



How Consumer Decision Making Process Differ From Youngster to Older Consumer Generation

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Abstract

The vital moment for most, if not all marketers, is when the consumers decide on whether or not the particular product or service would be paid for. That indicates whether the intended marketing strategies have been wise, insightful, and effective, or otherwise poorly done and have lost the target. By understanding how consumers make purchase decisions is important to every marketer in order to develop a marketing strategy to meet their targeted consumer's needs, wants, and desires. This research focuses to review how consumer decision making differ from younger and older consumer generations.

Keywords: *consumer decision making, youngster, older, consumer generation.*

1. Introduction

Every day, people need to make numerous decisions concerning each aspect of their daily lives. According to Lamb, Hair, and McDaniel, (2009), when buying products or services, consumers generally follow the consumer decision-making processes as shown in figure 1: Consumer Decision-Making Process: (1) need recognition, (2) information search, (3) evaluation of alternatives, (4) purchase, and (5) post-purchase evaluation. Schiffman and Kanuk (2010) also defined consumer decision making - “the process of making purchase decision based on cognitive and emotional influences such as impulse, family, friends, advertisers, role models, moods, and situation that influences a purchase” (p.565). Thus, consumer's product and service preferences are constantly changing depends on different stages. Basically, there are three specific levels of consumer decision making which are extensive problem solving, limited problem solving and routinized response behaviour [Schiffman & Kanuk, 2010, p.478]. However, despite with the different perspectives, as a marketing leader, one can make sure is the success of the business as the common goal by understanding the generation's consumer decision making. To depict the differences between generations, usually there are three generational groupings: Baby Boomers (born between 1943 and 1964), Generation X (born between 1965 and 1980) and Generation Y (born between 1981 and 2001) [Hole, Zhong, & Schwartz, 2010 as cited in Andersone, 2013]. In a long-term, those organisations, which learn to take advantage of the differences between generations, they will be more successful [Andersone, 2013, p.18].

2. Differences Between Consumer Generation In The Process Of Consumer Decision Making

Upon analysing the generations, differences can be found between the oldest and youngest generations. Given recent growth in the number, diversity, and longevity of the elderly, there is reason to believe process of consumer decision making between younger and older elderly may also differ [Abdel-Ghany & Sharpe, 1997, p.92]. The process of consumer decision making can be viewed as three different but interlocking stages: the input stage, the process stage, and the output stage as shown in figure 2 [Schiffman & Kanuk, 2010, p.36].

2.1 Input Stage

The input stage influences the consumer's recognition of a product need and consists of two major sources of information: the company's marketing efforts (the product itself, its price, its promotion and where it is sold) and the external sociological influences on the consumer (family, friends, neighbours, other informal and non-commercial sources, social class, and cultural and subcultural memberships) [Schiffman & Kanuk, 2010, p.37].

According to Raskovic and Grahek (2012), “Young people act as powerful opinion leaders for their surrounding social environments” (p.91). From the time they were children, youngster always encouraged by the people surrounding them to share their opinions. Therefore, they translated into the group who feel that their opinions are always welcomed and needed. Also, young-adult consumers evaluate quality not only as a generic product or service attribute, but also as closely intertwined with pricing and value, as well as branding and promotion [Raskovic and Grahek, 2012].

On the other hand, essential motivational changes occur with aging. According to Urry and Gross (2010), older age is normatively associated with losses in physical, cognitive, and social domains (p.352). Culturally, society tend to hold stigmas of the elderly, whereby they are seen as wise, kind, and warm; contrariwise, they are also perceived to be slow, helpless and inept. [Cuddy et al. 2005 as cited in Cole, Laurent, Drolet, Ebert, Gutchess, Lambert-Pandraud, Mullet, Norton, & Peters, 2008]. Carstensen, Fung, & Charles (2003) suggest that the elderly prioritize shared aims that are emotionally significant compared to those that are factually related as they see time they have left, become shorter, and shorter. Moreover, this group of people are seen to exert very little impact on society than the rest, lest they consider themselves to not have the required competency to properly make firm decisions [Tynan & Drayton, 1985, p.216].

