UNIT 12: DECISION MAKING PROCESS-I

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12.1 LEARNING OBJECTIVES

After going through this unit, you will be able to:

- explain the concept of decision making system
- explain the importance of decision making
- discuss the five Stages of Consumer Decision Making Process
- explain the techniques for Improving Group Decision-Making
- explain the situations for individual and group decision making.

12.2 INTRODUCTION

Decision making is an indispensible component of management process and manager life is filled with making decisions and after decisions to get intended result. This unit discusses about individual decision making to group decision as well as various decision making process and models which complements the decision making system in the most profitable way.

12.3 DECISION MAKING

Decision making is an indispensible component of management process and manger's life s filled with making decisions after decisions. Managers see decision making as their central job because they constantly choose what is to be done, which is to do, when to do, where to do, and how to do.

Decision making is both managerial function and organizational process. It is managerial function because it is a fundamental responsibility of every manager. It is organizational process because many decisions transcend the individual managers and become the product of groups, teams, committees, etc. In fact, more important decisions are made by group of managers rather by managers individually. Therefore, managers should develop decision making skills and acquaint themselves with the dynamics of decision making because of the following reasons :

- Managers spend a great deal of their time in making decisions. In order to develop their decision-making skills, it is necessary that they know how to make effective decisions.
- Managers are evaluated on the basis of quality of their decision making. To improve the quality of decisions, they should know how quality of decision-making can be improved.

Decision making its features can be derived as follows:

- Decision making implies that there are various alternatives and the most desirable alternative is chosen to solve the problem or to arrive at expected results. A problem situation which does not have alternatives

is not really a problem requiring solution though the problem may by quite injurious.

- Existence of alternatives suggests that the decision maker has freedom to choose an alternative of his liking through which his purpose is served.
- Decision making may not be completely rational but may be judgmental and emotional in which personal preferences and values of the decision maker play significant role.
- Decision making, like any other management process, is goal-directed. It implies that the decision maker attempts to achieve some results through decision making.

12.4 TYPES OF DECISIONS

Decision making is involved in every walk of life; it is relevant in organizational as well as non-organisational context. In organizational context, decisions may vary from the major ones like determination of organizational objectives or deciding about major projects to specific decisions about day-to-day operations. Therefore, there are different types of decisions which are made by mangers in organizations and for each type of decision, decision making variables and conditions differ.

- **Programmed Decisions:** Programmed decisions are routine and repetitive, and they are made within the framework of organizational policies and rules. These policies and rules established well in advance to solve recurring problems in the organization. For Example, the problem relating to promotion of employees is solved by promoting those employees who meet promotion criteria. These criteria are established by promotion policy and the managers have just to decide which employees meet criteria for promotion and the decision is made accordingly.
- **Non-programmed Decisions:** Non-programmed decisions are relevant for solving unique/unusual problems in which various alternatives cannot be decided in advance. For such decisions, the situation is not well structured and the outcomes of various alternatives cannot be arranged

in advance.

- **Strategic Decisions:** Strategic decision concept is based on strategy which is a major action plan in an organization. Therefore, strategic decision can be defined as 'A strategic decision is a major choice of actions concerning allocation of resources and contribution to the achievement of organizational objectives.'

  In a strategic decision, following characteristics are present:

  - The decision is a major one which affects the whole or major part of the organization.
  - It contributes directly to the achievement of organizational objectives. Though all decisions try to contribute in this direction, strategic decisions contribute directly and other decisions are derived from these.
  - A strategic decision may involve major departure from earlier ones concerning some organizational practices; for example, change in product mix, expansion of business, change in personnel policies, etc.

