

This document will help you to gain an understanding of the customer (or consumer) buying process. Please note that the use of the term 'consumer' and 'customer' is interchangeable.

The customer buying process is the procedure by which individuals search for, select, purchase, use, and dispose of goods and services, in satisfaction of their needs and wants.

All customers, or potential customers, will follow a buying process. Without getting too technical, it really is just a series of steps or a process that is followed when making a purchase. The same steps are followed for both personal and business buying decisions. The more complex the 'buy' the more steps or more in-depth the analysis may be. Some businesses have a set process and some do not, just as some customers will buy on impulse and some will not. Generally speaking the more expensive the purchase the more care is taken in analysing the various steps in the process.

How do customers make a decision to buy a product/service?

Research suggests that customers often go through a five-stage decision-making process for considered purchases.

This process implies that customers pass through all stages in every purchase. However, in more routine purchases, customers often skip or reverse some of the stages.

For example, a student buying their favourite hamburger would recognise the need (hunger) and go right to the purchase decision, skipping information search and evaluation. However, the model is very useful when it comes to understanding any purchase that requires some thought and deliberation.

The buying process

1. Need recognition

At this stage, the buyer recognises a problem or need (e.g. I am hungry, we need a new sofa, I have a headache) or responds to a marketing stimulus (e.g. you pass a coffee shop and are attracted by the aroma of coffee, or you are uncomfortable sitting watching your favourite show on TV and see an ad for a sofa from a furniture store).

An 'aroused' customer then needs to decide how much information (if any) is required. If the need is strong and there is a product or service that meets the need close at hand, then a purchase decision is likely to be made then and there. If not, then the process of information searching begins.

2. Information search

A customer can obtain information from several sources:

- **Personal sources:** family, friends, neighbours etc.
- **Commercial sources:** advertising, salespeople, retailers, dealers, packaging, point-of-sale displays, web sites, search engines, social media sites, internet discussion groups.
- **Public sources:** which include newspapers, radio, television, consumer organisations, specialist magazines and internet sites and finally through experiential sources which include handling, examining and using the product.

The usefulness and influence of these sources of information will vary by product and service, and by customer. Research suggests that customers value and respect personal sources more than commercial sources (the influence of 'word of mouth'). They have a higher level of trust in the views of people without any vested interest in what they select.

The challenge for the marketing team is to identify which information sources are most influential in their target markets.

3. Evaluation stage

Here the customer must choose between alternative brands, products and services that they have reviewed during stage 2.

An important determinant of the extent of evaluation of the information obtained during stage 2 is whether the customer feels 'involved' in the product. Involvement means the degree of perceived relevance and personal importance that accompanies the choice.

Where a purchase is 'highly involving', the customer is likely to carry out an extensive evaluation. High-involvement purchases include those involving high expenditure or personal risk – for example buying a house, a car, making investments or making a buying decision for an employer.

Low involvement purchases (e.g. buying a soft drink, choosing some breakfast cereals in the supermarket) have very simple evaluation processes.

A marketer therefore needs to understand the evaluation process in order to be able to provide the type of information that existing or potential customers will require.

In high-involvement decisions, the marketer needs to provide a good deal of information about the positive consequences of buying. The sales force may need to stress the important attributes of the product, the advantages compared with the competition; and maybe even encourage a trial or sample of the product in the hope of securing the sale.

4. Purchase stage

The customer has now decided and will have a set of expectations about how the product or service will perform. Usually a customer will choose the alternative that they perceive gives them the best value.

$$\text{Value} = \text{Perceived benefits} - \text{Price}$$

The price is not only what is charged and how it is collected, but also includes any costs (real or perceived) that the customer will incur in taking possession of the product/service and then actually using it.

5. Post-purchase evaluation, or the cognitive dissonance stage

The final stage is the post-purchase evaluation of the decision. It is common for customers to experience concerns after making a purchase decision. This arises from a concept that is known as 'cognitive dissonance'. The customer, having bought a product, may feel that an alternative would have been preferable. In these circumstances the customer will not repurchase immediately and may be likely to switch brands next time.

To manage the post-purchase stage, it is the job of the marketing team to persuade the potential customer that the product will satisfy his or her needs. Then after having made the purchase, the customer should be encouraged that he or she has made the right decision.

In addition, the people in the business responsible for shipping the product or delivering the service have an important role in reassuring the customer and ensuring that what they have been promised and expect is actually delivered.

Given the importance of positive word-of-mouth from existing and past customers, marketers need to track the extent to which customer expectations are met and that they will positively recommend the businesses products and services.

By answering the following questions, you will have effectively worked through the five-stage process for the buying decision that a customer will undertake in order to purchase your product/service.

What will trigger the need for a customer to find your category of product or service?

What sources of information could a customer use to develop a list of possible providers of the product or service?

What are the most important factors before price that a customer of your product or service considers important?

What key benefits do your customers see as superior/better with your product or service than that offered by other alternatives they may be considering?

What could you do to ensure customers would strongly recommend your products and services, as opposed to others that may be available?