

Observation and identification of how consumers make the decision in purchasing at a retail store

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Abstract

The purpose of the research is to identify key factors on how shoppers make decisions in purchasing at a retail store. Many retail companies practice on training all staff to explain everything about the product and offering a discount, which allows shoppers in making a purchase at their store. The hypothesis for retail staff is as long as the service provided by the retail staff is sufficient, the customer will start to make a purchase. A survey was done on shopper's behavior in Asia. Results show that some customer requires attention from retail staff to make the decision while others solely depending on their judgment. 2 factors were taken into the study, clarity of product in mind and trust in making the decision. Training retail staff can be customized accordingly for more transaction to be closed.

Keyword

Purchasing decision, Retail store, Consumers behavior, price and quality, staff productivity.

The term "omnichannel" refers to consumers who want to use all channels (store, catalog, call center, web, and mobile) simultaneously (Ortis, 2010). Consumers are interacting with an increasing number of touchpoints as they search, buy, and get support. For example, they can use their mobile devices while there are in a physical store, in order to instantly search for availability and price, comparing multiple retailers. Then, they can easily move across different retail channels (online or offline) of the same or a competitor retailer. Offline marketers begin to adopt mobile marketing and experiment with in-store marketing efforts enabled by e-commerce platforms (Walker, 2010). Their research revealed that consumers recognize differences in prices, which in turn influence their evaluation of the shop's price competence, their trust in the shop and their patronage of it by using online shopping for comparisons.

The purpose of this research is (i) to identify the key factors in customer decision during purchase and (ii) identify if the consumer wants a lower price over quality. Retailers would benefit by understanding the drives the decision and how to match with the right skill, knowledge, and attitude of the staff to increase the rate of closing the sales.

I. INTRODUCTION

Productivity and performance in retail are commonly measured by sales number. Companies invest money on staff in the knowledge of customers, product, attitude, and mindset in order to be more competent in facing the competitive market. To achieve better results, many retailers started to learn and understand consumers' behavior and match it with suitable staff training. According to Sorensena, his findings show many shopping trips are short, and shoppers typically only cover a small proportion of the store on any trip. (Sorensena, et al., 2017)

With (i) increasing complexity of choice is promoting shortcuts in decision making, (ii) pre-store preferences are shaping purchases, (iii) digital revolution is reinventing shopper behavior, (iv) new disruptive e-commerce models are evolving every day.(v) omnichannel is bringing together the physical and digital worlds are factors that affecting the change in consumers' behavior (Wood, 2018)

II. SAMPLING AND DATA COLLECTION

Questionnaires were distributed in 2 ways: online and shopping malls. Research group range from age 18 to 70, with a total of 200 people.

Factors in decision making while constructing the survey include:

- Consumer know what they want before entering the store
- Factors that capture attention during shopping in a mall
- Things that they do upon entering the store
- Ways on getting more information before testing the product of interest
- Assistance of staff during decision making
- Decision made by
- Key factors in making the purchase

- Key factors in not making the purchase
- If they were given a similar product, 20% lower price than the original product but lower quality

The findings include as follow:

In knowing what they want, 63% knows 34% maybe and 2% do not know what they want when entering the store.

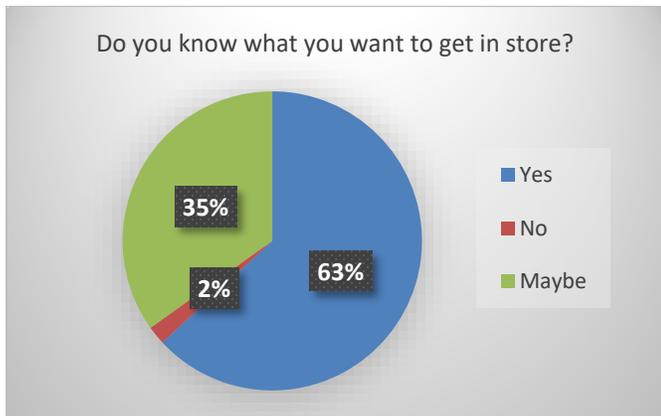


Figure 1: Does consumer know what they want before entering the store

Top 5 factors in capturing attention in the mall include searching for the product in mind (61%), heard about the talk of the brand (39%), new product (39%), and news about the brand (37%), and the specific event was held (33%).

