

# A Study on an Assortment of Consumer Behavior Models in Manifold Perspectives

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## Abstract

*There are various theories and models are being prepared on consumer decision taking or making process and interestingly it is being considered as the consumers'/buyers' purchase decision making process of different products or services. This whole process involved various steps and by using that buyers actually making decision to purchase a product or services. But it has been observed that the same process or steps are not being followed by each and every customer. There are various intrinsic and extrinsic factors which actually influence the purchase decision making process. Depending on these factors customers are passing through the stages of purchase decision making process. Different authors have taken their stance in model design and they have prepared several models on buying behavior as well. The study is basically focuses on the various consumer behavior models and its effect on various consumer characteristics and attributes. This is basically an academic paper. Descriptive studies of several models are being done. There are several constructs and attributes are being used in those models and on the basis of that a proper theoretical framework is being given which suggests various links amongst all those constructs. Results that we got are indicating that various attributes of consumer behavior is involved in their buying process. It includes decision making process, different forms of buying behavior, how consumers are responding to any particular activity that is being initiated by the marketers etc.*

**Keywords:** - *Consumer Behavior, Consumer Decision Process, Consumption Value, Stimulus Response*

## Objectives

Basic objectives of the research paper are mentioned below:

1. To study the integration of various variables in various consumer behavior models.
2. To study the relationship between and/or among variables mentioned in consumer behavior models.
3. To understand the utilization of those models in Indian contexts

## Introduction to Consumer Behavior models

In this era of customer, companies and various organizations need to understand the value of customer and various related issues like value proposition which actually going to help these companies in preparing or improving long term and short term planning, market penetration strategies and various tactics. So whenever these companies preparing strategies, they need to understand and address some issues and factors which are directly or indirectly effecting their business. So the factors are: -

- The environment or the ecosystem where actually the consumer belong to and how this environment is going to effect his/her psychology.
- The Influence of culture.
- Emotions involved in decision making or buying process.
- Knowledge about the product or services and the application of the same at the time of decision making or buying.
- Several influential motivation factors.
- Market adaptation rate of consumer and their feedback.

- Effect of different promotional activities on consumers' mindset.
- Several product or brand preferences.
- Effect of choices, fashion, style depending on different age group.

Consumer behavior basically explains individual's or group decision making and how effectively they can use their resources at the optimum level. The field of consumer behavior covers lot many subjects like sociology, psychology, economics, social anthropology etc. The subject is having various dimensions and lot of research work has been already done on this particular field. There are many authors who had already proposed various models to explain the concept of consumer behavior. Consumer behavior is having its own dimension. There are several perspectives and situation on the basis of which several models are being proposed. There is social learning theory which is being used as a theoretical framework for dimensions for consumer behavior (McGregor, 2007). There are several theories explain that people are not only learn from own experience but also by observing others activities (Bandura, 1977). So overall we can say that consumer behavior is basically a process by which individual or group reacts to select, purchase, use or dispose any kind of products or services to satisfy their individual or group needs (Solomon, 1996). According to Belch (1998) consumer behavior is "the process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services so as to satisfy their needs and desires". Whenever we are talking about behavior, it actually considers individual, group or it might be the behavior of an organization. Consumer behavior also includes how the product or services are being used and disposed by individual, group or any organization and their complete purchasing process as well. How the product is being used is actually create a lot of interest in the marketer's mind because this particular idea practically gives them some idea on how to make strategies for different marketing activities and how to sit at the top of the mind of the customer. This will also influence the revenue model and help to increase the profitability of the organization.

As it is already mentioned that this paper is a descriptive approach so some famous models on consumer behavior are studied properly and some parts of various functions are elaborated. Each model is having its own area of function. I have concentrated on some models which are already being given by some great persons. These models are –

1. Theory of Buyer Behavior – Howard and Sheth (1969)
2. Nicosia Model of Consumer Decision Process – Nicosia (1976)
3. Bettman Information Processing Model of Consumer Choice – Bettman (1979)
4. A Stimulus Response Model of Buyer Behavior – Middleton (1994)

These models are being involved thoroughly in my study and the basic purpose or aim of this model study is to give proper description of these models and to explain their effectiveness in Indian context. These models are having own attributes and several dependent and independent variables and being used to give the result.

## Literature Review

### Generation of need –

From different perspectives, the flow of good and service relates to classical economics theory, which generally tries to find an equilibrium point between maximizing producer's profit and consumer's utilization. Some authors suggest a relationship between retail activities and society, such as Howard (1933), Nystrom (1948) and Severa (1943). In his writing, "The whole Truth in Retail Advertising", Howard (1933) explained how retail advertising activities affect society behavior. He argued that "manipulative advertising" can destroy social's society structure. Nystrom (1948) examines the minimum wage in retailing and Severa (1943) examined the US Retail Credit in Wartime. The discussion about retail and its effect on society in this era (1925-1945) speaks about retail planning after World War II, price policy strategies and fulfilling the needs of society after war. Copeland (1942) in his commodity theory suggests the need to classify goods and services, based on consumer needs in order to make distribution easy. Zanna and Fazio (1982) and Ajzen (1989) point out that an evaluative dimension is a common feature of all definitions of attitude. Shim et al. (2001) indicates that an individual's positive or negative evaluation of relevant behavior, is characterized by the person's beliefs regarding the perceived outcomes of performing the behavior. From this perspective, knowledge of consumers' attitudes can help explain the reasons behind their favorable and unfavorable evaluations of an object or a behavior. For example it can explain why consumers do or do not buy products of a

