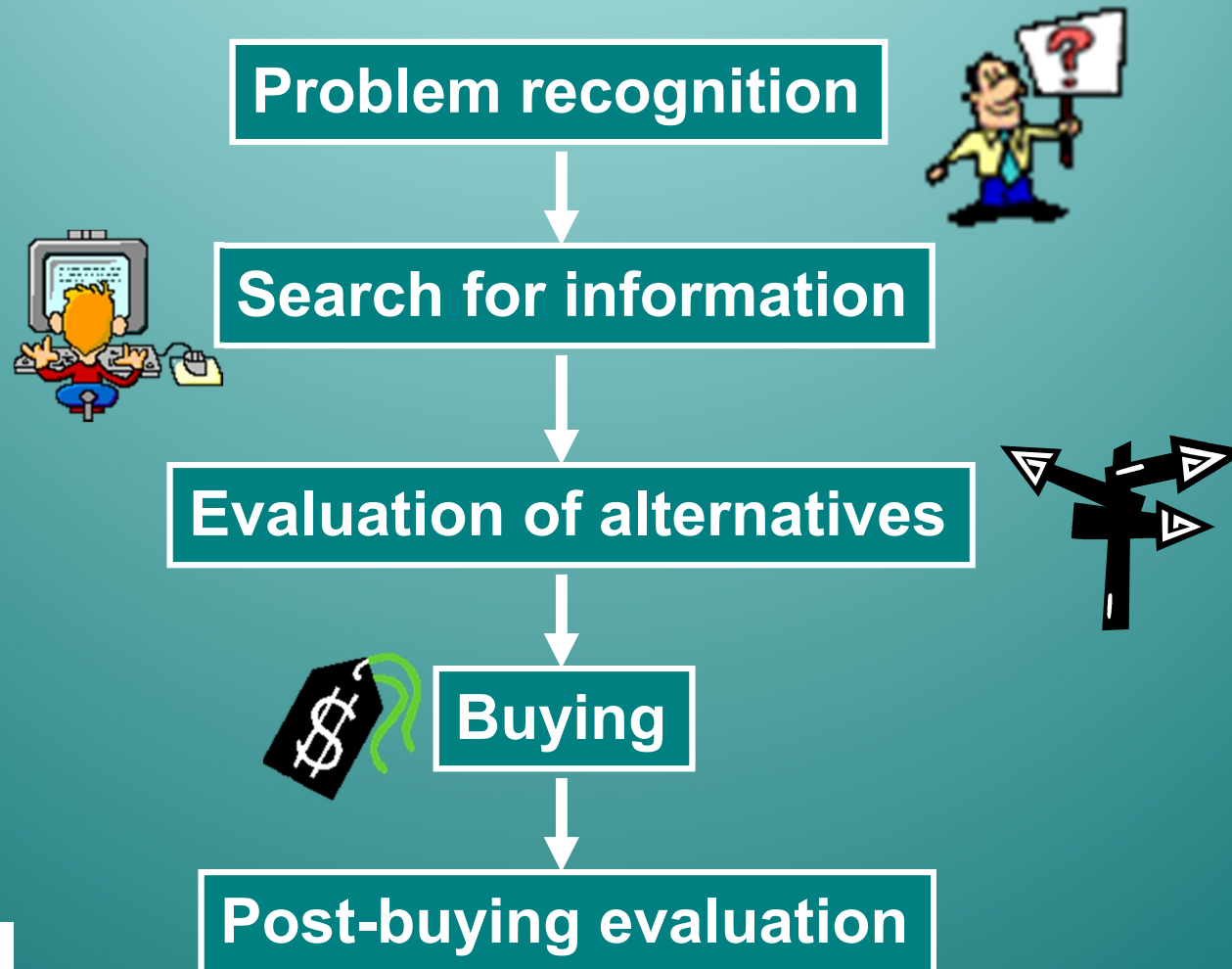


CUSTOMER DECISION-MAKING

Stages in the individual decision-making process





1. Problem Recognition

- Problem arises when consumers **recognize a difference** between what they perceive as the current state of affairs and the state of affairs that they want.
- Most problems occur as a result of:
 1. Assortment Inadequacies
 2. New Information
 3. Expanded Desires
 4. Expanded/Reduced Income