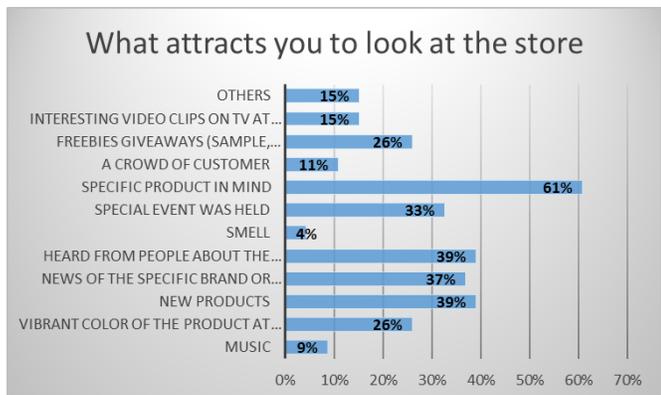


Figure 2: Factors that capture attention during shopping in a mall

Things to do upon entering store are searching for the product in mind (56%), wander around the store (24%), looking for sales corner (11%) and trying and looking for a new product (9%).

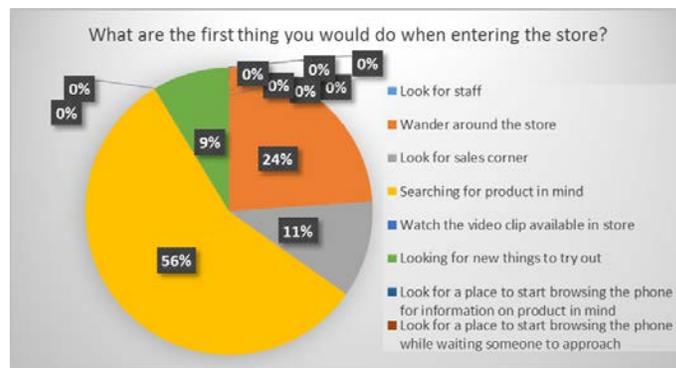


Figure 3: Things that they do upon entering the store

Ways to get more information including reading online post and reviews (57%), through staff (33%), friends (30%), just to try (22%), printed material including poster, catalog etc. (20%).

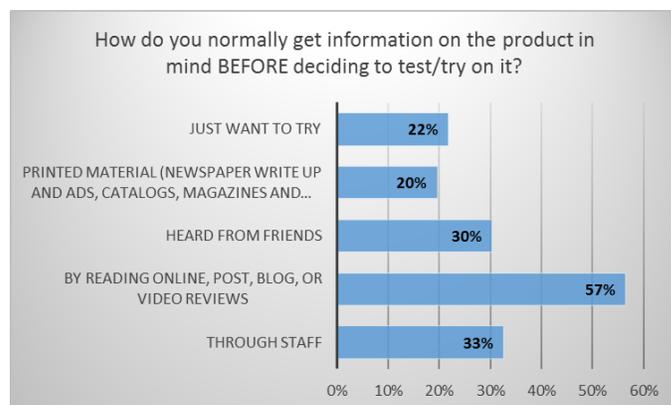


Figure 4: Ways on getting more information before testing the product of interest

Assistance of staff during decision making by linking how the product make consumer feel (41%), explain and tell the story of the product (30%) and keep quiet and only to help to get the right size and new unopened product (28%).

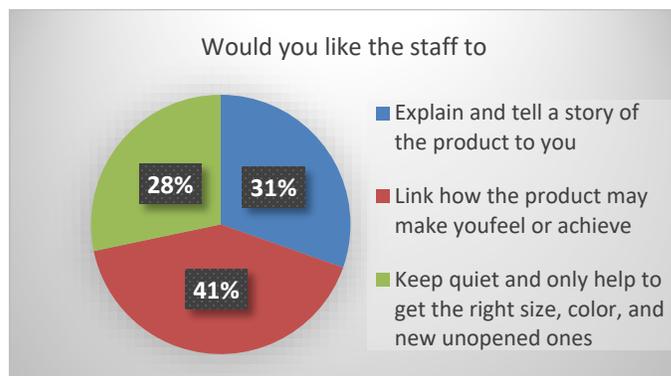


Figure 5: Assistance of staff during decision making

Prefer decision made by yourself (63%), recommended by family and friends (22%), recommended by staff (9%), and, recommended by post, blogs, and reviews (6%)

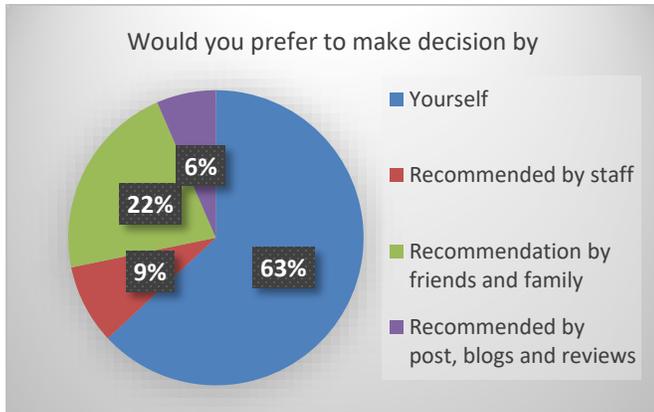


Figure 6: Decision made by

Top 5 key factor in making a decision include price (76%), more function the better the buy (54%), brand (41%), feeling of being proud and satisfied when owned it (24%) and friend recommendation (24%)

