of different brands and the purchases is actually a reputation or repetitive purchase or routine purchase, products which fall into this category would be you know low involvement products which are inexpensive very frequently bought, level of perceive risk is very high very low; so level of perceive risk is very very low and he just has to go ahead you know just go to the store and ask for the other brand another piece of a same brand which he has been buying so.

Most cases he going to repeat his brand, so he is going to be a repetitive purchase with respect to both products as well as the brand and it is also mean some level of the brand loyalty. But (()) we one must remember that because these products are you know routinized purchases they are use by us on a regular basis you know the rate of switching is very, very high. In case in (()) at if a particular product or a toothpaste is not available, the person has two options either ask for the another brand or he goes to another store. So, in both cases business gets loss, say for example, I want a television and then I will go to Sony shop and ask for a particular model and if that is not available I will probably we will into wait for a week or ten days till it gets deliver to me.

But for a product like a toothpaste which I use say, I use Colgate Total and you know and I go to the store and asked for the Colgate Total. It is a routine purchase because I have buying Colgate Total again and again and brand loyal and I ask for a Colgate Total, but in case Colgate Total is not available, I am not going to be waiting for Colgate Total to be arrive and then I will purchase, what I am going to do is either I ask for Pepsodent or I ask I leave the store and go into another store looking for the Colgate. If I do not find it out there also I immediately buy Pepsodent and if I like Pepsodent I may just switch

over to Pepsodent. It is very important for a marketer that he should not be loading low involvement purchases at all; switching behaviour can be very, very high.

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Result:

- The purchase process involves no effort on part of the consumer.
- It is simple and the process is completed quickly; purchases made out of habit.
- These are routine purchases.

Types of products and / situations where we generally have RPS:

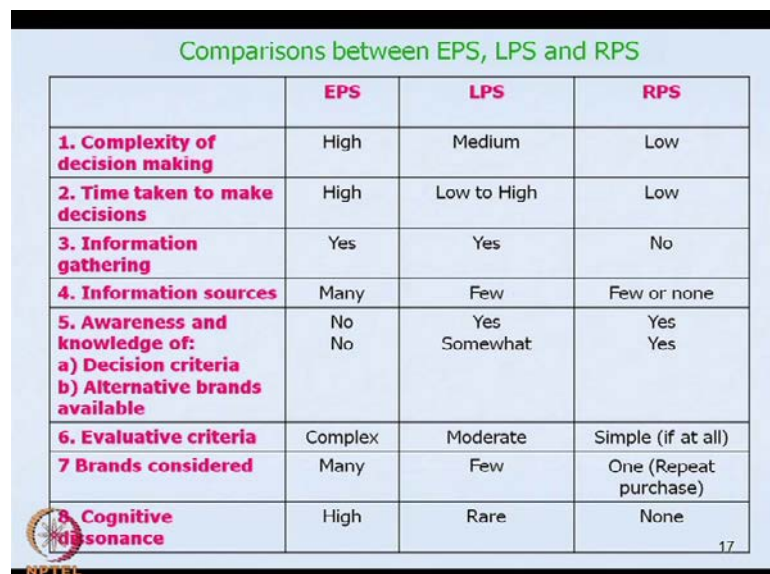
- These goods are ones of low involvement; they are inexpensive; they are frequently bought; there is no risk involved.
- These are routine purchases and the consumer is brand loyal.

Examples:
Staples, Cold drinks, Stationery etc.

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Now as we said the result of a routine routinized problem solving is, that is absolutely no effort required on the part of the consumer. You know It is routine purchase the process completed very quickly purchases I just made out of habit and brand loyalty and the examples include cold drinks or stationary items or toiletries. So, these are all products which actually fall into the category of routine problem solving.

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Comparisons between EPS, LPS and RPS

	EPS	LPS	RPS
1. Complexity of decision making	High	Medium	Low
2. Time taken to make decisions	High	Low to High	Low
3. Information gathering	Yes	Yes	No
4. Information sources	Many	Few	Few or none
5. Awareness and knowledge of: a) Decision criteria b) Alternative brands available	No No	Yes Somewhat	Yes Yes
6. Evaluative criteria	Complex	Moderate	Simple (if at all)
7 Brands considered	Many	Few	One (Repeat purchase)
8 Cognitive Dissonance	High	Rare	None

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If we compare you know the LPS EPS and RPS, let see for example, the complexity of decision making in extensive problem solving is very, very high. That of in LPS is medium and that in RPS is very low. So, if you see in the continuum, the complexity is extremely high in the case of extensive problem solving and low in the case of routinized problem solving.