2. Search for Information

- It is a **learning process** by which consumers become aware of **alternative** products or brands, specific stores etc.
- Information search can be internal or external
 - External search is affected by:
 - Individual differences
 - Environmental influences
 - **Low-level** of involvement
 - **High-level** of involvement



3. Evaluation of Alternatives

- Consumer evaluation is the ACT of identifying alternative solutions to a problem and assessing the relative advantages and disadvantages of each solution.
- Use past experiences and new information.



4. The Response

- Consumer response or decision is the outcome of evaluation and involves the **mental process of selecting** the most desirable alternative from a set of options that a consumer has generated.
- **Best choice** is the one that is the **closest to the evaluation criteria** formulated by the consumer.



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5. Post-Buying Evaluation

- Evaluate the product after purchase
- Consumers can experience 2 types of feelings:

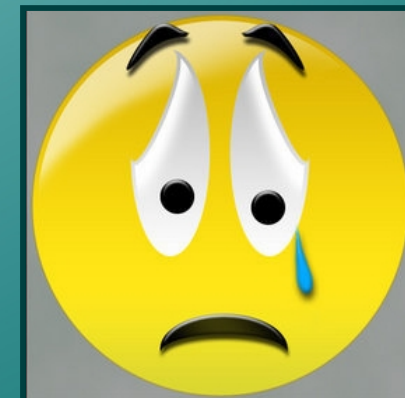
1. Post-buying Satisfaction

- Satisfaction occurs when the **outcomes matches** with the consumer's expectations.



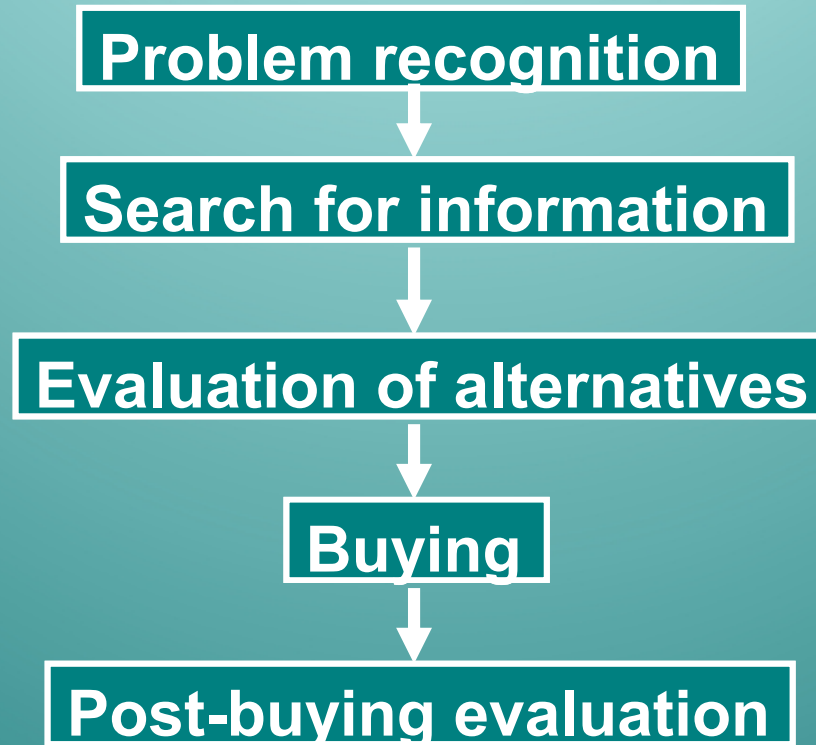
2. Post-buying Dissatisfaction

- Dissatisfaction occurs when product performance does **not match** the consumer's expectations.
- Consumer responses can be:
 - Verbal response – Negative WOM
 - Behavioural response - Brand switching



SUMMARY

Stages in the individual decision-making process



Typical exam question – Discuss for 15 marks (theory and practical example)