particular brand name or shop at certain type of store. In a discussion of the most appropriate formats for shopping for various products, Urbany, Dickson, and Kalapurakal(1996) and Ailawadi, Neslin, and Gedenk(2001) specifically developed a scale for measuring attitudes toward grocery shopping. Childers et. al. (2001) developed a scale to measure attitude towards shopping that utilizes a technological device. Donthu and Gilliland (1996); Donthu and Garcia (1999); Beatty and Ferrell (1998); Reynolds and Beatty (1999) and Ellis (1995) observed that shopping enjoyment actually pertains to the “affective” aspect of the shopping attitude which leads to know about the fit match about the types of product and the appropriate retail format . Specialized retailers are developing rapidly in segments such as consumer durables and white goods, books, music, lifestyle goods, household furnishings, healthcare and beauty. In the late 80’s there were approximately 300 different types of cars, 400 brands of beer, and 21000 products in the average super market in the United States (McKenna, 1988). Literature in marketing and related behavioral sciences suggests a breadth of consumer motives for shopping. Howard and Sheth (1969) have developed the idea that the utilitarian motive to obtain desired items motivates consumers. In the present study, an attempt is made to highlight the most important products being sought at modern retail outlets and the appropriate formats for their sales. The study may prove useful for the organized retailer to understand the consumers’ preferences for various products and the appropriate retail formats.

### Howard and Sheth Model

This model is describing three levels of decision making:

1. The first level to describe the extensive problem solving. At this stage the consumer neither very much aware nor having any basic information or knowledge about the product or brand and he is not sure about any preferences for any product or services. In this kind of situation, the consumer is looking for lots of information about all the different brands those are available in the marketplace before purchasing any one of them.

2. The second level is focusing on limited problem solving. This type of situation exists for consumers who have very little knowledge about the market, or partial knowledge about what exactly they want to purchase. In order to arrive at a brand preference some comparative brand information is sought.

3. The third level is a basic habitual response behavior. In this level the consumer knows very well about the different brands and he can differentiate between the different characteristics of each product, and he already decides to purchase a particular product. According to the Howard-Sheth model there are four major sets of variables; namely:

- Inputs
- Perceptual and Learning Constructs
- Outputs
- Exogenous Variables

**Inputs** - These input variables consist of three distinct types of stimuli (information sources) in the consumer’s environment. The marketer in the form of product or brand information actually giving some physical brand characteristic which is known as significant stimuli and verbal or visual product characteristics i.e. symbolic stimuli. The third type is provided by the consumer’s social environment (family, reference group, and social class etc.). All three types of stimuli provide inputs concerning the product class or specific brands to the specific consumer.

**Perceptual and Learning Constructs** - The central part of the model deals with the psychological variables involved when the consumer is contemplating a decision. Some of the variables are perceptual in nature, and are concerned with how the consumer receives and understands the information from the input stimuli and other parts of the model. Learning constructs category, consumers’ goals, information about brands, criteria for evaluation alternatives, preferences and buying intentions are all included.

**Output** - The outputs are the results of the perceptual and learning variables and how the consumers will response to these variables (attention, brand comprehension, attitudes, and intention).

**Exogenous variables** - Exogenous variables are not directly part of the decision-making process. However, some relevant exogenous variables include the importance of the purchase, consumer personality traits, religion, and time pressure.

## **Nicosia Model**

This model focuses on the relationship between the firm and its potential consumers. The firm communicates with consumers through its marketing messages (advertising), and the consumers react to these messages by purchasing response. Looking to the model we will find that the firm and the consumer are connected with each other, the firm tries to influence the consumer and the consumer is influencing the firm by his decision.

The Nicosia model is divided into four major fields:

### **Field 1: The consumer attitude based on the firms' messages.**

The first field is divided into two subfields.

The first subfield deals with the firm's marketing environment and communication efforts that affect consumer attitudes, the competitive environment, and characteristics of target market. Subfield two specifies the consumer characteristics e.g., experience, personality, and how he perceives the promotional idea toward the product in this stage the consumer forms his attitude toward the firm's product based on his interpretation of the message.

### **Field 2: search and evaluation**

The consumer will start to search for other firm's brand and evaluate the firm's brand in comparison with alternate brands. In this case the firm motivates the consumer to purchase its brands.

### **Field 3: The act of the purchase**

The result of motivation will arise by convincing the consumer to purchase the firm products from a specific retailer.

