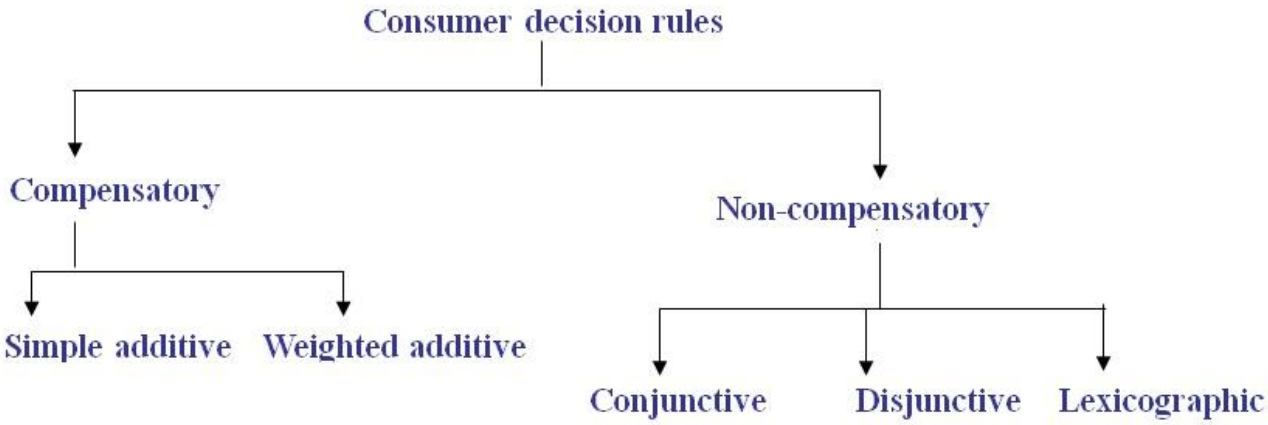
Buying Patterns

In addition of trying to understand why people behave as they do (buying motives), it is also important to monitor what they do, in particular what they buy, how often, where to buy and so on. In this respect, Ehrenberg has found out that in 'stationary' markets, in which sales and brand shares are stable, regular buying patterns can be discerned and can be described using the proportion of the population buying in period and the average number of times they buy. The number of repeat buyers of each brand in the next and subsequent periods can then be predicted.

Consumer decision rules

Consumer decision rules often referred to, as heuristics or decision strategies are the procedures used by consumers to facilitate decision-making on the product type, particular brand, the time and amount of purchase, the mode of information-processing etc. For example, with a certain disposable income, the consumers may have to find a choice between so many options of television, micro oven, refrigerator and so on. Even if the consumers have decided to buy television, s/he will have to select from so many alternatives like B&W or colour, portable (14") or 29", flat screen or LCD panel and so on. Similar types of decision rules should be applied for the selection of brand after the collection and cost-benefit analysis of each brand. Thus these rules reduce the burden of making complex decisions by providing guidelines or routines that make the decision-making less time-consuming and more systematic and rational. The table below gives an idea on how the consumer decision rules can be classified, which is followed by the detailed analysis of each classification considering a case of purchase of television set.

Classification of consumer decision rules



Compensatory decision rule

Compensatory decision rules allow for trade-offs, so that a weakness in one area can be compensated for in another. In this rule, the consumers evaluate brand options in terms of each relevant attribute and compute a weighted or summated score for each brand. The computed score reflects the brand's relative merit as a potential purchase choice. The assumption is that the consumer will select the brand that scores highest among the alternatives evaluated. The unique feature of compensatory decision rule is that it allows positive evaluation of a brand on one or some attributes to balance or 'compensate' the negative evaluation on some other attributes. For example, a positive assessment of a particular brand of television in terms of the high quality may offset the negative assessment in terms of paucity of service centres. There are two variations of this rule viz. simple additive and weighted additive

Simple additive

The simple additive rule involves a straight tally of the product's positive aspects, and a comparison of this tally with the tally for other products. The product with the most positive attributes will be the one chosen.