- **Tactical Decision:** Tactical or operational decision is derived out of strategic decision. In relates to day-to-day working of the organization and is made in the context of well-set policies and procedures. The various features of a tactical decision are as follows :

  - Tactical decision relates to day-to-day operation of the organization and has to be taken very frequently. The decision is mostly repetitive; for example, purchase of raw materials, assigning duties to employees, etc.
  - Tactical decision is mostly a programmed one. Tactical decision is programmed through the prescription of policies, rules, procedure, etc. Therefore, the decision can be made within the context of these variables. Such prescriptions provide what to do in a particular case. When the case for decision making comes, the decision maker simply applies those prescriptions and decides the things.
  - The outcome of tactical decision is of short-term nature and affects a narrow part of the organization. For Example, purchase of raw

materials in routine manner will affect production department for short period because raw materials are purchased very frequently in the context of well-set policies.

12.5 IMPORTANCE OF DECISION MAKING

- **Implementation of managerial function:** Without decision-making different managerial function such as planning, organizing, directing, controlling, staffing can't be conducted. In other words, when an employee does, s/he does the work through decision-making function. Therefore, we can say that decision is important element to implement the managerial function.
- **Pervasiveness of decision-making:** The decision is made in all managerial activities and in all functions of the organization. It must be taken by all staff. Without decision-making any kinds of function is not possible. So it is pervasive.
- **Evaluation of managerial performance:** Decisions can evaluate managerial performance. When decision is correct it is understood that the manager is qualified, able and efficient. When the decision is wrong, it is understood that the manager is disqualified. So decision-making evaluate the managerial performance.
- **Helpful in planning and policies:** Any policy or plan is established through decision making. Without decision making, no plans and policies are performed. In the process of making plans, appropriate decisions must be made from so many alternatives. Therefore, decision making is an important process which is helpful in planning.
- **Selecting the best alternatives:** Decision making is the process of selecting the best alternatives. It is necessary in every organization because there are many alternatives. So decision makers evaluate various advantages and disadvantages of every alternative and select the best alternative.
- **Successful; operation of business:** Every individual, departments and organization make the decisions. In this competitive world;

organization can exist when the correct and appropriate decisions are made. Therefore, correct decisions help in successful operation of business.

12.6 EFFECTIVE DECISION

The decision-making process goes through the various stages and the basic objectives of all these stages are to solve problem through the decision. The solution of the problem depends on how effectively the decision is made and implemented. Thus, an effective decision is one which is action-oriented, goal-directed, and provides efficiency in implementation. These three aspects of effective decision can be presented below.

- **Action Orientation:** Decisions are action-oriented and are directed towards relevant and controllable aspects of the environment. Decisions are totally pragmatic in nature and their value is dependent on the success of the actions that follow. Decisions may be treated as an intervening variable which may ultimately lead to the end-result variables.
- **Goal Direction:** Organisations are goal-directed units and, therefore, any organisational process, including decision making, should be goal-directed to enable the organization to meet its objectives. Naturally, the value of a decision and the associated action is related to the dispatch with which the goal is achieved.
- **Efficiency in Implementation:** An effective decision should provide the way in which it can be implemented. Therefore, decision making should take into account all the possible factors not only in terms of external context but also in internal context so that a decision can be implemented properly. Often the results are obtained by proper implementation of proper decision.

12.7 CONSUMER DECISION MAKING PROCESS

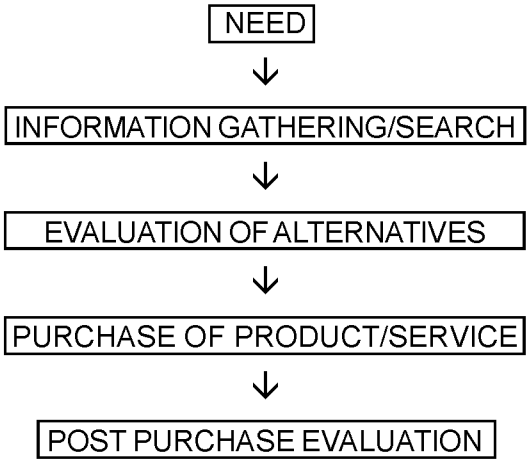
Consumer decision making process involves the consumers to identify their needs, gather information, evaluate alternatives and then make their buying decision. The consumer behavior may be determined by

economic and psychological factors and are influenced by environmental factors like social and cultural values.The consumer decision making behavior is a complex procedure and involves everything starting from problem recognition to post-purchase activities. Every consumer has different needs in their daily lives and these are those needs which make than to make different decisions. Decisions can be complex, comparing, evaluating, selecting as well as purchasing from a variety of products depending upon the opinion of a consumer over a particular product. This renders understanding and realizing the basic problem of the consumer decision making process for marketers to make their products and services different from others in the marketplace.