Time taken to make decisions, of course when we are going to spend a lot of time making decisions in extensive problem solving. Time taken to make the decision in the case of limited problem solving will be low to high and in the case of routinized problem solving is going to be very, very low. Amount of information which we gathered in terms of EPS is high lot of you know information gathering you have to do. LPS is also gathered some information which will pertain to newer brands or newer models or newer features and of course while prioritizing them we will need some prioritizing different brands we would need some information. So, we have to collect information of the LPS as well, but for RPS there is no need for gathering any information.

Information sources for EPS would be many, for LPS would be few and for RPS would be few or none. Now, in terms of decision criteria an in terms of well alternative brands available, the level of awareness and knowledge which the consumer would you know have to posses with respect to EPS. He would absolutely have no idea about the decision criteria. In LPS he may have some idea about the evaluative criteria like attributes, benefits, features which were used for evaluation and in RPS also he would be aware of these criteria. But in terms of knowledge about alternative brands being available, in EPS the consumer would absolutely have no idea about the brands available. In LPS he would have some idea, but in RPS he would definitely have all the ideas. So, he would be no aware, he would be aware of the different brands which are available in the market.

As for as the evaluative criteria is concerned in extensive problem solving the evaluative criteria are going to be complex, in LPS there would be moderate and in RPS if at all they going to be very, very simple. Brands considered in EPS will be many, in the case of LPS will be few and in case of RPS they would be just one which is going to be a repeat purchase as we said consumer is going to be essentially brand loyal. And cognitive dissonance is something which we will be discussing later on, but I will make very brief mention about what cognitive dissonance is. Whenever the particular consumer buys a product and brings it home he begins to fail feel you know certain level

of anxiety and uneasiness as to whether decision which he has made with respect to the product or service offering has been the right one or not.

He feels very uneasy as to unsure about you know outcome of his decision. He gets into a state of disequilibrium with respect to have I made the right choice? Have I spent the money on the right alternative? So, this is in fact, this feeling is comes about immediately after the purchase even before the person as actually begin to consume that particular product or service offering. So, the results are yet to come in, but the result or performance is yet to happen, but you know consumer begins to have this level of anxiety immediately on the purchase. So, this feeling or this feeling of uneasiness or tension or anxiety with respect to having made the right decision or not is refer to as cognitive dissonance. So, the level of cognitive dissonance which the consumer will face with respect to extensive problem solving will be very, very high, because the amount of money which he is spend is going to be is more; the product is expensive; the level of perceive risk is very, very high and the product is something which is bought now and it is going to be frequently purchased it is also something where action is irrevocable he cannot go and return the product.

So, the level of cognitive dissonance is extremely high. On the other hand in the case of LPS because these are recurring purchases, I mean this is the second purchase the level of cognitive dissonance generally is moderated if at all or it is very rare. But in the case of RPS there is going to be no or dissonance at all you know you are. So, you use to using a soap or a toothpaste go and ask and even if you switched on the behaviour and the chosen brand Pepsodent over Colgate you would not face this kind of a dissonance because the product is low involvement product. This is not the expensive you know it is going to be over soon and soon you have to buy another one. So, we are not struck with that product or service for a longer time. So, this is how we will compare EPS LPS and RPS.

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	EPS	LPS	RPS
1. Consumer Involvement	High	Medium	Low
2. Problem recognition	Actual state type to Desired State	Actual state type to Desired State	Actual state type
3. Information search	Extensive Internal and external sources	Limited Mostly internal sources	Minimum Restricted to internal sources only.
4. Evaluation of alternatives	Complex	Moderate	Simple (if at all)
5. Purchase	Gradual after a cognitive process	Not so gradual	Immediate
6. Post purchase processes	Cognitive dissonance is high. Brand loyalty if satisfied	Cognitive dissonance would be rare	Brand loyalty. Repeat purchase.
Types of goods	Specialty goods	Mixed	Convenience

We could also compare EPS LPS and RPS on few more parameters. Let us see, let us discuss them in terms of consumer involvement. So, the consumer involvement is actually defined in terms of the level of interest and intensity with which the person approaches the product or service category. So, people some people are involved with some kind of product category some are involve with other kinds of product category. Generally speaking people are highly involved in high involvement product category because as I said level of perceive risk is very, very high. So, we should be discussing consumer involvement later on in the course of this course, but at the particular, at this particular time what I, what I would just like to say is that when we define involvement we speak of it in terms of level of intensity, with which a person approaches the market place for the purchase of product or service offering. It also relates to a level of interest which posses with respect to that product or service category.

