

# Major Classic Consumer Buying Behaviour Models: Implications for Marketing Decision-Making.

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## ABSTRACT

Ability of the Marketing executive to effectively and efficiently design, plan and produce a product, price it, strategically promote and distinctively distribute it, is determined by his ability to make the product satisfactory to a complex set of consumers. McCarthy (1971) opines that, *Marketing is the performance of business activities that direct the flow of goods and services from the producers to consumers or users in order to satisfy customers and accomplish the firm's objectives.* The consumer is the pivot on which all marketing activities and decisions revolve. The consumer as the central focus of marketing activities has remained complex and unpredictable. What motivates, induces or informs his choice of one product brand rather than the other has been a subject of investigations and researches. The formulation and adoption of major classic and contemporary models in consumer and organizational behaviour for managerial decision-making in marketing practice is justified on the need to ensure knowledge of consumers for effective and efficient service delivery. Consequently, this paper broadly reviews major classic contour behaviour models in relationship to managerial decision-making in marketing practice.

**Keywords:** Consumer Behaviour, Classic models, marketing practice, managerial decision-makings.

## INTRODUCTION

The subject of consumer behaviour has dominated most part of contemporary Marketing literature. **Colossal** investments made in product design, packaging, quality distinction, advertising, sales promotion, among others are all aimed at wooing the customer to make favorable decisions towards a firm's product offering.

The firm's task is made even more complex because the complexity of the consumer makes it apparently difficult to instantly determine his needs and wants. The consumer makes decisions based on a lot of priorities, including among others personal beliefs, peer group influences, social status, economic status, cultural affinity, and other environmental variables. Therefore, firms are expected to sufficiently demonstrate how distinctive their product offerings qualify to receive the patronage of consumers.

Much as it is the obvious task of the firm to study and identify the complexities in a consumer in order to serve him better, so also would the consumer consciously make deliberate efforts to choose between one firm's offering and another.

A great deal of instruments is used by firms to determine consumer's responses to their product brand, offerings and motivational appeals. Most prominent among them is **consumer behaviour models.**

These models attempt to diagrammatically and pictorially demonstrate the processes which the consumer, his environment and indeed the firm undergo before arriving at a purchase-decision.

In the circumstances these models stand out as acceptable instruments which act as guide for managerial decision-making in marketing practice. Therefore discussions in this paper will be centered mainly on major classic and cotemporary models of consumer and organizational buying behaviour as they affect manageable decision making in marketing practice.

## MEANING OF CONSUMER BEHAVIOUR

Consumers are final users of finished products; they could be industrial, institutional, government, intermediate or households.

Essentially, purchases are made either for immediate consumption or for further production.

In the view of **Nicosia (1996)** a consumer is an individual who purchases, or has the capacity to purchase goods and services offered for sale by marketing institutions in order to satisfy personal or household needs, wants or desires.

Consumer behaviour is an aspect of human behaviour. Human behaviour itself is considered to be a total process where an individual interacts with his environment. When people act or react in certain ways e.g. laughter, happiness, sadness etc, such people are responding to human behaviour patterns, in relation to their environment.

According to **Bush et al (1985)** human behaviour is the set of endeavor in which individuals engage to further their physical, social and economic status in line with their individual values.

**Engel et al (1978)** opine that *consumer behaviour represent those acts of individuals directly involved in obtaining and using economic goods and services, including the decision processes that precede and determine these acts.* The protagonist of this view extend the horizon of consumer behaviour to include even decision processes.

Consumer behaviour relates to any behaviour of people who buy and use products or services for satisfaction of identifiable gains. **Wasson (1975)** simply define it as, **the way people act in exchange process.** This definition is all about action during exchange.

**Schiffman et al (1978)** hold the view that consumer behaviour is, **the behaviour that consumers display in searching for, purchasing, using and evaluating products, services and ideas which will satisfy their needs.** For Schiffman and his co-author, it is visible outward display of behaviour in the cause of an attempt to search for products/service which will satisfy their needs, perhaps in the long and short-run.

In their view, Loudun et al (1979) introduced consumer behaviour as, **the decision process and physical activity individuals engage in when evaluating, acquiring and using economic goods and services.**

Interestingly, Loudun and his colleges did not look at consumer behaviour from the perspective of mental activity, but went further to ascribe it with **physical activity** manifested before acquiring goods for use.

