Module 5 Lecture Notes Part IV

Overview

In this section we will focus on stage 4 of the consumer decision process of the purchase! We will examine the role of retailing as it relates to the purchase in the decision process and the dramatic shift to online purchases. Understand and the importance of the relationship between consumption, value, and satisfaction.

Role of Retailing

Any location where people can buy goods or services is referred to as a retail outlet. Internet, interactive TV advertisements, and mobile shopping apps are now all part of retailing, in addition to the more conventional brick-and-mortar stores and catalogs. Full-body scanners provide custom-fit clothing, computers learn and remember consumer preferences, and interactive TV advertising already allow for product information searches and in-ad purchases. Unprecedented changes in consumer purchasing behavior brought about by the Internet, smart devices, and applications are having an impact on the brands and stores that consumers choose.

Online and mobile retailing as well as other types of in-home shopping, such as catalogs, are becoming more significant retail outlets for consumers, even while store-based retailing continues to dominate in terms of overall sales. As a result, to reach their customers, most retailers use multi- or omni-channel marketing. Consumer shopping trends have changed, necessitating omni-channel marketing. Customers are more likely to use various channels to browse and/or make purchases, or to be omni-channel shoppers. When looking for and buying a product, omni-channel shoppers might use the many retail channels in many different ways. Webrooming is a practice used by omni-channel shoppers who start their product search online and finish it in a physical store. The alternative is showrooming. Shoppers who use many channels typically spend more money and earn greater wages. Retailers like American Furniture Warehouse are implementing omni-channel strategies to serve these customers

The method provided for choosing a brand is the same method used by customers to choose a retail location. The nature of the evaluation criteria used is the only distinction. Image of the retail establishment is a significant evaluation factor. Both the physical store image and the online merchant image are significant, despite the fact that buyers evaluate them using different criteria. Store brands have the potential to both benefit from and harm a store's reputation. Location and size of the outlet are key factors, with closer and larger outlets typically chosen over farther away and smaller ones. Consumer traits like perceived risk and shopping preferences are also significant factors in determining the choice of outlet.

Consumers frequently buy a brand or item in a retail store that was not on their list before going in. Unplanned purchases are what these kinds of purchases are known as. Many of these choices are the outcome of extra information processing brought on by in-store or online stimulus. Some, however, are impulsive purchases made without much thought or planning in reaction to an intense want to buy or consume the item. Sales patterns can be significantly impacted by factors like point-of-purchase displays, price reductions, shop atmosphere, website design, mobile and mobile apps, sales staff, and brand or product stockouts.

The consumer must purchase the item's rights after choosing the retailer and brand. Credit is usually involved. The retailer's responsibility is to make the purchasing process as simple as possible because doing so will increase the possibility that a customer will make a purchase and improve the retailer's reputation. They also need to give their customers value and satisfaction.

The following TedTalk talks about the future of retailing circa 2017.

Value through Consumption

Through consumption, consumers benefit from marketing initiatives. Customers consume goods, services, and experiences and profit from their purchases. Given that customers are more likely to be satisfied with exchanges they perceive worthwhile, the value they receive contributes to overall satisfaction. Value is important in consuming because it transfers into the experience and adds meaning.

Customer Satisfaction

Products' meanings might change based on the circumstance. Many businesses make a point of highlighting how hard they work to satisfy their customers. Consumer contentment, or a favorable satisfaction judgment, is an emotional state that results from a favorable evaluation of a consuming outcome. Additionally, several post-consumption behaviors, including loyalty and repeat purchasing, are correlated with levels of satisfaction. Value and satisfaction are related, but not exactly. Because they offer tremendous value, some marketers give their clients low customer satisfaction while still performing incredibly well in the market. One of the best businesses to demonstrate this tendency is perhaps Walmart. Because of this, value continues to outweigh satisfaction as the primary driver of consumer behavior.