

# **THE CONSUMER DECISION MAKING PROCESS AS IT RELATES TO REPLAYING A LAPTOP COMPUTER**

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## **1 INTRODUCTION**

The consumer decision-making process is inevitably an extremely crucial element which needs to be understood in order to successfully meet these processes with utmost effectiveness – thus ensuring a sale. Within the market place, consumers are prompted to buy and try new products and services on a daily basis; understanding their thought process with regards to decision making can be the different between “make and break”. With a lack of understanding, organisations run the risk of unsuccessfully marketing their product / service to the end user, thus rendering it obsolete – as they are not providing the consumers decision-making process with confidence.

There is a step-by-step formula which outlines a typical purchasing scenario, which as a result, effects the consumers decision; Problem recognition – Information search – Evaluation of alternatives – Purchase – Post purchase evaluation. This gives an understanding to organisations as to the tick lists which they need to understand, and where they play the crucial role in determining the purchasing tendencies of consumers, Pride & Ferrell (2010).

This essay will go into the decision-making process in more depth, analysing elements such as; characteristics that affect consumer behaviour, types of buying decisions, components of decision-making process and conclude with marketing recommendations – relevant to the topic at hand.

## **2 CHARACTERISTICS THAT AFFECT CONSUMER BEHAVIOUR**

Decision-making can vary greatly dependent upon the set target market, or market that a particular product or service is operating in; in this case, a laptop. A target market is a narrowed down field of consumers to market towards; the task of dividing up the larger markets into smaller units with common characteristics, Alter (2000). It is important to take into account target markets when compiling possible characteristics that may affect the consumers behaviour in the buying process. Characteristics affecting such decisions can be grouped into sections: Situational, Psychological and Social, Pride & Ferrell (2010).

Situational influences encapsulate matters such as physical surroundings, social surroundings, time, buyers mood and condition. These are all allocated to present variables Berkowitz et al (1992), (we will look at the relevance with regards to laptop purchasing later).

Psychological influences involve factors such as; perception, motives, learning, attitudes, emotion etc. Social influences are determined by factors such as; family, friends, social classes, cultures and attached social connotations.

These factors play crucial roles in determining the actions of consumers. When basing a marketing strategy relevant to your target market and segmentation variables, it is important to understand these affecting characteristics as they can determine the difference between buying or not.

These variables will be further understood through providing an example; the replacement of a laptop. Situational characteristics; these will have minor effects in the decision making process. The reason for this sytems from the idea that buying a laptop computer is generally intended as a long-term investment; something which requires an extensive period of time to evaluate options and resolve into a conclusion as to which would be most suitable. It is not a purchasing decision which would neccessarily be bound down to a short time frame, as it is not generally an impulse buy item.

Psychological influences play a much more of a crucial role in the determination of buying, as more than often, psychological factors derive negative or positive feelings. These can be perception issues, or attitudes they feel towards a product. If previously, they had an emotional attachment towards the previously owned laptop, loyalty may be a factor derived through the psychological state one finds themself in.

Social factors would determine others' perceptions and the individuals concerns of the perceptions and views of people within their social surrounding. Brand, image would play a crucial role in this, thus may effect the persons laptop choice based on such variables.

### 3 TYPES OF CONSUMER BUYING DECISIONS

The types of consumer buying decisions can vary greatly dependent upon different contexts and situations one is confronted with. It is also dependent upon the type of product or service a consumer is looking to pay for. For example, the same sort of consumer buying decision is not likely to apply to a chocolate bar and a car – just an example. Therefore, when analysing the purchasing of a laptop, it is important to understand the type of consumer buyer decision category this process is likely to fall under, thus formulating a marketing strategy accordingly. The types of consumer buyer decisions are impulse purchases, routine purchases, limited decision making and extensive decision making Schiffman & Kanuk (2007).

Analysing these different types of consumer buying decisions will aid in the motive of forming a marketing strategy relevant to the purchase of a laptop. Impulse buying refers to the act of purchasing with little consideration, thought or planning. This occurs with low-priced items. Such purchases generally occur at checkouts where cheap products are in close proximity, which act as temptation; highly doubtful that an impulse type purchase will occur for a commodity such as a laptop due to the high price and perceived social and psychological connotations.

Routine purchases are purchases made on a regular basis, with frequency times in between purchases being short; such as milk. These are items which are required on a regular basis; whether this is because of consumption time or other factors. Customers spend little time within the decision process of purchasing as it is a previously sought product or service they purchase on a regular basis, therefore their reviews will have been derived from prior experiences of purchasing similar products. Laptop purchases are not bought on a frequent basis, they are bought very irregularly with the intentions long term sustainability.