Consumer behaviour is a part of human behaviour that deals with how the individual purchases goods and services from marketing firms. It relates to buying habits or patterns of behaviour of consuming publics.

According to **McNeal, (1966)**, consumer behaviour is the process whereby an individual decides where, what, when, how and from whom to purchase goods and services.

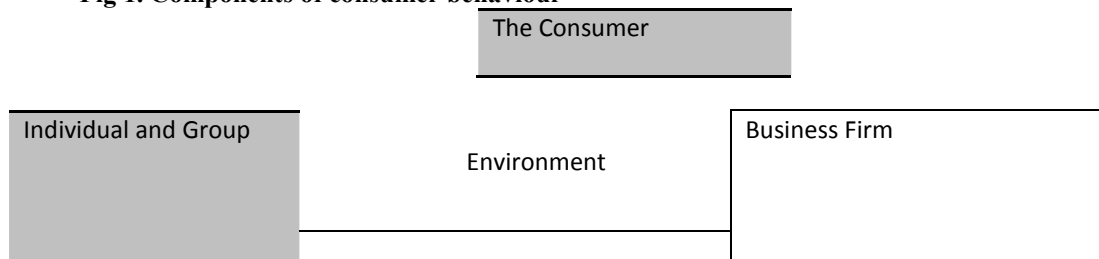
It is instructive to state that this view on consumer has sufficient bearing on the subject under discussion. It should be borne in mind that consumer behaviour which is also referred to as buyer behaviour deals with a colony of issues ranging from activities before purchase, the decision process to purchase up to the post-purchase feelings and actions.

We shall summarize the entire views by aligning with the opinion of Williams (1982), who summed up consumer behaviour by stating that, **it is all purchase related activities, thoughts, influences that occur before, during and after the purchase itself as performed by buyers and consumers of the products and services and those who influence the purchase.**

#### SUMMARY OF CONSUMER BEHAVIOUR COMPONENTS

The immediate implication of the complexity of a consumer's behaviour could be a direct result of the influence of such variables, as social units (made up of individuals and groups) and business firms. The foundation in the development of components of consumer behaviour was propounded by Howard et al (1960). He interacts with such units as family, friends, co-workers, peer groups etc.

**Fig 1. Components of consumer behaviour**



**Source:** Howard, J., Shelt, J.H. (1960), Theory of Buyer Behaviour, N.Y. John Wiley and Sons.

#### WHAT IS A MODEL?

An understanding of what models mean will enhance our ability to explain the various types and ingredients of models in consumer behaviour.

**Sampson (1974)** remarks that, a model represents a theoretical construction of phenomena, which are interrelated and significant in influencing the out come of a specific problem; in this particular instance the buying process.

**McNeal (1973)** describes a model as a simplified presentation of real phenomena. **Ekerete (2003)** holds the view that, a model is simply a representation of some or all of the properties of a large system.

In like manner, **Williams (1982)**, views a model, by describing the adjective modeling, as an imitation which occurs when an observer matches responses to cues provided by a model that may or may not be consciously attempting to influence behaviour.

Classically, *Engel et al (1978)* define a model as a replica of the phenomena it is intended to designate: that is, it specifies the element and represents the nature of the relationships among them.

Broadly consumer models serve purpose of: identifying hypothesis and developing new customer behaviour theories, and explaining the present status of consumer behaviour theories.

