

Models of consumer Behaviour

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Traditional Models

- Economic Model
- Learning Model
- Psychological Model
- The sociological model

Contemporary Models

- The Howard Sheth Model of buying behaviour
- The Nicosia Model
- The Engle-KollatBlackwell Model
- Engle, Blackwell and Miniard (EBM) Model

Economic Model

- This model assumes that with limited purchasing power and a set of needs and tastes, a consumer will allocate his/ her expenditure over different products at a given prices so as to maximize utility.
- Bases for Economic Model:
 - Price Effect
 - Substitution Effect
 - Income Effect

Criticism:

- Fails to explain how does the consumer actually behave.
- Incompleteness in the Model.
- Lack of broader perspective.

Learning Model

- This model help marketers to promote association of products with strong drivers and cues, which would lead to positive reinforcement from the consumers.
- In marketing context, 'learning' will help marketers to understand how consumer learn to respond in new marketing situations, or how they have learned and respond in the past in similar situations.
- As Consumers also learn to discriminate and this information will be useful in working out different marketing strategies.

Psychological Model

- This model based on the work of psychologists who were concerned with personality. The view was human needs and motives operates on buying. This theory was developed by Sigmund Frued.
- Acc. To him human behaviour is the outcome of
 - Id
 - Super Ego
 - Ego
- This model is concerned with personality and says that human behaviour to a great extent is directed by a complex set of deep seated motives.
- Helps the marketer to know how buyers influenced by symbolic factors in buying a product.

Sociological Model

- As per this model, an individual buyer is a part of the institution called society, gets influenced by it and in turn, also influences it in its path of development.
- The interactions with all the set of society leave some impressions on him and may play a role in influencing his buying behaviour.
- The marketers, through a process of market segmentation can work out on the common behaviour patterns of a specific class and group of buyers and try to influence their buying pattern.

Nicosia's model

- **Nicosia's model of Consumer Decision Process** (1966): The **model** proposed by Francesco **Nicosia** in the 1970s, was one of the first **models of consumer behavior** to explain the complex decision process that **consumers** engage in during purchase of new products.

NICOSIA MODEL:

Francesco Nicosia presented his model in flow chart format. All variables are viewed as interacting, with none being inherently dependent or independent. Thus the model describes a circular flow of influences where each component provides input to the next. The model contains four major components:

- 1.firm's attributes, communications and Consumer's psychological attributes
- 2.consumer's search for evaluation of alternatives
- 3.consumer's motivated act of purchase
- 4.Consumer storage or use of the product

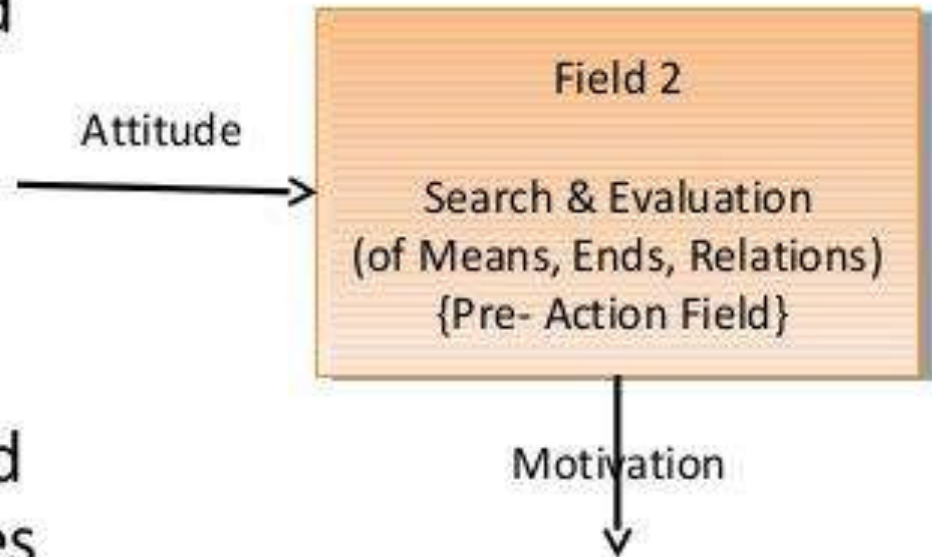
Nicosia Model

- Nicosia Model This Model concerns with the Inter-relationship between
 - The firms marketing communications
 - The attributes of the consumer
 - The consumers decision process including Search and evaluation process
 - Actual decision process
 - The feedback of the consumers response to the firm
 - This is a Dynamic Model

- Field One – From the source of message to consumer attitude
- Field Two – Search for and evaluation of search . Means – Ends relation. Pre Action field
- Field Three – the act of purchase
- Field Four – The Feed back