So, when we talk about involvement and we talk about the consumer involvement it is going to be very high in terms of EPS it is going to be medium for LPS and it is going to be low for RPS. We can also speak of you know we can also compare EPS LPS and RPS on the five basis of the five stages of the decision making process. I just mention to you the five stages of the decision making process which is problem recognition, information search, evaluation of alternatives, purchase and post purchase process. So, if we compare the three levels of decision making on each of this five stages of consumer decision making, we will see that the problem recognition EPS is an actual state type to a desired

state type. So, you know that means, the consumer wants to move from one product to upgrade himself to a higher product or higher upper brand, from a lower price brand to a upper price brand or one model of you know mobile to say an improvised or a better model in a mobile.

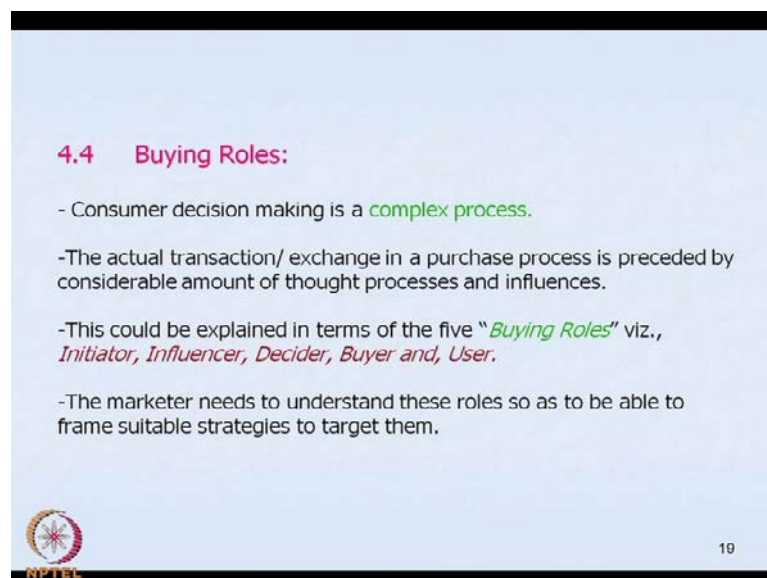
Similarly in LPS, also the problem recognition is respect to actual state type to desired state type; that means, consumer wants to move from one to another brand because he wants to upgrade himself. He wants a better product or he wants a better service. But in the cases of RPS because you know it is a routine purchase, it is basically an actual state type of a problem. The consumer reacts only when the product is you know stocks are depleted or the product is not, you know product is not working, it is damaged or you know immediate replacement is required. Information search in the case of EPS is extensive both in internal and external sources of information are looked into. In the case of LPS information search is limited and mostly restricted to internal sources. In the case of RPS it is very minimum restricted only to internal sources what we mean by internal sources are memory. Coming to evaluation of alternative EPS is very complex process, in LPS it is moderate you know alternatives evaluated moderate effort and in the case of RPS you know there is hardly any evaluation of alternatives, because it is routine purchase it is habitual purchase people are brand loyal even if there is any evaluation is going to be very, very simple.

The purchase; the next process stage in the decision making process is purchase. So, any EPS the purchase is very gradual after a long cognitive effort after a long, substantial amount of time is effort, time spent in physical effort or cognitive effort. So, the process is very gradual after a cognitive process and in the case of LPS it is not so gradual, but in the case of RPS the purchases immediate hardly any thinking, hardly any cognitive effort and just we have go to the market and buy. So, it is more of a physical effort and purchases absolutely immediate. Post purchases particular are as we just said cognitive dissonance is going to be very high in the case of extensive problem solving, if the consumer gets satisfied with the purchase its going to develop into brand loyalty. In the case of limited problem solving dissonance is going to be very rare. In the case of routinized is going to be no dissonance at all; it is a repeat purchase the consumers are very brand loyal and are extremely confident about the brand that they purchase. So,

there is no question of any uneasiness or any anxiety after having purchase a particular brand.


