

## A STUDY ON THE PURCHASE AND POST PURCHASE STAGE OF CONSUMERS' BUYING DECISION MAKING PROCESS

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### Abstract

There has been a rapid increase in the tendency of customers to shop online. The change in the socio-economic conditions and the lifestyle of people has led to this change. The online shopping process has some pros and cons. The major advantage of online shopping is that there are a wide variety of products from which the online consumers can choose. The availability of wide variety makes it difficult for the consumers to choose. The buying decision process includes five stages i.e. need recognition, information search, evaluation of alternatives, purchase decision and post-purchase behavior. Among these five stages, the most important and crucial stage is the purchase stage. This paper makes an attempt to understand the strategies used by the online consumers in buying online and choosing an e-tailer. A survey was conducted on 856 young Indian consumers who have been purchasing durable products through online shopping websites. The responses to the survey were used to find out the purchase strategies of the respondents.

### 1. Introduction:

The pre-purchase stages of online consumers' decision making process i.e. Need Recognition, Information Search and Evaluation of Alternatives, have been studied. Once the consumer has passed through these stages, he/she develops a purchase intention or predisposition to buy a certain product. The purchase decision is different from making an actual purchase. The evaluation of alternatives helps to rank the various choices of the consumer which leads to forming the purchase intention in their minds. Finally the consumer chooses the product that he/she has ranked the highest after evaluation of alternatives. Once the consumer has chosen the product, he/she must implement the decision and purchase the product.

However there may also be delay in implementing the purchase decision as the consumer may have to decide about other concerns like where to buy from, when to buy or how much amount should be spent in buying the product etc. In the online shopping environment, the decision to purchase a product is even more difficult as the consumers are often unable to evaluate all available alternatives. So, they tend to follow two-stage processes when purchasing online (Gerald & Valerie, 2000). In the first stage, consumers screen a large set of available products and create a subset of the most promising alternatives. In the second stage, they evaluate the alternatives and perform relative comparisons among the products based on important attributes, and make a purchase decision. Thus, taking the decision to Purchase a product on the Internet is very complicated as it comprises various aspects and is influenced by many factors. Consumer decision making is critically important part of consumer research (Bettman, Luce and Payne, 1998).

Online purchase decisions are shaped through the interactions of consumers in the online environment. Internet purchase behavior does not necessarily follow traditional consumer purchase behavior (Koufaris, 2003). Online purchase decision-making is a dynamic and highly flexible process. This kind of flexibility has been defined as "the ability to adapt the process flow on demand through adding, skipping, or sequence reordering of process steps" (Dorn et. al, 2010). Hence, understanding the online decision-making processes can enhance our knowledge of online consumers to a great extent.

### 2. Objectives of the paper

The objectives of the paper are

- To understand the purchase strategies of the consumers' in online purchase decision making process.
- To analyze the basis of choice of e-tailer by the consumers.

### 2. Methodology

For the purpose of the study, Primary data and Secondary data was collected. Primary data was collected through a questionnaire. The questionnaire was distributed among 1000 people of Visakhapatnam city of Andhra Pradesh through e-mail and also by meeting them personally. Among them only 870, responses were complete and 856 responses were found suit-

able for the study. The age group of the respondents varies from 18 – 40 years. Judgmental sampling approach has been followed to select the respondents of the study and the criterion for selecting the respondents was that they must shop for durable products online frequently. The internal consistency and reliability of the scales used in the questionnaire were checked by calculating the Cronbach Alpha. The Cronbach Alpha value is 0.773 which implies that the variables taken for the study are reliable.

#### 4. Data Analysis:

##### 4.1 Strategies followed by Online consumers during Purchase Stage:

In order to understand the purchase strategy of the consumers' in a better manner, the influence of Personality, Online Shopping Involvement and Online Shopping Motive on the purchase strategy, have been studied.

When a consumer decides to purchase a particular product then he/she considers several factors. Some of the factors are price of product, brand loyalty, offers, coupons, best bargains etc. Based on these the consumers are classified into different types. They are:

- *Bottom line purchaser*: The consumers who look for deals and discounts available in only a particular brand of products are called Bottom Line Purchasers.
- *Practical loyalists*: The consumers who look for cost savings in purchasing a product belonging to a particular brand only are called Practical loyalists
- *Opportunistic switchers*: The consumers who look for offers on a product and are willing to switch brands are called Opportunistic Switchers.
- *Deal Hunters*: The consumers who look for the best deal available among all the different brands of the product are called Deal Hunters.

The following table presents the number and percentage of different types of online shopping consumers.

Table: 1: Classification of Respondents based on Purchase strategy

Purchase Strategy	Frequency	Percentage
Practical loyalists	104	12.1
Bottom line purchaser	200	23.4
Opportunistic switchers	120	14.0
Deal hunters	432	50.5
<b>Total</b>	<b>856</b>	<b>100.0</b>

Source: Survey

Among the 856 respondents, about 12 per cent are Practical Loyalists, about 23 per cent are Bottom Line Purchasers, about 14 per cent are Opportunistic Switchers and about 51 per cent are Deal Hunters. Thus, it is observed that more than half of the respondents are Deal Hunters, i.e. they look for the best deal available among all the different brands of the products and about one-fourth of them are Bottom Line Purchasers while a little over one-tenth of the respondents are Practical Loyalists.

