



**Business/Marketing Virtual Learning**

# **11-12 grade College Business**

**April 23, 2020**



Lesson: [April 23, 2020]

**Objective/Learning Target:**

Describe the 5 steps of the consumer decision-making process

# Let's Get Started

Watch this Video:

[Buyer Decision Making Process](#)



# The Consumer Decision-Making Process

**Buying behavior** refers to the process used by consumers and the actions they take when they purchase goods and services.

Consumers go through 5 steps when making a purchase decision. If marketers understand this process, they can help consumers make better decisions.

The **Consumer Decision-Making Process** is the process by which consumers collect and analyze information to make choices among alternatives. See the graphic ----->

The remainder of this lesson will address each of these steps individually.

## Consumer Decision Making Process

01

### Need Recognition

The first step is to realize/recognize the need.  
For example: Communication is a need.

02

### Search for Information

Check what kind of products can be used to satisfy the need.  
For example: Need for communication can be satisfied with an old schooled mobile phone or a smart phone.

03

### Evaluation of Alternatives

The consumer now evaluates all products and brands which satisfy his need.  
For Example: Smartphones are expensive but satisfy various needs, while old-schooled phones are cheap.

04

### Purchase Decision

Make the appropriate purchase.  
For Example: The consumer needs a durable cheap phone. Hence he would purchase a simple Nokia phone.

05

### Post-Purchase Evaluation

After the purchase is made, the consumer analyzes if he has made the right decision. In case, if he realizes that he has made the wrong decision, he faces Cognitive Dissonance. If he has made the right decision, he faces delight.

# The Consumer Decision-Making Process

**STEP 1 - PROBLEM RECOGNITION** - When a needs, wants, or a problem are recognized by a consumer. Identifying something that needs to be addressed can be simple or may be more complex. You know when you're hungry, but it may be more difficult to identify why your car is making noise.

**STEP 2 - INFORMATION SEARCH** - This is the process of gathering information about alternative solutions to satisfy the need, want, or problem in step 1. It is important that the consumer gather information on each alternative they are considering. This can be as easy as identifying restaurants or convenience stores nearby when you are hungry - McDonald's, Subway, QuikTrip - that you can afford. You don't need much more information, just pick which one sounds the best at the time. But if your car is making noise you will have to figure out why first, which may take testing different parts or even having to ask a mechanic what is wrong and what possible solutions are. Then you would need to find information and seek advice about the best way to fix the problem and what you can afford.

# The Consumer Decision-Making Process

**STEP 3 - EVALUATE ALTERNATIVES** - Summarize the information gathered, comparing pros and cons of each choice, making tradeoffs between price and various options, and ranking the alternatives. Make a decision based on these evaluations. If the consumer is still unsure, they should gather more information and re-evaluate before purchasing.

**STEP 4 - PURCHASE** - If a suitable choice is available that appears to meet the need or want, or solve the problem, then they will make the purchase. The purchase step involves agreeing with the business selling the product or service on what is being bought, price, payment method, and how the buyer will obtain it.

**STEP 5 - POSTPURCHASE EVALUATION** - The customer will intentionally or unintentionally decide if the purchase satisfied the need, was worth it, and is something they will buy again when needed. This is extremely valuable info for marketers to identify if they need to address any issues or make changes in the marketing mix. The info can be collected in many ways using customer service.

## ACTIVITY #14

- 1) What is the consumer decision-making process?
- 2) Explain the five steps of consumer decision making.
- 3) Give an example of each step of the decision making process for a recent item you or a family member purchased.
- 4) Think of and list 5 examples of how marketers gather feedback on purchases.
- 5) Why are marketers concerned with consumers' postpurchase evaluation of the products they purchase?