Nicosia Model – Field 2

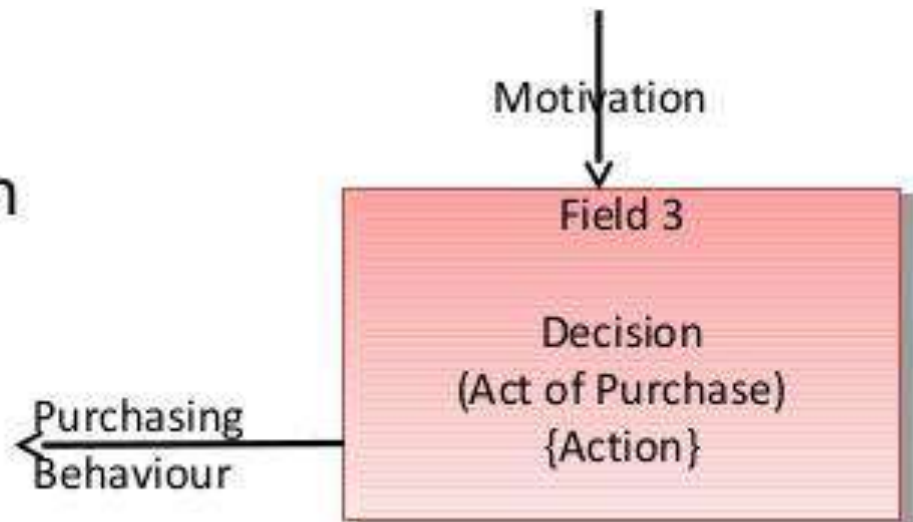
- Company's Input (Field 1) creates certain Attitude
- Evaluation of the advertised product and other alternatives takes place



- If the process results in motivation to buy, it becomes the input for Field 3

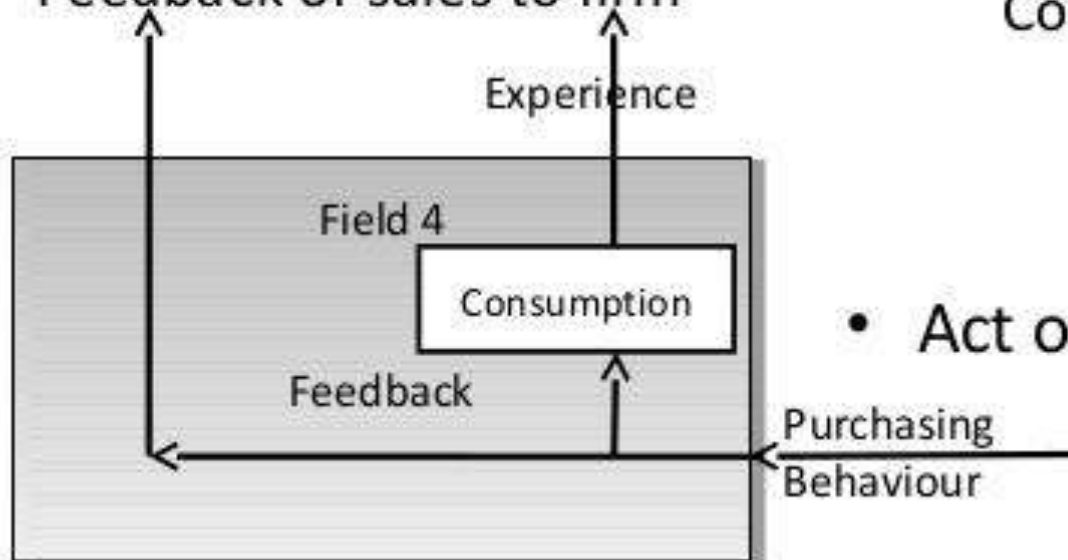
Nicosia Model – Field 3

- Field 3 represents the act of purchase
- Transformation of the motivation into the act of buying
- Act of Purchase (or Non Purchase) leads to certain purchasing behaviour
- Evaluation of Options leading to Motivation would result in Action



Nicosia Model – Field 4

- Retention of the experience by the consumer as an influence on future purchase
- Feedback of sales to firm
- Use of Purchased Item including
 - Use and Storage of the Product by the Consumer