12.8 FIVE STAGES OF CONSUMER DECISION MAKING PROCESS

The buying behavior model is one method used by marketers for identifying and tracing the decision making process of a customer from the start to the end. The process is categorized into 5 different stages which are explained as follows:

A consumer goes through several stages before purchasing a product or service



- **Need Recognition:** Need recognition occurs when a consumer exactly determines their needs. Consumers may feel like they are missing out something and needs to address this issue so as to fill in the gap. When

businesses are able to determine when their target market starts developing these needs or wants, they can avail the ideal opportunity to advertise their brands. An example who buys water or cold drink identifies their need as thirst.

- **Information Search:** The information search stage in the buyer decision process tends to change continually as consumers require obtaining more and more information about products which can satisfy their needs. Information can also be obtained through recommendations from people having previous experiences with products. This is done so because most people do not want to regret their buying decision. Information for products and services can be obtained through several sources like:
  - **Commercial sources:** advertisements, promotional campaigns, sales people or packaging of a particular product.
  - **Personal sources:** The needs are discussed with family and friends who provided product recommendations.
  - **Public sources:** Radio, newspaper and magazines.
  - **Experiential sources:** The own experience of a customer of using a particular brand.
- **Evaluation of Alternatives:** This step involves evaluating different alternatives that are available in the market along with the product lifecycle. Once it has been determined by the customer what can satisfy their need, they will start seeking out the best option available. This evaluation can be based upon different factors like quality, price or any other factor which are important for customers. They may compare prices or read reviews and then select a product which satisfies their parameters the most.
- **Purchase Decision:** When all the above stages have been passed, the customer has now finally decided to make a purchasing decision. At this stage, the consumer has evaluated all facts and has arrived at a logical conclusion which is either based upon the influence from marketing campaigns or upon emotional connections or personal experiences or a combination of both.

- **Post Purchase Behavior:** The purchase of the product is followed by post-purchase evaluation which refers to analyzing as to whether the product was useful for the consumer or not. If the product has matched the expectations of the customer, they will serve as a brand ambassador who can influence other potential consumers which will increase the customer base of that particular brand.

12.9 GUIDELINES FOR MAKING DECISION

Any decision can be made effective if decision-making process is followed properly. However, to make a decision effective, managers should take care of certain variables affecting their decision making and its implementation.

- **Categorical Interpretation:** At the very outset it may be emphasized that logical decision can be made if the real problem is interpreted and identified with in-depth study and observation. Often what happens that mangers do not analyse the problem carefully and they take symptoms as the problems.
- **Application of Limiting Factor:** Managers can do better if they apply the limiting factor principle. In choosing from among alternatives, the more a manager recognize and solves for those factors which are limiting and critical to the attainment of desired objectives, the more clearly and accurately he can select the most desirable alternative.
- **Adequate Information:** Information is the life blood of an organization because all decisions are based on this. More is the quantity of reliable information, higher is the validity of decision. Therefore, every aspect of decision should be backed by sound and adequate proofs. If the facts underlying a problem are collected and care is taken to analyse the situation as well as the problem in the light of collected information, the basic spadework in making a decision is complete.
- **Considering Others' Views:** While making decision, it is desirable that all alternatives are considered before arriving at a decision. Equally desirable is the fact that while making a decision, others' views should

also be considered adequately. Often what happens is that a decision is affected by preferences and values. Moreover, interpretation of many qualitative facts in an alternative is subject to personal judgment.