**CLASSIFICATIONS OF CONSUMER MODELS**

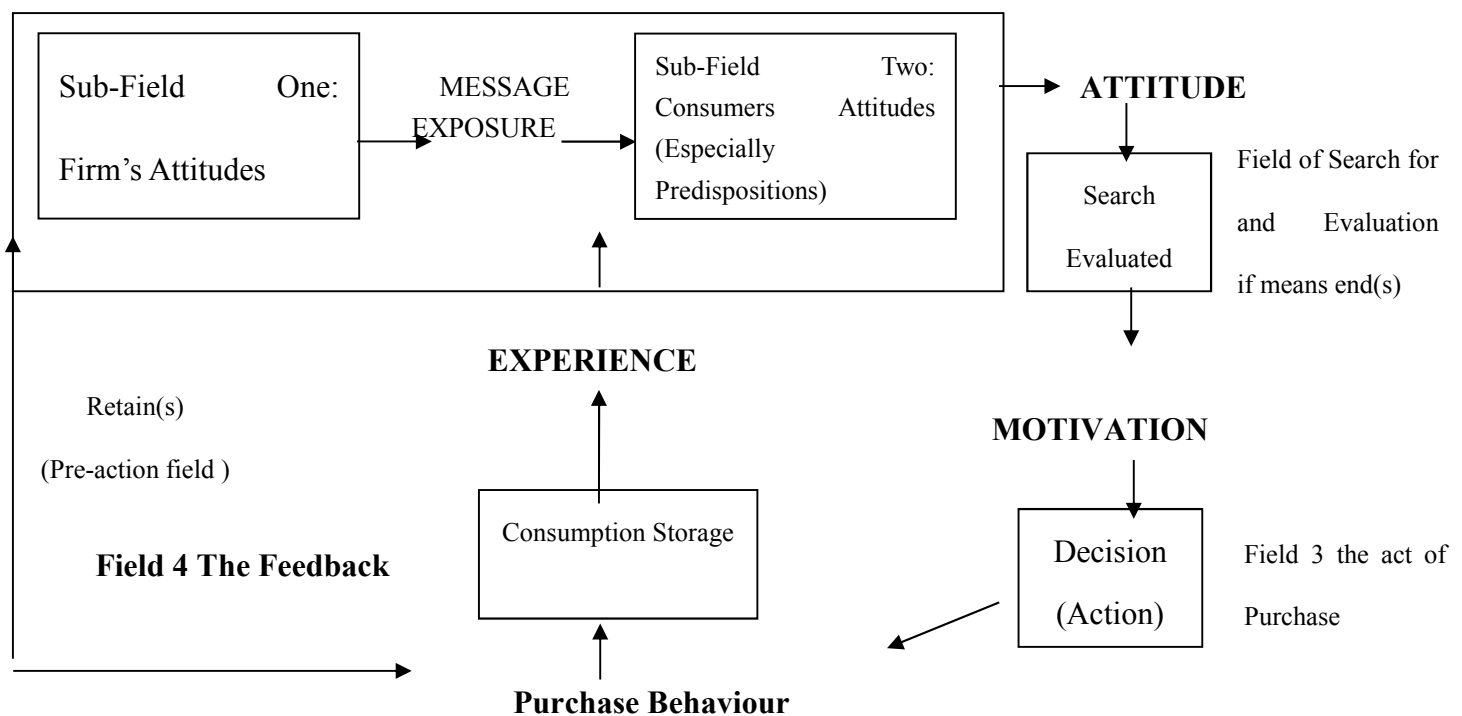
Consumer buying behaviour models can be classified into the following;

- (1) **Quantitative or verbal:** Quantitative are expressed in numerical or alphabetical symbolism, while verbal models employ language as their means of expression.
- (2) **Physical or Behavioural:** Example of a physical model is doll. Behavioural models concern performance duplication rather than physical duplication
- (3) **Prescriptive or Analytical:** Descriptive models try to explain some aspects of consumer behaviour, while the analytical models try to compare, interpret or challenge concepts.
- (4) **Partial or Holistic:** Partial model takes into account either one or few of the variables of consumer behaviour. On the other hand, holistic models attempt to at least identify and relate most or all variables of consumer behaviour.
- (5) **Static and Dynamic:** Static model does not focus on change. But dynamic models attempt to show some types of change.
- (6) **Decision Process Model (Logical Flow):** This model analyses the buying process as a series of sequential steps which a buyer takes. Marketing opportunities may be identified as results of analyzing buyer's behaviour at each stage of decision process.
- (7) **Theoretical Model:** This model endeavours to formalize the influences which affect purchase decisions and to show the extent of their interaction.

**TYPES OF CONSUMER MODELS**

These include, Nicosia, Alport Socio-Psychoanalytic, Howard- Sheth, Engel – Kollat- Blackwell, Kotler's Behaviour Choice Model.