Finally we come to the types of goods we could also compare you know the EPS LPS and RPS on the types of goods. EPS is basically with respect to speciality goods LPS is with respect to mixed goods you know different kinds of goods, shopping goods, convenience goods, even some speciality goods which are recurring purchase, second purchase of speciality goods and in the case of RPS it is going to be more of convenience goods.

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4.4 Buying Roles:

- Consumer decision making is a **complex process**.
- The actual transaction/ exchange in a purchase process is preceded by considerable amount of thought processes and influences.
- This could be explained in terms of the five "**Buying Roles**" viz., *Initiator, Influencer, Decider, Buyer and, User.*
- The marketer needs to understand these roles so as to be able to frame suitable strategies to target them.

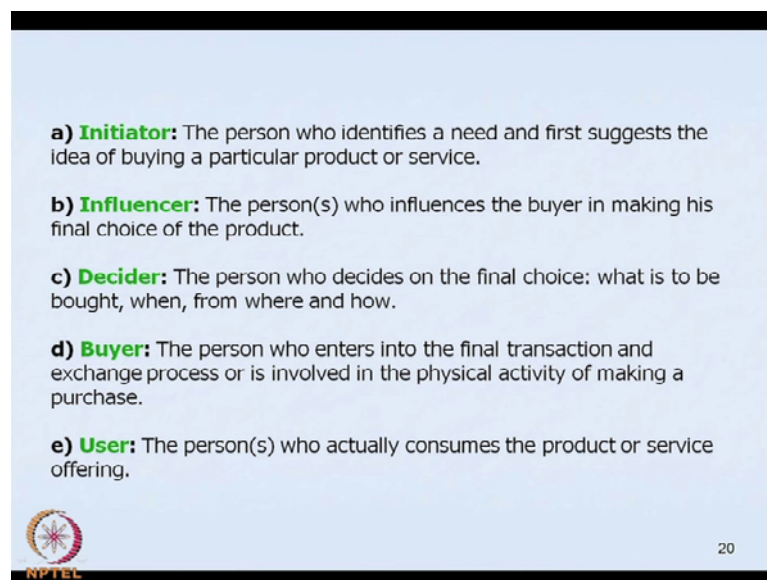
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Now, this brings us to the next topic in this particular session which is buying roles. So as we just see in the consumer decision process is going to be very you know complex process and you know we have a five stage process which shall be discussing in length in the next session. And different people have different roles to play across the entire buying process or entire consumer decision process. The amount, the you know the actual purchase is just a physical activity is just one visible part of the entire process much goes into, much goes into the process before this final act of purchase actually happens. It is lot of cognitive effort; there are lot amount considerable, amount of influences considerable amount of thought process that go into this entire process. We should not miss the impact, of the influences which are you know actually exerted upon the decision making process. The consumer decision with respect to product or service

offering is infracted by a number of you know forces in the environment number of influences in the environment.

We have discuss some of these influences in our previous classes, but here when we talking about the influences on the decision making, great amount of influence is exerted by the social influences (()) example the members of the family or friends around you or your peers or work colleagues. So, when we talk about the buying process we speak about something called the buying roles and you know these buying roles are five in number. We said that they could be five buying roles in a B to C scenario or a business to consumer market scenario. We have five buying roles these roles are initiator, influencer, decider, buyer and user. Now, the marketer has to understand all of these roles, because each of these roles are very important. I have made mention of these roles in my first and second session as well. First and second session of consumer behaviour I did make mention of these roles, but why these roles are important to the marketer is, I repeat because each and every role has function to perform. So, we will go through these roles and we will study them with an example.

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a) **Initiator:** The person who identifies a need and first suggests the idea of buying a particular product or service.

b) **Influencer:** The person(s) who influences the buyer in making his final choice of the product.

c) **Decider:** The person who decides on the final choice: what is to be bought, when, from where and how.

d) **Buyer:** The person who enters into the final transaction and exchange process or is involved in the physical activity of making a purchase.

e) **User:** The person(s) who actually consumes the product or service offering.

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Now, when we speak about these roles the initiator is the person whose identifies a need. He is the one who going to first suggest the idea of buying a particular product or service offering. He is the one who is going to say yes, this is what we want or this is the need or there is a problem which needs to be sorted out. So, either it is in terms of identification

of need or it is in terms of corollary of it is solving a problem. It is both going to come it is going to be both initiated from this role which is the initiators role. So, it is an important role for a marketer, because this is the role which is going to begin the decision making process. It is going to initiate the need for the beginning of the decision making process.