- **Timelines:** A decision to be effective must be made at proper time. A delay in decision making may result into loss of opportunities in this fast-changing environment. In fact, one of the reasons for slow growth of organizations is that they have not been able to make fast decisions, particularly the strategic ones.

12.10 TECHNIQUES FOR IMPROVING GROUP DECISION MAKING

- **Brainstorming:** Brainstorming is a technique to stimulate idea generation for decision-making. Originally applied by Osborn in 1938in an American company, the technique is now widely used by many companies, educational institutions, and other organisations for building ideas. The process in brainstorming goes in the following ways:
  - The problem on which decision is required is given to the group. Problem is stated clearly and precisely so that members of the group can focus their direct attention on it.
  - Each member is asked to give ideas through which the problem can be solved. Here the emphasis is on quantity of ideas and quality may follow later. The brainstorming session is meant to be a free, frank and relaxed one to generate maximum number of ideas irrespective of qualities.
  - The members are expected to put their ideas for problem solution without taking into consideration any limitations - financial, procedural, legal, organizational, or otherwise. Such limitations only act as deterrent to free flow of ideas because the participants will limit themselves in these limitations.
  - Idea-evaluation is deferred to a later stage because it does not flow in the direction of idea generation. Hence, any criticism, judgment, or comment is strictly prohibited and the members are told to abstain

from it. Anyone violating this is chided gently in order to generate genial atmosphere for free flow of ideas.

- **Nominal Group Technique:** Nominal group technique (NGT) is a structured group meeting which restricts verbal communication among members during the decision-making process. It is meant to resolve differences in group opinion by having individuals generate and then rank a series of ideas in the problem exploration, alternative generation, or choice-making state of group decision-making. The process in NGT goes as follows :
  - The group leader outlines the problem requiring decision.
  - Each member writes down his ideas silently and independently and presents his best single idea on the problem.
  - When all the members write their ideas, these are presented for discussion and evaluation before the group members.
  - The members are asked to rank the various ideas for decision-making and the decision is arrived at on the basis of this ranking. If the group does not reach agreement, it repeats the ranking and voting procedure until the group reaches some agreement and makes a decision.
- **Delphi Technique:** The name Delphi indicates a shrine at which the ancient Greeks used to pray for information about the future. In Delphi technique of decision-making, members do not have face-to-face interaction for group decision. The decision is arrived at through written communication in the form of filing up questionnaires often through mail.
- **Consensus Mapping:** Consensus mapping technique of group decision-making tries to pool the ideas generated by several task subgroups to arrive at a decision. The technique begins after a task group has developed, clarified and evaluated a list of ideas. The facilities encourage participants to search for clusters and categories of ideas.
- **Positive aspect of group decision making:** Every group decision making has some positive aspects in terms of better decision, commitment of people towards decision, better communication etc and at the same time has some negative aspect in the decision making

process which affect the organization.

12.11 ROLE OF CREATIVITY IN DECISION MAKING PROCESS

Creativity is vital for the decision making whether it is organizational decision or personal decision. The role of creativity is maximum in generating alternatives which can be considered for evaluation and choice. Creativity required for solving problems which are non repetitive and unique. Such problems cannot be solved by known methods and past experience is not enough in such problems.

Stages in creative process:

- **Saturation:** for a manager it is essential that he is thoroughly conversant with the problem on hand. For him saturation stage is normally begins in thorough familiarity with a problem itself. This will provide the manager an insight in identifying the real problem and he can think for suitable solution.
- **Preparation:** The decision maker has to go through the preparation stage at which he tries o collect information relating to the problem. He may recall his past experiences and also study new materials. It should be recognized that something new does not come overnight. The preparation stage may last few minutes, hours, days or weeks even years.
- **Incubation:** If no solution found out at the stage of preparation, the creative person attempts to shelve the problem and to forget about it, he may engaged himself in activities that are totally unconnected with the problem, he may listen music, go for other entertainment and so on. In the case of incubation in subconscious mind, there is less direct or determinable connection with the basic ideas.
- **Illumination:** The illumination stage of creativity is characterized by a flash of insight or a sudden spontaneous solution. If the previous stages of creativity have been accomplished properly, the new data will be brought in the mind. Many other ideas will flash in quick order and faster

than what one's memory can absorb or retain them.

