

TYPES OF CONSUMER BEHAVIOR MODELS:

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Consumer models are nothing but a framework based on particular study by a particular researcher provides guidelines for consumer buying behaviour understanding. The consumer behaviour models provide better insight to the marketers for taking important decisions regarding various marketing mixed elements. It describes various factors that influence ultimate consumer buying behaviour, specifically with reference to Indian consumers. Economic models and Howard Sheth models are important. Indian consumer behaviour for consumer durables followed more or less resembled factors in such two models. Nicosia Model which emphasizes influence of product as well as services offered by the marketer rather than conventional factors.

Economic Model Under economics, it is assumed that man is a rational human being, who will evaluate all the alternatives in terms of cost and value received and select that product/service which gives him/her maximum satisfaction (utility). Consumers are assumed to follow the principle of maximum utility based on the law of diminishing purchasing power, and a set of needs and tastes, a consumer will allocate his/her expenditure over different products at given prices so as to maximize utility.

The law of equimarginal utility enables him to secure maximum utility from limited purchasing power.

Economic model of consumer behaviour is unidimensional. This means that buying decisions of a person are governed by the concept of utility. Being a rational man he will make his purchase decisions with the intention of maximising the utility/benefits.

Economic model is based on certain predictions of buying behaviour

- 1. Price effect- lesser the price of the product, more will be the quantity purchased,*
- 2. Lesser the price of the substitute product, lesser will be the quantity of the original product bought (**substitution effect**)*
- 3. More the purchasing power, more will be the quantity purchased (**income effect**).*

The assumption about the rational behaviour of human beings has been challenged by the behavioural scientists. They are of the opinion that while the predictions are useful, the model only explains how a consumer ought to behave. It does not throw light on how does the consumer actually behave.

Behavioural scientists argue that the economic model is incomplete. Economics is assuming the market to be homogeneous, and that buyers will think and act alike. And that they will only concentrate on one aspect of the product, i.e., income. This model ignores all the other aspects such as perception, motivation, learning, attitude and personality and socio-cultural factors. It has always been agreed upon that man is a complex entity, a puzzle, a riddle. Hence, it is very important to have a multi-disciplinary approach to understand consumer behavior. Further, in today's environment, apart from the various psychological, socio cultural determinants of the consumer, it has been observed that the consumer also gets influenced by other marketing variables namely - products (ones which are technologically advanced), effective distribution network and marketing communication (media and promotion techniques). Thus man cannot be assumed to be acting on marginal utility. It is assumed that with a limited rational person and price is not the only factor which influences his purchase decision. Behavioral scientists have opined that a broader perspective has to be taken while trying to analyse buying behaviour, not only economics but the role played by needs, motives, personality and self-concept and socio cultural factors should be considered to understand what will be the buyer's responses to various stimulus and in turn what will be the effect of this on consumer's buying behaviour.

Nicosia Model (Conflict Model)

Francesco Nicosia was one of the first to develop consumer behaviour model in the early 1960s and shift focus from the act of purchase itself to the more complex decision process that consumers engage in about products and services.

Nicosia presented his model in flow chart format, resembling the steps in a computer programme. Also, all variables are viewed as interactive, with none being inherently independent or dependent. Thus, the model describes a circular flow of influences where each component provides input to the next.

The model is viewed as representing a situation where a firm is designing communications (products, ads etc.) to be delivered to consumers and in turn consumers' responses influence subsequent actions of the firm. The model contains four major fields or components: (FIELD-I) the firm's attributes and outputs or

communications and the consumer's psychological attributes, (FIELD-II) the consumer's search for and evaluation and of the firm's outputs and other available alternatives, (FIELD-III) the consumer's motivated act of purchase, and (FIELD-IV) the consumer's storage or use of the product. Nicosia assumes that the consumer is seeking to fulfill specific goals and that initially there is no history between the consumer and the firm, so no positive or negative predispositions towards the firm exist in the consumer's mind.

The consumer will probably become motivated to gain information at this point, and search activity is likely to occur. Some search activity will involve searching internal memory for relevant information about the communication (product, service, company etc.). External search may also occur, where the consumer visits stores or reads reports etc. This is likely to lead to evaluation. If the consumer processes relevant information and begins to favour the firm's brand, she/he will be motivated, leading to FIELD-III, and if nothing intervenes, this information is likely to precipitate shopping activity and purchase of the brand. At this point, a number of outcomes can occur. One outcome is that the firm receives feedback (FIELD-IV) and another is that the consumer's attitude towards the brand may change because she/he gains experience with the product during storage and use. This experience is feedback to the consumer's predispositions.

Limitations of Model:

The Nicosia model offers no detail explanation of the internal factors, which may affect the personality of the consumer, and how the consumer develops his attitude toward the product. For example, the firm's message very interesting, but virtually he cannot buy the firm's brand because it contains something prohibited according to his beliefs. Apparently it is very essential to include such factors in the model, which give more interpretation about the attributes affecting the decision process.

Howard-Sheth Model The Howard-Sheth Model represents a major revision of an earlier systematic effort to develop a comprehensive theory of buyer decisionmaking. This model depicts and creates a distinction among three stages of decision-making.

1. Extensive Problem Solving: This occurs when a consumer has little or no prior knowledge, and any beliefs about the brand do not exist and she/she has no specific brand preference. The consumer seeks information actively about several alternative brands in the category.