##### 4.2 Respondents' choice of an E-tailer:

When a consumer makes a purchase decision, he/she integrates all the information collected in the earlier stages of the decision making process. In the online shopping context, the consumers have to select from which online retailer they will purchase the product. The three types of choices that are generally used by the consumers are:

- *Formal Integration*: When the consumer decides on the basis of comparison of alternatives on specific attributes of the E-tailer, it is known as Formal integration strategy.
- *Heuristics*: When the consumer decides on the basis of price or promotion of the E-tailer, it is known as Heuristics.
- *Affect Referral*: When the consumer decides on the basis of an overall impression of the E-tailer, it is known as Affect Referral.

Table 2 presents the different ways that respondents adopt in choosing an E-tailer.

**Table: 2: Respondents' choice of an E-tailer**

Strategy to choose E-tailer	Frequency	Percentage
Formal integration	550	64.3
Heuristics	10	1.2
Affect referral	296	34.6
<b>Total</b>	<b>856</b>	<b>100.0</b>

Source: Survey

Among the 856 respondents, 550 respondents select an E-tailer on the basis of comparison of alternatives on specific attributes of the E-tailer, i.e. Formal Integration. This is almost 64 per cent of the total respondents. An interesting point that is observed in this table is that the number of respondents who select an E-tailer based on the price or promotion of the

E-tailer, i.e. Heuristics, is the least. Only 10 respondents i.e. about 1 per cent of the respondents select an E-tailer based on the price or promotion, about 35 per cent of the respondents select an E-tailer based on the overall impression of the E-tailer, i.e. Affect Referral.

#### 4.3 Post-Purchase:

The decision making process of the consumer does not end with the purchase of the product by the consumer. Once the consumer has purchased the product, he/she will assess the product's performance. This will lead to satisfaction or dissatisfaction in the minds of the consumer. If the product's performance is up to the expectation of the consumer then he/she is 'satisfied'. If the product's performance is not up to the expectation of the consumer then he/she is 'dissatisfied'. If the product's performance is beyond the expectations of the consumer then he/she is 'delighted'.

In case of online shopping the post purchase stage begins right from the time the consumer has placed the order for the product on the E-tailer's website. There is a time gap between the order placed by the consumer and the receipt of the product. This time gap is more in case of online shopping than in case of offline shopping. This time gap leads to creating a number of concerns in the minds of the online consumers. These concerns deal with the amount of money paid for the product, quality of the product, performance of the product, delivery of the product etc. The consumers are more worried as they do not receive the product as soon as they have placed the order. Moreover, when they receive the product they are unaware about the condition of the product. This is a crucial phase of the consumer's decision making process as it is the point of contact of the consumer and the E-tailer. Throughout the process, there has been no direct contact between the consumer and the E-tailer. The delivery of the product is the point where the consumer will actually meet a person who will deliver the product to him/her.

Earlier, the E-tailers had outsourced the delivery of the products to third-party logistics companies like FedEx but now several E-tailers have started their own logistics services. The advantage of this is that they can provide a personalized experience to the consumer through different interfaces of communication between the consumer and E-tailer. If the E-tailer is able to provide a positive experience to the consumer in this stage then they can win the loyalty of the consumer. Based on the responses, the sample respondents have been grouped into respondents' with Positive Post-Purchase Behavior, Indifferent Post-Purchase Behavior and Negative Post-Purchase Behavior.

Table 3: Post-Purchase behavior of Respondents

Post-Purchase Behavior	Number of Respondents	Percentage
Positive Post Purchase Behavior	720	84.1
Indifferent Post Purchase Behavior	32	3.7
Negative Post Purchase Behavior	104	12.1
<b>Total</b>	<b>856</b>	<b>100.0</b>

Source: Survey

Table 3 shows that among the 856 respondents, 720 respondents exhibit Positive Post-Purchase Behavior, 32 respondents exhibit Indifferent Post-Purchase Behavior and 104 respondents exhibit Negative Post-Purchase Behavior. Thus, most of the respondents have a positive post-purchase behavior.

#### 5. Findings and Suggestions:

The above analysis of data makes it clear that most of the respondents look for the best deals available among all the different brands of the product and they choose an e-tailer based on the comparison of alternatives on specific attributes of the E-tailer. As a result of these purchase strategies of the consumers, majority of the consumers exhibit a positive post-purchase behavior. Thus, the e-tailers should keep in mind that in order to be chosen by a consumer, an e-tailer will have to be able to provide the information about various alternatives of a product in a comparative form.

#### 6. Conclusion:

In conclusion, it can be said that with the rapid change in the online retail scenario, understanding the consumers likes and preferences will play a crucial role in becoming successful in the market.

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