For example, in the purchase of television, a consumer has selected the following attributes to be considered.

i) The picture quality

ii) The sound system

iii) The availability of all the channels

iv) The warranty scheme

v) The price

vi) The network of servicing centres

Now the consumer will assign marks on each attribute on a scale of 10 (or 50 or 100 or any other number) for each brand in the evaluation set and whichever brand gets the highest score, will be selected for the final purchase.

The example of compensatory decision rule with unweighted scores

	The scores for each brand on a scale of 10			
Attributes	***Brand A***	***Brand B***	***Brand C***	***Brand D***
i) The picture quality	8	8	7	5
ii) The sound system	7	6	5	5
iii) The availability of all the channels	9	9	8	8
iv) The warranty scheme	8	6	4	7
v) The price	6	5	6	7
vi) The network of servicing centres	6	3	2	9
TOTAL SCORES	**44**	**37**	**32**	**41**

So, according to this decision rule, ***Brand A is the most preferred choice***.

Weighted additive

In certain instances, the consumers may not give equal importance to all the attributes in consideration and for such case the weighted score must be applied. For example, in the same example of television purchase, another customer has chosen the same attributes of selection as mentioned earlier, but has given much importance on price (s/he is a believer of 'value for money') and the availability of service centres (s/he wants intensive network of service centres so that s/he would not have to run from pillar to post in case of any problem) and much less importance to the number of channels (s/he is not bothered about so many channels) than any other. In such a case, the scoring would be a little bit different.

The example of compensatory decision rule with weighted scores

		Brand A		Brand B		Brand C		Brand D	
Attributes	*Weight*	*AS*	*WS*	*AS*	*WS*	*AS*	*WS*	*AS*	*WS*
i) The picture quality	1.0	8	8	8	8	7	7	5	5
ii) The sound system	1.0	7	7	6	6	5	5	5	5
iii) The availability of all the channels	0.5	9	4.5	9	4.5	8	4	8	4
iv) The warranty scheme	1.0	8	8	6	6	4	4	7	7
v) The price	2.5	6	15	5	12.5	6	15	7	17.5
vi) The network of servicing centres	2.0	6	12	3	6	2	4	9	18
TOTAL SCORES			54.5		43		39		56.5

AS: Actual Scores

WS: Weighted Scores

So, according to this decision rule, ***Brand D is the most preferred choice***, although same scores were given for all the attributes of each brand.

Non-compensatory decision rule

Non-compensatory decision rules do not allow consumers to balance positive evaluations of a brand on one attribute against a negative evaluation on some other attribute. For instance, in the example of television, the negative rating on low availability of service centres would not be offset by a positive evaluation of high quality. Instead, this particular brand of television would be disqualified from further consideration. Three are 3 non-compensatory rules viz. the conjunctive rule, the disjunctive rule, and the lexicographic rule.

Conjunctive decision role

In this rule, the consumer establishes a separate, minimally acceptable level as a cut-off point for each attribute. If any particular brand falls below the cut-off point on any one attribute, the brand is eliminated from further consideration. Because the conjunctive rule can result in several acceptable alternatives, it becomes necessary in such cases for the consumer to apply an additional decision rule to arrive at a final selection. In the given example of television, the consumers following conjunctive decision rule may take 6 as the minimum cut-off point for each attribute and hence would select **Brand A** as the best alternative. The conjunctive rule is

very much useful in quickly reducing the number of alternatives to be considered so that more attention could be given to arrive at the final choice.

Disjunctive role

This is the 'mirror image' of the conjunctive rule. In applying this decision rule, the consumer also establishes a separate, minimally acceptable level as the cut-off point for each attribute, which may be higher than the one normally established for conjunctive rule. In this case, if a brand meets or exceeds the cut-off established for any one attribute, it is accepted. In the given example of television, the consumers following disjunctive decision rule may take the picture and sound quality as the reference point and would accept only those brands, which conform to the acceptable standard (let it be 7) in these two attributes. By this rule, again **Brand A** would be the best choice. But if more than one brand exceed the cutoff point, another decision rule is required to be implemented.