**NICOSIA MODEL:**



The model discusses the relationship that exists between the firm and its customers. This relationship is maintained through circular communication flows from the firm (advertising for new product) to the

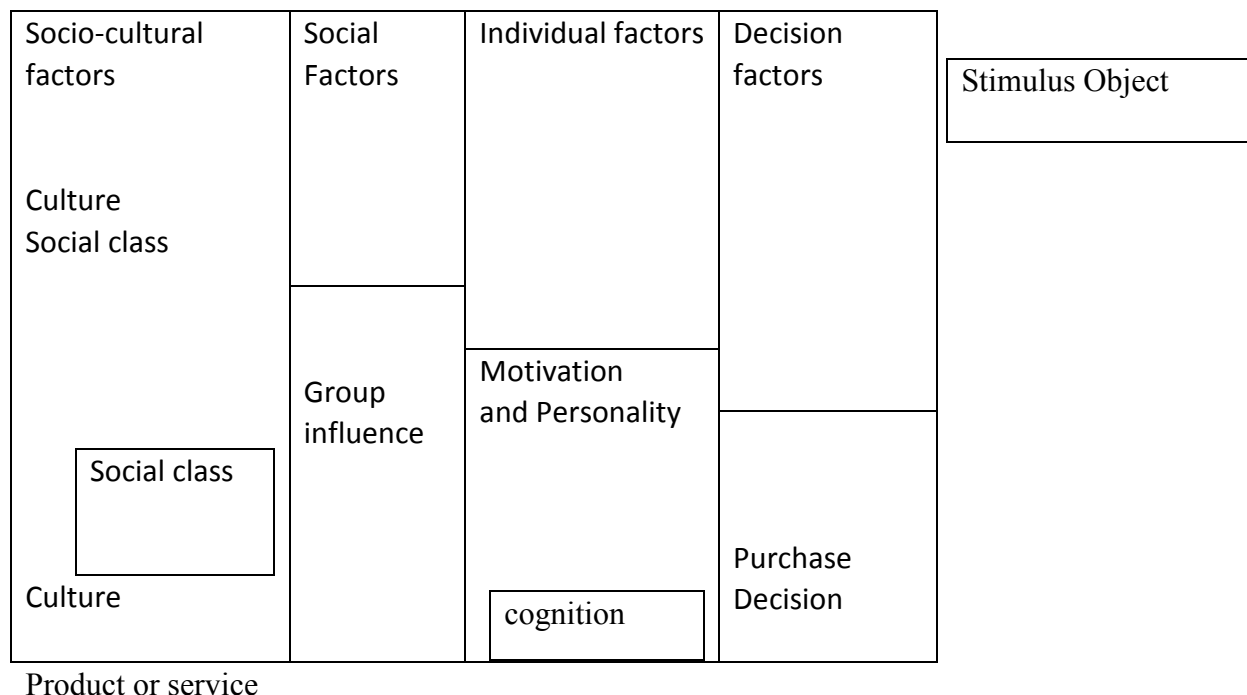
Customer and back to the firm in form of purchase response by the consumer. In Nicosia model, the firm and the customer are connected with each other. The firm attempt to influence the consumer and the consumer is influenced by his decision.

**Nicosia (1966)** in his stimulation model identified four basic “Fields” in his flow chart. It is assumed that neither the firm nor consumer has had any previous experience directly related to a specific product brand. The starting point is actually zero.

**Anderson (1965)** explained that the interactions between these four fields may occur simultaneously or in sequence. The process may also be initiated at any of the stages, In other words, may be initiated by the firm, consumer purchase experience, or by failure to purchase. The flow of information in Nicosia model shows that the actions of one party influence that of the other, and in turn, their future behaviour. In this way, behaviour is seen as an adaptive process. Consumer behaviour here is seen as decision process

**FIG. 111**

**MODIFIED VERSION OF ALPORT’S MODEL**



**SOURCE:** Harold H. Kassanjian and Thomas S. Robertson, Perspectives in Consumer Behaviour. (Glenview III: Scott, Foresman &Company 1968).p.4