- Act of Purchase

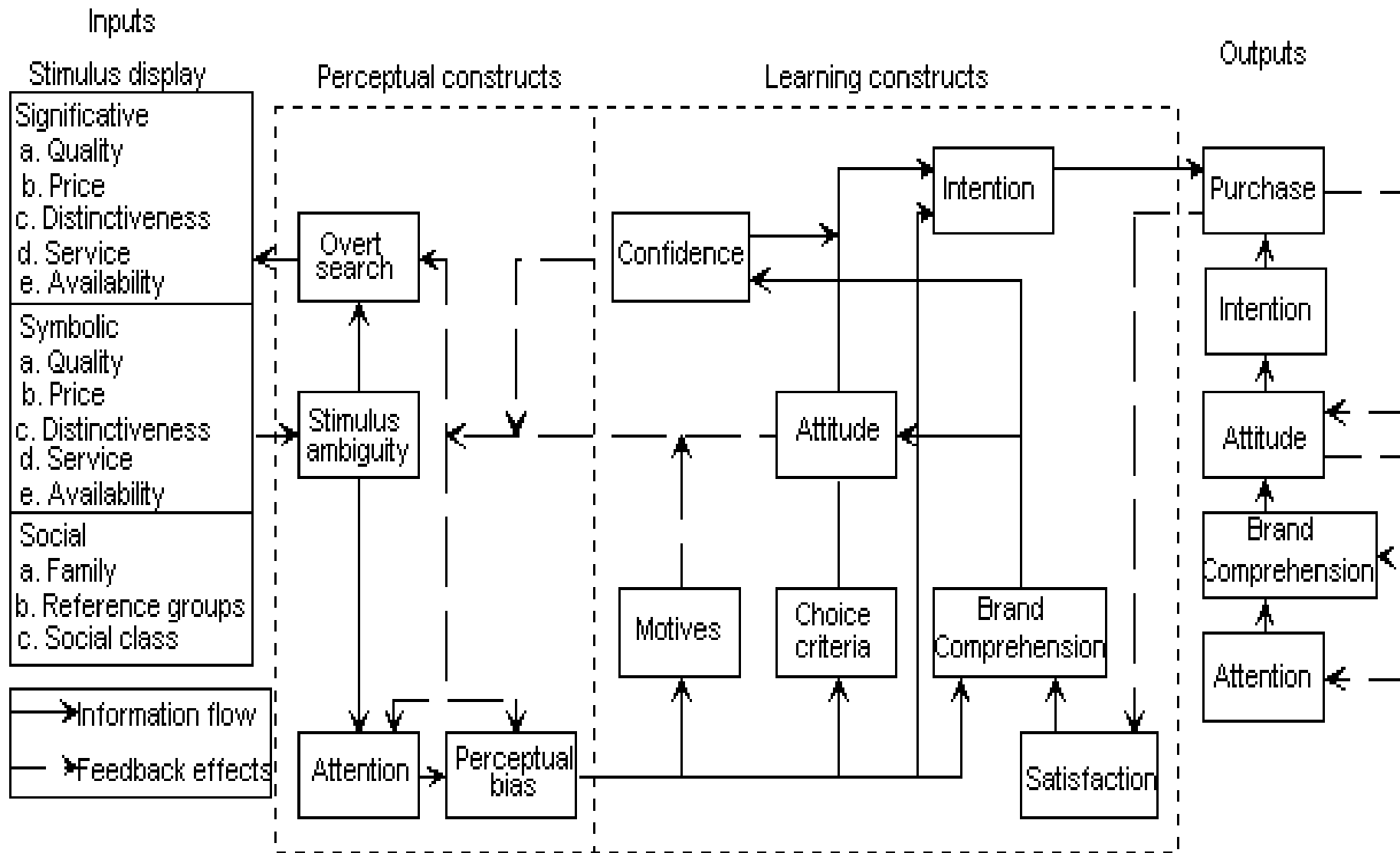
LIMITATIONS

- Incomplete in a number of aspects, very reductionist
- Variables in the model have not been clearly defined
- A number of assumptions have been made that question the validity of this model, for instance:
 - ✓ What type of consumer are we talking about?
 - ✓ The company and the consumer have an existing relationship? What type?
 - ✓ Is this for a new product?
 - ✓ Is this the first exchange the consumer has had with the producer?

HOWARD-SHETH MODEL

- ASSUMPTIONS:
 - Consumer behaviour is a rational exercise in purchase problem solving
 - It is a systematic & orderly approach caused by inputs like stimuli & results like output
- o This model is based upon the theory that what happens between the receipt of stimuli ie: input and its action ie: output is consumer behaviour

Howard – Sheth Model of consumer Behaviour



➤ **Inputs (stimuli)**

– **significant**

The 'real' (physical) aspects of the product or service

– **symbolic**

The ideas or images attached by the supplier

– **social**

The ideas or images attached to the product by society, such as reference groups.

➤ **Outputs**

– **The consumers actions**

➤ **Constructs**

– **perceptual**

Obtaining and handling information about the product or service.

