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The Dutch Electric Fan Heater Market: Mapping the
Consumer Decision Making Process

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Declaration:

I hereby declare that I am the sole author of the thesis entitled “The Dutch Electric Fan Heater Market: Mapping the Consumer Decision Making Process”. I duly marked out all quotations. The used literature and sources are stated in the attached list of references.

Prague, 20 August 2019

Ms Kirsten Daniëlle Vreede

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List of abbreviations

B2B	Business to Business, referring to a firm's clients being other firms
B2C	Business to Consumer, referring to a firm's clients being end consumers
Company X	Client company for which this study has been conducted
DIY (store)	Do-It-Yourself store; synonym for hardware store
EHFC	Electronically Heated Fan Convectors
HVAC (products)	Heating, Ventilation, and Air-Conditioning products
SEO	Search Engine Optimisation

Introduction

‘In today’s decision journey, consumer-driven marketing is increasingly important as customers seize control of the process.’ This is the way the McKinsey research team explained the changed marketing environment in 2009, when publishing their take on the consumer decision making journey. They acknowledged the change in perception by the consumer and the shift from ‘push’ to ‘pull’, both caused by the change in media available to market and obtain products. These changes have brought along new challenges for firms in terms of existing and new channels, decreased brand loyalty, increased environmental awareness by consumers, and generally higher competition in the B2C (Business-to-Consumer) world.

The company for whom this study has been conducted, hereinafter referred to as company X, is now facing this challenge, as they have been selling their products B2B, and are planning to add B2C sales to their activities. Company X is a Swedish-based manufacturer. X was founded in 1932 and later on acquired by a large manufacturing group. It produces a range of air-based heating systems, including air curtains, radiant heaters, fan heaters, convectors, ceiling fans, thermostats and controls (Company X' website, n.d.). The annual report 2018/2019 of X’s mother company reports that through distributors and subsidiaries, X is currently active in 70 countries worldwide (*Annual Report 2018-19*, n.d.).

This study is aimed to create a starting point for Company X to commence selling their first product B2C, the Electronically Heated Fan Convector or EHFC. To establish the specific features of an electronically heated fan convector, definitions of the online Cambridge Dictionary have been used. “Electronically heated” means that electricity is used to create heat, meaning that electrical energy is being transformed to heat energy (‘ELECTRIC HEATER | meaning in the Cambridge English Dictionary’, n.d.). A “convector” is ‘a device that warms a room by creating a current of hot air’. A “fan convector” is a type of convector with which the current of hot air is being dispersed into the space by the means of fans (‘CONVECTOR | meaning in the Cambridge English Dictionary’, n.d.). Resultantly, the definition used by the author for “electronically heated fan convector” is “unit dispersing electronically created heat by the means of fans”. Two types of this product are being produced by X; one is a portable unit that could be used in any kind of space with an electricity connection, and the other one is a unit that is made to be installed and thus remain

permanently in the same space (*Company X' product brochure*, n.d.). The target market in the consumer industry consists of home owners looking for a way to handle the need for heating areas of private homes which are not heated by a 'central system or heat pump system' today or require additional heating, such as bathrooms, barns and attics. Furthermore, owners of (mountain) cottages or summer houses are targeted, as EHFCs can be used to quickly and temporarily heat a small space.

Currently, company X is selling its products only B2B. Clients for EHFCs include electrical wholesalers (selling to installers) and commercial building project companies. The end users are either industrial firms, commercial firms, or consumers. When starting to consider the shift to the B2C market, the company encountered several difficulties. First, the strategy for entering the B2B market differs significantly from B2C strategies. Secondly, the fear exists that X' approach will harm its relationship with its current clients, as these clients may consider X to be a new competitor. In order to address these issues and define a successful marketing strategy for Company X, the researcher has taken the Netherlands as a case study and aimed to answer the following research question:

What does the consumer decision-making process of Dutch home owners look like for home appliances purchase, and how can this be applied to the marketing strategy for a manufacturer of electric fan heaters entering the Dutch B2C market?

To answer this question, five sub questions have been derived:

Sub question 1. How does the consumer decision making process for this product category compare to journeys suggested by the theoretic models reviewed?

Sub question 2. What type of consumer decision is used for these types of products (extended problem solving, limited problem solving, or habitual decision making)?

Sub question 3. How is the initial consideration set compiled?

Sub question 4. On which external factors does the choice for the final purchase depend?

Sub question 5. What motivates or prevents consumers to become an active loyalist?

These questions have been answered by the means of conducting qualitative interviews with Dutch home owners, after which the results have been compared with theories analysed in the Literature review, and a set of conclusions and recommendations for Company X have been derived.

1. Literature review

The goal of the literature review was to review the major models of the consumer decision-making process and outline the related concepts, which could then be applied and compared to the findings of primary research.

This chapter outlines seven models mapping the consumer decision making process, which have served as a theoretical framework for the empirical research outlined in chapters 2 (Methodology) and 3 (Findings). The term consumer behaviour is used in this section according to Solomon's definition: '[...] the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires' (Solomon, 2011, p. 7).

The first model described is the Hierarchy of Effects Model, developed by Elias St Elmo Lewis in 1989. The second is the Nicosia Model, named after its author and published in 1966; the third is the Engel-Blackwell-Miniard Model from 1968; the fourth is the Howard-Sheth Model of Consumer Behaviour, dating from 1969. Subsequently, McCarthy, Perreault and Quester's Model of Consumer Decision-making (1990) is reviewed, followed by the Consumer Decision Journey model, developed around 30 years later by consulting firm McKinsey & Company. Lastly, the Purchase Loop model from consulting company Latitude (2013) is reviewed.

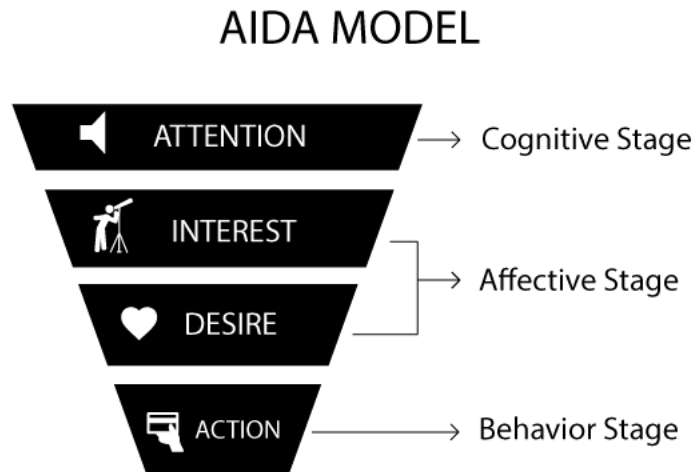
1.1 Hierarchy of Effects Model

One of the oldest and most used methods for mapping the consumer decision making journey comes from the world of advertising and is known as the Hierarchy of Effects Model. The model has many variations, the first one being the AIDA model developed in 1898 by salesman Elias St Elmo Lewis (Francis, 2015). He aimed to map the process salesmen have to guide their (potential) clients through in order to achieve the action of purchase. In his review of the different model variations, Wijaya explains that the assumption behind them is that consumers respond to advertisement in an ordered manner, being 'first cognitively (thinking), then affectively (feeling), and thirdly conatively (doing, behaviour)'. The target audience goes through a sequential process that is, depending on the model variation, being visualised in a linear or pyramidal way (Wijaya, 2012).

1.1.1 The AIDA model

In 1898, Mr Elia St Elmo Lewis developed the AIDA model with the aim to explain the consumer's purchase process from the advertisement (purchase push) point of view. AIDA is an acronym for Attention, Interest, Desire, and Action. The model is usually visualised in a reverse pyramidal shape as shown in the image below.

Figure 1: AIDA MODEL



Source: ('Why It's Time To Rethink The Marketing Funnel', 2018)

Lewis referred to the four steps using the following slogan: 'Attract attention, maintain interest, create desire, get action'. In the below section, the four steps are outlined according to Lewis' approach: From the advertiser's or salesman's perspective.

The first step is the attracting of the consumer's attention. They need to become aware that the product exists before they could consider buying it. This is why later models sometimes replace the step 'attention' with the name 'awareness' (Sarokin, 2019). After the consumer's attention has been drawn, their interest needs to be gained and maintained. They somehow need to be drawn towards the product in order for them to reach the next phase, which is desire (Sarokin, 2019). Desire refers to the phase where the consumer has decided they wish to purchase the product. Usually, desire is created either on a utilitarian or an emotional basis; the consumer is convinced that either the product can prove useful, or the product contributes to their emotional wellbeing (for example belonging to a group or feeling more fulfilled in life) (Sarokin, 2019). The final step is action: When the consumer effectively purchases the product. Contrary to other models, action is the final phase of the process and experience or

repurchase of the product are not taken into account in AIDA and most other Hierarchy of Effects models yet (Sarokin, 2019).

Although it was developed in 1898, the AIDA model only gained wide recognition in 1925 when American psychologist Edward Kellogg Strong Jr. referred it in journal *The Psychology of Selling and Advertising* ('Attention, Interest, Desire, Action | The AIDA model', n.d.).

1.1.2 Variations of the AIDA model

Following Lewis' publication, more than 20 variations of the AIDA model have been developed between 1925 and 1990 (Wijaya, 2012, p. 76). The AIDA model and its variations are often referred to as Purchase Funnels thanks to their funnel-like shape.

Wijaya describes that among the most famous variations are the AIDAS model, the AIDCA model and the DAGMAR model. AIDAS stands for Attention, Interest, Desire, Conviction, Action, and Satisfaction. Developed in 1911 by Arthur F. Sheldon, it is the first known Hierarchy of Effects model that includes a post-purchase phase: The Satisfaction phase. This phase refers to the customer's experience and potential repurchase of the product.

Ten years later, in 1921, Harry D. Kitson published the AIDCA model. AIDCA is an acronym for Attention, Interest, Desire, Conviction, and Action, with Conviction being the new element compared to AIDA. It refers to the phase where the consumer is being so convinced of the product's advantage, that they actually decide to purchase and actively look for options to purchase the product.

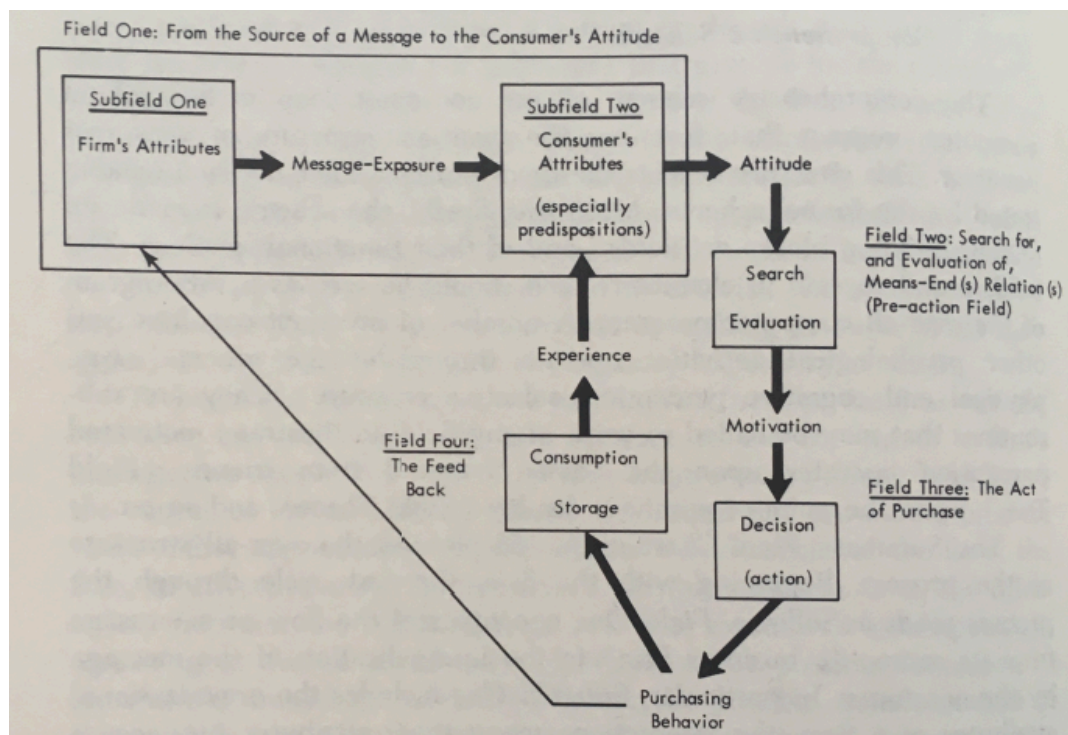
The last purchase funnel variation described in this section is the DAGMAR model. DAGMAR was developed in 1961 by Russel H. Colley and is an acronym for Defining Advertising Goals for Measuring Advertising Results. Colley modified the four stages of AIDA and used them as what is known today as KPIs or Key Performance Indicators, meaning they ought to serve not only for initial advertisement campaign ideas, but also for the measuring of success of the campaigns. The four stages described by Colley are Awareness, Comprehension, Conviction and Purchase (ACCP). Awareness is similar to AIDA's Attention, meaning the stage where the consumer becomes aware of the product's

existence and/or the advertisement campaign message. Numerous models developed after 1961 have taken over the term 'Awareness'. The second stage, Comprehension, means the consumer has processed the campaign and understands its core message. After Comprehension follows Conviction; the consumer is convinced that the campaign's message is genuine and that the purchase of the product may be a good idea. The final phase is, like in the original model, Purchase (Wijaya, 2012, p. 76).

1.2 The Nicosia Model of Consumer Behavior

The Nicosia Model of Consumer Behavior was published in 1966 in Professor Francesco M. Nicosia's book *CONSUMER DECISION PROCESSES: Marketing and Advertising Implications*. Nicosia specialised in consumer behaviour and was the first to gain fame with the consumer decision making process outlined in a circular instead of a linear way, which is shown in the model below (Francis, 2014).