- **Verification:** This is the final stage of creative process and involves in verifying, modifying, or applying the ideas towards the solution of the problem under the study. During this stage minds sets about, by logical method or by experimentation.

12.12 RATIONAL DECISION MAKING MODEL DEFINITION

Rational decision making is a multi-step and linear process, designed for problem-solving start from problem identification through solution, for making logically sound decisions.The rational decision making model is a good model to make good decisions because it depends on rational way used for problems solving.

Business people are faced with decision making every day. Intuitive and rational decision making are the two easy that an individual can approach problem solving. Some people are very aware of their instinct or feelings and use them as a guide and decision making. These types of decisions are instinctive and rely on intuition and not facts. On the other hand in rational decision making is related with analysis, facts and a step by step process to come to a decision. Rational decision making is a precise and analytical process that companies come up with a fact based decisions.

12.13 RATIONAL DECISION MAKING MODEL STEPS

If we want to make a good decision which helps us to achieve your goals; we should depend on the available facts to make a careful analysis to make a decision as we'll explain in the following steps:

- **Step 1: Identify and define the problem:** The first step to make a rational decision is to identify and describe the problem by defining the current and desired states and defining the alternatives:
  - Keep in mind during identifying the problem to identify the cause of the problem, not the symptoms.
  - Define the gap between the current state and the desired state. And

the gap must be enough to motivate the involved people to implement the decision.

- Define all available options and don't think about quick solutions.

- **Step 2: Identify the decision criteria:** The second step in the rational decision making model is outlining all the criteria ahead of time because those criteria will be a good guide to make a decision. This step deals with choosing variables that will determine the decision outcome. In this stage the criteria are depends upon the on individuals beliefs and values.
- **Step3: weight established criteria:** We need to weigh those criteria because each criterion is unlikely to have the same level of importance; there are few ways you can use to accomplish this step:
  - Using an absolute comparison:We can use this method which you commonly find costumers' ratings; this comparison is helpful because it allows you to compare items side by side. So if you're shopping for a product, you can look through customers' reports and ratings and compare different types of the product in a specific category.Those reports and ratings are accomplished by incorporating a ranking system where the user enters a value reflecting the importance of the criteria on a scale.
  - Using relative comparison: A relative comparison is made by comparing each criterion with another. So by using relative comparison; we can obtain what criteria are most important to us. This can be helpful when you attempt to weigh criteria that have similar ratings by using an absolute comparison.So by comparing them against one another we firmly know which one is more important.
- **Step 4: Generate list of alternatives:** Once we have identified a thorough list of criteria and weighed the importance of those criteria, now we can generate a list of alternatives.During this step, our goal is generating many alternatives as possible. The more alternatives that we generate, the greater the likelihood is that we'll come up with an effective solution to our problem.

- **Step 5: Evaluate the alternatives:** At this stage, we want to evaluate the alternatives that we've identified using the criteria that we've identified in step2. This step may be lengthy depending on the number of criteria and the number of alternatives. Hence we can state that in this step we choose the best decisions. In this step the business decision maker needs to optimize the solution or select the best alternatives.

12.14 DIFFERENCE BETWEEN INDIVIDUAL AND GROUP DECISIONS

- **Individual decisions:**
  - Decisions are taken by a single individual.
  - Individual decisions are less costly.
  - They are based on limited information gathered by managers.
  - Individual decisions are taken in situations of crisis or emergency.
  - They do not involve moral commitment on the part of members to accept and implement them.
  - Individual decisions do not affect morale or job satisfaction of employees.
  - They introduce one-man control.
  - Individual decisions do not promote interaction amongst superiors and subordinates.
  - Decisions are usually based on clear policy guidelines.
  - Though decisions are based on individual thinking, they are high-quality if the individual has expertise and experience in making such decisions.
  - Individual decisions are usually taken in competitive business situations where people are not open to suggestions.
- **Group Decisions:**
  - Decisions are taken by a group of persons.
  - Group decisions are costly in terms of time and money.
  - They are based on extensive information collected by members of the group.