2.2 Process Stage

The process stage of the model focuses on how consumer makes decisions. The psychological factors inherent in each individual (motivation, perception, learning, personality, and attitudes) affect how the external inputs from input stage influence the customer's recognition of a need, pre-purchase search for information, evaluation of alternatives [Schiffman & Kanuk, 2010, p.37]. At this stage, the act of making a consumer decision also consists of three stages: (1) need recognition, (2) pre-purchase search, and (3) evaluation of alternatives. The experience gained through evaluation of alternatives, in turn, affects the consumer's existing psychological attributes. For example, the product experience includes its perception, the identification process it triggers, the cognitive associations and memories it arouses, the feelings and emotions it elicits and the evaluative judgments it brings about, hence the importance of ensuring an adequate interpretation from all age groups [Schiffman and Hekkert 2007 as cited in Piqueras-Fiszman, Ares, & Varela, 2011].

Younger consumer generation "is a special life stage in which people chase popularity and fashion, care about their appearance, have a strong curiosity, and are keen to track and capture the subtle changes in the forefront of beauty" [Li, 2013, p.16]. For them, the most important thing is to enjoy life and to have a lifestyle that provides freedom and flexibility. Therefore, they can be classified as the enthusiastic buyers of the latest clothes, technology, and recreational products.

Evidence to date suggests that individuals' behaviour changes as a function of life cycle [Wells & Gubar, 1966; Engel, Kollat & Blackwell as cited in Lust, Showers, & Celuch, 1992]. Similarly, "As people age they tend to become more dissimilar in terms of their needs, life-styles, and consumption habits" [Moschis et al, 2000; Schiffman & Sherman, 1991 as cited in Szmigin & Carrigan, 2001]. With age, however, an increasing number of older individuals will not try to defend their self-image [Atchley, 1987 as cited in Moschis & Mathur, 2006], and they may gradually move into a perceived degraded age status, engaging in fewer "defensive-aging" consumption activities such as avoiding offerings available exclusively to older people such as senior discounts [Tepper, 1994 as cited in Moschis & Mathur, 2006].

2.3 Output Stage

The output stage of the consumer decision making model consists of two related post-decision activities: purchase behaviour and post-purchase evaluation [Schiffman & Kanuk, 2010, p.37]. The objective of both activities is to increase the consumer's satisfaction with his or her purchase. Before making a good decision, one should attain every accurate and 'up-to-date' information regarding the product that is out here, and also understand the basic significance of those data.

Younger consumer generation tend to be more inquisitive and they want to know why things happen, how things work, and what they can do next. Thus, they tend to expose themselves to the Internet since their very young age. According to Kohli, Devaraj and Mahmood (2004), consumers can improve their decision-making process and minimize their transaction costs by searching the Internet to find the commodity that matches their requirements (p.119). Furthermore, it is claimed by Laurent et al. (2008) that "Older adults will process information in ways that are likely to be different from younger adults at the same time as they are faced with more decisions about vital health, financial, and other personal issues" (p.361).

3. Moods

Consumer's moods are important to decision making. "Mood is a state of mind or a feeling that tends to be task-irrelevant, whereas emotions and evaluations generally are triggered by the task itself" [Seibert and Ellis 1991; Kida et al.2001 as cited in Chung, Cohen, & Monroe, 2008]. Moods are more long-term and general while emotions are often the result of a specific arousal that has occurred [Adaval, 2003; Gaudine and Thorne 2001]. Moods are also proven to have an effect on decision making. Chung, Cohen and Monroe (2008) claim that, "Constructive effects (such as increased creativity and information search) enhance the decision-making process while unconstructive effects (such as decreased creativity and biased information search) diminish the effectiveness of decision-making" (p.138). In general, individual in positive mood recall more information about a product than those in a negative one. "Participants in the positive mood condition made less conservative inventory judgments than the negative-mood participants, thus demonstrating that moods have the potential to affect audit judgment in an ambiguous task setting" [Chung, Cohen, & Monroe, 2008, p.138]. Besides that, Di Muro and Murray (2012) claim that "different mood triggers might give rise to specific cognitive and motivational processes that then influence the decisions that consumers ultimately make" (p.582). "The knowledge of consumers' mood states in marketing situations may provide marketers with a more complete understanding of consumers and their reactions to marketing strategies and tactics" [Gardner, 1985, p.281]. For example, it impacts on when consumer shop, where they shop, and whether they shop alone or with others. It also is likely to influence how the consumer responds to actual shopping environment.