Figure 2: The Comprehensive Scheme: A Summary Flow Chart



Source: (Nicosia, 1966, p. 156)

Nicosia (1966) created this model because he felt a need had emerged to provide a theoretical structure leading to 'complete knowledge of the total purchasing process'. It is based on the belief that many flows of interaction and reaction take place between the firm and the

consumer, as well as flows affected by the external environment of both. Nicosia refers to these flows as 'loops' and 'subloops', which can take place sequentially or simultaneously and in a varying order, depending on the situation. The model shows the basic steps in the cycle of interaction: From the firm to the consumer and back to the firm (after completion and evaluation of the first purchase), after which the cycle starts over and either follows the same path or a shorter path, skipping several steps. It consists of four fields, connected through psychological and cognitive inputs and outputs in the consumer decision-making process. Nicosia explains them as outlined below.

The first field stands for the firm's attributes on the one hand (subfield 1), and the consumer's attributes on the other (subfield 2). The firm's attributes refer to its chosen target market, the message it is aiming to get across, and the channel choice. The choice is influenced by the firm's organisational attributes and those of its brand and product, environmental factors including the firm's marketing and communication policy, attributes of available mass media and of the type of consumer to be reached. The consumer's attributes are 'the cognitive structures in the subject's social psychological field at the time of reception of the message'. Nicosia proposes three types of structures: Predispositions, attitudes, and motivations. Furthermore, the consumer's exposure to the firm's message and their environmental factors are of relevance. Following the processes in field 1, the firm's message is either lost, stored (for future use and/or future loss), or considered relevant. In case of the latter, the consumer forms an attitude towards the message and field 2 follows.

The second field is 'Search for, and evaluation of, means-end(s) relations'. In this phase, the consumer searches for more information on the product as well as competing products, evaluating different alternatives. A distinction is made between internal search (within one's own perception and memory) and external search (consulting friends, family, brochures, shop salesmen and the like). Search and evaluation of information lead to either of the following three outcomes: Halt (the process ends here and information gathered and evaluated is stored), revision (the process of search and evaluation continues as no satisfactory means-end relation has been found yet), or motivation (a satisfactory means-end relation has been detected and the consumer continues to field 3 – purchase).

Following the previous steps, the consumer has gained motivation to purchase the product. This third field does not only cover the actual purchase, but also the process preceding the act

of the purchase, with several factors determining whether the purchase will eventually take place or not. Nicosia distinguishes three factors that may still prevent the consumer from purchasing: Discrepancy between the psychological and environmental realities (for instance the product is not available at the chosen store), choice of the store and in-store factors (for instance the placement or advertisement of the brand in the respective store with respect to competing brands), and discrepancy between the level of motivation and the level of past purchases (for instance space taken by or money spent on previously purchased products from the same product class). In case these factors are not strong enough and purchase follows, the customer will start consuming the product, which leads to Field 4.

Similar to Field 1, Field 4 is two-tailed; it involves both the firm's perspective and the consumer's perspective. The firm processes its sales data, such as lead time from first contact to final purchase, to learn from and implement into its decision mechanisms. The customer experiences the product and adapts their attitude towards both the brand and the firm, implementing it into their social psychological mechanisms (Nicosia, 1966, pp. 153–188).

1.3 Engel-Blackwell-Miniard Model

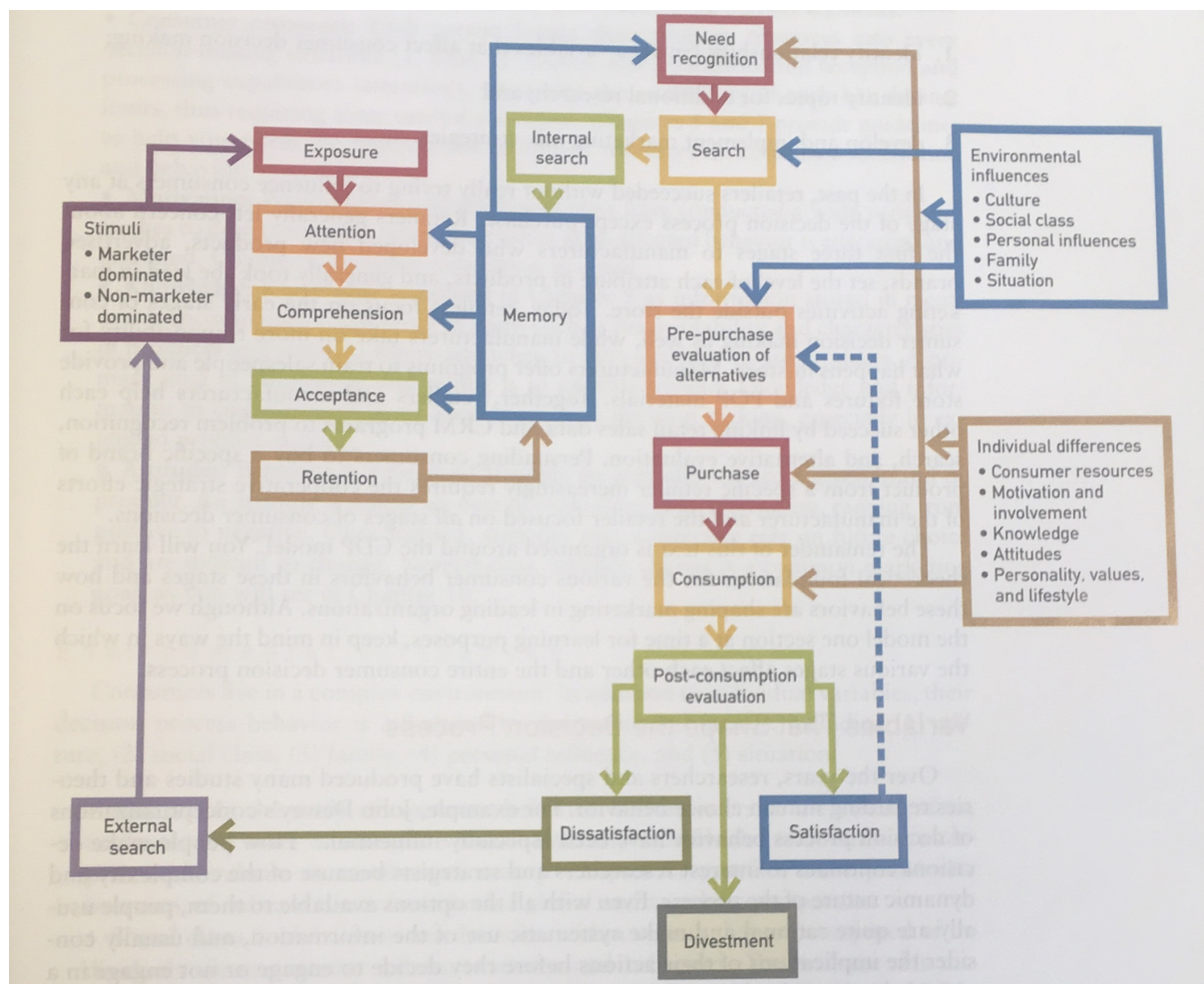
As Bray explains in his paper *Consumer Behaviour Theory: Approaches and Models*, The Engel-Kollat-Blackwell Model or EKB Model dates from 1968 and was developed by R.D. Blackwell, J. F. Engel, and D.T. Kollat at The Ohio State University. It has been updated many times since (Bray, n.d., pp. 15–17). In the process, Professor Paul W. Miniard joined their team as co-author. Today, the most famous version is from the 2000s and named the Engel-Blackwell-Miniard or EBM Model, acknowledging Miniard's contribution (Blackwell, Engel, & Miniard, 2006, p. 70).

The EBM Model outlines the consumer's decision process in seven stages: Need recognition, search for information, pre-purchase evaluation of alternatives, purchase, consumption, post-consumption evaluation, and divestment (Blackwell et al., 2006, p. 70). Whereas the middle five stages are similar to Nicosia's model, the first step, need recognition, and the last step, divestment, are new. Need recognition refers to the stage where the consumer recognises that he or she 'senses a difference between what he or she perceive to be the ideal versus the actual state of affairs' (Blackwell, Engel, & Miniard, 2006, p. 71); in other words, the consumer needs or desires a new product. The last stage, divestment, covers the handling of

the product by the consumer once the product has reached the end of its lifecycle. Options for divestment include but are not limited to disposal, recycling, and remarketing (reselling) (Blackwell, Engel, & Miniard, 2006, p. 84). Not all consumers pass all seven steps with each purchased product.

The Decision Process described above is only one of three processes included in the EBM Model, as shown in the image below. As Bray describes in his review, the other two processes depict Information Processing and Variables Influencing (the consumer's) Decision.

Figure 3: The EBM Model of Consumer Behavior



Source: (Blackwell, Engel, & Miniard, 2006, p. 85)

During the process of Information Processing, the input retrieved during external information search is being processed by the consumer and defines the exposure, attention, comprehension, acceptance, and retention of the incoming information. In addition, this

process defines what remains in the long-term memory of the target audience and how likely they are to consider purchasing the advertised product. This process impacts the first three stages of the Decision Process: Need recognition, search for information, and pre-purchase evaluation of alternatives. Indirectly, it impacts the final purchase decision (Blackwell, Engel, & Miniard, 2006, pp. 77-79).

The process of Variables Influencing Decision covers all other variables, besides processed information, impacting the consumer's perception towards the product. These variables are divided into three categories: Individual differences, environmental influences, and psychological processes. The first two are shown on the right side of the visualised model; the latter is not included in this image. Individual differences refer to a person's individual demographics, psychographics, values, personality, resources (time, money and capabilities for receiving and processing information), motivation, knowledge, and attitudes toward the respective product or brand. Environmental influences used to be referred to as social influences in the old EKB model. They cover the consumer's culture, social class, family, personal influence (reference groups), and situational influence (referring to the consumer's living situation, such as financial means or infrastructure in their country).

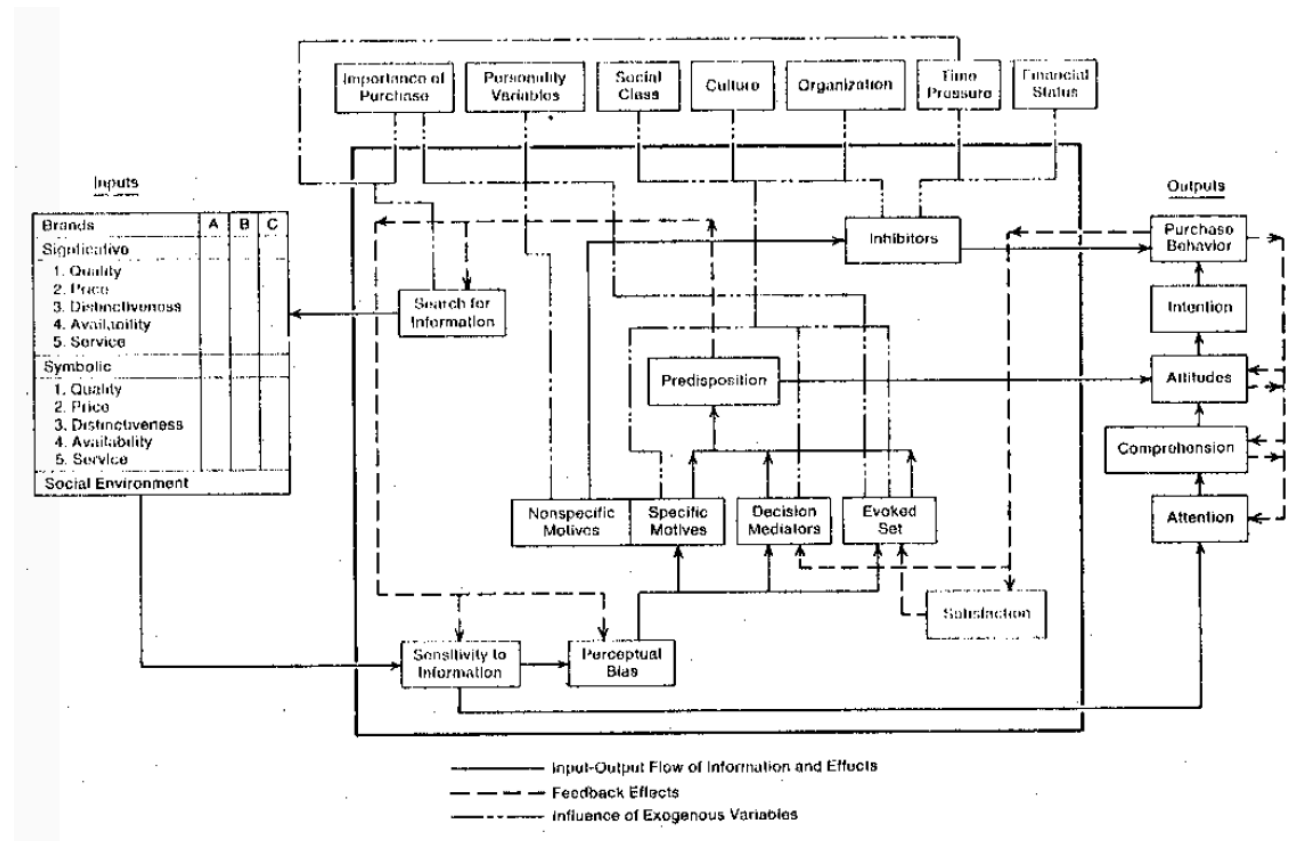
Finally, three main psychological processes are considered vital to understanding the consumer behaviour according to Blackwell et al. The first process is Information processing and is explained in the dedicated section above. The second one is Learning, or 'the process by which experience leads to changes in knowledge and behaviour'. This process is mostly related to how consumers will adapt their decision-making journey after the experience of consumption of a certain product or brand. The last process is Attitude and behaviour change, which is the main goal of marketing campaigns. Blackwell et al. have dedicated a specific chapter of their book to this process, which has not been covered in detail here (Blackwell, Engel, & Miniard, 2006, pp. 86-87).