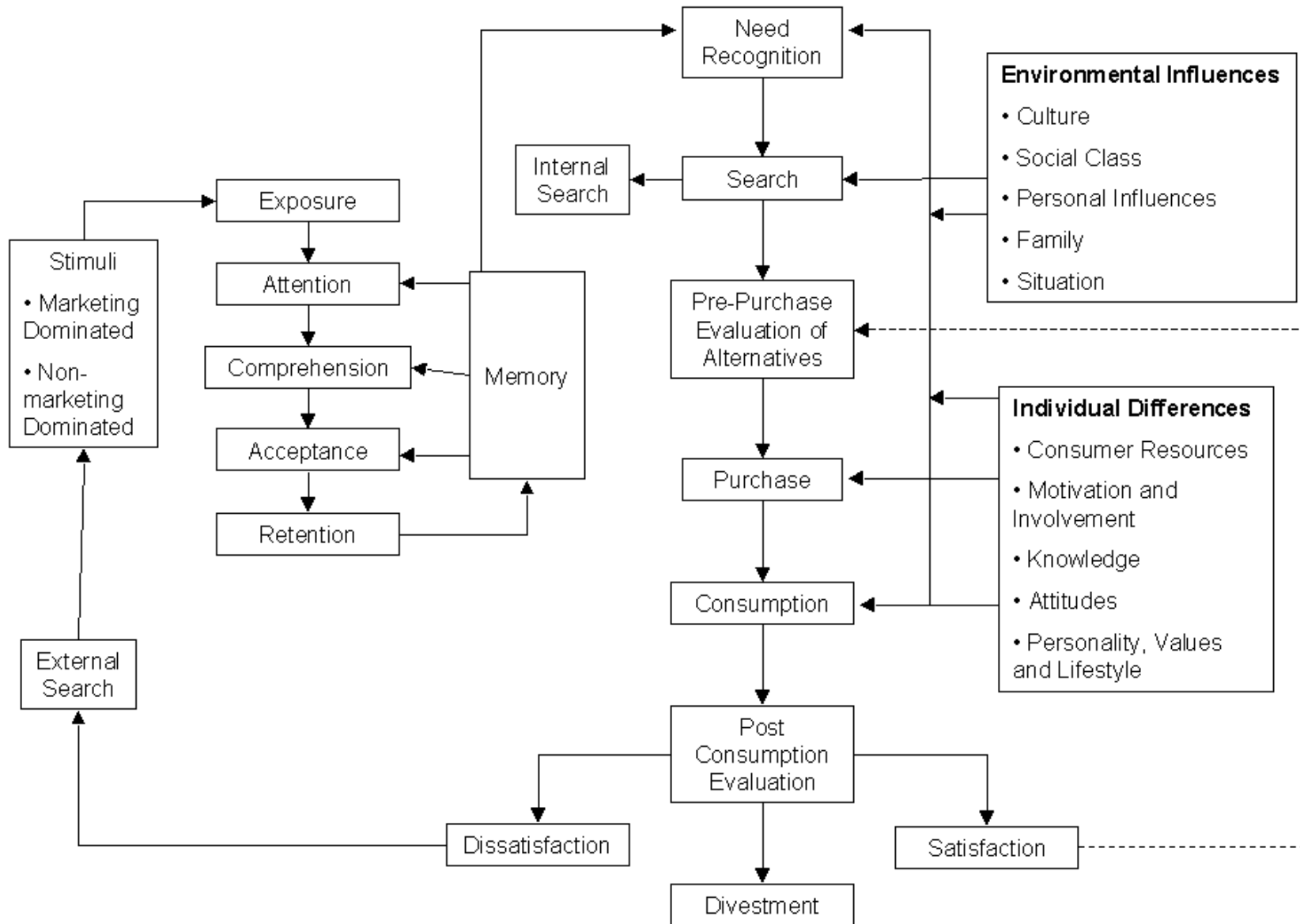
– **learning**

The process of learning leading to the decision itself

LIMITATIONS

- Consumer behaviour is normally repetitive in nature
- Generally consumers tend to store information in their memory & then tend to establish a routine in their buying decision process
- Too many variables, a complex model that can be difficult to read
- Variables in the model have not been clearly defined
- Brand choice in one's purchase decision is affected by:
 - One's set of motives
 - Different alternative choices of products & brands

Engel , Blackwell and Miniard Model



FEATURES

- Highly comprehensive model
- Multi-staged model indicating consumer buying behaviour
- Treats individual as a system with outputs
- Recognizes the existence of intervening variables between initial inputs & final outputs
- Based upon consumer's psychological make up like: one's personality, attitudes, perceptions, learning experiences & stored information
- Also takes into account environment inputs that affect individual behaviour

LIMITATIONS

- Too many variables, a complex model that can be difficult to read
- Variables in the model have not been clearly defined
- Key variables are vaguely defined
- ✓ How do environmental variables affect consumers' behaviour?
- ✓ How do motives influence consumers' behaviour?
- It is a mechanical overview of human behaviour