

Consumer Buying Process

by Sophia



WHAT'S COVERED

Do you have a buying process? It might surprise you that everybody has a process that they go through to buy whatever product that they're going to purchase. It's simply a question of how involved that process is. This tutorial will cover the consumer buying process. Our discussion breaks down as follows:

1. Consumer Buying Process

The **consumer buying process** is defined as the process which human beings go through while making choices to meet their needs and wants.

When we look at this process in more detail, we're going to see that there are five individual steps, from the customer's perspective, that are involved in this particular process:



STEP BY STEP

Step 1: Problem/Need Recognition. The first step is the problem or need recognition. For instance, am I hungry? Or is my shirt not fashionable enough? There's a problem or a need that you're trying to fulfill or fix, and you're looking for a purchase that's going to make that happen.

Step 2: Information Seeking. The second step is information seeking. Once you've defined what your problem is, you're going to look for information about solving it. For instance, you might look at nutrition labels or look at Yelp reviews. You could Google it and research different prospective purchases that you might want to make in order to make a more informed decision.

Step 3: Evaluation of Alternatives. The third step is evaluating the alternatives that are available to you. You want to make the best choice for yourself, so you will likely consider a lot of options. Now, if you remember the 4 P's and the four influences we talked about before, you'll note that these are a part of the evaluation section. What's the price, product, promotion, and place where you're going to buy it? What are the social, cultural, psychological, and personal influences that may have an impact on your alternatives?

Step 4: Purchase. The fourth step is actually making the purchase—going to the store, or going online, and buying the product that you think is going to be best for you. Now, you can make this decision to purchase based on rational motives or logical needs—things that make sense. However, you also have emotional alternatives. What are your wants and desires? What are the things that are going to make you

feel better about yourself, or make you fit in better?

Step 5: Post-Purchase Evaluation. Lastly, the fifth step is a post-purchase evaluation. You've done the research, you've identified the need, you've done all your evaluations, you've made the purchase, but now you're looking at how this purchase will work for you. You might regret buying it. For example, the shirt's awfully fashionable, but it makes you itch. Then again, you may absolutely love the purchase.



BIG IDEA

These are the five steps involved in going through the process of making a purchase.



TERM TO KNOW

Consumer Buying Process

The process which human beings go through while making choices to meet their needs and wants.

2. Low vs. High Involvement

Something else to consider is how involved you are in actually making the purchase.

➞ **EXAMPLE** When buying a car or a house, the process is going to be a lot more involved than going down to the corner store and picking up a gallon of milk.

The level of involvement can vary by type of good.

- Convenience goods are going to be an instance where you spend very little time information seeking or evaluating. There's going to be a low involvement here: you already know what you want, and you're simply going to go to the store and purchase it.
- Shopping goods are items on which you spend a little more time information seeking. You'll also spend more time evaluating the options. This is a much more involved process. A shopping good is usually a much more expensive item, so you want to make sure that the item you're getting is going to be right for you.
- Specialty goods are something that a consumer is going to spend a lot of time on. This is a significantly high involvement shopping experience, in evaluating the alternatives and information seeking. You want to spend as much time as you can researching and making sure that you're getting the right product to fulfill your need or want.



HINT

Specialty goods include items like houses, cars, or other major purchases—things you're going to spend a lot of time shopping around for.

Keep in mind that the level of involvement is going to vary based on the individual. You may be someone who lets your conscience or emotions make the decision for you.

➞ **EXAMPLE** If you're very wealthy, buying a new car may not be that high of an involvement purchase for you, whereas buying a lot of stock would be quite different regarding how involved you

are in the purchase.

No matter what type of person you are, there's usually a normal range of people doing this particular thing. Everyone's going to go through the particular steps we've talked about. It's just a question of how involved they are in the purchase and what personal choices they make in the matter.

3. Business Impact

How do businesses impact the consumer buying process? How does a business trigger a response at each one of the five steps? How does a business get a product in the consumer's mind at each of these levels in the process?

If a business misses one of these steps in the process where the consumer is purchasing, the business is missing an opportunity to sell their product.



STEP BY STEP

Step 1: Problem/Need Recognition. Here, a business might send an email reminder out to previous buyers. Or, they may have a billboard in a place where they know their target audience frequents.

Step 2: Information Seeking. The store can have an effective website to answer questions and showcase online ratings, making sure these things are positive. The store may be monitoring those Yelp ads and making sure that they're not getting bad reviews that aren't based in reality. There may be people who simply want to hurt the business, but on the other hand, the store may be getting valid feedback on an actual problem. The store needs to make sure that they are taking steps to fix those problems so that they have good reviews when people are out there information seeking about their product.

Step 3: Evaluation of Alternatives. The store may have pricing incentives to encourage people to look at a particular product more. An example of this is Progressive and its price check feature for insurance. Progressive compares what they offer with what their competition directly offers because Progressive is so confident that they can beat the competition for the same type of product. Another example is travel pricing websites, such as Travelocity.

Step 4: Purchase. One of the things a store might do is have excellent people on the sales floor and make sure they can answer any of those last-minute questions that a consumer might have. You may go directly to the Apple Store to buy an Apple product because you know that they'll be able to answer any questions you have about that particular product. However, if you've already made your decision or answered all of your own questions, any store that sells Apple products would be a viable alternative, depending on the price featured.

Step 5: Post-Purchase Evaluation. What is it about the product that will ensure the store has repeat business and new business? They will want to go back to those Yelp reviews, for instance, and look at customer feedback surveys in those reviews to make sure they are positive. If the store has problems and they *understand* that they have problems, the store will want to make sure that they are taking the appropriate steps to fix them, so that those problems get resolved in a short amount of time. That way, the store can influence the next buyers when they're in their information seeking phase.



SUMMARY

Today we learned about the **consumer buying process**. We learned about **low involvement vs. high involvement** shopping, and how the level of involvement may affect the time that consumers spend in each one of those five steps in the process. Lastly, we explored the **business impact** on consumers' thoughts during that buying process through pricing incentives, advertising, and reviews.

Good luck!

Source: adapted from sophia instructor james howard



TERMS TO KNOW

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