

Understand Consumer Buying Behavior

What makes us make a purchase? The answer is not entirely clear.

“Yet we do know that six behaviors are part of the buying decision process,” says Glenn Muske, the North Dakota State University Extension Service’s rural and agribusiness enterprise development specialist. “Knowing the behaviors is the first step in helping small-business owners develop a business strategy.

“However, business owners also must understand that for each person, the behaviors are not linear but may occur in at different times in the process,” Muske continued. “Plus, each person gives them a different priority. Understand also that the same person will modify the process, depending on the item being purchased (a house versus groceries, for example), time available, income level and a whole host of other variables.”

Seventy-three percent of consumers today consider the buying decision to be more complex and less direct than in the past.

The key for the small-business owner is helping the customer through the process. That starts with knowing the six behaviors:

- Awareness – Are your products, services or brands on the consumer’s radar?
- Want or need – What is driving the consumer to think about purchasing the item? Business owners must understand that needs are a stronger motivator.
- Background information – What kind of information do consumers need as they begin considering the purchase?
- Situational awareness – What information are the consumers picking up from environmental stimuli? Are they an innovator or more of a mainstream shopper?
- In-depth research – For some products, the background information may be all a buyer requires. Yet for other purchases, consumers will need to consider all the options, find deal, and study reviews and testimonials before making a decision.
- Post-purchase evaluation – How does the purchase influence the customer’s next interaction with that store, a brand or a specific item? How did post-purchase support influence the overall feelings toward a repeat purchase or providing one’s own review?

“Consumers will use a variety of resources in each behavior,” says (Insert name and title) of (Insert county). “And what is important to remember is that each consumer has a different preferred method of learning and gathering information.

“For example, today some will use online resources entirely while others prefer written information,” (Last name) continued. “Likewise you have those who want the information presented in a visual or video format.”

Small-business owners must understand the buying process and where their products and services fit. The owner must understand that the process will vary among people. Finally, the

owner must have thought of the common questions customers will have and the resources they'll need in their decision-making process.

The more the owner can assist the consumer in the process, the higher the level of trust the customer will have and the greater the chance of a sale and probability of repeat sales..

For more help in understanding the buying process, check with your local Extension Service office at [insert phone number and email address]. Also visit NDSU's small-business support website at www.ag.ndsu.edu/smallbusiness and sign up for the monthly newsletter. Or check out Facebook at www.facebook.com/NDSUextsmallbiz or Twitter at @gmuske. Another online resource is www.eXtension.org/entrepreneurship.

Joining groups such as your local chamber of commerce can be helpful, too. The Small Business Administration and its related organizations, such as the Small Business Development Centers and Service Corps of Retired Executives, also can be valuable resources.

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For more information, contact glenn.muske@ndsu.edu or call (701) 328-9718. You also can visit our website, www.ag.ndsu.edu/smallbusiness.