1.4 The Howard-Sheth Model of Consumer Behaviour

The Howard-Sheth Model of consumer behaviour was published in January 1969 by John Howard and Jagadish Sheth in their publication *The Theory of buyer Behaviour* in the Journal of the American Statistical Association. The model aims to explain brand choice behaviour over a given period of time, assuming that this choice is being made in a systematic way

(Howard & Sheth, 1969, p. 467). They assume that the systematically made choice is driven by stimuli (inputs), after which the consumer decides how to divide his attention to certain stimuli, and accordingly decides on the purchase (outputs). As shown in the image below, the Model does not follow a linear approach, but merely a circular one, taking into account a wide set of variables that may impact the consumer's behaviour as well as the post-purchase and repurchase process.

Figure 4: A theory of buyer behaviour.



Source: (Howard & Sheth, 1969, p. 471)

On the left side of the model, the stimulus input variables are shown. Howard and Sheth divide the stimuli into two categories: The commercial environment and the social environment. The commercial environment is the brand (the firm) of the given product and is split again between significative and symbolic. Significative stimuli refer to information coming from the brand object or product itself; symbolic stimuli refer to information coming from 'linguistic or pictorial symbols' communicated through intermediate channels, such as billboards, TV commercials, magazine advertisements, or salesmen. The five terms listed – quality, prices, distinctiveness, availability and price – are considered the main dimensions or

attributes of the brand that can be communicated to the potential buyer. The social environment embodies information reaching the potential buyer from their social environment, for example word-to-mouth advertisement or the opposite – expression of dissatisfaction with a brand (Howard & Sheth, 1969, pp. 470–472).

How the inputs are then processed by the respective person depends on their hypothetical constructs and exogenous variables – the variables shown in the middle column of the model. The first are called hypothetical because they are assumed to have influence; their level of influence is close to impossible to measure, according to Howard and Sheth. As opposed to the previously described models, this set of variables is more detailed and complex. The hypothetical constructs are subdivided into two categories: Learning and Perceptual constructs.

The learning constructs are specific and non-specific motives, (brand potential of) the evoked set, decision mediators, predisposition towards brands, inhibitors, and satisfaction with the purchased product (brand) (J. A. Howard & Sheth, 1969, p. 472). Motives are simply the goals of a person that they wish to achieve through the product purchase. Specific motives are product-bound and therewith merely like product criteria; for example, the wish for a warmer house, a more energy efficient air conditioning system, or the search for low-carb snacks. Non-specific motives are merely a person's general motives behind the specific ones, such as fear, aggressiveness, the need for power or the need for belonging. Brand potential of the evoked set refers to the potential competition the brand has within the buyer's evoked set, which is the selection of brands the consumer has made in their head already within the product class. For instance, when considering which drink to order in a restaurant, one customer might consider Heineken, Pilsner Urquell and Coca Cola, whilst another customer in the same restaurant might consider Coca Cola, Pepsi and Sprite. In this sense, Howard and Sheth claim that not only the evoked set, but also the product class – in this case a cold beverage at a restaurant – differ per buyer. Risks for the brand here are when the evoked set involves a wide range of brands (competitors), and when their brand is not within the buyer's evoked set yet. The third learning construct consists of decision mediators, 'the buyer's mental rules for matching alternatives with motives'. This is the mental structure according to which the buyer decides whether a brand fits in a respective product class and evoked set, and if so, how high the brand ranks compared to its competitors in its potential of satisfying the customer's needs (motives). Amongst others, decision mediators are linked to specific terms

(for example, one consumer might link ‘thirst’ with Coca Cola, and another might link ‘coolness’ with Coca Cola). In this respect, it is vital for companies to conduct in-depth marketing research to define their target audience’s decision mediators in order to prepare successful marketing campaigns. The fourth construct is the buyer’s predisposition towards brands. This predisposition is a sum of the first three constructs and is basically the ranking of the different brands within the buyer’s evoked set. The fifth construct is called inhibitors. Inhibitors are external factors that instantly and directly impacting the buyer’s decision. The most common inhibitors are a high brand price, lack of the brand’s availability, time pressure on the buyer’s side, and the financial status of the buyer. In case the inhibitor remains constant for a longer period of time, it might not only influence the buyer’s next brand choice, but also its long-term selections, such as the evoked set. The last learning construct is satisfaction. Satisfaction is only applicable in case the buyer has experience with the brand or one of its competitors in the same product class. The consumer is considered satisfied in case the actual consequences (outcomes) of their purchase are equal to or better than their expected consequences (outcomes). If this is not the case, the consumer might rank the brand lower in his predisposition, or remove it completely from its evoked set (J. A. Howard & Sheth, 1969, pp. 471–475).

Next to the learning constructs, perceptual constructs play an important role as variables. The three perceptual constructs are sensitivity to information, perceptual bias, and search for information. They are called perceptual because they directly impact the buyer’s perception of incoming (objective) information. The first perceptual construct, sensitivity to information, refers to the level of receptiveness of the consumer towards certain information. This level of receptiveness is defined by two variables: Stimulus ambiguity and brand predisposition. Stimulus ambiguity relates to how familiar or unfamiliar the buyer is towards the information, as well as to how complex they consider the information to be. The more familiar the buyer becomes with the information (for example through repeated advertisement), the less complex it seems, and herewith the more receptive they become. Brand predisposition refers to the learning construct described in the above section; the more positive the buyer’s predisposition towards the brand, the more receptive they are to its message. The second perceptual construct is the perceptual bias. This construct implies that consumers unconsciously filter and alter ‘cognitive elements contained in information’, making incoming information suit their own frame of reference. The more experience the buyer has with products and brands within the respective product class, the higher the

perceptual bias. The last perceptual construct is search for information. As opposed to the inputs described above, this construct refers to the process of active seeking of information initiated by the buyer instead of passively receiving information. The process of active information seeking occurs when the buyer experiences ‘ambiguity of brand meaning’; they are not certain of the outcome of the purchase of a specific brand. It mostly occurs in extensive problem-solving and limited problem-solving situations, which are explained further on in this section. Additionally, it may occur when the buyer is not certain of his or her own motives. In the process of active information seeking, the buyer is particularly receptive of information; hence, it is vital for the brand to ensure that the right information is available to the buyer at this stage (for instance through proper SEO use) (Howard & Sheth, 1969, pp. 474–478).

Next to hypothetical constructs, exogenous variables have a major impact on the buyer’s processing of inputs and the final outputs. Howard and Sheth state that in common social sciences, these variables are considered ‘*ceteris paribus*’ (external factors irrelevant to the research at hand); however, as they play a major role in the process, they are included in the model. It depicts one of the major differences between this model and most others. The first variable is the importance of purchase; how important the product class is to the buyer. The higher the importance, the more extensive the buyer’s evoked set is. The second variable is time pressure. The higher the time pressure, the more likely the buyer is to limit their information search and their evoked set, as well as to select previously experienced brands. The third variable is financial status. In case financial means limit the buyer’s brand choice, this variable directly forms an inhibitor. As a fourth variable, personality traits such as self-confidence and anxiety directly impact both the nonspecific motives (as outlined above) and the evoked set; depending on personality traits, the evoked set of a specific product class might be larger or smaller. The fifth and sixth variable are the social and organisational setting of the buyer. The professional setting (working culture) may impact the industrial buying behaviour, and the social setting (such as family, friends) may impact the consumer buying behaviour. Furthermore, Howard and Sheth claim that social class plays an important role, impacting specific motives, decision mediators, the evoked set, and inhibitors. Finally, culture ‘will influence motives, decision mediators, and inhibitors’ due to its heavy impact on continuous patterns of behaviour and beliefs of the buyer) (J. A. Howard & Sheth, 1969, pp. 485-486).

The outputs are inherent to what Howard and Sheth refer to as the ‘response variables’, shown on the right side of the model, which depict the ‘variety of buyer responses’. They distinct five variables: Attention, comprehension, attitude (toward the brand), intention, and purchase behaviour. Attention is linked to the information intake the buyer is willing to show, and therewith linked to sensitivity to information. Different to the ‘awareness’ concept described in previous models, attention refers to a continuously present and changing variable; from the first inputs to the final purchase decision. Secondly, comprehension refers to the buyer’s knowledge of the brand, and thus is indirectly linked to all three perceptual constructs. Nowadays, comprehension is often measured as brand awareness. The third variable is attitude toward a brand, which is directly interlinked with the buyer’s predisposition towards the brand. It refers to in how far the buyer expects the brand to meet their motives. Fourthly, intention to buy is the final step prior to the actual purchase. Taking into account his brand predisposition and inhibitors, the buyer forecasts how likely he or she is to purchase the brand. Although intention to buy usually occurs shortly before the actual purchase, it is of relevance and worth measuring in the case of luxury and durable goods, when the intention usually occurs further in advance. The last variable is purchase behaviour. It is the act of the effective purchase and herewith the easiest to measure. Additionally, it becomes relevant to measure in case the purchase becomes repetitive.

Different to previous models, Howard and Sheth have visualised the direct link between the purchase, experience of consumption, and the impact on future purchases. In the model visualisation, the step of purchase behaviour links back to satisfaction and herewith shows the direct impact of the future decision-making process with a more circular than linear approach.

The amount of time and effort spent on the step of Search for Information, shown in the middle left of the model, depends on the involvement of the consumer with the product and/or problem. This could depend both on the rationale (for instance, a product costs the consumer a third of this monthly budget, so he/she concerns it a high-involvement purchase), or on irrational factors (for instance, the choice for clothing is considered of high social importance to the consumer, or the type of wine one serves during a dinner is of high importance for a specific ethnic culture) (Solomon, 2011, p. 313). Based on the level of involvement of the consumer, Howard and Sheth distinguish three types of consumer decisions: Extended problem solving, limited problem solving, and habitual decision making.

Solomon explains that the first decision type, extended problem solving, is used by consumers when the product is a high-cost product and the consumer's motivation is related to 'high risk and involvement', meaning that the consumer is convinced that features of the purchased product could have a relatively large impact on his or her (daily) life. The products are furthermore known to be infrequently purchased. Examples include houses, laptops and washing machines; however, as mentioned in the above paragraph, it could also concern products of less monetary (rational) value, but of higher social or other (emotional) value to the consumer. Extended problem solving goes hand in hand with a rational approach in the step of information search. The consumer is likely to gather information about the different alternatives both internally, mostly from memory, and externally from different sources; from friends, family, the internet and other external sources. A wide range of criteria is used and once in-store, the consumer is likely to be open to or even require communication with a staff member of the store (Solomon, 2011, pp. 308–309).

Solomon then explains that on the opposite side of extended problem solving lies habitual decision-making, or "routine response behaviour". These are decisions made for products of low cost, low impact and thus low consumer involvement. It mostly concerns repeat purchases that are being conducted without (almost) any prior research, and often without realising, such as a favourite soda or chewing gum. The decision-making process is based on habitual actions; therefore, the consumer makes the same brand choice repeatedly without considering to change (Solomon, 2011, pp. 309–310). The decision to select the same brand in the particular case of habitual decision-making is different from regular brand loyalty; merely, it is caused by 'brand inertia' or 'inertia buying', where the consumer chooses the same brand repeatedly not because of a special affection with the brand, but out of habit ('Inertia Buying', n.d.). Habitual decisions are described as challenging to influence for marketers, as the consumer does not spend any time or attention to changes in brand offering in this product class (Solomon, 2011, pp. 309–310).

The third type of decision-making is limited problem solving. When it comes to customer involvement, motivation and willingness to gather information prior to the purchase, this type of decision-making is in between extended problem solving and habitual decision-making. The consumer generally has only limited criteria for the product and perceives the offered

alternatives as ‘basically similar’. It is considered easier for the marketer to influence the brand choice in this case, in particular in-store (J. A. Howard & Sheth, 1969, pp. 475-477).

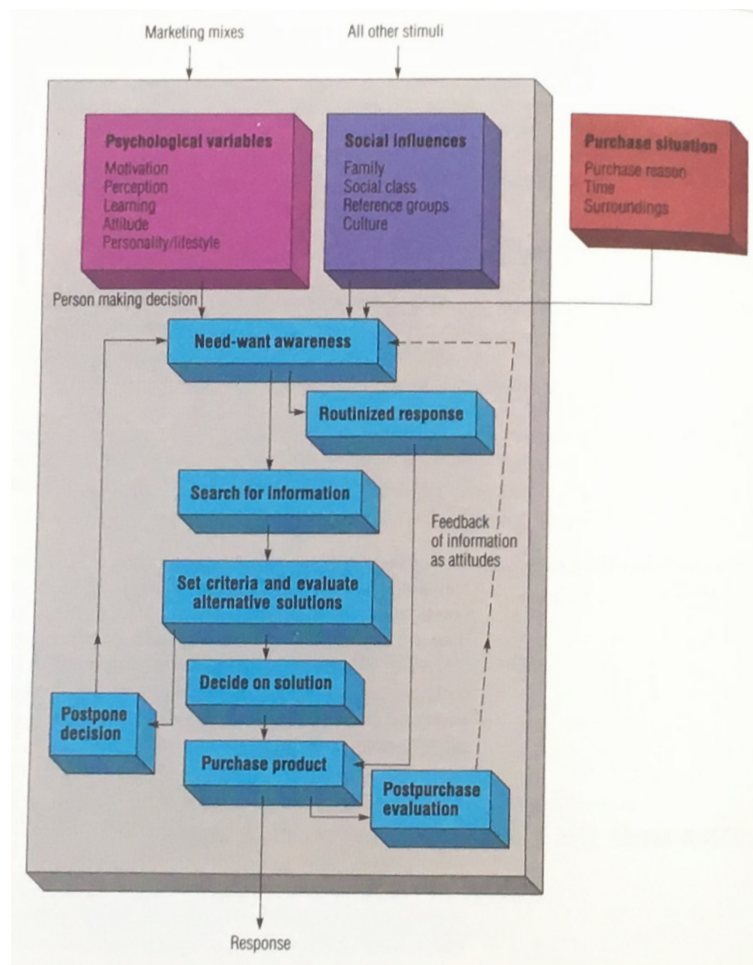
Howard and Sheth claim that consumers show mostly repetitive behaviour when it comes to brand choice. For repurchases, they tend to select the same brand as previously to skip the step of information search and alternative evaluation – but only if they are satisfied with the brand. Accordingly, the decision-making process varies depending on the consumer’s previous experience with the product (Howard & Sheth, 1969, p. 467).