4. Packaging of Product

Today, changes in consumer preferences have led to innovations and developments in new packaging technology [Dobrucka, 2013, p.108]. Packaging of product must convey the image that the brand communicates to buyers. Ursula Hansen (1986) as cited in Clement (2007) describes, "Packaging as having specific influence on buying behaviour through three general packaging aspects: communication, functionality and environment" (p.918). Another intriguing path would be to consider the impact of specific shape and colour values in greater depth [Roehm & Roehm, 2010, p.1132]. In the colour theory, different colours are carrying different inherent meanings, for example red is an arousing colour where blues is more calming. The first impression of a product will draw consumers attention that influences them in identifying and categorizing the particular product [Opperud (2004) as cited in Piqueras-Fiszman, Ares, & Varela, 2011]. After that, only are those estimates integrated to arrive at a complete final verdict of the product. In general,

consumers spend little time on cognitive process such as comparing prices and reading. On the other hand, according to Folkes and Matta (2004), the extensive judgements from what they see, like packaging that gets more attention is also judged to contain more.

5. Diffusion of Technology

In B2C markets, newly introduced technology is often designed to help consumers to save time in making a decision. As stated by Zeng and Reinartz (2003), here are the observation that advocates that e-commerce back certain components of the consumers' decision-making process better than others:

“The Internet has very differentiated impact along the various stages of the consumer decision-making process and the true value-added of the Internet to consumers materializes at very specific points in the purchase process. The empirical evidence shows that the ecommerce initiatives so far have been focusing mostly on increasing the effectiveness of online search, paying much less to facilitating online transactions, and almost completely ignoring the importance of helping consumers make better decisions.” (p. 108)

Dabholkar and Bagozzi (2002) also argue that, “The consumer differences arising from personality traits are highly relevant for validly predicting behavioural choices of new technology because such variation is “at the heart” of consumers’ decision making process” (p.187). “Technology diffusion information provides valuable insights into the relevant knowledge that potential user groups might have” [Olson, O'Brien, Rogers & Charness, 2011, p.142] According to Venkatesh, Thong and Xu (2012), “There is a significant impact of consumers’ habit on personal technology use when they face an environment that is diversified and ever changing” (p.174). to assist the consumers to make a better decision. Today, older consumers do use technologies similar to their youngster consumers, but perhaps they are at different usage rates. Older adults were more likely to use those technologies that have been around longer, such as telephones, answering machines, microwave ovens, recording devices, and credit cards [Olson, O'Brien, Rogers & Charness, 2011, p.141]. On the other hand, younger people especially males with a greater level of technology optimism are more likely to favour a mobile Internet device over an established medium [Koenigstorfer & Groeppel-Klein, 2012, p.919].

6. Brand Loyalty & Choices

“A brand is a tangible or intangible concept that uniquely identifies an offering, providing symbolic communication of functionality and differentiation, and in doing so sustainably influences the value offered” [Jevons, 2007 as cited in Guo & Li, 2013]. Positive brand appearances have positive influence on consumer loyalty and beliefs about the brand value. “Brand loyalty is a consistent preference for one brand over all others [Lamb, Hair, & McDaniel, 2009, p.283]. It is quite high in some product categories such as product of cigarettes. According to Anderson and Sharp (2010), “Younger consumers are more likely to be new to the category and adopting brands to develop a repertoire, so they probably account for a disproportionate percentage of the consumers ‘available’ for a brand to acquire” (p.439). According to Botwinick (1978) as cited in Lambert-Pandraud et al. (2010), it was found that younger respondents were much more likely to take upon more risks in general, and also make choices that would, in a way, change their fundamental life situations; whereas older respondents were more cautiously inclined. Moreover, younger consumers have a higher tendency to completely change the products and brands they fancy, a form of innovativeness that is beneficial to comparatively new contestants; whereas older consumers display an inclination to remain of constant loyalty to one favourite brand [Lambert-Pandraud & Laurent, 2010, p.104]. Thus, we can conclude that youngster consumer generation are less brand loyal than older consumer generation. This is because older consumer might find it is “risky” to buy an unfamiliar brand.

7. Discussion

The consumer decision making model brings together an array of factors, ranging from the psychological aspect to also social and cultural ones as well. The consumer’s decision making has three sets of variables which are input variables, process variable as well as output variables. Input variable that affect the decision-making process; process variables are influenced by the consumer’s sociocultural and the output variable includes the actual purchase either trial or repeat purchase and post-purchase evaluation. By understanding how the differences between youngster and older consumer generation making decision has significantly impact to marketers. Thus, marketers particularly interested in the consumer’s decision making process weather the consumer’s decision influence by the mood, diffusion of technology or by the packaging itself. These is very important because brand choices of consumer and the loyalty is the key for all marketers to generates more profit and avoid consumer brand switching during their decision making process.

