

Purchase Decisions

Introduction

When you need to buy something, there is often huge range of products to choose from. How do people choose between all the different brands, makes, models, features, colours and prices?

- o Do you ever use comparison sites to make your choice?
- o Are internet reviews reliable?
- o Do you think you are more influenced by your friend's choices than by advertising?

If you were buying the following products, how would you go about choosing the right one? What would your criteria be? In pairs/groups choose one of the options below. First of all describe the process you would go through (e.g. internet research, window shopping etc) then make a list of criteria for the product itself putting them in order according to importance.

- Mobile phone
- A new coat
- A Car
- A Holiday
- A book
- A house
- A meal in a restaurant

Each pair/group should present their ideas about how they make their choice. What are the most important factors and why? Was it difficult for the group to agree on and prioritize these factors?

Pre Reading Task 1

Look at this list of influencing factors on customers taken from the text you are going to read. Go through each title and discuss what you think it might be about giving examples. Which of the nine points do you think are most significant? Are there any that surprise you?

1. Reviews matter for deciding on products and companies.
2. People gather buying recommendations from mixed sources.
3. People don't often know why they like something.
4. The crowd leads the way to buyer preferences
5. Simplicity always wins for decision-making.
6. For retail stores, even the flooring influences purchasing decisions.
7. The jury is out on social media's influence on buying decisions.
8. When it comes to buying, we make emotional decisions and rational justifications.
9. The subconscious drives purchase decisions.

Pre reading Task 2

Quickly look through the article to answer these questions:

- Who is this article aimed at?
- What is the purpose of the article?

Now read the article checking any new vocabulary.

Purchase Decisions: 9 Things to Know About Influencing Customers

Peep Laja, CXL.com - April 17, 2019

If you want to get people to buy your stuff, you need to understand how consumers make purchasing decisions. People research products. They compare competitors. Some 87% of buying decisions begin with research conducted online, usually on Amazon or Google.

Product quality and seller reputation matter, of course. But what about when the product matches the customer's needs *and* they trust the seller? What influences a purchase decision once those fundamentals are in place?

Here are 9 things you should know if you want to win over customers as they make a decision to buy.

1. Reviews matter for deciding on products and companies.

Many studies in recent years have confirmed what we already know: People read reviews and decide what to buy based on them.

Some 88% say they trust online reviews as much as personal recommendations, and 39% read reviews on a regular basis. In fact, only 12% of those surveyed don't read reviews at all. (And that was a few years ago.)

2. People gather buying recommendations from mixed sources.

Even though social media and the Internet rule, customers make purchase decisions using a combination of old media, new media, and conversations with friends and family.

According to a 2009 study by Harris Interactive, the most common methods for gathering information prior to making a purchase are:

- using a company website (36%);
- face-to-face conversation with a salesperson or other company representative (22%);
- face-to-face conversation with a person not associated with the company (21%).

Another, slightly more recent, study claims that 59% of people still consult friends and family for help with a purchase decision.

3. People don't often know why they like something.

People make instant decisions with their subconscious. When they have to explain the choice, the choice may change completely because the rational mind is involved.

4. The crowd leads the way to buyer preferences.

Most of our preferences are learned and formed by social norms and expectations. Our preferences evolve as society evolves. That impacts our purchasing decisions. A “family car” used to mean a station wagon. Then it was a minivan. Now, it’s an SUV.

Essentially, the more we’re exposed to something, the more likely it is that we’ll develop a preference for it and decide to buy it.

5. Simplicity always wins for decision-making.

Cognitive fluency is the human tendency to prefer things that are not only familiar, but also easy to understand. For marketers, this means that the easier it is to understand an offer, the more likely people are to buy it.

Understanding and comparing different cell-phone plans is a pain. It takes time to identify the best option. Who wants to spend 20 minutes comparing monthly minutes and text limits? So what do people do? They buy **the unlimited plan**. It’s often not the best value, but it’s easy to understand.

Cognitive fluency also explains why you continue to buy from brands and service providers you’ve used before and why you often order the same thing from the menu. It’s just easy. You’ve tried it, it worked, and you don’t want to spend a bunch of time researching alternatives.

6. For retail stores, even flooring influences purchasing decisions.

Research by Joan Meyers-Levy suggests that the way people judge products may be influenced by the ground beneath them.

When people were standing on soft carpet and viewed a product that was moderately far away, they judged that item’s appearance to be comforting. However, people who examined products while standing on the same plush carpet judged items that were close by as less comforting.

7. The jury is out on social media’s influence on buying decisions.

There’s conflicting research on the influence of social media on purchase decisions. One study found that consumers are 67% more likely to buy from brands they follow on Twitter.

Another report showed that social media rarely leads directly to online purchases. Data indicated that less than 2% of orders resulted from shoppers coming from a social network. The report found that email and search advertising were much more effective vehicles for turning browsers into buyers.

The real answer is that social media probably impacts purchase decisions, but it’s a slow, relationship-building process. Just shouting “buy this” works on a very small number of people.

8. When it comes to buying, we make emotional decisions and rational justifications.

Do people make decisions based on emotions or logic? McCombs marketing professor Raj Raghunathan and PhD student Szu-Chi Huang point to their research study. It shows that comparative features *are* important but mostly as a justification for *after* a buyer makes an emotional decision. Here’s how they ran their study.

Research participants were shown two photos. One was a nice-looking, plump chicken. The other was a chicken that looked thin and sickly. Participants were told that the plump chicken was a natural chicken and that the thin chicken was genetically engineered.

Researchers informed half the participants that natural chickens were healthy (but less tasty) and genetically engineered chickens were tasty (but less healthy). *The other half were told the opposite.*

Overwhelmingly, participants preferred the plump chicken, but their *reasoning* was different:

- The first group claimed that it was because they valued health above taste.
- The second group said it was because taste was more important.

Neither group justified their choice based on how they felt about the chicken's looks. They felt compelled to justify their emotional choices with rational reasons—to the point that the two groups gave opposing accounts to justify the same “purchase” decision.

What does this mean for marketers? Raghunathan suggests that the earlier you can make an emotional connection, the better. Once consumers have decided that they *like* a particular option, it's difficult for them to backpedal. Rational thinking will only justify their emotional choice.

9. The subconscious drives purchase decisions.

For the last 50 or 60 years, market research, as an industry, has believed that people make decisions based on rational, conscious thought processes. Science tells a different story, one that turns that fundamental belief on its head. Most decision-making happens at the subconscious level.

We may focus on facts and numbers, but in many cases, it's the subliminal that makes people decide one way or another.

Conclusion

People are complex. We're just beginning to scratch the surface of what they really want. Some tests have shown that people prefer items on the right or at the bottom of the list. Why?

We don't know yet. Sometimes we make purchasing decisions even when we aren't paying attention to the products. New questions about human thought processes and decision-making pop up every day.

Neuroscience is still working on the answers, but there are some insights that we can start putting into play now.

Post reading Tasks

1. Using information from the article write 6 sentences using the appropriate Comparative or Superlative forms below (*more* and *most* can be replaced by other adjective forms):

- | | |
|---------------------------|-------------------|
| ➤ Far more | ➤ Any/no more... |
| ➤ By far the most | ➤ By far the most |
| ➤ The more... the more... | ➤ The second most |
| ➤ Slightly more | ➤ One of the most |

2. Imagine you are in the Retail business. Choose one of the following products below and decide what 3 actions would you take in terms of your marketing in response to this article.

- Meat
- Cars
- Mobile Phones
- Clothes
- Holidays