1.5 McCarthy, Perreault and Quester Model of Consumer Decision-making

This model has been developed over time as well and with some modifications, is similar to the Engel-Blackwell-Miniard Model. In this review, the 10th edition of McCarthy and Perreault’s book *Basic Marketing | A Managerial Approach* has been used, in which they published the model still without Quester, and focussing on the consumer’s problem-solving process. The model may be viewed in the following image.

The structure and variables are comparable to the Engel-Blackwell-Miniard Model, but a couple of factors have been added to the model displayed in the image. Firstly, McCarthy et al. have added the concept of set criteria for product choice, which is not included as specifically in the EBM Model. Secondly, the model dedicates more attention to elements of repurchase such as ‘Post purchase evaluation’ and ‘Feedback of information as attitudes’. Lastly, it accounts for logic and simple, yet essential steps that were not included in any of the previously described models, such as ‘Postpone decision’ (Milner & Rosenstreich, 2013, pp. 11–12); (McCarthy & Perreault, 1990, pp. 173-184).

Figure 5: Consumer's Problem-Solving Process

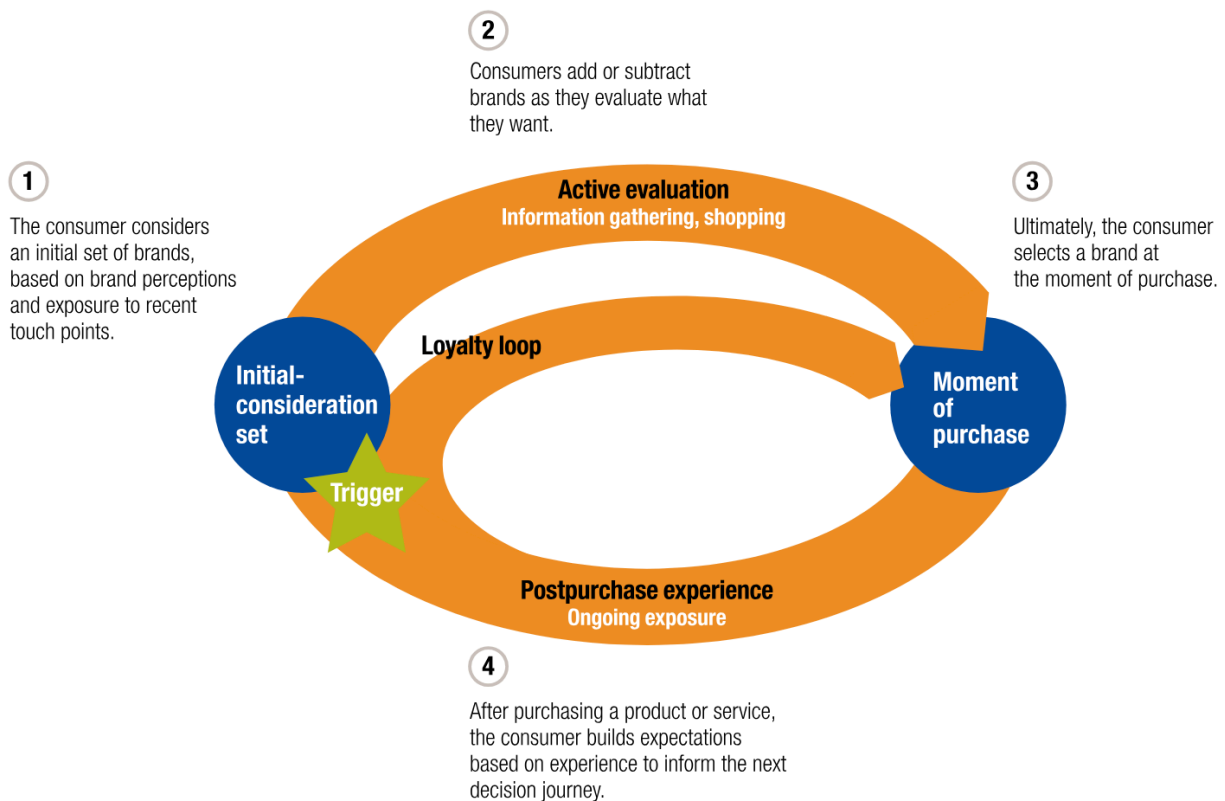


Source: (McCarthy & Perreault, 1990, p.184)

1.6 The Consumer Decision Journey model

The Consumer Decision Journey model was published by management consulting firm McKinsey. The first version was published in 2009, and the updated version came out in 2015. This review is based on the 2009 edition. Contrary to the traditional models which assume that the decision-making process is a linear one where (brand) alternatives are slowly reduced according to a methodological 'funnel', McKinsey claims that the process is a more complex and circular one; see Figure 6 (David Court, Elzinga, Mulder, & Vetvik, 2009). Although previous authors made a start with this already, McKinsey created a true loop.

Figure 6: The consumer decision journey



Source: (David Court et al., 2009)

Over the past decades, the shift in marketing, brand offers, and customer perception has led to a shift in the entire process. The authors explain it as follows: ‘The decision-making process is now a circular journey with four phases: initial consideration; active evaluation, or the process of researching potential purchases; closure, when consumers buy brands; and post purchase, when consumers experience them’. There are three main differences between the previous models and the Consumer Decision Journey model. First, the stage of product evaluation has become more flexible and important to marketers. Second, consumers have changed from a push to a pull approach towards marketing, where communication between the producer and the consumer has become more interactive. Third, the process can adapt in case the consumer develops active loyalty for the chosen brand; a concept already shown in the Howard-Sheth model (David Court et al., 2009). Results of McKinsey’s qualitative research, on which their model is built, show that with the increase of brand offers, the number of brands added to the consideration set¹ has decreased. Although ‘brands in the initial-consideration set can be up to three times more likely to be purchased eventually than

¹ Similar to the evoked set as outlined in section 1.4: The Howard-Sheth Model of Consumer Behaviour

brands that aren't in it', it is possible for different brands to be added to the consideration set at a later stage – during the active evaluation. In the same way, brands that were in the initial consideration set, could be dismissed and replaced by others. Whereas the average initial set consists of one to four brands, up to three brands could be added later on (David Court et al., 2009). The second difference is that marketing has become a form of two-way instead of one-way communication. Thanks to the development of online channels and herewith a change in attitude, the consumer is no longer waiting for offers to come to them, but actively seeking information and offers of interest; instead of pushing the information towards the customer, the customer is pulling only the information he or she requires. In 2009, 'two-thirds of the touch points² during the active-evaluation phase involve consumer-driven marketing activities [...]' (David Court et al., 2009). The last major difference is the addition of the 'loyalty loop' to the process. Taking into consideration the circular journey, the steps of the process could change after purchase of the product. In case the user is satisfied with the brand³, they could become an 'active loyalist'; one who both repurchases and advocates the brand (David Court et al., 2009). After the post purchase experience, these consumers enter the 'loyalty loop' instead of the initial consideration phase. Next to being guaranteed future customers, the active loyalists indirectly bring new customers as well. Therefore, the authors consider it of high importance for companies to expand their group of active loyalists (David Court et al., 2009).

Opposite of active loyalists are 'passive loyalists': Those claiming to be loyal to a certain brand, but only repurchasing because it is the most convenient option for them. This group forms a target market for competitors and is generally larger than the group of active loyalists. Research results of McKinsey show that in the industry of automotive insurance for individuals, for example, for every active loyalist, there are six passive loyalists, which could be convinced to switch provider as soon as the gain (such as better price or service) is appealing enough for them to sacrifice the opportunity costs (such as time and effort spent) of switching (David Court et al., 2009). The authors admit that this concept is not new, however, stress the fact that due to increasing competition, the post purchase process and herewith spending of marketing budgets on 'the new touchpoints' has become increasingly important.

² A touchpoint is 'the individual transactions through which customers interact with parts of the business and its offerings' (Maechler, Neher, & Park, 2016)

³ See 'Satisfaction' in section 1.4: The Howard-Sheth Model of Consumer Behaviour

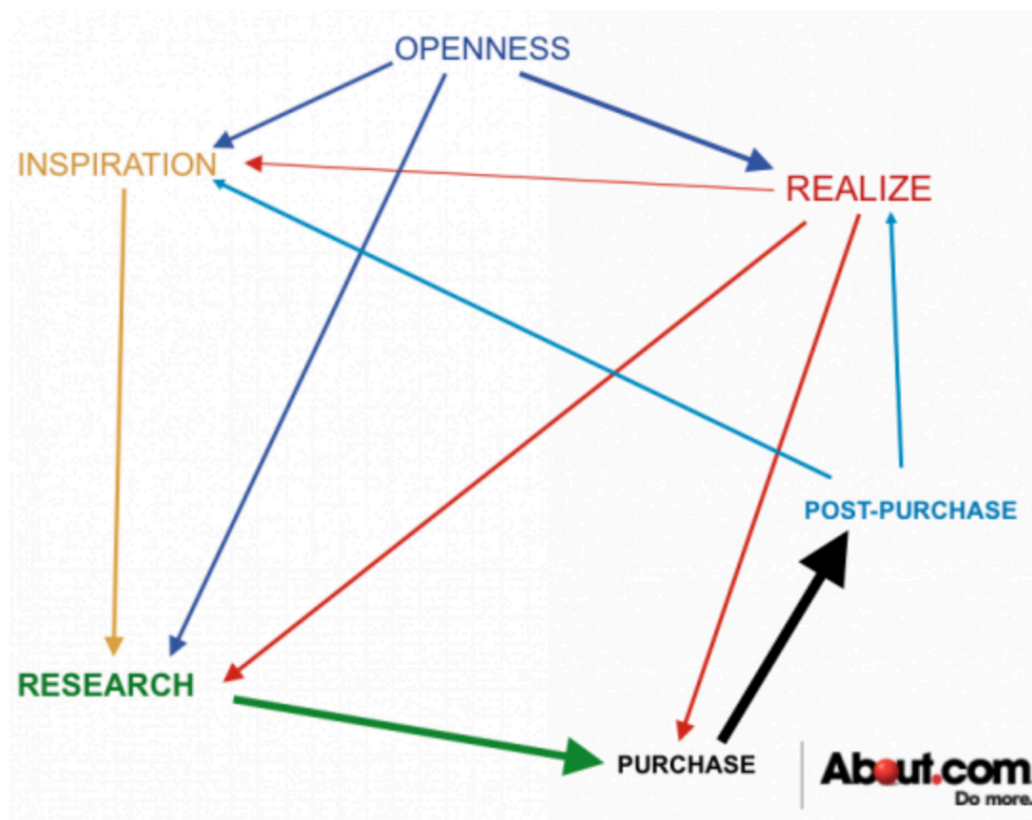
In line with the changes in the market, McKinsey advises producers to modify their marketing strategy by introducing the following four activities: ‘1. Prioritize objectives and spending [...]; 2. Tailor messaging [...]; 3. Invest in consumer-driven marketing [...]; 4. Win the in-store battle [...].’ The first advice refers to the idea that marketers should adapt their strategy according to detailed market research, showing which touchpoints are the most relevant to their target market. Instead of focusing solely on the initial consideration phase or the brand loyalty creation, it could prove much more effective to invest resources and/or campaigns in the active evaluation or closure phase. The second point refers to the claim that a general marketing message is not always the most successful one; in line with point 1, a more specified message tackling the largest weakness of the company within the consumer decision journey, or instead the largest opportunity, could prove more useful. The third activity refers to the switch from a push to a pull approach. In this respect, producers are advised to invest in complementary tools or applications with the product (for example the card finder by American Express), online platforms specifically designed for consumers to find, discuss and review different products, and finally, targeted online advertising through the use of content management systems and online targeting engines (David Court et al., 2009). The fourth and last recommendation, ‘Win the in-store battle’, is related to McKinsey’s finding that ‘more consumers hold off their final purchase decision until they are in a store. [...] up to 40 percent of them change their minds because of something they see, learn, or do at this point – say, packaging, placement, or interactions with salespeople.’ (David Court et al., 2009). Consequently, packaging, in-shelf messages and shelf positioning have gained in importance. Court et al. add that one of the product groups this specifically applies to is consumer electronics (David Court et al., 2009). Lastly, the authors advise centralisation of all activities and departments working with and for the end customer. They argue that activities and projects such as website and loyalty programme management, Public Relations (PR), market research, data processing and product development should all be complementing one another to ensure a maximum understanding of the end customer as well as maximum reach (David Court et al., 2009).

1.7 The Purchase Loop model

In line with McKinsey’s approach, US-based consulting agency Latitude developed a circular model in cooperation with digital media company About.com (today known as Dotdash) in 2013. They named it the Purchase Loop model and took it a step further than McKinsey.