### **Field 4: Feed back**

This model analyses the feedback of both the firm and the consumer after purchasing the product. The firm will benefit from its sales data as a feedback, and the consumer will use his experience with the product affects the individuals attitude and predisposition's concerning future messages from the firm.

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.

## **Bettman's Model**

Bettman (1979) in his model describes the consumer as possessing a limited capacity for processing information. He implicate that the consumers rarely analyze the complex alternatives in decision making and apply very simple strategy.

In this model there are seven major stages.

### **Stage No. 1: Processing capacity**

In this step he assumes that the consumer has limited capacity for processing information, consumers are not interested in complex computations and extensive information processing. To deal with this problem, consumers are likely to select choice strategies that make product selection an easy process.

### **Stage No. 2: Motivation**

Motivation is located in the center of Bettman model, which influence both the direction and the intensity of consumer choice for more information in deciding Between the alternatives Motivation is provided with hierarchy of goals' mechanism that provides a series of different sub-goals to simplify the choice selection. This mechanism

suggests that the consumers own experience in a specific area of market and he doesn't need to go through the same hierarchy every time to arrive at a decision, which make this mechanism serves as an organizer for consumer efforts in making a choice. No concern was given on religious motives, and how religion may motivate the consumer in his decision. Most of the general theories of motivation such as Maslow's hierarchy of needs (1970) emphasizes self-achievement, the need for power, and the need for affiliation.

### **Stage No. 3: Attention and perceptual encoding.**

The component of this step is quite related to the consumer's goal hierarchy. There are two types of attention; the first type is voluntary attention, which is a conscious allocation of processing capacity to current goals. The second is involuntary attention, which is automatic response to disruptive events (e.g., newly acquired complex information). Both different types of attention influence how individuals proceed in reaching goals and making choices. The perceptual encoding accounts for the different steps that the consumer needs to perceive the stimuli and whether he needs more information.

### **Stage No. 4: Information acquisition and evaluation**

If the consumer feels that the present information is inadequate, he will start to look for more information from external sources. Newly acquired information is evaluated and its suitability or usefulness is assessed. The consumer continues to acquire additional information until all relevant information has been secured, or until he finds that acquiring additional information is more costly in terms of time and money.

### **Stage No. 5: Memory**

In this component the consumer keeps all the information he collects, and it will be the first place to search when he need to make a choice. If this informations is not sufficient, no doubt he will start looking again for external sources.

### **Stage No. 6: Decision Process**

This step in Bettman's model indicates that different types of choices are normally made associated with other factors, which may occur during the decision process. Specifically, this component deals with the application of heuristics or rules of thumb, which are applied in the selection and evaluation of specific brand. These specific heuristics a consumer uses are influenced by both individual factors (e.g., personality differences) and situational factors (e.g., urgency of the decision); thus it is unlikely that the same decision by the same consumer will apply in different situation or other consumer in the same situation.

### **Stage No. 7: Consumption and Learning Process**

In this stage, the model discusses the future results after the purchase is done. The consumer in this step will gain experience after evaluating the alternative. This experience provides the consumer with information to be applied to future choice situation. Bettman in his model emphasize on the information processing and the capacity of the consumer to analyze this information for decision making, but no explanation was given about the criteria by which the consumer accepts or refuses to process some specific information.

### **Middleton's model**

Middleton (1994) presented an adapted model of consumer behavior tourism, which was termed the stimulus-response model of buyer behavior. This model is based on the four interactive components with the central component identified as 'buyer characteristics and decision process'.

The model separates out motivators and determinants in consumer buying behavior and also emphasizes the important effects that an organization can have on the consumer buying process by the use of communication channels. Schmoll (1977) quoted in Cooper et al. (1993), developed a model which hypothesized that consumer decisions were a result of four elements as follows:

- travel stimuli, including guide books, reports from other travelers and advertising and promotion
- personal and social determinants of travel behaviour including motivators, desires and expectations
- external variables, including destination images, confidence in travel trade intermediaries and constraints such as cost and time

- Characteristics and features of the service destination such as the perceived link between cost and value and the range of attractions and amenities offered.

## Conclusion

In Present Marketing Scenario, the Study of Consumer Behavior has become essential. Consumers are the kings of markets. Without consumers no business organization can run. All the activities of the business concerns end with consumers and consumer satisfaction. Customer behavior study is based on consumer buying behavior, with the customer playing the three distinct roles of user, payer and buyer. Consumer buying behaviour has become an integral part of strategic market planning. In order to develop a framework for the study consumer behaviour it is helpful to begin by considering the factors which impacts on consumer buying behaviour as well as the evolution of the field of consumer research and the different paradigms of thought that have influenced the discipline. As described in this article, a set of dimensions can be identified in the literature, which can be used to characterize and differentiate, the various perspectives on consumer research. The previous few years have seen an unprecedented growth in the number of online business players. This ever increasing competition has called for adoption of new marketing strategies, new media and out of box thinking to influence the customer to visit the site and make purchases. The country's growing Internet habituated consumer base, which will comprise about 180 million broadband users by 2020 along with a burgeoning class of mobile Internet users, will drive the online shopping story.

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