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UNDERSTANDING MODELS OF CONSUMER BEHAVIOR

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Abstract

This article reviews the prominent models of consumer behavior and identifies their strengths and limitations. It sheds light on the Economic model, the Pavlovian learning model, the Fruedian model, the Howard-s\Sheth model and the Niscosia model. An effort has been made to cover all the notable models of consumer behavior in order to explain the purchasing behavior of the consumers. Understanding the process of consumer decision-making enables the marketers to develop more efficient and effective strategies for assisting consumers in a better way through the process to a resolution that is mutually beneficial.

Keywords: *Consumer, Behavior, Model, Learning, Variable.*

Introduction

Engell and Blackwell (1982) explain that a model is a "replica of the phenomena it is intended to designate, meaning that it specifies the elements portrayed within the model and represents the nature of relationships among these elements".

Models of Consumer Behavior

Models of consumer behavior have been developing from the last fifty years and encompass research on several constructs borne out of the economic and psychological fields.

Economic Model

Consumers pursue the principle of maximum utility in the economic model which is based upon the law of diminishing marginal utility.

The economic model is based upon the following:

1. Price Effect: The lesser will be the price of the product, then the more will be the quantity purchased by the consumer.

2. Substitution effect: The lesser will be the price of the substitute products, then lesser will be the benefit of the original product that is bought by the consumer.
3. Income effect: When there will be more income earned by an individual, or more wealth is available to a person, then more will be the quantity purchased by that particular person.

It explains the Marginal propensity to consume (MPC) i.e. a modification in consumption per unit change in income. As the income changes, the consumption pattern or the buying behavior shows a proportional change.

a. Size of family: The size and the income of the family reflect the buying behavior. A large family or a high-income family usually spends more and a small or low-income family shows a low purchase pattern.
b. Spending and Saving: Spending less shows the tendency to save more. The consumer who gives importance to future needs, saves more.
c. Credit: The facility of credit i.e., to pay later increases the purchases in the market. The buying behavior shows:

- Lower the price, higher the sale (but not necessarily always).
- Higher the income, increase in purchase.

Many behavioral scientists argue that the economic model is not complete since it believes in the homogeneity of the market and similarities that are found in the buyer behaviour. In addition, this economic model just focuses on the product and price only. Moreover, the economic model ignores all the other important aspects like attitudes, learning, motivation, perception, personality as well as socio-cultural factors. It is important to have a multi-disciplinary approach, since we human beings are complex entities who are somehow and somewhere influenced by different kind of external as well as internal factors, therefore it is quite essential to have that kind of approach which is multi-disciplinary in nature.

Pavlovian Model

This model is named after the well-known Russian Physiologist Ivan Pavlov. He observed in the experiment how the dog responded on the call of a bell, thereby presenting the dog with a piece of meat. The responses were very carefully measured by Pavlov by taking into consideration the amount of saliva, which was secreted by the dog in that experiment. He acknowledged the idea that learning takes place with the changes in behaviour that come about by practice as well as, based on the previous experience. It is this idea which is equally significant to the marketers also.

The learning process involves the following main factors, which are described below:

1. Drive: Drive is that strong internal stimuli that push the individual to perform some action. Because of this drive only, an individual is stimulated towards some kind of action in order to fulfil the wishes. Drives can also be inherent (natural), which results from the physiological needs, for example- hunger, thirst, pain, sex and so on.
2. Triggering Cues: These influence the process of decision of an individual but they do not start it. The triggering cues are of two types:
a. Product cues: These are the cues that work as an external stimulus and are received from the product directly. For-example- the colour of a packing, price, style, weight etc.

b. Informational cues: These are again external stimuli and they try to give knowledge regarding the product. For-example, sharing information about the product through advertisement, talking to other people, sales promotion, and suggestions of a sales personnel. On the other hand, the response of the buyer is whatever he/she does, that is either buy the product or not buys the product.

3. Reinforcement: Whenever anyone has a requirement to buy any product, may be any kind of clothing, and when such an individual having a need passes by a showroom of clothes. In this situation, the individual is generally attracted by the display of clothing that is displayed in the form of colour and style by the salesman to attract the customers and it will act as a stimulus, and then that person finally makes a purchase. It is his satisfaction only that forces him to recommend the product to his friends as well. In this way, that person visits the same shop again and again. Reinforcement is therefore an imperative part of the buyer behaviour. It is mostly seen that the marketers often try to produce a good image of their product in the mind of the consumers so that they visit their shop again in order to make repeated purchases through reinforcement.

This model explains the idea that the consumer behavior can be conditioned with repeated advertisements, and their learning is conditioned through repetition, motivation, and rewards. For- example:

(i) Pairing a celebrity with a product

(ii) Pairing a famous song with the product

(iii) Pairing a tag line with the product

The above-mentioned examples affect the mood of the consumers; they learn about the product and reinforce themselves by connecting the product with a famous celebrity, with some of their favorite song or the tag lines.