8. Conclusion

In the nutshell, the consumer decision making can be differ from younger to older consumer generation in terms of the different stages of consumer decision making process (input stage, process stage, output stage) as well as other influencing factors (moods, diffusion of technology, packaging). The younger generation is the fundamental group to influence others as they are the opinion leaders. Besides that, the youngsters tend to be the ones who would try out anything that is innovative or ‘up-to-the-minute’, and also are the ones that have shorter attention span on most products, while coveting status brands. Thus, they are classified as the formidable purchasing group of the latest clothes, technology, and recreational products. On the other hand, older consumer needs more encouragement and heavily involved in word-of-mouth promotion during their decision making process. Older consumer normally decreases in involvement with others and they do not care much about their self-image to get a senior discount. Older consumer makes their decisions mostly based on the vital health, financial, and other personal issues. In addition, positive moods and attractive packaging of the product will lead the consumer to do a good decision. In term of using technology, youngster tends to explore more information than older consumer during their decision making process. Although older

consumer also using the technology during their decision making process, however, youngster is much more expert than the older consumer. Lastly, youngster consumer generation are less brand loyal than the older consumer generation.



Figure 1: Consumer Decision-Making Process [Lamb, Hair, & McDaniel, 2009]

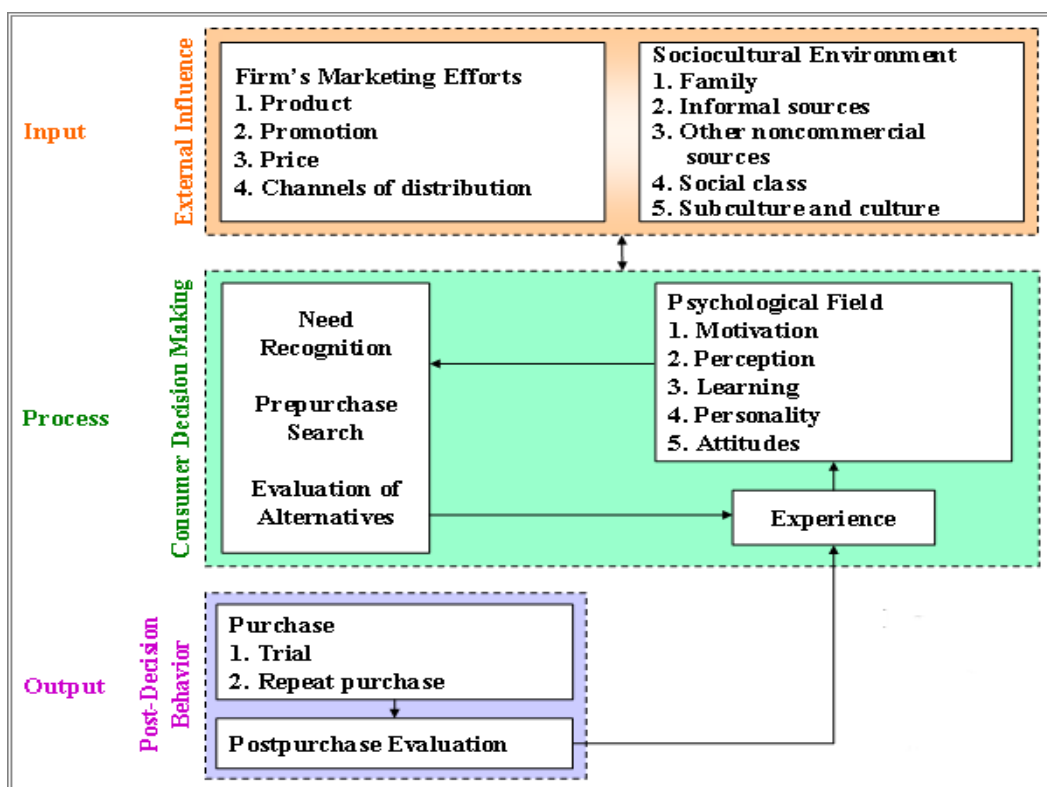


Figure 2: A Model of Consumer Decision Making [Schiffman & Kanuk, 2004]

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