Latitude claims that due to the digitisation of marketing and communications, ‘shoppers no longer follow a predictable journey from discovery to purchase; instead, they pass through purchase behaviours in a loop or web fashion [...]’. As shown in Figure 7, the authors account for the possibility of steps being skipped or being taken in a different order depending on the product and the buyer’s interaction with the brand (Gosselin, 2013). For example, from ‘Realize’, the buyer could move to ‘Inspiration’, ‘Research’, or directly to ‘Purchase’.

Figure 7: Consumers progress to purchase in spider webs of paths & variations (The Purchase Loop)



Source: (Gosselin, 2013)

Just like McKinsey’s, Latitude’s model is based on market research. The company conducted both qualitative and quantitative research among 1600 smartphone owners, aged 18-54, exploring their ‘needs and behaviours’ (Gosselin, 2013). The six elements depicted in the model, Openness, Realised want or need, Seeking ideas and inspiration, Research and vetting, Purchase and Post-purchase evaluation and expansion, are not referred to as stages but as ‘The 6 Behaviors of the Purchase Loop’. Gosselin explains them as summarised below.

Openness refers to the level of openness of the buyer towards adding or removing brands from their evoked set. The behaviour of Realized want or need is comparable to the 'Need recognition' phase in the EBM model. In this case, it refers to the moment that the buyer is triggered by for example a conversation with a family member or a TV commercial to actively start searching for a specific product or brand. The third behaviour, Seeking ideas and inspiration, depicts the active search for information by the buyer. Online media, offline media, and the buyer's social environment could all be sources of information. Research and vetting refer to more specific research, during which the buyer looks for, amongst others, the price of a specific brand, reviews, or discounts. In addition, the buyer reflects on their personal needs and requirements for the product prior to making a purchase decision. The fourth behaviour, Purchase, covers solely the act of buying the product. The final behaviour is Post-purchase evaluation and expansion. This behaviour entails a wide range of activities, such as consumption, experience of consumption, sharing of the experience through word-of-mouth or online review writing. This behaviour could affect both the starting point of the loop with regards to the next purchase of the buyer, and other buyers. With the expansion of internet use in the past two decades, the influence of buyer's experiences on other buyer's decisions has increased significantly (Gosselin, 2013).

2. Methodology

This research has been carried out with the aim of answering the following research question:

What does the consumer decision-making process of Dutch homeowners look like for home appliances purchase, and how can this be applied to the marketing strategy for a manufacturer of electric fan heaters entering the Dutch B2C market?

To answer this question, five sub questions have been derived:

1. How does the consumer decision making process for this product category compare to journeys suggested by the theoretic models reviewed?
2. What type of consumer decision is used for these types of products (extended problem solving, limited problem solving, or habitual decision making)?
3. How is the initial consideration set compiled?
4. On which external factors does the choice for the final purchase depend?
5. What motivates or prevents consumers to become an active loyalist?

The choice for the comparing product category of home appliances has been made based on the following. First, the relatively low number of EHFC owners within the author's direct and indirect network made it impossible to solely find interviewees⁴ that had already purchased this product in the past; hence, the product category had to be broadened. The newly defined category, home appliances, was then based on the purpose of the respective equipment. According to the Oxford Dictionary, home appliance refers to 'a machine that is designed to do a particular thing in the home, such as preparing food, heating, or cleaning' ('Appliance', n.d.). This covers a wide range of products including EHFCs, washing machines, coffee makers, kettles, and the like. To find answers to the abovementioned questions, a methodology of qualitative research has been used: Conducting in-depth interviews. The in-depth interviews have a causal approach ('What is Causal Research?', 2006), aimed at exploring the effect of external factors on the decision-making journey. The research approach has been reflected in the sections below, describing the interview method, selection

⁴ The method used for primary research in this thesis is the qualitative method of in-depth interviews, which is outlined further on in this chapter.

of interviewees, interview structure and processing, research validity, triangulation and ethical aspects, and limitations.

2.1 Interview method

The goal of the in-depth interviews was to gain insight in the consumer decision-making process of Dutch homeowners when buying home appliances, such as EHFCs, for their house. In order to gain a proper understanding of this process, eight persons have been interviewed. Using the theories for qualitative research as described by Petr Pistelak, the author has chosen to conduct interviews with home owners following a semi-structured approach; giving some direction to the interview using predefined themes, but not using predefined questions, and elaborating on certain topics depending on the knowledge and interest of the interviewee. In addition, the author has chosen to conduct the interviews at the interviewees' own homes as much as possible, which was achieved with seven of the eight interviews. Next to the fact that the respondent is more likely to speak honestly and openly in such a setting, it also helps the interviewer to gain understanding of 'the social and economic context of the respondent' (Pistelak, 2017).

2.2 Selection of interviewees

The interviewees, hereinafter also referred to as participants, have been chosen based on the criteria outlined below. All interviewees ought to:

1. Have the Netherlands as their main place of residence;
2. Be owner or co-owner of a house⁵ located in the Netherlands;
3. Have experience in purchasing home appliances.

These criteria have been compiled based on a combination of factors. First, the target group as outlined by Company X consists of owners or co-owners of a house, as was clarified in email communication with Company X' representative (Anonymous, personal communication, 21 March 2019). The author then judged that interviewing the respective homeowners would prove to be useful only if they would already have experience in

⁵ A house is referred to as 'A building for human habitation, especially one that consists of a ground floor and one or more upper storeys' ('House | Definition of house in English by Oxford Dictionaries', n.d.). This definition has been specifically chosen because of the relevance to the research.

purchasing home appliances and could use this experience to provide insights for the research. Another requirement from Company X is that the research covers its initial target market, which is Western Europe (Anonymous, personal communication, 21 March 2019). From the countries within Western Europe, the author then selected the Netherlands, as the author's network in this country could serve as a basis for finding interviewees. In addition to the three criteria outlined above, one more criterion was developed that ought to be fulfilled by about half of the interviewees: To be owner of an EHFC. The idea behind this criterion is that the participants who do own an EHFC, could provide insights into the decision-making journey they made when buying this product. On the other hand, the participants who do not own an EHFC, could elaborate more on the general decision-making journey for home appliances, and on why they do not own an EHFC. The following figure shows the list of selected interviewees. For privacy reasons, all names are pseudonyms.

Figure 8: List of interviewees

Prefix	Pseudonym	Date of interview	Interview length (HH:MM:SS)	City of residence	Owner of an EHFC?
Mr	Peter Driessen	2019-03-15	00:40:17	Delft	Yes
Mr	Jack de Mulder	2019-03-15	00:40:18	The Hague	No
Ms	Sofie van Doorn	2019-03-16	00:19:24	Haarlem	No
Mr Ms	Daan Schipper Daniëlle de Haan	2019-03-19	00:36:48	Veenendaal	Yes
Ms	Petra Timmermans	2019-03-19	00:27:28	Veenendaal	Yes
Mr Ms	Barry Postma Marja Postma - Verhoeven	2019-03-20	00:32:26	Elst	Yes
Ms	Eva Schippers	2019-03-22	00:25:28	Sassenheim	No
Ms	Griet Driessen - Kuypers	2019-03-23	00:29:29	Delft	Yes

Source: (Author's work)

As shown in Figure 8, two interviews were conducted with two participants simultaneously – the interview with Mr Daan Schipper and Ms Daniëlle de Haan, and the interview with Mr Barry Postma and Ms Marja Postma – Verhoeven. In both cases, the two participants were spouses as well co-owners of the respective house. They specifically requested to be interviewed together, and it was decided to comply with this request; first, because the request indicated that the interviewee may be more comfortable when interviewed together

with the spouse (and herewith assumingly more open), and second, because it may bring additional insights from the spouse's perspective.

2.3 Interview structure

As outlined in section 2.1, the interviews were conducted using a semi-structured approach, making use of five themes. The themes were listed in the Interview guidelines (see Appendix A of this thesis), which were provided to the participants prior to the interviews, to allow them time to prepare. The five themes may be found below, and more details may be found in Appendix A of this thesis.

- 1. General information**
- 2. Pre-purchase decision making**
- 3. Pre-purchase information gathering**
- 4. Purchase decision**
- 5. Post-purchase experience**

The themes have been derived from the consumer decision-making processes analysed in the literature review (see Chapter 1) and were designed to motivate the interviewees to elaborate on the steps they make in their personal decision-making journey.

2.4 Interview processing

This section outlines which methods have been used for conducting and processing the eight interviews. During the interviews, the Interview guidelines (see Appendix A) were used to steer the interview topics. All interviews were audio recorded, after which the recordings were used to transcribe the interviews. The transcripts may be found in Appendices B-K of this thesis.

Following the approach of Gibbs (2007) and the Consortium of European Social Science Data Archives, the transcripts have then been coded to retrieve relevant data. 45 codes have been defined to identify the discovered patterns, which were then assigned to seven themes resembling steps in the decision making journey, recognised from the reviewed literature (see chapter 1): Need recognition, Evoked set, Processing of commercial stimuli, Information seeking, Active evaluation - general products, Active evaluation – EHFCs, and Active versus

passive brand loyalty. Each theme received a colour, and the transcript text has been coloured according to these themes. The derived codebook may be found in Appendix C of this thesis. Afterwards, the seven themes were used to outline the Findings (see chapter 3) in a structured manner (*Qualitative coding*, n.d.); (Gibbs, 2007).

2.5 Research ethics

The following section explains how the author has anticipated to ensure correct research ethics were in place, using the commonly used concepts of Research validity, triangulation and ethical aspects (Quinlan, 2011, pp. 42–43, 306-307).

2.5.1 Research validity

Based on Dr. Sue Greener's *Business Research Methods*, the author has identified three types of research validity that ought to be addressed when conducting business research; especially when conducting interviews. The first type is 'face validity' and refers to laymen, in this case interviewees, being able to easily ('by the face of it) understand the research question and validity of the methods used to answer this question. Face validity has been ensured by providing the interviewees with detailed Interview guidelines prior to the respective interview, giving them time to read this document beforehand. They were given the opportunity to, before the start of the interview, ask questions and clarification. The second relevant type of validity is 'internal validity'. This refers to the need to ensure causal relationships are only made in case the two variables actually are causally related. The author has achieved this by defining causal relationships only when the question: 'Does the independent variable account completely for a change in a dependent variable, or are other factors affecting this outcome?' could be answered with 'yes' with absolute certainty. If this was not the case, the author refrained from assuming the causal relationship, and merely described the researched process. The last validity type is 'external validity', also known as 'generalisability'. It refers to the risk of generalising research results and applying it to a (part of a) society when this is unjustified, for example because the researched sample is too small or does not represent the respective society. This has been addressed in section 2.6 (Greener, 2008, pp. 37–38).

2.5.2 Triangulation

Triangulation is explained by Greener as the concept of using several research methods to answer one research question, with the aim to ‘both confirm and enrich’ the results retrieved from the research. Triangulation of theory was achieved by assessing seven different theories in the literature review (see chapter 1 of this study). Triangulation of primary data was only partly achieved, as most interviewees belonged to the same socio-economic class; however, different age and gender categories were included in the group of interviewees. Lastly, triangulation of method was only partly achieved, as only one type of primary research has been used. Further elaboration may be found in section 2.6 (Greener, 2008, pp. 35-36).

2.5.3 Ethical aspects

The term ‘research ethics’ stands for ‘the standards of conduct for scientific researchers’ (‘WHO | Ethical standards and procedures for research with human beings’, n.d.). It covers the researcher’s morality when interacting with people involved in the research; in the case of this study, with interviewees and with the client company (Company X). The author has accounted for this by taking specific measures, ensuring an ethically correct and comfortable approach towards external stakeholders – in this case, the interviewees on the one hand, and the client company. In this section, the measures taken for interviewees are outlined, followed by the measures taken for Company X and its representatives.

First, the interviewees’ anonymity was ensured by using pseudonyms for their names in all shared documentation; second, as outlined in section 2.5.1, interviewees received a document called *Interview guidelines* prior to the interview, summarising the research, research question, goal of the interview, and structure of the interview; third, the participants received a document called *Informed consent form* (see Appendix B of this study), which outlined the rights of the interviewees, and they were asked to sign prior to the start of the interview. For reasons of anonymity, the signed consent forms have not been enclosed to this study.

For Company X, research ethics were ensured using a couple of measures as well. First, the company’s contact person received a document called *Informed consent form*, which outlined the goal of the research, the role of the company, as well as the rights of the company, and the representative was asked to sign it on behalf of the company prior to the start of the

research; second, anonymity of both the company and its representatives were ensured by refraining from using real names throughout all shared communication.

2.6 Limitations

Throughout the research process, two main limitations have been recognised, which should be taken into account and could serve as a basis for future research.

2.6.1 Selection of interviewees

The first limitation relates to the selection of the interviewees. It is recognised that interviews among eight interviewees may not serve as a basis for generalising the consumer decision-making process of all consumers within the Netherlands; a logical next step would be to use the findings from the qualitative research as a basis for extensive quantitative research, such as a survey among a wider and more representative group of respondents. Furthermore, most interviewees came from a similar social class and age group, minimising diversity and herewith representative of the research group.

The second limitation is the triangulation of method. As outlined in section 2.5.2 of this study, triangulation of method was only partly achieved, as only one type of primary research has been used.

3. Findings

The author conducted the interview according to the following general themes, which were derived from the literature review in Chapter 1: General information, pre-purchase decision-making (need versus desire for new products), pre-purchase information gathering, purchase decision, and post-purchase experience (including repurchase motivation). More details may be found in the interview guidelines in Appendix A. Findings have been ordered in accordance with the coded interview transcripts, where patterns (themes) were discovered in the decision making journey steps described in Chapter 1 of this thesis: Need recognition, Evoked set, Processing of commercial stimuli, Information seeking, Active evaluation - general products, Active evaluation – EHFCs, and Active versus passive brand loyalty (Appendix C of this thesis).