The Observational Learning Model

All the theories related to buyer behavior have been fundamentally based on a learning model that is, Stimulation-Response. It is also widely known as SR model. The SR learning theory is very valuable to contemporary marketing as well as marketers. Learning is basically the centrifugal point in the whole study of human behaviour. Learning generally refers to a change that take place in the behavior of individuals as a result of practice. It consists of various changes that result in the behavior either from previous experience or due to behavior in similar situations. Learning is therefore an output or end result of way of thinking, information processing, and reasoning and, in fact, perception. As a result, the behaviour of the individuals is extremely affected by their own learning experiences only.

In this way, the consumers learn from the behavior of others, rather than the direct learning. The consumer learns from the behavior of others usually from the behavior of celebrity who promotes that particular product. The consumer reinforces the behavior and retains the behavior. The consumer feels the product to be so useful that they start performing the behavior as the model in the advertisement.

Psychoanalytic Model

Sigmund Frued, an Austrian psychoanalytic proposed three individual personalities: Id, Ego, and Superego.

(i) Id: The 'Pleasure Principle', the unconscious self, where the individual has strong desires and urges. The consumers make the purchases based on their urges and desires, without thinking rationally.

(ii) Ego: The 'Reality Principle', which is a mediator between the id and the superego. It is the conscious self, where the consumer consciously thinks of what he needs and do not make any useless purchases.

(iii) Superego: The moral or the social self, which is based on the values of the society.

This approach has been used to produce various schemes for developing the design, characteristics, marketing and other kind of promotional methods.

Nicosia Model

The buyer behavior model emphasizes the decision-making process. In 1966, Francesco Nicosia developed the buyer behavior model, thereby linking the firm and the consumer but without any direct interaction. The firms attract the consumers towards its products, the consumer evaluates the product and finally the consumer may result in making a decision towards a product by making purchases.

This model describes the behavior of consumers on the basis of four fields. The output of field one in this model becomes the input of field two, and so on. The model explains the four essential elements, which are discussed below:

(i) The firms make advertisements, it may affect the psychological character of the consumer and may get attracted and this may lead to element.

(ii) Here, the consumer may search and evaluate the available choices and if it makes a positive response that could be an input for the element.

(iii) This is the actual purchase element; here the consumer actually makes purchases to the product or the service.

(iv) This element explains the actual use of the product/service; the consumer uses/store the product/service.

In this model, the consumer moves from various funnels, where the consumer's decision making is more important than the actual purchase. This model helps us to understand the consumer behavior, his decision-making process and hence the final purchase.

The Howard-Sheth Model

Howard and Sheth model study the buying behavior of the consumer. It signifies the attitude, perception, and learning before and during the purchase. The model explains the three different stages of decision making. The three stages are the following:

(i) Extensive Problem Solving (EPS)

(ii) Limited Problem Solving (LPS)

(iii) Routinized Response Behavior

In the decision-making stages, the first one is the EPS in which the consumers have a little or no information about the brand. The consumer collects the information about the available options and then reaches at no structured way to make purchase.

The next stage is LPS stage. This stage is still a dilemma stage as the consumer found him confused about making a purchase. According to Foxall (1990), in this stage the consumer has a number of alternatives to make choices and the consumer knows a number of brands and favors them all equally.

The third stage is the Routinized Response behavior. This is the final decision-making stage. Here, the consumer has already made a brand preference, and requires no or little information about the brand as he knows it already.

The Howard and Sheth model consist of other four variables as well, that is, input variable, output variable, hypothetical variable and exogenous variable.

Input Variable: It includes the brand characteristics such as service, quality, and price. The social environment of the consumer such as family background, social class.

Output Variable: It includes the response of the consumer as a result of the input. It includes attention, brand comprehension, attitude, intention and purchase behavior.

Hypothetical Variable: This stage explains how consumer receives and process information from the input. This is the psychological variable where the consumer makes the decision.

Exogeneous Variable: These are external to the consumer. It is not directly related to the decision-making process of the consumer. It includes the income, personality, time availability with the consumer.

The Engel, Blackwell, Miniard Model (EBM)

The model was developed in 1968 and explains the evolution of consumer behavior since then. In this model the consumers decision making process has been categorized into five factors as a result of input which are given below:

a. Problem solving
b. Information search
c. Alternative evaluation
d. Purchase
e. Outcome

This model contains another four sections which are as follow:

a. Information output
b. Information processing
c. Decision process
d. Variables influencing decision process

This model explains how consumer involves himself before making any purchase. The decision-making process been shaped by individual differences, environmental influences, and psychological processes. It also takes into account the values, knowledge, attitude, personality, and lifestyle of the consumer.

Conclusion

This paper has reviewed notable models of consumer behavior, highlighting those aspects that are applicable to marketers. Understanding the process of consumer decision-making enables the marketers to develop more efficient and effective strategies for assisting consumers in a better way through the process to a resolution that is mutually beneficial.

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