

HOSPITALITY AND TOURISM MARKETING

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Lecture 7: Buyer decision process

Course outcomes

At the end of this lecture, you will be able to:

- Explain correctly what is **buyer decision process** and **why** marketers need to understand it
- Describe **clearly the elements of buyer decision process**
- Interpret perfectly **the organization buying decision process** compared to buyer decision process

What is buyer decision?

- The buying decision process is **the decision-making process used by consumers regarding the market transactions before, during, and after the purchase of a good or service.**

why marketers should be aware of buyer decision process?

- ❑ the consumer decision process also called **the buyer decision process**, helps markets identify how consumers complete **the journey** from knowing about a product to making the purchase decision.
- ❑ Understanding the buyer buying process is essential for **marketing and sales**.
- ❑ The consumer or buyer decision process will enable them to set a marketing plan that **convinces** them to purchase the product or service for fulfilling the buyer's or consumer's problem.

- ❑ The buyer decision process consists of five stages: **need recognition, information search, evaluation of alternatives, purchase decision, and post purchase behavior.**
- ❑ The model emphasizes that the buying process starts **long before and continues long after the actual purchase.**
- ❑ It encourages **the marketer** to focus on the entire buying process rather than just the purchase decision.

Buyer decision process.



Willy Brew, (2022), Marketing Theories – Explaining the Consumer Decision Making Process, <https://cpawebimages.blob.core.windows.net/publicimages/Marketing%20Theories/Consumer%20Decision%20Making%20Process%20no%20bg.png>

Need Recognition

- ❑ The buying process starts when the buyer **recognizes** a problem or need.
- ❑ The buyer **senses** a difference between his or her actual state and a desired state.
- ❑ The need can be triggered by **internal stimuli**
- ❑ Needs can also be triggered by **external stimuli**
- ❑ At this stage, **marketers** must determine the factors and situations that trigger

Information Search

- ❑ How much searching a consumer does will depend on the strength of the drive, the amount of initial information, the ease of obtaining more information, the value placed on additional information, and the satisfaction one gets from searching.

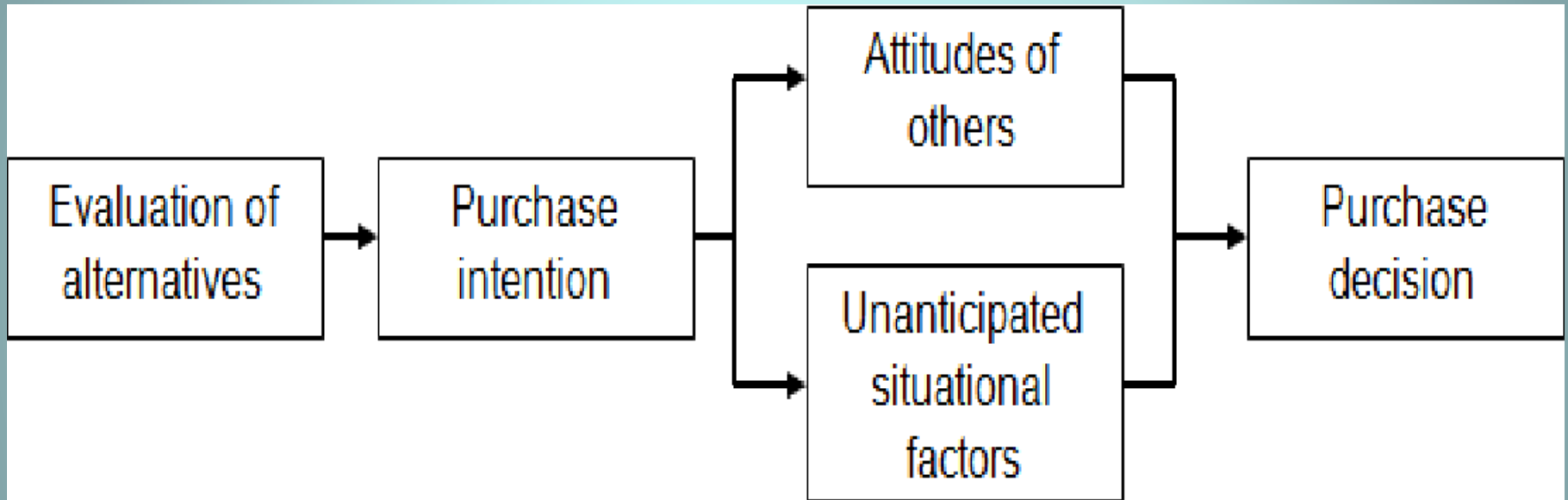
The consumer can obtain information from several sources. These include the following:

- ❑ **Personal sources:** Family, friends, neighbors, acquaintances
- ❑ **Commercial sources:** Advertising, salespeople, dealers, packaging, displays
- ❑ **Public sources:** Restaurant reviews, editorials in the travel section, consumer rating organizations
- ❑ **The Internet:** the company's Web site and comments from previous guests

Evaluation of Alternatives

- ❑ We have seen how the consumer uses information to arrive at a set of final brand choices.
- ❑ But how does the consumer **choose** among the alternatives?
- ❑ How does the consumer **mentally** sort and process information to arrive at brand choices?