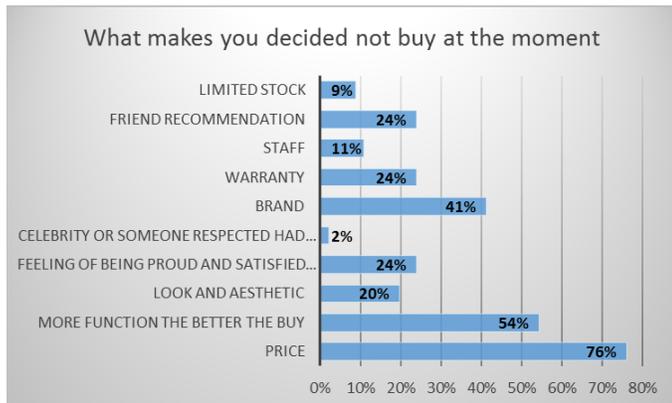


Figure 7: Key factors in making the purchase

Top 5 key factor in not making the purchase include believe better deal outside of the store (56%), do not like attitude of staff mainly due to improper body language (51%), other priority in spending (36%), not enough confidence about the product in mind (29%) and decided to relook in setting budget (20%).

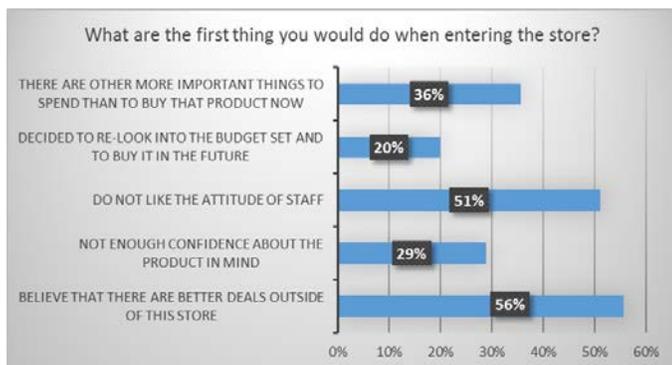


Figure 8: Key factors in not making the purchase

Given the similar product, same warranty, with 20% cheaper but of lower quality, 41.3% may buy it, 34.8% may not buy it and 23.9% will buy it.

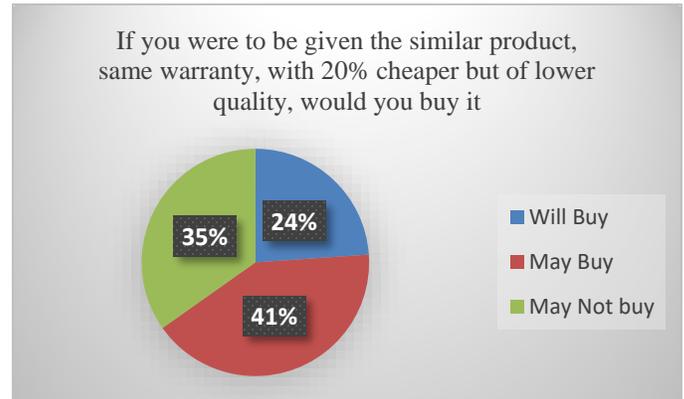


Figure 8: If they were given a similar product, 20% lower price than the original product but lower quality

III. DISCUSSION

From the survey, it is known that many factors are involved in decision making. We focused on two key elements that help in consumer making a purchase:

- Clarity of Product in mind
- Final Decision Maker

Clarity of Product in mind

This factor relates to how clear the consumer knows what they want. Three categories are identified: Very clear, Clear, Not clear. The table below explains the meaning of each category

Very Clear	The consumer knows the exact product that they want. This includes the specific brand, type, and function of product that benefit them
Clear	The consumer knows some feature of the product or what they can achieve upon getting the product. However it is not clear what product, brand, and type in finalizing the decision
Not Clear	The consumer does not have anything in mind yet upon entering the store.

Although sound (music and attractive message), smell, look (vibrant color, new product) may attract consumers attention, most people who enter the shop will have some form of what the shop is selling. This does not interpret as they have the intention to buy as other factors have to be included (priority in a purchase, value of product and etc).