Lexicographic decision rule

As per this rule, the consumers first rank the attributes in terms of perceived relevance or importance. Then they compare the various alternatives in terms of the single attribute that is considered most important. If one brand scores sufficiently high on this top-ranked attribute regardless of the score on any of the other attributes, it is selected and the process ends. When there are two or more surviving brand alternatives, the process is repeated with the second highest-ranked attribute and so on, until reaching at a point where one of the brands is selected since it exceed the others on a particular attribute.

In the television example, the consumers may rank the 6 given attributes as per their perception and needs in terms of descending order of priority where 1st attribute means the most preferred and the last one is the least preferred attribute. A probable order of attributes could be like below:

1) The picture quality
2) The price
3) The sound system
4) The availability of all the channels

5) The network of servicing centres

6) The warranty scheme

Now among the four alternatives in question, the consumer will select the brand, which scores maximum on picture quality. But in the given case both brands A and B have scored same score of 8 on a scale of 10 in picture quality. So the next step is to find which one of them scores more than other on the second most preferred attribute i.e. in this case price. But in the given case, both the brands score the same even on this attribute. Hence the next preferred attribute i.e. the sound system is considered where Brand A scores more than Brand B (7 w.r.t 6) and hence according to lexicographic rule, ***Brand A is the final choice*** for the given consumers.

While applying the lexicographic rule, the highest-ranked attribute may reveal the consumers' purchase orientation. In the given example, the case when consumers perceive the picture quality as the most important attribute indicates that the consumer is ***quality-oriented***. But if the consumers assume price to be the most important attribute, then this reveals that they are ***economy-oriented***.

So far the most basic consumer decision rules have been discussed, which can be combined to generate various hybrid decision rules like conjunctive-compensatory, conjunctive-disjunctive, disjunctive-conjunctive and so on. In addition to this, there are some other rules that the consumer may follow at the time of purchase.

Phased decision strategy

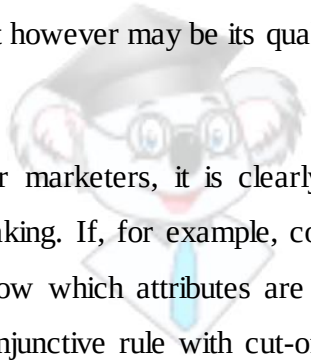
This may involve using rules in a sequence. For example, the consumer may use a non-compensatory cut-off to eliminate products from the consideration set, and then use a weighted additive rule to decide between the remaining products.

Constructive decision rule

The consumer may need to create a constructive decision rule. This means establishing a rule from scratch when faced with a new situation. If the rule thus created works effectively, the consumer will store it in memory until the next time the situation is encountered, and 'recycle' the rule then.

Affect referral

In many purchase decisions, consumers form a long-term memory of overall evaluations of all the brands in their evoked sets and at the time of purchase, they retrieve a 'standard' attitude from memory and tend to assess the brands with the perceived overall rating instead of individual attributes. So at the time of purchase they recollect their perceived idea or image of the brands and select the best brand accordingly. For example, a consumer may not like Japanese cars, and this attitude prevents the inclusion of any Japanese car in the consideration set however may be its quality or goodwill.



For marketers, it is clearly useful to know how consumers are approaching their decision-making. If, for example, consumers were using a weighted additive rule, it would be useful to know which attributes are given the greatest weightings. If however, consumers are using a conjunctive rule with cut-offs at known levels, the product can be designed to fall within the cut-offs. The initial aim for marketers must be to ensure that the product becomes part of the consideration set for most consumers and therefore it must pass at least the first hurdles in terms of the cut-offs and signals employed in the decision process.