3.1 Need recognition

The first step detected in the decision-making journey is need recognition. This recognition seems to appear mostly only when a new product ought to be bought, for example because the current one has broken down. Additionally, mostly household items that are considered necessary are considered, and not many gadgets. The only exception is made when a purchase is being done spontaneously. On the other hand, some interviewees tend to buy ‘trendy’ not because they need it, but because they consider it a nice or comfortable addition to their household. Especially the Sonos sound system and Quooker⁶ are popular, as well as smart lightning systems.

When examining the need recognition for EHFCs, it appeared that this need mostly occurs when it becomes evident that it is difficult to heat the house equally in all areas. Others bought it to heat their shed in the garden when they wanted to use it in winter, for example as an office or to do chores. Depending on the purpose, a choice is made for either an EHFC or an oil-based portable heater, the latter being more appropriate for, for instance, an in-house massage salon, which should not have air streams flowing through the room. The same pattern appeared with the purchase of a portable ventilation fan; this was only bought when there was a heatwave in the Netherlands. Others bought air conditioning systems for their bedroom to cool it in summer and heat it in winter.

⁶ Brand name of an additional crane, placed in the sink and providing for instant boiling water

It was like 36 degrees or 30 – it was 37 degrees one day in The Hague. And while we were on holiday, we could see that it was going to get hotter so we went on Bol.com together and ordered a fan, so it arrived – as soon as we got home we had a new fan ready to go. Mr Jack de Mulder, home owner in The Hague

3.2 Evoked set

As explained in section 1.4 of this thesis, the evoked set is the selection of brands the consumer has made in their head already within the product class prior to external influences and research. This section outlines the different criteria that appeared to be used when making a selection for the evoked set.

Brand reputation

The previously used brand of the product class appeared to be of significant importance: In case that for example the printer or television breaks down, the interviewees tend to start looking for a replacement from the same brand. Furthermore, experience with the brand at an external location, for example discovering a good coffee brand/machine at a friend's house and getting familiar with and EHFC brand when using it at work, can impact the evoked set.

Next to experience with the brand, the brand image seems to be of high value. The evoked set is mostly composed of brands that are widely known as medium to high priced and therefore considered to be of high quality. Whereas brands in the evoked set can be replaced with other 'famous' brands, there seems to be little room for unknown brands to enter (with a few exceptions); this even goes as far as when products are considered to be surprisingly inexpensive, they are automatically expelled from the evoked set, as it is expected that there is something wrong with the product. Furthermore, some interviewees expressed that brands from their home country (the Netherlands) have easier access to the evoked set than foreign, in particular American brands. From a general perspective, it became apparent that the higher the value of the product, the more inflexible the evoked set seemed to be.

Reputation of physical store

In addition to the brand, some interviewees had specific stores in their evoked set as well, such as BCC, Blokker, Karwei and Bol.com⁷. Furthermore, interviewees who favour physical stores over online stores tend to be more open to the shop's salesmen to change the evoked set, whereas interviewees who are more used to shopping online tend to be less open to the salesmen's advice.

It depends. Often, I go out to the store well prepared and then I am a bit stubborn, knowing what I want. When I purposely seek advice, I am open to advice. Ms Sofie van Doorn, home owner in Haarlem

Evoked set for EHCFs

The evoked set of EHFCs barely seems to exist. Because of the lack of common use and knowledge of the product class, a pre-determined set of brands did not seem to be of relevance; merely, a pre-determined choice between for example EHFCs, other electronically driven portable radiators, and oil- or gas-based portable heating solutions.

3.3 Processing of commercial stimuli

The evoked set is then being challenged by two types of information inflow: Commercial stimuli from firms (push) and information seeking by the consumer (pull). This section outlines the different media used by firms to send commercial stimuli to consumers, and how the interviewees perceive these different media.

TV commercial

Contradictory opinions were given regarding commercials on television. Some interviewees indicated they have replaced television completely with online services such as Netflix, avoiding commercials completely. Others explained they do still watch television, but specifically avoid the commercial, turning down the sound or tending to other activities while they are on. A rather new option that has appeared with digital television, is to watch TV shows after they were aired. The interviewees indicated that when they do so, they fast-

⁷ BCC is a consumer electronics store chain; Blokker is an (electronic) household equipment store chain; Karwei is a DIY/hardware store chain. All three sell both online and in physical stores. Bol.com is an online store similar to Amazon, selling a wide range of products, including .

forward as soon as commercials start. The last group does still watch television and also absorbs the commercials, stating they consider themselves to be influenced by them and sometimes taking the advertised brands into consideration during the information seeking and/or evaluation process.

Radio commercial

Similar to television, some interviewees have replaced radio with other music media such as Spotify Premium, which do not include any advertisement. Others still listen to radio but turn down the volume when commercials are on, and the last group listens to both radio and radio commercials and feel like they might be influenced by them, but never actively remember or write down a mentioned brand that they feel interested in.

And the radio? He has the remote control in his pocket so he can turn down the volume when the commercials are on. He has not done it yet, but... - yes, I just turned the volume down a bit. I hate it, I truly hate it. With the radio the volume goes down and otherwise, on television you can nowadays record and fastforward everything, so... Mr Daan Schipper and Ms Daniëlle de Haan, home owners in Veenendaal

Postal ad

A few exceptions still read the incoming advertisement brochures actively, considering it a nice habit. However, for varying reasons, most interviewees have placed a sticker on their mailbox which can be ordered from the city council and which indicates the preference for receiving local newspapers and advertisement brochures. They indicated ‘no’ for receiving the latter, for example because they noticed that they rarely read the brochures and thus find it unnecessarily harmful for the environment, or because they felt negatively influenced by the brochures, being lured into buying products they would otherwise not buy. Some have even replaced the brochures with an app called Reclamefolders⁸, which not only provides the opportunity to read all brochures online, but also to search through all brochures for a specific product that is on sale.

⁸ ‘Reclamefolders’ literally translates as ‘advertisement brochures’

Email ad

In the same way, the interviewees told that they delete most of the newsletters and advertisements coming in via email, unsubscribing from them instantly.

Banners on search engines and social media

Banners on search engines and social media tend to be perceived as annoying and not encouraging to click and further investigate the advertisement. Some exceptions appeared, however these were mostly related to products not covered in this thesis, such as clothing.

Reminder emails from online shops when purchase not completed

What does seem to work for some interviewees is when, after they have browsed an online shop and clicked on several products, but have not purchased any, a couple of days later they receive an email from the web shop offering the same product for a discounted price.

3.4 Information seeking

Section 1.4 explains that the process of active information seeking occurs when the buyer is not certain of the outcome of the purchase of a specific brand. Additionally, it may occur when the buyer is not certain of his or her own motives. In the following section, the different external sources used by the interviewees are outlined.

Inspiration platforms

A few interviewees indicated that they actively use Facebook, Instagram, Pinterest and/or magazines as a source of inspiration and information. They follow, for example, Karwei and IKEA on social media and seek specific tips on Pinterest. Magazines themed for living and decoration are sometimes used for inspiration and information seeking as well. These sources, however, are not used as point of information for a specific, pre-selected brand, but merely to gain general inspiration, or insight in different brand options within a specific product class.

[...] I follow for example Karwei on Instragram. And IKEA, and also on Facebook a couple of those sites [...]. But if I really want something specific, I usually look on Pinterest. Ms Eva Schippers, home owner in Sassenheim

Online shops and search engines

Online shops, in particular Bol.com and Coolblue⁹, appeared to be a highly popular source of information. Next to offering a wide range of products and brands, they both have a function for selecting multiple products and comparing them on several criteria, such as price, review rate, performance and energy efficiency, which is actively used. Next to specifically Bol.com, most interviewees indicated they use search engine Google to find a product with the best price-quality ratio. For EHFCs, interviewees started their search online as well.

Reviews

Reviews seem to have gained significant popularity over the past decade. Next to online shops such as Bol.com showing reviews of each item offered on the website, dedicated websites such as Kieskeurig.nl have been developed for the sole purpose of writing and reading reviews by consumers. A third type of review platform is offered by the Dutch Union of Consumers (Consumentenbond), which professionally evaluates products. The reports of these evaluations, however, are only accessible to consumers that either are a paying member of the Union, or that pay per report individually.

Advice from social environment

Advice from the social environment (friends, colleagues, family) is used as a source, often in combination with online research. Some explained they only seek for it with regards to high-risk products, such as washing machines; others tend to consult their social environment for a wide range of products.

Salesman in physical store

A few interviewees indicated they still use a salesman in physical stores as a source of information, aiming to receive tailored advice according to their needs. Other interviewees only go to a physical store after they have made a preselection based on information retrieved and wish to experience the product live before purchasing it. Others do it vice versa: They visit a physical store to make a pre-selection, and then return home to seek online for the shop offering the respective product for the lowest price. In particular for HVAC products,

⁹ Coolblue is an online store, similar to Bol.com and Amazon, selling a wide range of products including .

including EHFCs, the physical DIY store is used for discovering different alternatives. In this respect, the most mentioned shops were Gamma, Karwei, and Praxis¹⁰.

Division of purchase responsibility between partners

Most interviewees were in a long-term relationship at the time of the interview. Some indicated that they divide the responsibility of information seeking depending on the type of product, whereas others do all research jointly or in parallel. Joint research mostly occurs with high-risk products, such as washing machines. In case the responsibility is divided, it is mostly the men who seek information concerning high-tech and HVAC products, and women who seek information concerning other household products. For some products, mainly products costing less than 100 EUR including EHFCs, the interviewees do not engage in information seeking at all before commencing with active evaluation.

3.5 Pre-purchase evaluation of alternatives – general products

The pre-purchase evaluation of alternatives, as described in section 1.3, refers to the evaluation of different purchasing options by the consumer. In this and the next section, the focus has been put on evaluation criteria used by the interviewees.

Design

Design¹¹ is considered of high importance by most interviewees when the product is most of the time in sight, for example with a coffee machine. If, on the other hand, the product is most of the time not in sight, for example with a ventilation fan that is used only a couple of times per year and stored for the rest of the year, design is considered to be of low importance.

The first thought is design [...]. If something is user friendly but very pompous, I don't want it in my house. Mr Peter Driessen, home owner in Delft

¹⁰ Gamma and Praxis are DIY/hardware store chains similar to and competing with Karwei, and both operating online and in physical stores.

¹¹ The definition of the term design is retrieved from Oxford Dictionary: 'The arrangement of the features of an artefact, as produced from following a plan or drawing' ('Design', n.d.).

Brand image

Furthermore, brand image is generally considered to be more important than price, meaning if the same product is offered by two different brands – one unknown and less expensive and one known but more expensive – the interviewees tend to select the more expensive, known one. This tendency becomes stronger with a more high-risk product, and less strong with low-risk products (see section 1.4 for a detailed outline of high-risk and low-risk products). In the same way, the tendency seems to increase with experience; the interviewees mentioned that when they were younger and had less capital to spend, their approach was different. Sometimes, however, the consumer can be convinced to select the unknown brand, for example by a salesman or by reviews.

Moreover, certain brands for specific products seem to have established such a strong image that the stage of evaluation of alternatives is short and usually unsuccessful. This appeared with Miele and Bosch for washing machines, but also with the Quooker for boiling water cranes (although GROHE and other relatively famous brands offer alternatives), and with Sonos for loudspeakers.

Length of warranty

Next to the brand name, length of warranty was also mentioned as an indicator of quality. In case the warranty is one year or less, the product is expected to be of low quality, as not even the manufacturer believes it will last for a long time. Contrarily, if the warranty is three years or more, the product is expected to be of high quality.

Energy efficiency

Contradictory was the importance given to sustainability and energy efficiency; some interviewees considered these one of the less important factors, while others pointed out the advantage of feeling good about one self when considering the environment, as well as the accompanying long-term savings:

I think it's about as important, like I would pay... I would easily pay a little bit more for something that is more sustainable and uses less, like less electricity, because in the long term, that is going to make me more money.

Mr Jack de Mulder, home owner in The Hague

User-friendliness

One criterion that all interviewees agreed on to be of high importance is user-friendliness. A tendency was detected that participants expect all bought equipment to be straightforward to use, to the point that they do not have to open any manual. In this respect, preference is given to equipment with only a few buttons and functions.

Choice of purchase location

In some situations, particularly with low-risk products and when the product needs to be purchased swiftly, the interviewees indicated that they do not consider their evoked set of brands, and skip the stage of seeking for information; they commence their purchase process based on their evoked set of stores. For example, if a necessary but low-risk product like a ventilation fan breaks down, they most likely go to the closest known physical store that they suspect to sell ventilation fans and base their selection either on the price or on advice from the salesman. Others expressed the urge to spend their free time as efficiently as possible after they started a family and tend to quickly surf to Bol.com and select the product with the best price-quality ratio. DIY stores seem to be mostly visited in physical shops, not in their online counterpart. This has become even more convenient after Praxis has opened small branches in the city centre, which have a smaller in-store offer but where all products can be ordered and picked up, and which are considered more convenient than the traditional, larger stores located outside of the city centre.

Furthermore, the selection of the final purchase location appeared to be depending mostly on the price; most interviewees, even if they make the final purchase in a physical store, first compare prices for the selected product on the internet, usually via Google.

I start in the shop because I want to see such a wood stove. And then I inform myself on the internet to see if I can get it cheaper, and if that – if it differs with 100 Euros, I find it not so much. But it turns out that there can be a significant difference. That the difference easily goes up to 300 Euros, and I find that a lot of money, so then I order it online. Ms Sofie van

Doorn, home owner in Haarlem

When the purchase is made online, the reputation or reviews of the online store are sometimes taken into consideration as well.

