FACULTY OF JURIDICAL SCIENCES

COURSE: B.B.A.LL.B. IInd Semester

SUBJECT: CONSUMER BEHAVIOUR

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Lecture-6

Basic Model of Consumer Behavior

Meaning of Consumer Behaviour:

Buyer behaviour is an important tool in the hands of marketers to forecast the future buying pattern of customers and devise appropriate marketing strategies to create long-term customer relationships. A vital part of the marketing process is to understand why a customer or buyer makes a purchase.

Without such an understanding, businesses find it hard to respond to customer needs and wants. Consumer behaviour is the study of how individuals make decisions to spend their available resources (time, money and effort) on consumption-related items.

It includes the study of what they buy why they buy, when they buy how often do they buy and how often do they use the product. For example, consumer researchers want to know what types of toothpaste consumers buy (gel, regular, etc.); what brand (national, international and generic); why do they buy it (to prevent cavities, to remove stains and to brighten or whiten teeth); where do they buy it (supermarket, drugstore and convenience store); how often do they use it (when they wake up, after each meal, when they go to bed, or any combination thereof); and how often do they buy it (weekly, biweekly or monthly).

Models of Consumer Behaviour:

An insight into psyche of the consumer helps us understand the processes that go behind their preference of certain goods and services over other. Consumer behaviour not only helps companies plan market strategies, but also facilitates the process of new product development to cater to the needs of customers.

India is home to over 1.17 billion people who represent a broad spectrum of cultures, traditions and ideologies. Indians thus belong to different market segments based on characteristics such as demographics, social status and income levels. Traditionally, Indian consumers have a high degree of family orientation. As a result values like nurture and care have been preferred to ambition and achievement.

So brands with identities that support family values are more likely to be popular with Indian consumers. Many FMCG products have aimed at connecting with the cultural values of people. For instance, Cadbury India launched its Celebrations range as an expression of love and festivity for occasions like Raksha Bandhan. Nestle s Nescafe Coffee emphasizes building relationships over coffee. We now look at popular models of consumer behaviour applied to the Indian context.

A. The Nicosia Model:

The Nicosia model illustrates how a potential consumer responds to news of a new brand. The model's three-stage sequence begins with the consumer being made aware of the brand's existence and then traces the decision process through, from purchase to post-purchase evaluation and feedback. This sequence is assumed to begin with advertising, which makes the consumer aware of the brand's existence and of an unfilled want.

The perception of the message is influenced by attributes of both the company and the consumer, and may lead to the development of an attitude towards the brand. The consumer is then assumed to search for alternative brands which are evaluated by means of other consumers, advertising messages, and previous experiences with each company and so on.

This search process leads the consumer to either dismiss or purchase the product. The experience of purchase and consumption then has the effect of modifying the consumer's psychological state and acts as a feedback loop, leading either to a decision to repeat the purchase or not buy it again.

B. The Engel, Kollat and Blackwell (EKB) Model:

The starting point for the EKB model is the consumer's perception of a want that must be satisfied. This stimulates the search for information internally (memory), externally (neighbours, colleagues, and friends) and from market sources (advertisements, trade literature, magazine reports).

This search process identifies the various ways in which the, want can be satisfied and leads to the consumer setting the criteria by which the alternatives can then be compared and evaluated.

This leads in turn to the emergence of a set of attitudes and beliefs that ultimately determine choice. The outcome of this choice then feeds back to influence future behaviour.

C. The Howrard and Sheth Model:

Howard and Sheth's approach is broadly similar to those of Nicosia and Engel et al. in that it again attempts to coalesce, a disparate set of variables.

These are grouped under four main headings:

Traditionally, Indian consumers have a high degree of family orientation. As a result, values like nurturing and care have been preferred to ambition and achievement. So, brands with identities that support family values and exhibit strong emotions are more likely to be popular with Indian consumers.

1. Inputs, which stimulate the buying process. These include product-related factors (price, quality and distinctiveness), symbolic factors (images that stem from the mass media and sales people), and social factors (family, reference groups and social class influences).

2. Perceptual constructs, which explain the consumer's cognitive activity in terms of information processing.

3. Learning constructs, which represent the results of information processing.

4. Outputs, which include not just the purchases but also the implications for perception and learning.