Steps between evaluation of alternatives and a purchase decision.



Henri Heikkinen, (2012), From Social media and Internet marketing's influence on decision making,
<https://d3i71xaburhd42.cloudfront.net/dbfaf01a2a438344074fa8d83d5ca5cb1f16bdce/15-Figure2-1.png>

Purchase Decision

- ❑ Because customers do **not** know what the experience will be until after the purchase, managers must remember that **first-time customers are really trying the product.**
- ❑ While customers are in the purchase act, **employees** must do everything possible to ensure that they will have a **good experience and the post purchase evaluation will be favorable**

Post purchase Behavior

- ❑ The marketer's job does **not end** when the customer buys a product.
- ❑ Following a purchase, the consumer will be **satisfied or dissatisfied** and will engage in post purchase actions of significant interest to the marketer

- ❑ Consumers base expectations on past experiences and on messages they receive from sellers, friends, and other information sources.
- ❑ If a seller **exaggerates** the product's likely performance, the consumer will be **disappointed**.
- ❑ The larger **the gap** between expectations and performance, the greater the consumer's dissatisfaction.

- ❑ This suggests that sellers must **faithfully** represent the product's performance so that buyers are satisfied
- ❑ Dissatisfied consumers may take any of several actions. They may **return the product or complain to the company and ask for a refund or exchange.**
- ❑ They may initiate a **lawsuit** or complain to an organization or group that can help them get satisfaction.
- ❑ Buyers may also simply **stop purchasing** the product and discourage purchases by family and friends

- Marketers can take steps to reduce consumer post purchase dissatisfaction and help customers to feel good about their purchases.**
- Hotels can send a letter to meeting planners congratulating them on having selected their hotel for their next meeting.**
- They can place adds featuring testimonials of satisfied meeting planners in trade magazines.**
- They can encourage customers to suggest improvements.**

Types of Buying Decision Behavior

	High involvement	Low involvement
Significant differences between brands	Complex buying behaviour	Variety-seeking buying behaviour
Few differences between brands	Dissonance-reducing buying behaviour	Habitual buying behaviour

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Types of Buying Decision Behavior,

<https://i0.wp.com/www.iedunote.com/img/27620/types-of-buying-decision-behavior.jpg?resize=1280%2C720&quality=100&ssl=1>

Complex Buying Behavior

- ❑ Consumers demonstrate complex buying behavior when their involvement in the purchase is high, and when they perceive significant differences among brands.
- ❑ Consumers' purchase involvement is high when the product is **costly, risky, purchased infrequently, and highly self-expressive.**

Dissonance- Reducing Buying Behavior

- ❑ Dissonance- reducing buying behavior happens when consumers are highly involved with an expensive, infrequent, or risky purchase but perceives **little difference among brands.**

Habitual Buying Behavior

- Habitual buying behavior happens when consumer involvement is **low**, and the perceived **brand difference is low**.

Variety-Seeking Buying Behavior

- ❑ Consumers undertake variety-seeking buying behavior in situations characterized by **low consumer involvement, but significant perceived brand differences.**
- ❑ In such cases, consumers often do a lot of **brand switching.**

□ For example, when buying cookies, a consumer may hold some beliefs, choose a cookie brand without much evaluation, then evaluate that brand during consumption.

The Organizational Buying Process

- ❑ Organizational demand is **derived demand**; it comes ultimately from the demand for consumer goods or services.
- ❑ It is derived or a function of the businesses that **supply the hospitality and travel industry with meetings, special events, and other functions**

The Organizational Buying Process(cont')

- ❑ Compared with consumer purchases, a business purchase usually **involves more buyers and a more professional purchasing effort.**
- ❑ Corporations that frequently use hotels for meetings may hire **their own meeting planners**