- Group decisions are taken when there is sufficient time to make decisions.
- Group decisions are easier to implement as group members feel committed to them.
- Group decisions positively affect morale and job satisfaction of employees.
- They introduce self-control.
- They promote superior-subordinate interaction and healthy relationships amongst them.
- Group decisions are taken when the problem requires creativity and expert knowledge of a group.
- It usually results in high-quality decisions as they are based on extensive brainstorming. They provide the benefit of synergy.
- Group decisions are usually taken in supportive business situations where group members encourage problem-solving together.

12.15 SITUATIONS FOR INDIVIDUAL AND GROUP DECISION MAKING

Every managermakes decisions in the organization, either in his individual capacity or as member of a group. In fact organizational decisions are combination of individual and group decisions. Both types of decisions have their positive and negative aspects. Following are the analysis of situations for individuals or group decisions:

- **Nature of the problem:** If the policy guidelines regarding the decision for the problem at hand are provided, individual decision making will result in greater creativity as well as efficiency. Where the problems require a variety of expertise, group decision making is suitable.
- **Time availability:** Group decision making is time consuming process and, therefore when time at disposal is sufficient, group decision making can be preferred.
- **Quality of decision:** Group decision making generally leads to higher quality solutions unless an individual has expertise in the decision area

and this has been identified in advanced.

- **Climate of decision making:** Supportive climate encourages group decision making where as competitive climate stimulates individual decision making.
- **Legal requirement:** Legal requirement also determines whether individual and group decisions have to be made. Such a requirement may be prescribed by government's legal framework or the organizational policy, rule, etc.

12.16 COMMITTEE ORGANIZATION

There is some form of a formal committee on every level of the organization. They also perform so many different functions. They might act in an advisory capacity or in decision-making capacity where their decisions are enforceable. These committees are basically set up for the following purposes:

- The committees are good for a where organizational members freely exchange ideas.
- With the exchange of these ideas, some suggestions and recommendations can be generated that may prove useful for the organization.
- The existing problems in the organization can be discussed within the committee forum and some new ideas for solving these problems can be introduced.
- Some committees are formed to assist in development and establishment of organizational policies.

Advantages of Committees decision making system:

- **Pooling of opinions:** The members bring in different backgrounds, values, viewpoints and abilities. These wide ranging abilities result in greater knowledge base that results in better quality decisions. Additionally, group deliberations generally ensure a thorough consideration of problems from all angles and alternative points of view before arriving at a decision. This would not be possible if the same

problem was looked at by a single executive.

- **Improved cooperation:** The members of the committee usually get to know each other well and thus see each other's point of view with respect. They are willing to cooperate and coordinate, especially when they become aware of their role and how their decisions are going to affect the entire organization.
- **Motivation:** From a human standpoint, the biggest advantage of committees may be increased motivation and commitment derived from participation in the committee deliberations and indirectly in the important organizational affairs. Also, when the committee consists of managers and subordinates, it gives the subordinates some degree of recognition and importance.
- **Representation:** Since the committee members may have different interests and opinions that may be opposed to each other, the process of committee deliberations gives a critical viewpoint and balanced outcome of these different representations. However, even though a committee should be highly representative of all interests, capabilities of the members should take precedence over the representation.
- **Dispersion of power:** While autocratic authority makes decision making and implementation faster and easier, it may lead to misuse of power and wrong decisions. However, by spreading authority and responsibility over all committee members, this problem can be eliminated.
- **Executive training:** The committees provide an excellent training ground for young executives. They also provide opportunity for personal development that individuals may not be able to get on their own. In the committees, they learn the value of interaction, human relations and group dynamics. They get exposed to various viewpoints and tend to think in liberal manner and get to understand how collective decisions are mode. Such type of exposure and experience enables them to take on integrative view of solving various organizational problems.