The second role is that of influencer. The influencer is the one who is going to influence the buyer. He is going to influence buyer in making the purchase decision. This is the brand you must buy; this is the brand you must not buy. These are the brands which you should consider or this is the better brand in that. So, the influencer basically exerting an influence either you know through word of mouth or through you know a deliberate, either through word of mouth or through as an answer to a deliberate question asked by a initiator. Say for example, one influence can be in terms of you know saying that yes. I have a product; I have a need; I want this particular product; can you suggest which one should I have buy? So, the initiator as an active you know part contacts the influences and tries and gets the information from them. Another influence could be in terms of (()), these five roles are initiator, influencer, decider, buyer and user; let us explain each of these roles with an example. The initiator is one who going to identify a particular need or the corollary of which could be identify a problem which need to be solved. So, he is one who going to first suggests the idea that the product or service offering need to be purchase. He is the one who's going to say, we have a need which needs to be satisfied or there is a problem that needs to be solved.

The second role is of the influencer. The influencer is the person who is going to influence the buyer. So, it is a social influence; it is not a marketer's influence. It is a social influence because we are talking about the buying roles. The third role is that of a decider who is going to basically make a decision with respect to the final choice, which is the brand? Which I should buy? What is to be a bought? When it is to be bought? how it is to be bought? How may going to make the payment? So, all of this is going to come from the decider. The fourth role is of that of a buyer. The buyer is one who is going to enter into the physical transaction or he is one who going to enter into the physical activity of making purchase. And the user is going to actually consume the product or use the product or service offering.

Now, all of these roles are important for a marketer. Initiator is the one who is going to start the process. The influencer is the one who is going to you know have an impact on, whether you know positively said about your brand oppositely said about your competitor brand. So, influencer is equally important for a marketer. The decider is important. The buyer is extremely important, because the actual purchase transaction is going to happen by the buyer, at whom as a decider you know the father may have thought buying a brand Y of a television, but when the son goes to the store he may end up buying the brand Z because probably it look better feel or better features or probably have an discount.

So, what actually matters to the marketer is a decider that is who is the one who actually making a purchase or entering into the final transaction. It may so happen that person we decide to buy something, but ends up buy nothing when he reaches the store he does not buy anything or he postpone the purchase for future. So, who is more important for a marketer, it is the buyer, because the buyer is the one who going to actually you know translate is need or want into a purchase and from the marketer's point of view it is going to be the demand. So, the decider would only present an intension to purchase but it is the buyer who is actually going to enter into this purchase.


And the fifth role is that of the user which the people who have going to actually consume the product. The user is also important because as a as a with the for the current moment decider is important, but for the future, for future purchases for recurring purchases, for repeat purchases, it is the users are important. Based on the satisfaction or dissatisfaction levels of the user is going to be you know decision with respect to the next purchase. If the user is satisfied with the particular brand you know chances are you will buy it again. The person with the marketer can understand that is loyalty may develop, but in case the buyer dissatisfied and does not like your product, then he definitely go in for the change of brand next time. So, both buyer and user are very, very important.

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Example: 1

A kindergarten girl needs to buy color crayons to use in class.

- i) **Initiator:** The girl
- ii) **Influencer:** Her teacher or her classmates
- iii) **Decider:** Either of the parents
- iv) **Buyer:** Either of the parents or a sibling
- v) **User:** The girl herself.



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Now, let us discuss these with the help of an example. There is a girl who wants to buy crayons use in class; she is studying the KG class. So, who is the initiator? The girl herself. Influences could be teacher or the classmate. If the teacher you know writes the note in the copy or in the book of the child and send it home and she writes in the note that please send the pack of the colour pencil or crayons with your child next day. So, she is and this should be brand; why? She is the influencer in case you know child says that no I want crayons, but I want crayons like what my friend has. So, in that case the influencer is the friend. So, you have initiator in form of the girl who comes home and asks for the packet of crayons the influencer could be the teacher asked them to buy a particular brand or you know the influencer could also be a fellow student whom this girl as observed in the particular kind of a colour pencil. The decider would be either of the parents. The buyer either the parents or siblings and the user is the girl herself.

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Example 2:

The mother of the house is a housewife; she loves watching TV when her husband and children go for work. She has been complaining that the present TV set at home has been giving problem. She also says that the model is now an old one and that that the family should own a new model.