Final Decision Maker

60% will research online before buying in-store and 27% research in-store before buying online. (Wood, 2018) However, 63% prefer to consumer themselves make the decision in purchase while 36.9% prefers to make the decision based on others feedback (recommendation from friends, staff, blog posts). 2 categories are listed as below:

Self	Consumer gathers all related information from all sources before concluding the final decision. The consumer wants to believe the purchase is made by themselves and not influenced by other parties (media, advertisements, friend and staff). The consumer has higher trust in themselves than others' opinion.
Others	Consumer prefers to hear opinion and recommendation from other sources, including staff, social media posts, friend and advertisements. The consumer has higher trust in others' opinion than self. This does not mean the consumer will blame the other party if the expectation is not met.

Self refers to consumers wants to believe they are in control on the final call. Advertising has a huge influence on our day to day activity. This has a great impact on our brain and our subconscious mind, which is one of the reasons why consumers have "I like it, but I don't know why" effect. (Dempsey & Mitchell, 2010). This group of people wanted to believe that the purchase decision is the correct decision and not the decision being forced by external influence. This does not mean they will not listen to other sources before making the final call. For retailers, they need to make this group of people feel in control and room to think, to create a scenario of consumer makes the final call.

Others refer to consumers who make the final decision based on information that was gathered. In many cases, this group of people is more open in listening to staff, family and friends, and, online post. This does not mean they will easily trust others without cross-checking, only simply means the purchasing decision is heavily due to other influence than a self-made decision. Compelling social media influencers were found to exert a positive impact on consumers' purchase intention. (Lim, Mohd Radzol, Cheah, & Wong, 2017)

By combining both factors, we can categorize consumers into 6 different behavior

Product Mind	In	Final maker	Decision	Name
Very Clear		Self		Monopolizer
Very clear		Others		Monitor
Clear		Self		Recognizer
Clear		Others		Researcher
Not Clear		Self		Self - Activator
Not Clear		Others		Follower

A guideline in identifying the type of consumers

A simple explanation of each behavior and expectation in a store can be found in the table below:

Monopolizer	This person knows exactly what he/she wants. The moment entering the store, they will look for that item. This person had done surveys and studies to ensure that their judgment is the right one. They expect staff to agree with their idea to further confirm their purchase is the right one. They may not really easily accept different opinion unless an expert who earns their trust to open their mind in a different direction. It is important to ask how they feel after trying on the product in mind.
Monitor	This person knows exactly what he/she wants. The moment entering the store, they will look for that item. They are willing to get an opinion from other sources before making their final decision on the purchase. They expect sellers to be very strong in product knowledge and problem-solving. If they feel there is no confidence in staff, they will look for reviews online or friend and family recommendations.
Recognizer	This person believes to know what benefit or solution he/she wants but still not sure which product is available for them. They will recognize if the recommended product suits them once the right word or point is related to them. They expect staff to only offer information that is sufficient for them to make sure the purchase is a worthy one. Staff is required to talk more about the consumer benefit and emotional feeling, giving space and time for them to make a decision. In addition, staff can offer a range of solution so this person will be able to make a final call.
Researcher	This person believes to know what benefit or solution he/she wants but still not sure which product is available for them. They are willing to listen and follow recommendations as they trust either the staff or others who are expert in the field. It is important to offer a range of similar product, or testimonials, with a recommendation in mind.
Self Activator	This person does not know what they want when entering a store. They are curious but will keep their opinion to themselves. They expect staff to allow space for them to walk around the store without too much interference. Staff needs to put an effort in opening up a conversation, discover their interest and ask for their opinion on some

	product, preferably the key product that is in relation to their interest.
Follower	This person does not know what they want when entering a store. They are curious and willing to explore the opportunity to understand and learn more to see if it is a fit for future use. Staff using customer testimonial, online post on product review will be helpful in relation to them.

IV. LIMITATIONS AND FUTURE RESEARCH

Respondents' range is taken in shopping malls and online, by asking retail shopping as general. It is suggested to perform a study based on different industry example healthcare, grocery, as result showed, will be different.

In addition, final decision making relies a lot on trust. Retailers creating trust has a moderate but beneficial influence on the development of positive consumer attitudes, intentions, and behavior (Swan, Bowers, & Richardson, 1999)

V. CONCLUSION AND IMPLEMENTATION

Two Key elements in making purchase decision are Clarity on Product in Mind and Final Decision Maker. Money is not the only factor in making the purchase, but the attitude of staff also influence the purchasing decision. Retailers can increase the productivity of staff by categorizing consumers based on this research.

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