Disadvantages of Committees decision making system:

- **Time and cost:** The very structure of the committee is a costly affair in terms of money and time. The nature of the committee is such that everyone has an equal chance to speak out and take part in discussions and this can be very time consuming.
- **Compromise:** Usually, there is a tendency to present unanimous decisions and hence a majority viewpoint is taken as representative even when the minority viewpoint is valid. This may result in premature agreements and decisions of mediocre quality the minority may be unwilling to pursue their viewpoints for fear that they will stand out and may be labeled as uncooperative.
- **Lack of effectiveness:** Certain issues are better solved by individuals rather than committees. The committees are very useful in handling grievances and interdepartmental problems, but they are not effective in formulating such policies where individual initiative and creativity is involved.



CHECK YOUR PROGRESS

Answer as directed:

1. What is an esteem buyer?
2. What do you mean by Black Box in consumer behaviour?
3. What are the levels of consumer decision making?
4. The consumer's level of involvement in a purchase decision has a direct bearing on how they take that decision and how much time they spend on it. (Write True or False)
5. The roles in a business decision making unit are initiator, user,_____, financer, gatekeeper, decider and buyer.
6. What is the first stage in purchase decision making process?
7. What is the final stage in purchase decision making process?
8. What are the situational influences in buying decision process?
9. Individual decisions are usually taken in competitive business situations where people are not open to suggestions. (Write True

or False)

10. Without decision-making any kinds of function is not possible. So it is pervasive. (Write True or False)
11. Decision making is only managerial function. (Write True or False)
12. Tactical decision is programmed through the prescription of policies, rules, procedure, etc. (Write True or False)



12.17 LETS SUM UP

- Decision making is both managerial function and organizational process. It is managerial function because it is a fundamental responsibility of every manager.
- It is organizational process because many decisions transcend the individual managers and become the product of groups, teams, committees, etc. In fact, more important decisions are made by group of managers rather by managers individually.
- Consumer decision making process involves the consumers to identify their needs, gather information, evaluate alternatives and then make their buying decision.
- The consumer behavior may be determined by economic and psychological factors and are influenced by environmental factors like social and cultural values.
- The consumer decision making behavior is a complex procedure and involves everything starting from problem recognition to post-purchase activities.



12.18 FURTHER READING

1) OrganisationalBehaviour - By Dr S.S. Khanka
2) Narain'sOrganisationalBehaviour - By S. Sachdeva
3) Modern Marketing Principles and Practices - By R.S.N. Pillai &Bhagavathi

12.19 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: The one who prefer to purchase in prestigious stores and to [purchase for impressing others.

Ans to Q No 2: A term used by marketing researchers to describe the consumers mind and to indicate that what goes on inside is largely hidden from the researchers view.

Ans to Q No 3: there are three levels of consumer decision making, they are extensive problem solving, limited problem solving and routinized response behaviour.

Ans to Q No 4: True

Ans to Q No 5: Influencer

Ans to Q No 6: Need or problem recognition

Ans to Q No 7: post purchase behaviour

Ans to Q No 8: Physical surroundings, social surroundings, time prospective, research purchase, momentary mood and conditions.

Ans to Q No 9: True

Ans to Q No 10: True

Ans to Q No 11: False

Ans to Q No 12: True

12.20 MODEL QUESTIONS

Q 1: "Decision making is the primary task of the management' discuss the statement and explain the process of decision making system.

Q 2: What are the major features of programmed and non-programmed decisions?

Q 3: Discuss the effective decision making process.

Q 4: What is the role of creativity in decision making process? Discuss the process and the way in which an individual can become more creative.

Q 5: What is rational decision making system? Explain the various models that come under rational decision making process.

Q 6: Elaborate the various merits and demerits of decision making process by committee.

Q 7: State the difference between individual and group decision making system.

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