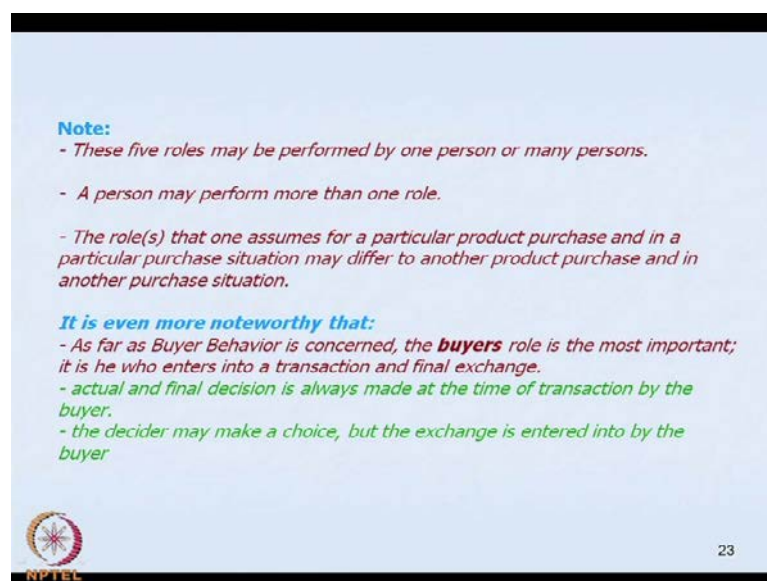
- i) **Initiator:** The lady
- ii) **Influencer:** Her neighbors and friends
- iii) **Decider:** Joint: Her husband, she herself and the children
- iv) **Buyer:** Husband or son or daughter or she herself
- v) **User:** The family.



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Another example we can see is the mother of a house, mother in the house is the housewife; she loves watching TV and when the husband and children goes to work, she loves watching TV that time. So, she is being complaining that the present TV is set at home is giving a problem the model is old now and she wants a new one and say the family should be owning a new model. So, the initiator here is the mother of the family or the lady. Influencers are could be her neighbours and friends. She says she wants a television plasma screen like a neighbour has. So, who is the influencer? Influencer becomes the neighbour. The decider could be joined it could be either the she or her husband or her children and the buyer would be again the husband or the son or the daughter or herself goes and buys it and user is the family.

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Note:

- These five roles may be performed by one person or many persons.
- A person may perform more than one role.
- The role(s) that one assumes for a particular product purchase and in a particular purchase situation may differ to another product purchase and in another purchase situation.

It is even more noteworthy that:

- As far as Buyer Behavior is concerned, the **buyers** role is the most important; it is he who enters into a transaction and final exchange.
- actual and final decision is always made at the time of transaction by the buyer.
- the decider may make a choice, but the exchange is entered into by the buyer

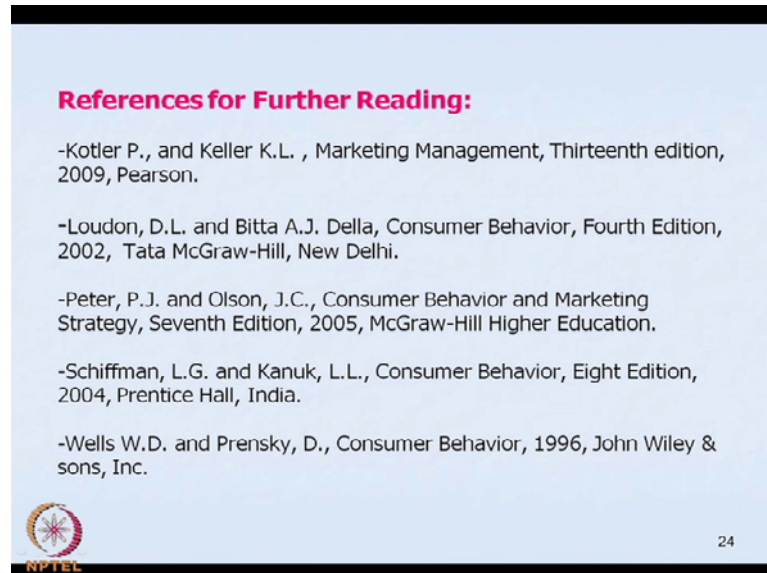
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Now what would we understand here very important is these five roles may be played by a one person or many persons. In other words, a person may assumed more than one role. Also the role that one assumes in a particular product purchase will differ from the role that purchase that is played in another product purchase. In other words, for the particular product purchase in a particular product situation role will differ with respect to another product purchase or another purchase situation. So, the role for example, the role played by you know for the for example, if you want to talk about electronic items. The role played may be a decider role, may be played by you know father or the son, but if it is glossary item or kitchen item, in all cases the probable cases the decider role would be played either by the mother or daughter of the family. So, people are going to assume different roles in different product and service situations, a purchase of different product and service situations.