Limited decision making solicits decisions being made with consideration, but not of an extensive nature. It is requiring enough information, (through trusted sources normally) about certain products or services one is looking to purchase. This can be applicable to laptop buying if the advice received is genuinely trusted, and believed to be a good source of information. If a friend suggests the Apple Mac, for example, a friend may heed this advice and search no further.

Extensive decision making requires extensive amounts of conducted research and substantial amounts of time researching a high number of potential candidates opting to buy. Such forms of research could involve advice from friends and family, online research, review analysis etc Kardes et al (2011). This is a result of the amount of money being spent on the product, thus one would need to have utmost trust in what they are spending such a high quantity of money on. Such examples of this could consist of cars, televisions and laptops.

### 4 COMPONENTS OF THE DECISION-MAKING PROCESS

As previously touched upon in the introduction, there is a process involved – a set of components which form the decision-making process. These components are affected by characteristics which determine a purchase being successful or not. Such factors effecting the components of the decision-making process are; cultural, social, psychological etc. The components being affected, which result in the completion of the decision making process are:

- Need Recognition
- Information Search
- Evaluation of Alternatives
- Purchase
- Post-purchase Behaviour

This model has been constructed through the theory of Kotler (1974).

The “Problem Recognition” segment is concerned with the occurrence of awareness of a difference between a desired state and an actual condition – and it is a process which can occur instantly, or take a period of time to build up, Pride & Ferrell (2010).

“Information Search” has two components which contribute to the decision making process. Internal Search – a buyers search for information about potential products that might solve problems; or External – seeking advice from outside sources.

Once these two segments have been concluded, the “Evaluation of Alternatives” section of the process becomes apparent. An evoked set can become apparent, whereby a selection of brands have become

apparent as a result of information search, from which the buyer can choose Baker (2002). Through this route, their decisions will be narrowed down to the main attributes they are looking for, describing certain characteristics so that they appear more important, Pride & Ferrell (2010).

The outcome of the evaluation stage is the eventful "Purchase". The product which best fits the identified criteria will trump on top. However, there can be some variables which hinder the final choice, such variables include; terms of sale, price, delivery, warranty (applicable to the purchase of a laptop).

Following a purchasing decision, consumers go through a process, "Post Purchase Evaluation". There is a risk within this final section of the occurrence of "cognitive dissonance" – a buyers doubt shortly after a purchase about whether the decision made was the right one. They are likely to seek reassurance post purchase, especially once they have purchased an expensive, high-involvement product.

In the case of the laptop computer purchase; there is a clear need and want to purchase a new laptop – problem identified. This is followed by information seeking (internal or external) whether or not they should stay loyal to their brand or seek a new product which they have no experience with, thus requiring extensive information research. The consumer now reaches the point where they have a selection of products and brands to choose from, e.g. Dell, HP, Apple etc – thus needs to narrow down their searches in order to finally reach a conclusion point where they are confident to purchase their new laptop. Extensive information research is most likely to be conducted as laptops are expensive products with long-life expectancy from the consumer. Once the purchase has been finalised through the narrowed down finalist brands and products, the threat of cognitive dissonance needs to be reduced by supplying a high level of quality with regards to the product and service.

## 5 MARKETING RECOMMENDATIONS

We have understood through Kotler (1974)'s model of the consumer decision-making process with regards to consumer purchases, therefore, understanding this formula and the separate components and variables surrounding decisions undertaken in the purchasing process need to be understood, and a marketing strategy implemented accordingly to complement these factors.

Thus far, we have identified variables that could affect buying behaviour, such as social, cultural, psychological etc. Therefore, we need to understand that brand image is a vital importance when purchasing a high priced, high quality electronic good. There would evidently be social pressure from friends and family, and cultural surroundings one finds them selves in. Understanding this, it is also important to note that consumers would be seeking to gather extensive amounts of research on their potential products, or the current market place in order to understand the selection of products that are available for them. Providing them with information which critically aids their understanding, functions and benefits of a product would fair well against competitive brands who fail in this information providing field.

The utmost importance of understanding these separate variables and thus providing the consumer utmost confidence with their purchase is an essential. Ultimately, the laptop purchase would not be an impulse buy, and is definitely not a reoccurring purchase; therefore, marketing strategies need to be tailored towards empathy towards the consumers psychological state when they are expending mass amounts of effort ensuring that they are purchasing the right product.

Ultimately, consumers looking to purchase a new laptop would be looking into new technological factors, social views, warranty and sale issues, and all of these and more variables need to be in accordance with Kotlers model for purchasing; thus ensuring the most effective strategy is implemented. The satisfaction for closure and information requirements should be met in order to provide an ideal platform for the Kotler model to take full effect. It needs to be a model which also varies itself from competition as to trump on top through the elimination process within the evaluation of alternatives field.

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