3.6 Pre-purchase evaluation of alternatives – EHFCs

Design

Design of the EHFC is considered to be of high importance by most interviewees when the product is most of the time in sight, meaning placed in the living room or kitchen. If, on the other hand, the product is placed out of sight, for instance in a shed in the garden, design is considered to be of low importance.

Back then, it was important whether it was affordable. [...] If I would buy it now for the porch, it would be important that it just looks good. It doesn't need to be design, but it should not look like a construction heater. [...] So if then for example a normal heater costs 30 Euros and the design one 50 Euros, I would pick the one with the nice design. Ms Petra Timmermans,
home owner in Veenendaal

Brand image

Considering brand, the interviewees seemed to lack knowledge on EHFC brands and thus do not consider them to be an important factor. Instead, they look more at price and specific features.

I don't have any affection with it [the brand, ed.]. I believe this is the first heater we have ever bought. I don't even remember where. But there I would, a brand name doesn't mean anything to me, no. Ms Griet Driessen-Kuypers, home owner in Delft

Capacity and energy efficiency

Similar to other household products, the view regarding capacity and energy efficiency was rather contradictory; some interviewees mentioned these two criteria to be of the highest importance, and others considered them to be on the bottom of the list of criteria.

The first thing I consider is the capacity. So how hot can it get and... - And the consumption. – The energy consumption indeed. This ratio. And for usage in the barn, I don't really care about the design. Mr Daan Schipper and Ms Daniëlle de Haan, home owners in Veenendaal

Specific features

Different to other electronic household items, EHFCs bring forward a specific set of criteria that are considered of importance. Sound as well as cable length were mentioned as deal breakers and preventing the interviewee from purchasing the same brand in case their current EHFC would break down. The ideal of a wireless EHFC was mentioned; one that can be charged at night and can perform the next day, being carried around the house without having to worry about the distance between its cable and the nearest electricity plug. Furthermore, weight appeared to be of importance, although contradictory views arose. Some interviewees mentioned that they preferred their EHFC to be as light as possible to allow them to easily transport it from one room to another, depending on where they were sitting and feeling cold. Others mentioned that they preferred their EHFC to be not too light, because they have a small child walking around and consider it unsafe if the EHFC is light and can be easily bumped over.

3.7 Active versus passive brand loyalty

As a final stage, experience of the product and potential brand loyalty were discussed with the interviewees. This section outlines the mentioned reasons for satisfaction and dissatisfaction, the consumer's reaction to dissatisfaction, considerations made when repurchasing a product, and the potential for passive brand loyalty leading to active brand loyalty, measured according to the level of brand advocacy.

Satisfaction

Satisfaction depends mostly on the usability of the product. Interviewees indicated that their products have to be easy to use, even without opening a manual; it has to function as promised in the advertisements and not pose any repairing issues; it has to last at least as many years as expected by the consumer.

When dissatisfied with a product, the tendency seems to not return the product and file a claim with the shop or manufacturer, but to simply leave it stocked somewhere at home. This tendency appears to become stronger with low-risk products and with products purchased online, as the return process with online shops is considered to be more tedious than the return process in a physical store.

Then we deal with it and put it in a cupboard and never use it again. It's not like we make a big deal of it or something. Ms Marja Postma-Verhoeven, home owner in Elst

Repurchase of known brand

It appeared that, in case the interviewees are satisfied with a specific brand, they add this brand to their evoked set, and it is the first one they have in mind when need recognition reappears. Moreover, the brand is often added to the evoked set of different product classes as well, meaning, for instance, when the consumer has good experiences with a Philips iron, they are more likely to purchase a Philips television as well. On the other hand, with most brands, the interviewees indicated that they are still open to add other brands to their evoked set, and the final repurchase decision depends on many factors, of which price is an important one. In case the repurchase is being made in a physical store, the influence from the salesman plays a role as well; if they provide reasons not to choose the pre-selected brand but an alternative of equal quality and a lower price, the alternative brand is taken into consideration. Furthermore, brand loyalty seems to be stronger with high-risk products than with low-risk products. Brand loyalty with EHFCs seems to be very low, mostly because of the lack of knowledge of the product class and available brands. Multiple interviewees expressed high brand loyalty towards Apple - owning an Apple phone, laptop and tablet – the whole family, as one interviewee expressed it, but little interest is shown for brands of HVAC products.

[...] with computers and phones, I am bound to Apple. [...] But otherwise I'm not necessarily brand loyal when it comes to electronic equipment. With washing machines, I always have the feeling that Miele is better, but if Miele then costs 1500 Euros, I don't need a Miele. Ms Eva Schippers, home owner in Sassenheim

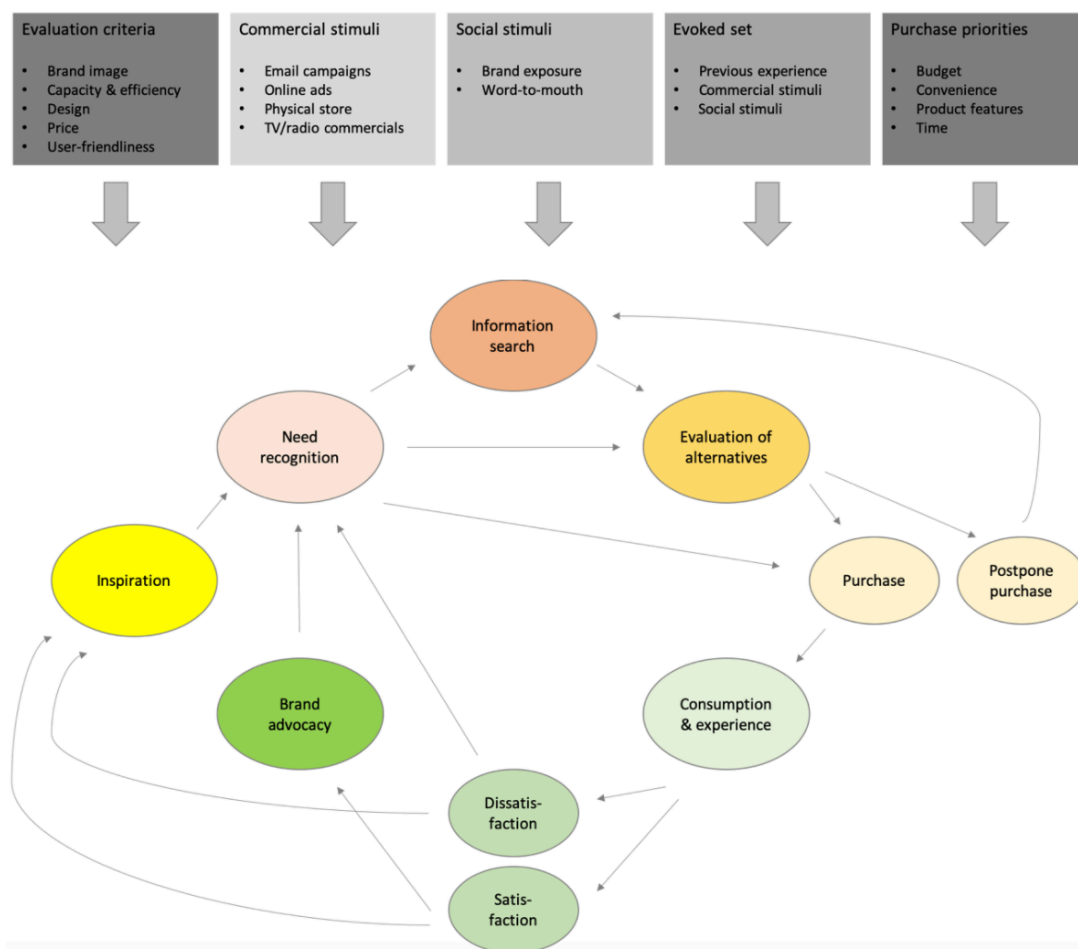
Advocating of brands

Once passive brand loyalty is established, the interviewees indicated they regularly advise their social circle to purchase the respective brand; however, this advice mostly comes after a conversation about the product is initiated by the third person, not because the interviewee started the conversation themselves. As such, it is not considered as active loyalty yet, which would imply active advocating of the brand. Active loyalty seems to appear mostly with gadgets, such as Apple products and the previously mentioned Sonos loudspeaker, but not with household equipment.

3.8 Decision-making process

Using the findings outlined in this section, the following model has been derived to reflect the decision-making process of Dutch homeowners for purchase.

Figure 9: Decision-making process of Dutch homeowners for home appliances



Source: Author's work

As shown in the image, the model consists of eight stages and five impacting factors. Below, the eight stages are outlined, after which the five impacting factors are explained.

The eight stages are as follows, listed in the order of a new purchase in case all stages are passed by the consumer: Inspiration, need recognition, information search, evaluation of alternatives, purchase (or postpone purchase), consumption and experience, satisfaction (or dissatisfaction), brand advocacy. The order in which the stages are passed depends on whether it concerns a first-time purchase or not, on the consumer, and on the specific situation. The inspiration stage refers to the phase where consumers gather inspiration concerning a specific brand or product class, either intendedly or unintendedly. This occurs, for example, when a consumer reads a magazine or browses Pinterest. The following stage is need recognition: When the consumer becomes aware of a certain wish or need for a product. This stage occurs in each process, being it at home, in a physical store or elsewhere. After need recognition and depending on the type of decision-making (habitual, limited or extended problem-solving) as well as potential brand loyalty being in place, the consumer either moves on to information search, evaluation of alternatives, or purchase. In most cases, information search follows, with the internet offering search engines, online shops and review websites to easily conduct research. Only in cases of habitual decision-making, specific predefined brand preference, spontaneous purchase, or a preference for in-store evaluation of alternatives, this stage is skipped. The next stage is evaluation of alternatives. This is the stage where the consumer evaluates different predefined options, using a predefined set of criteria. The final result of this evaluation process is the selection of a specific brand, leading to the next stage: Purchase. Alternatively, if the consumer considers none of the alternatives appealing, the purchase is being postponed and the consumer returns to the stage of information search, looking for alternatives that meet their criteria. In case the purchase does take place, the stage that follows is Consumption and experience of the purchased product. Consumption and experience will define whether the next stage will be either satisfaction or dissatisfaction. In case of dissatisfaction, the process for purchase of the replacing product will start in the same way as the initial decision-making process: Either with the Inspiration or the Need recognition phase. The only long-lasting effect that may occur in case of dissatisfaction is advocacy against the brand; however, as this was not mentioned by any of the interviewees, it has not been included in this model. In case the consumer is satisfied with the brand, a distinction is made between three types of satisfaction. The first type is 'simple' satisfaction, meaning the consumer is satisfied with the brand, but does not become loyal. With this type

of satisfaction, when case Need recognition reoccurs, the consumer will again take into consideration different brands, and the decision-making process is similar to the initial decision-making process and the process in case of dissatisfaction. The second type is satisfaction with passive brand loyalty. This means that the consumer has developed a preference for the purchased brand, however, does not advocate it yet, and is still open to stimuli of different brands. The last satisfaction type is satisfaction with active brand loyalty. This indicates a strong level of loyalty towards the consumed brand, resulting in two major elements: Brand advocacy, the final stage meaning actively promoting the brand in the social environment, and a close to 100% certainty that for the next purchase in the same product class, the same brand will be selected.

Next to the eight stages of the decision-making process, the model shows five impacting factors: Evaluation criteria, Commercial stimuli, Social stimuli, Evoked set, and Purchase priorities. Each of these factors impact certain stages of the decision-making process. The first factor, Evaluation criteria, is the set of criteria used by the buyer to assess which brands should be taken into consideration in the stages of Information search, Evaluation of alternatives, Purchase, and Consumption and experience (to define the level of satisfaction with the product). The criteria used depend on the buyer's personal preference and the respective product class. Criteria that are commonly used are brand image, capacity and efficiency, design, price, and user-friendliness. The second factor impacting the decision-making process is commercial stimuli faced by the buyer. This includes email campaigns, online advertisement, stimuli faced in the physical store (for example product placement, promotions or advice from the salesman), and commercials on radio and television. These stimuli may impact the Evoked set and the stages of Inspiration, Need recognition, Information search, and Evaluation of alternatives. The next factor, Social stimuli, has features and impacts similar to the Commercial stimuli. The difference is that the stimuli do not come from firms but from the buyer's social environment. Two types of social stimuli appeared to have a significant impact on the decision-making process. The first is word-to-mouth, meaning exchange of ideas and advice received from consumers in the buyer's social environment. The second is called Brand exposure and refers to exposure to the brand within the buyer's social environment, for instance when they drink coffee from a specific machine at a café, use a specific EHFC at work, or discover a new brand at a friend's house. The fourth factor is called the Evoked set and is defined in section 1.4 of this thesis as 'the selection of brands the consumer has made in their head already within the product class'.

The Evoked set may impact mostly the openness towards reception of information on brands outside the Evoked set in the stages of Inspiration, Information search, Evaluation of alternatives, and purchase (in case it concerns a spontaneous purchase). It is composed using input from previous brand experience – both within and outside the respective product class, commercial stimuli, and social stimuli. The last factor impacting the decision-making process is called Purchase priorities. These priorities are shaped during and after the Need recognition phase and define the process following Need recognition: Whether Information search and/or Evaluation of alternatives is being carried out; if so, if it is being carried out online or in physical stores; whether the final purchase is being made online or in a physical store; which criteria receive the highest priority. The different Purchase priorities can be the buyer's budget, need for convenience as well as time limitations within the purchase process, and the importance of the product features.

4. Analysis

The goal of this research was to determine the consumer decision-making process of Dutch home owners' purchase, and how can this be applied to the marketing strategy for a manufacturer of electric fan heaters entering the Dutch B2C market. In order to do so, this section compares the findings of the primary research with the theoretical models reviewed in chapter 1 (in line with research sub question 1). Next, a review of the other research questions and the answers found in the qualitative research is outlined.