Now, as for as buyer behaviour is concern, the buyer's role is most important. It is because he who enters into a final exchange, actual decision is taken by him at the time of the purchase. So, you know decider make a choice but the exchange is entered by the buyer. So, the buyer's role is most important role amongst these five roles. And I just said some amount of importance also is to be given to the user, because subsequent purchases are going to be based on the experience of the user or the users. However, this is not to say that the other roles are not important, other roles are equally important for a marketer, but from the consumer behaviour point of view the major role is played you


know most important role is played by a buyer and the user. This brings us to an end of the session one of the module four.

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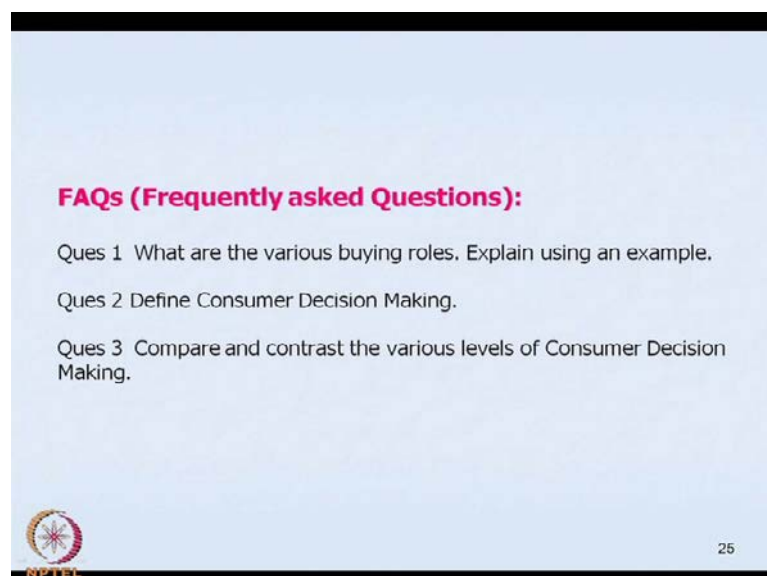
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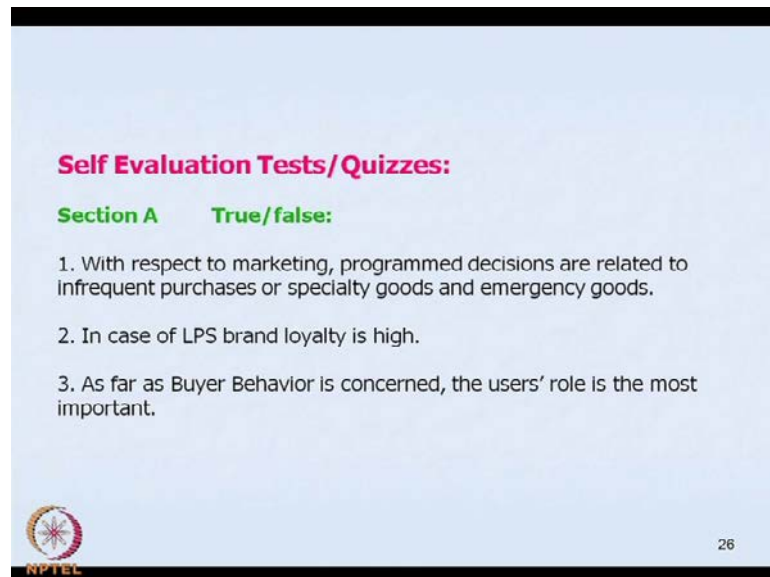
FAQs (Frequently asked Questions):

- Ques 1 What are the various buying roles. Explain using an example.
- Ques 2 Define Consumer Decision Making.
- Ques 3 Compare and contrast the various levels of Consumer Decision Making.

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What could be frequently asked question? What are the various buying roles. Explain with an example. So, you explain the five buying roles you know. Define Consumer Decision Making. We have already discussed this in length and compare and contrast the various levels of Consumer Decision Making. So, you compare the LPS EPS and RPS.