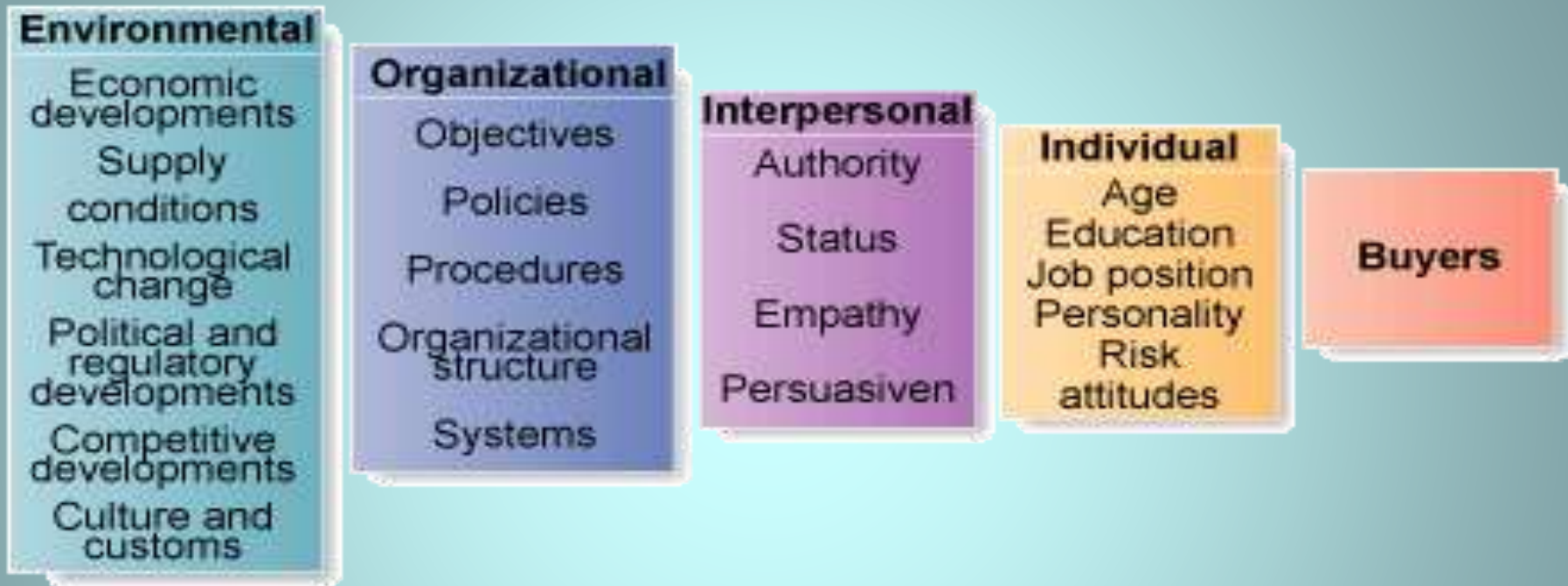
Types of Decisions and the Decision Process

- ❑ The organizational buying process **tends** to be more formalized than the consumer process and a more professional purchasing effort.
- ❑ **The more complex the purchase, the more likely it is that several people will participate in the decision-making process.**

Participants in the Organizational Buying Process

- Users.
- Influencers.
- Deciders.
- Approvers.
- Buyers.
- Gatekeepers.

Major influences on business buyer behavior



Pearson, (2006), Principles of Marketing (activebook 2.0): Chapter 7,
http://www.laukamm.de/fomweb/elearning/marketing/business/kotl_business_buyer_behavior2-Dateien/abkotler10_07_03.gif

Organizational Buying Decisions

- 1. Problem Recognition:** The buying process begins when someone in the company recognizes a problem or need that can be met by acquiring a good or a service.
- 2. General Need Description:** Having recognized a need, the buyer goes on to determine the requirements of the product and to formulate a general need description

Organizational Buying Decisions (cont')

3. Product Specification: Once the general requirements have been determined, the specific requirements for the meeting can be developed.

4. Supplier Search: The buyer now conducts a supplier search to identify the most appropriate hotels. The buyer can examine trade directories, do a computer search, or phone familiar hotels.

Organizational Buying Decisions (cont')

5. Proposal Solicitations: Once the meeting planner has drawn up a short list of suppliers, qualified hotels are invited to submit proposals. Thus hotel marketers must be skilled in researching, writing, and presenting proposals

6. Supplier Selection: In this stage, members of the buying center review the proposals and move toward supplier selection. They conduct an analysis of the hotel, considering physical facilities, the hotel's ability to deliver service, and the professionalism of its employees

Organizational Buying Decisions (cont')

7. Order-Routine Specification: The buyer now writes the final order with the chosen hotels, listing the technical order-routine specifications of the meeting. The hotel responds by offering the buyer a formal contract

8. Performance Review: The buyer does a post purchase performance review of the product. During this phase the buyer determines if the product meets the buyer's specifications and if the buyer will purchase from the company again.

References

- 1] Kotler ,.B (2014) Marketing for Hospitality and Tourism Industry, p 182-201, <https://www.pdfdrive.com/marketing-for-hospitality-and-tourism-6th-edition-e178412795.html>
- 2] Sheikh Qazzafi, (2019), Consumer Buying Decision Process Toward Products, https://www.researchgate.net/publication/336047692_CONSUMER_BUYING_DECISION_PROCESS_TOWARD_PRODUCTS

Thank you!

Next lecture: Develop new tourism and
hospitality products

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