

Lecture 13

Consumer Decision Making Process - PART 1

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Semenik, Allen, O'Guinn and Kaufmann (2012). ***Advertising and promotions: An integrated brand approach***. South-Western Cengage Learning, 6th Edition.



Different Perspectives of Consumer Behaviour

1. **Psychological perspectives:** What happens in consumer's mind. It portrays consumers as systematic decision makers who process information including information from advertisers.
2. **Consumers as social beings** who behave largely as a function of social circumstance and forces.

Consumer as a Decision Maker

- An individual can be seen as purposeful decision maker who either weigh and balance alternatives or resort typically in times of complexity and too much of information to simple decision rules of thumb heuristics to make things easier.
- *Heuristics, involving or serving as an aid to learning, discovery, or problem-solving by experimental and especially trial-and-error methods.*

Source: <https://www.merriam-webster.com/dictionary/heuristic>



Harrell, E. (2019, January 23). ***Neuromarketing: What You Need to Know.*** Harvard Business Review. <https://hbr.org/2019/01/neuromarketing-what-you-need-to-know>



“Neuromarketing” loosely refers to the measurement of physiological and neural signals to gain insight into customers’ motivations, preferences, and decisions, which can help inform creative advertising, product development, pricing, and other marketing areas.

Brain scanning, which measures neural activity, and physiological tracking, which measures eye movement and other proxies for that activity, are the most common methods of measurement.

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The process can be seen in four stages;

1. Need recognition
2. Information search and alternative evaluation
3. Purchase
4. Post purchase use and evaluation

1. Need recognition

- Need recognition state arises when one's desired state of affairs differs from one's actual state of affairs.
- This state is accompanied by a mental discomfort or anxiety that motivates action.
- The severity of this discomfort can be widely variable depending upon the genesis of the need.
- *For example, scarcity of medical supplies and food during a lockdown.*
- Maslow's hierarchy plays an important role in the development of understanding of need recognition.

Major objective of the marketing communication is;

- To make the connection between the recognition of the need and the means to fulfill that need definitely those can be products and services or anything else.
- This can be done through functional as well as emotional indicators.
- The benefits have to be appreciated and we have seen this in the preceding discussions where in communication projects the elements of positioning but here we conclude that those must be in the form of fulfillment of needs.

2. Information search and alternative evaluation

- During the information search and alternative evaluation there is an ample opportunity for the advertiser to influence the decisions of the customer.
- In internal search, the memory of all the details of a message may get converted into consideration search wherein people may generate alternatives.
- For example, search for a course or a college.
- Need recognition entails information search and evaluation and finally consideration set comes up.
- Many times, top of mind awareness works meaning thereby stacked integrated marketing communication may generate the existence of the brand in consumers consciousness even before the consumer may need it.
- In external search, the consumers would surf through alternatives online and offline.

Thank you



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