2. Limited Problem Solving: In this situation the consumer has some limited knowledge and beliefs about the available brands. Because of limited knowledge, she/he is not in a position to evaluate brand differences to establish a preference. The

consumer seeks some comparative brand information, although the decision criteria are quite likely to be fairly established.

3. Routinised Response Behaviour: This refers to a situation when the consumer has well-established knowledge and beliefs about the brand and other alternatives in the category and is predisposed to purchase a specific brand.

The model has four major sets of variables:

1. Inputs

2. Perceptual and Learning Constructs

3. Outputs

4. External Variables

Inputs

These variables include three distinct types of information sources (stimuli) present in the consumer's environment. **Significative** stimuli represent the brand's physical attributes, the marketer provides the **symbolic** stimuli in the form of brand information and could be visual or verbal, and the third kind of information is furnished by consumer's social environment such as family, reference groups, and social class. All these three types of stimuli furnish information inputs to the potential consumer concerning the product category or the brand.

Perceptual and Learning Constructs

The central element in the Howard-Sheth Model includes psychological variables that are assumed to operate when the consumer is involved in decision-making process. These psychological variables are treated as simply ideas, and are not defined operationally or evaluated directly. Some of these variables are perceptual in nature and focus on how the consumer receives and processes information gained from input and other parts of the model. For instance, **stimulus ambiguity** occurs when the consumer is not sure about the meaning of information gained from the environment **Perceptual bias** occurs in case the consumer distorts the received information so that it suits the consumers' established needs, wants, or experiences.

Learning constructs perform the function of consumer's concept formation and include her/his goals, information about the brands in the evoked set, criteria for evaluating alternatives, and intentions to buy. The proposed interaction (shown with arrows and solid and dotted lines) between various perceptual and learning variables and the variables in other segments of the model give the Howard-Sheth Model a distinct character.

Outputs

The model shows a series of outputs that are similar in name to some of the perceptual and learning construct variables that include attention, brand comprehension, attitudes, intentions, and finally the act of purchase.

External Variables

These variables are not directly involved in the decision-making process. The relevant external variables include importance of the purchase, consumer's personality traits, time pressure, and availability of funds.

Engel, Blackwell, Miniard Model (Formerly EKB Model). Also Called Open System

The Engel – Kollat – Blackwell Model

This model talks of consumer behaviour as a decision making process in the form of five steps (activities) which occur over a period of time. Apart from these basic core steps, the model also includes a number of other related variables grouped into five categories. Information input Information processing Product - brand evaluation General motivating influences *Internationalized environmental influences*

The five steps (activities) involved in the decision process stage are briefly explained hereunder:

(1) Problem Recognition: The consumer will recognise a difference between his or her actual state and what the ideal state should be. This may occur on account of external stimuli, for example a young girl has seen an advertisement of an exhibition of American Diamonds and may feel the desire to possess the same or seeing a beautiful dress displayed in the show-room may make a youngster feel the need for a new dress.

It may be noted that the consumer must perceive a sufficiently large discrepancy between actual and ideal states in order to be activated, recognise a problem and find a way to solve it.

(2) Information Search: Initially the information available with the consumer may be consistent with the beliefs and attitudes held by him or her. While being involved in an information seeking or search stage, the consumer will try to gather more information from various sources. These sources could be salespeople, personal or friends or neighbors or mass communication media. The information processing takes place in various stages. The individual gets exposure to the stimuli which may catch his or her attention, be received and stored or retained in memory. This method of information processing is selective in nature and the consumer will accept the information which is conclusive to what is perceived by them.

(3) Alternative Evaluation : Now the individual will evaluate the alternative brands. The methods used for evaluating the various products will be dependent on the consumers underlying goals, motives and personality. The consumer also has certain (predetermined) beliefs about the various brands in terms of the characteristics associated with the different brands. Based on these beliefs the consumer will respond either positively or negatively towards a particular brand.

(4) Choice: The consumer's choice will depend on his or her intention and attitude. The choice will also depend upon normative compliance and anticipated circumstances.

Normative compliance relates to the extent to which the consumer is influenced by other people like friends, family members etc. Thus normative compliance and anticipated circumstances will attempt to influence the individual. The person's choice of the product can also be dependent on the sensitivity of the individual to handle unanticipated circumstances like losing the job, funds diverted for another urgent cause etc.

At this stage, a purchase decision is likely to occur unless confronted by unanticipated circumstances. In case of the latter occurring, it may act as a barrier to the purchase decision.

(5) Outcome: The outcome may be either positive or negative. If the end result is positive, the outcome will also be positive. Conversely, if there is dissonance, that is, a feeling of doubt experienced by the consumer, about the choice made by him or her the outcome will not be positive. Now the consumer will search for more information to support his or her choice.

The above mentioned Engel-Kollat-Blackwell model has taken into consideration a large number of variables which influences the consumer. The model has also emphasized on the conscious decision making process adopted by a consumer. The model is easy to understand and is flexible, that is, it recognises that a consumer may not go through

all the steps always. This is because in case of repeat purchases the consumer may bypass some of the steps.

One limitation of this model is the inclusion of environmental variables and general motivating influences but not specifying the effect of these on the buyer behavior.