4.1 Comparison of findings with theory

In chapter 1, seven models mapping the consumer decision-making process have been reviewed. From the interviews outlined in chapters 2 and 3, more resemblance appeared with the loop models (Consumer Decision Journey and Purchase Loop model) than with the linear models; however, some resemblance was detected with each model.

With the firstly described model, the Hierarchy of Effects Model, little resemblance was detected. Next to the funnel principle described by (amongst others) Lewis not matching the structure of the process found in the primary research, the model is considerably simple and overlooks vital aspects such as need recognition. Furthermore, the model is designed from the business perspective: The salesman, with a high focus on the steps the salesman has to guide the consumer through to reach the act of the purchase, and less focus on the experience of the

consumer. In addition, it does not account for a post-purchase experience and mostly a repurchase process. From the perspective of the different stages, it does acknowledge aspects detected in the primary research, such as the attraction of interest.

Contrary to the Hierarchy of Effects Model, the Nicosia model does already include the loop approach, with Field Four: The Feedback. This field partly reflects the product experience revealed in the qualitative research, however, does not cover any details in the process from product purchase to experience to potential loyalty development. Furthermore, the model places a significant focus on the firm's and the consumer's attributes, which have not been detected as such in the qualitative research. The research does show significant resemblance with Field 2: Search and evaluation, which merges two stages detected in the research: Information seeking and pre-purchase evaluation of alternatives. Nevertheless, the model is still rather static; each step leads to a certain next step; there are never two options. In addition, it is again more developed from the firm's perspective than from the consumer's perspective.

As outlined in section 1.3 of this thesis, the Engel-Blackwell-Miniard (EBM) Model shows much resemblance to the Nicosia model, with the difference that the EBM Model adds two more stages: Need recognition and divestment. Whereas the latter has not appeared in the qualitative research, the former was one on one recognised. Consequently, this model is rather close to the pattern discovered in the qualitative research. It even moves toward the loop shape; however, the model is rather complex, involving many factors that did not appear in the qualitative research.

Similar to the EBM Model, the Howard-Sheth Model of Consumer Behaviour is moving towards the loop shape, and herewith shows similarities with the pattern appeared from the quality research. If, after the purchase, satisfaction follows, the purchased brand will be added to the evoked set, which is similar to the pattern described in the Findings. What is missing here is the process following dissatisfaction; what happens in case the consumer is not satisfied with the purchased brand. Furthermore, numerous elements, amongst which learning constructs, are outlined in the Howard-Sheth Model of Consumer Behaviour and have not been detected in the primary research.

The Model of Consumer Decision-making by McCarthy & Perreault shows again other similarities with patterns detected during the qualitative research. First, it dedicates special attention to social influences, which appeared to be of significance throughout the decision-making process. Second, it makes a distinction between response to satisfaction and dissatisfaction with the brand: After post purchase evaluation, the consumer is shown to use their brand feedback to continue from the 'Need-want awareness' stage either with the previously followed path, meaning they will start their search and evaluation again, or they move on straight away to a 'Routinized response' and from here to purchase, meaning they are satisfied with the brand to such an extent that they repurchase it without further consideration. It does not yet include the formalised concept of passive and active brand loyalty, though. From a visualisation point of view, the model does not reflect the correct order and degree of influences; for instance, it looks as if Social influences and Psychological variables only influence the Need-want awareness stage, and not the other stages, which does not match with the findings in this thesis.

The Consumer Decision Journey model of McKinsey shows a lot of resemblance with the detected process, mostly with the inclusion of the concept of brand loyalty and distinction between active and passive loyalists. The model's major weakness is that, for example compared to the models of Howard and Sheth or Engel et al., it overlooks the detailed and complex mix of variables affecting consumer behaviour. Furthermore, from the Active evaluation stage, it shows only one next stage, which is Moment of purchase. No option is included for cancelling or postponing the purchase.

Lastly, the Purchase Loop model shows significant similarity with the consumer decision-making process derived from the qualitative research as well. Uniquely, it visualises the potential of the varied order by which the consumer may go through the process, meaning steps are sometimes skipped or taken in an unusual order. The same has been discovered during the in-depth interviews; with some product classes, the interviewees skip the information search (here described as research) and evaluation phases; some continuously seek inspiration for purchasing new products whilst others do not. The concept of inspiration is unique for this model as well. On the other hand, two concepts are missing in this model: Active and passive brand loyalty, and external influences.

4.2 Type of consumer decision-making

Another goal of this research was to determine the type of consumer decision-making procedure used, to derive consumer behaviour and an appropriate marketing strategy accordingly. Howard and Sheth distinguish three types of decision-making, as outlined in section 1.4 of this thesis. The first one is Extended problem solving, used by consumers when the product is a high-cost product and/or the consumer's motivation is related to 'high risk and involvement', meaning that the consumer is convinced that features of the purchased product could have a relatively large impact on his or her (daily) life. The second type is Limited problem solving, used when customer involvement, motivation and willingness to gather information prior to the purchase are still present but to a lesser extent than with Extended problem solving. The third type is habitual decision-making or routine response behaviour, which refers purchases made almost automatically without prior research or reflection. When reviewing the results of the qualitative research, it appeared that Habitual decision-making is rarely applicable to purchases. Even when brand loyalty is in place, a certain amount of information search or at least evaluation of alternatives is being applied before making the final purchase decision. The opposite type, Extended problem solving, is mostly applied when the to be bought equipment is considered a high and long-term investment, such as a design woodstove or a washing machine. Consequently, the most commonly used type, which is applicable to EHFCs as well, is Limited problem solving. With this type, it is considered the easiest for the marketer to influence the brand choice in this case, in particular in-store. The buyer conducts pre-purchase Information search during which they can be triggered to investigate brands other than the ones from the evoked set. In particular with EHFCs the buyer can be influenced both online and in the physical store. As limited knowledge of the product class and its different brands exists, the buyer will generally seek (pull) information from the firm to help them make a well-balanced decision.

4.3 Compilation of the initial consideration set

The third goal of this research was to determine how the initial consideration set, or as it is called in chapter 3 of this thesis, the evoked set, is compiled. As outlined in section 3.8, the evoked set mostly impacts the openness towards reception of information on brands outside the Evoked set in the stages of Inspiration, Information search, Evaluation of alternatives, and purchase (in case it concerns a spontaneous purchase). The evoked set seems to be influenced by many different factors, of which three in particular stood out: Previous brand experience

(both within and outside the respective product class), commercial stimuli, and social stimuli. Compared to other models, the different elements do recur, however not in the same structure as outlined here. Furthermore, previous brand experience (both within and outside the respective product class) covers not only previous experience with the brand within the same product class (for instance a BOSCH washing machine when considering buying a washing machine), but also previous experience with the brand within another product class (for instance a BOSCH vacuum cleaner when considering buying a washing machine).

4.4 External factors impacting final purchase

The next goal was to determine external factors impacting the final purchase decision. This was considered important because the assumption was made that, despite pre-purchase Information search and Evaluation of alternatives, the final purchase decision may be made last-minute and in-store. In the qualitative research, this assumption has been largely refuted. It appeared to apply mostly to buyers purchasing their products in-store and conducting little online research. These buyers are still influenceable when arriving in the store, and external factors impacting their final purchase include in-store advertising and advice from the salesman. The online buyers, on the other hand, conduct more extensive research and are therefore less influenceable right before their final purchase. The only case where it applies is after they have postponed their purchase, and then receive a popup or email with a special discount for the respective product; this may convince them to purchase the product after all.

4.5 Active loyalty

The last goal was to discover what motivates or prevents consumers to become an active loyalist. As described in sections 3.7 and 3.8, active loyalty is not common in the product class of home appliances. Exceptions appeared with trendy products that have recently become popular, such as the Sonos sound system and the Quooker. The lack of loyalty proved to be difficult to trace back. The following factors may be related to this lack of loyalty: Lack of knowledge of the product class and herewith lack of interest in the brands, the priority of price-quality ratio over brand image, and a general tendency by the consumer to be more open to different brands and be less loyal, as argued by Latitude (see section 1.7).

Conclusion and recommendations

The aim of this research was to determine the consumer decision-making process of Dutch homeowners' purchases of home appliances, and how can this be applied to the marketing strategy for a manufacturer of electric fan heaters entering the Dutch B2C market. In order to answer this question, five sub questions have been derived:

1. How does the consumer decision making process for this product category compare to journeys suggested by the theoretic models reviewed?
2. What type of consumer decision is used for these types of products (extended problem solving, limited problem solving, or habitual decision making)?
3. How is the initial consideration set compiled?
4. On which external factors does the choice for the final purchase depend?
5. What motivates or prevents consumers to become an active loyalist?

In this section, the research question has been answered by answering the five sub questions. For each question, a set of recommendations for Company X has been derived.

Sub question 1. How does the consumer decision making process for this product category compare to journeys suggested by the theoretic models reviewed?

The consumer decision making process model derived from the qualitative research knows the following eight stages (listed in the order of a new purchase in case all stages are passed by the consumer): Inspiration, need recognition, information search, evaluation of alternatives, purchase (or postpone purchase), consumption and experience, satisfaction (or dissatisfaction), brand advocacy. The order in which the stages are passed depends on whether it concerns a first-time purchase or not, on the consumer, the type of product, and on the specific situation. Next to these eight stages, the following five impacting factors have been detected: Evaluation criteria, Commercial stimuli, Social stimuli, Evoked set, and Purchase priorities. Each of these factors impact certain stages of the decision-making process. Looking at the stages and shape of the model, it shows more resemblance with the loop models (Consumer Decision Journey and Purchase Loop model) than with the linear model. The consumer decision making process for home appliances has the least in common with the Hierarchy of Effects Model (because of the simplicity of the latter, as well as the funnel shape), and the most in common with the Purchase Loop model (thanks to

visualisation of the potential of the varied order by which the consumer may go through the process, and inclusion of the concept of inspiration). Consequently, when preparing its marketing strategy, Company X is recommended to take into consideration the loop form of the decision-making journey and the fact that some steps in the journey may be skipped. As not all purchases involve extensive pre-purchase evaluation and research, budget should be reserved for in-store advertisement and strategic product placement; mostly online, but also in physical stores.

Sub question 2. What type of consumer decision is used for these types of products (extended problem solving, limited problem solving, or habitual decision making)?

Limited problem solving is the most commonly used type of consumer decision for the product category of home appliances, as well as for EHFCs in particular. One exception stood out during the interviews, which is the consumer decision type for high and long-term investments, such as a design woodstove or a washing machine. With Limited problem solving being the common consumer decision type, Company X is fortunate to be dealing with consumers open to new stimuli and seeking (pulling) information. On the other hand, the participants seemed quite reluctant towards trying out home appliances from brands they were completely unfamiliar with. Accordingly, Company X is recommended to account for information seeking by investing in strategic Search Engine Optimisation (SEO). This should result in its products appearing high in search engines when consumers research EHFCs.

Sub question 3. How is the initial consideration set compiled?

The initial consideration set is eventually named ‘the evoked set’ and is one of the five fields defined in the consumer decision making process model for home appliances. The evoked set appeared to be compiled based on many different factors, of which three in particular stood out during the qualitative research: Previous brand experience (both within and outside the respective product class), commercial stimuli, and social stimuli. As previous brand experience and the reluctance to try out new brands seem to be playing a major role in compilation of the evoked set, it is of high importance for Company X to invest in brand promotion in the initial phases (inspiration and information search). An alternative approach would be to sell the products under a different, already established, brand. The latter solution addresses two issues: The issue of selling the product to consumers reluctant to try out unknown brands, and the fear of being considered a new competitor by Company X’ current clients. Cooperation could, for instance, be established through a licensing agreement, where

a company that is well established in the B2C DIY market is the licensor, and Company X, as licensee, uses their brand for selling its products.

Sub question 4. On which external factors does the choice for the final purchase depend?

The qualitative interview results revealed that external factors (such as advertisement and brand exposure) play a major role in the following stages: Inspiration, Need recognition, Information search, and Evaluation of alternatives. However, they did not seem to play a major role after Evaluation of alternatives, and during the final purchase stage. The only two cases where it applies is after the participants have postponed their purchase, and then receive a popup or email with a special discount for the respective product, or if they mostly purchase in physical stores and therefore arrive less prepared at the store, and are more open to external factors such as product placement and in-store advertisement. Consequently, Company X is recommended to focus on advertisement online, where most of the research and evaluation process takes place. Next to the SEO optimisation mentioned above, it is recommended to invest in product placement on online stores (meaning, if a consumer types for example ‘fan heater’ on a website like Bol.com, X’ products appear in the top 5).

Sub question 5. What motivates or prevents consumers to become an active loyalist?

Within the product category of home appliances, active loyalty appeared to be very rare. Exceptions appeared with the Sonos sound system and the Quooker; besides these two products, even passive loyalty appeared to be uncommon; when need recognition reappears, participants indicated they usually start search for the brand they have experience with in the respective product class, and then for other brands, preferencing the one they are familiar with but keeping a certain level of openness to other brands. However, as little knowledge appeared to exist in the field of EHFCs, brand loyalty seemed to be even less common in the purchase process for this particular product. Nevertheless, to ensure a profitable amount of sales, it is recommended for Company X (as outlined under Sub question 3 in this section) to either create a dedicated brand for the B2C market and invest heavily in creating brand awareness, or to arrange a licensing agreement with a more well-established brand and to use their brand instead.

Coming back to the McKinsey research team, they stated in 2009: ‘In today’s decision journey, consumer-driven marketing is increasingly important as customers seize control of

the process.’ This trend was reflected in the results of this study and should be reflected in the approach by firms selling B2C in any sector. Moving away from traditional marketing channels and investing in new ones, allowing consumers to find the firm when they initiate their search, means moving forward.

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