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Self Evaluation Tests/Quizzes:

Section A True/false:

1. With respect to marketing, programmed decisions are related to infrequent purchases or specialty goods and emergency goods.
2. In case of LPS brand loyalty is high.
3. As far as Buyer Behavior is concerned, the users' role is the most important.

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So, let us comes to the short quiz; true and false. With respect to marketing programmed decisions are related to infrequent purchases or speciality goods and emergency goods. This is the false statement. Second question is in case of LPS brand loyalty is high; false. It is in case of RPS that brand loyalty is high. Third question as far as buyer behaviour is concerned the users' role is the most important; false. Again which is the buyers' role is the most important.

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Section B Multiple choice questions:

1. Which of the following statements about RPS is true:
a) Complexity of decision making is low.
b) Sources of information are both internal and external.
c) These are specialty goods.
d) The consumer has not narrowed down the priorities amongst brands.


2. Which of the following statements is true :
In LPS,
a) the consumer is aware of some brands and also of the various criteria used to evaluate the product or service offering.
b) is unaware of the new brands that have been introduced.
c) has not evaluated the brands amongst the awareness set and has not established preferences amongst the group of brands.
d) All of the above.



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Let us come to multiple choice questions. So, the multiple choice questions. Question 1) which of the following statements about RPS is true: complexity of decision making is low; sources of information are both internal and external; these are speciality goods and the consumer has not narrowed down the priorities amongst brands. So, the first statement is the only statement which is true which is complexity of decision making is low. Question number 2) Which of the following statement is true: in LPS, the consumer is aware of some brands and also of the various criteria used to evaluate the product or service offering; is unaware of the new brands that have been introduced; has not evaluated the brands amongst the awareness set and has not established preferences amongst the group of brands well, and d is all of the above. So, the answer here is the d; all of these statements are true.

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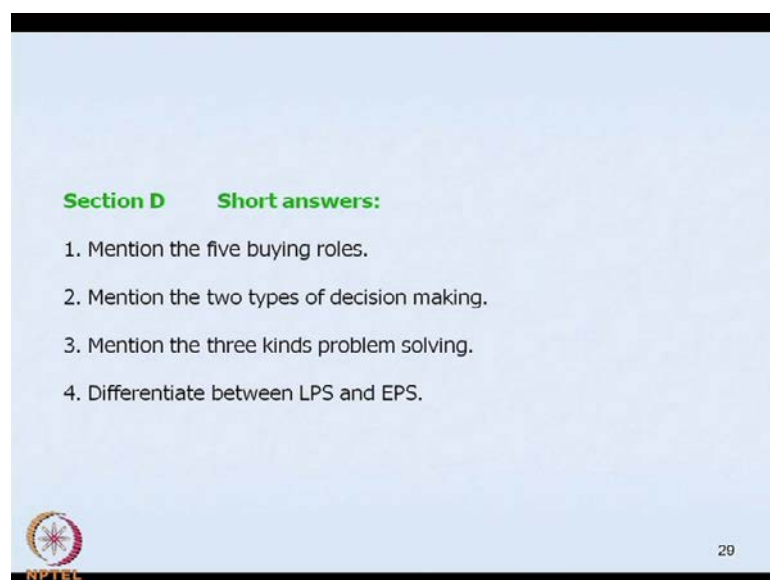
Section C Fill up the blanks:

1. Brand loyalty is indicative of _____ decision making.
2. In case of _____ problem solving, the consumer is aware of both the decision criteria as well as the various brands available.

NPTEL 28

Fill in the blanks: brand loyalty is indicative of dash decision making. Brand loyalty is indicative of program decision making. In case of dash problem solving, the consumer is aware of both the decision making as well as the various brands available. In case of routinized problem solving the consumer is aware of both the decision making as well as the various brands.

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Section D Short answers:

1. Mention the five buying roles.
2. Mention the two types of decision making.
3. Mention the three kinds problem solving.
4. Differentiate between LPS and EPS.

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Short questions: mention the five buying roles; influencer, initiator, decider, buyer and user. Mention the two types of decision making; programmed and non programmed.

Three kinds of problem solving; EPS LPS and RPS and then you have to differentiate between LPS and EPS. This brings us to the conclusion of, this brings us to the conclusion of session one of module 4, we shall continue with session 2 in the next slot. I hope you benefited from this session.

Thank you.