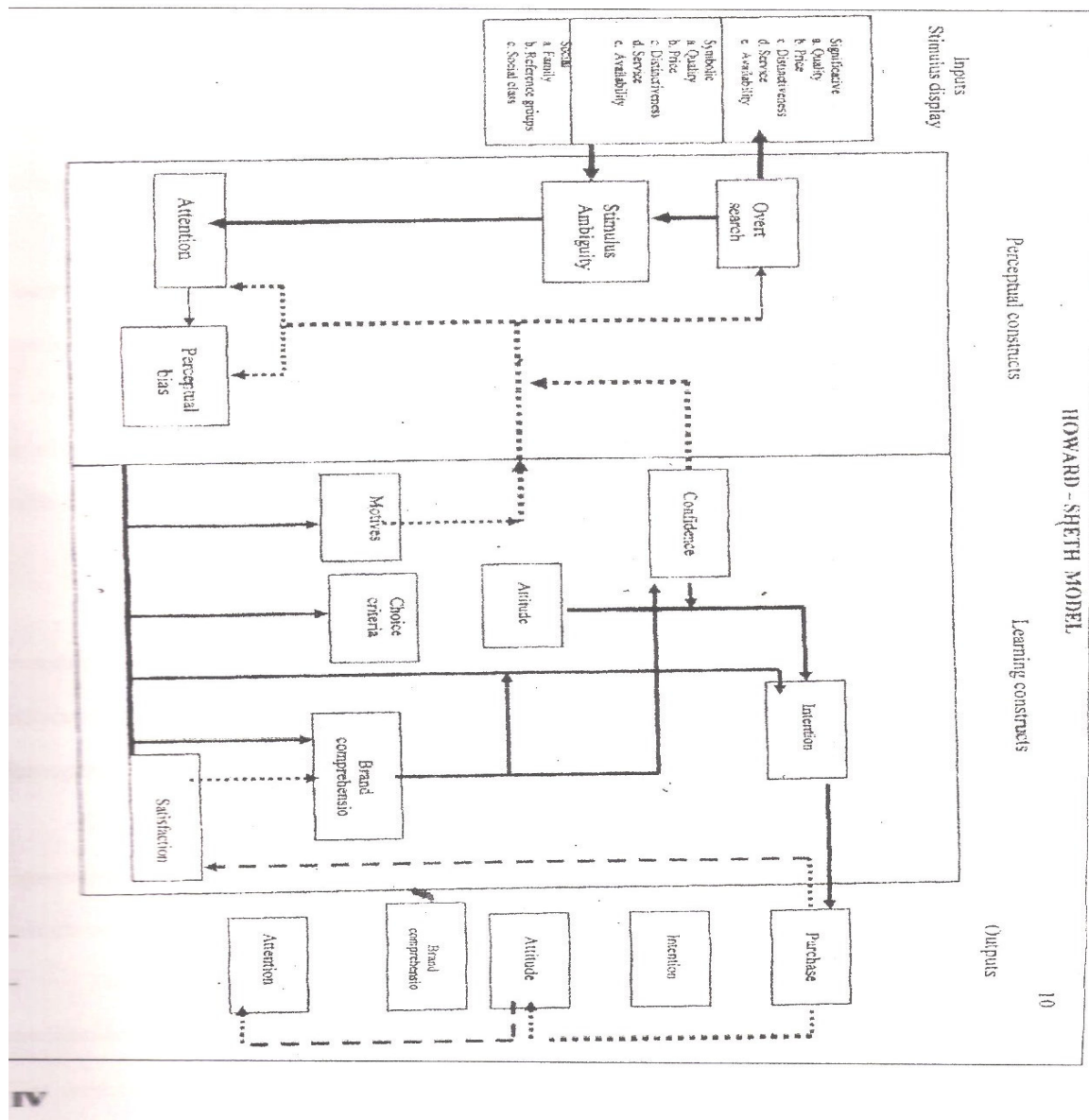
**AL PORT SOCIO-PSYCHOANALYTIC MODEL**

Alport in the nature of prejudice was not seeking a theory of consumer behaviour. However, he defines prejudice very close to what is referred today as attitude Alport said prejudice is “a feeling favorable or unfavorable, towards a person or thing, prior to, or not based on actual experience” Alport did an excellent job of identifying most of the major exogenous and endogenous variables that affect human decisions towards an object stimulus such as a product (Alport 1954)

The variables of Alport have adapted to consumer behaviour as reflected in figure III, which the model is a static representation. It begins with the broadest exogenous variable, culture

and walks down to the endogenous variables, of personality and motivation. The purchase decision is seen as the result of an interaction between the individual, who has been influenced by his environment and the product.

The major significant contribution of Alport lies in identifying the major areas of external & internal human influences that can be applied to consumer behaviour. Alport did not border to connect these variables to consumer process.



### HOWARD- SHETH MODEL

Howard-Sheth Model was developed in 1969. In its simplest form, the model consists of sets of elements Viz: the inputs, hypothetical constructs, exogenous variables and the response variables. After the inputs, comes such variables as attention comprehension etc.

**INPUT-** The input consists of stimuli or information emanating from the environment. These inputs essentially consist of various items of information about available brands in the market. They include the quality, price, distinctiveness and availability of the brand as well as its accompanying services. When obtained from the brand object itself, they are described as

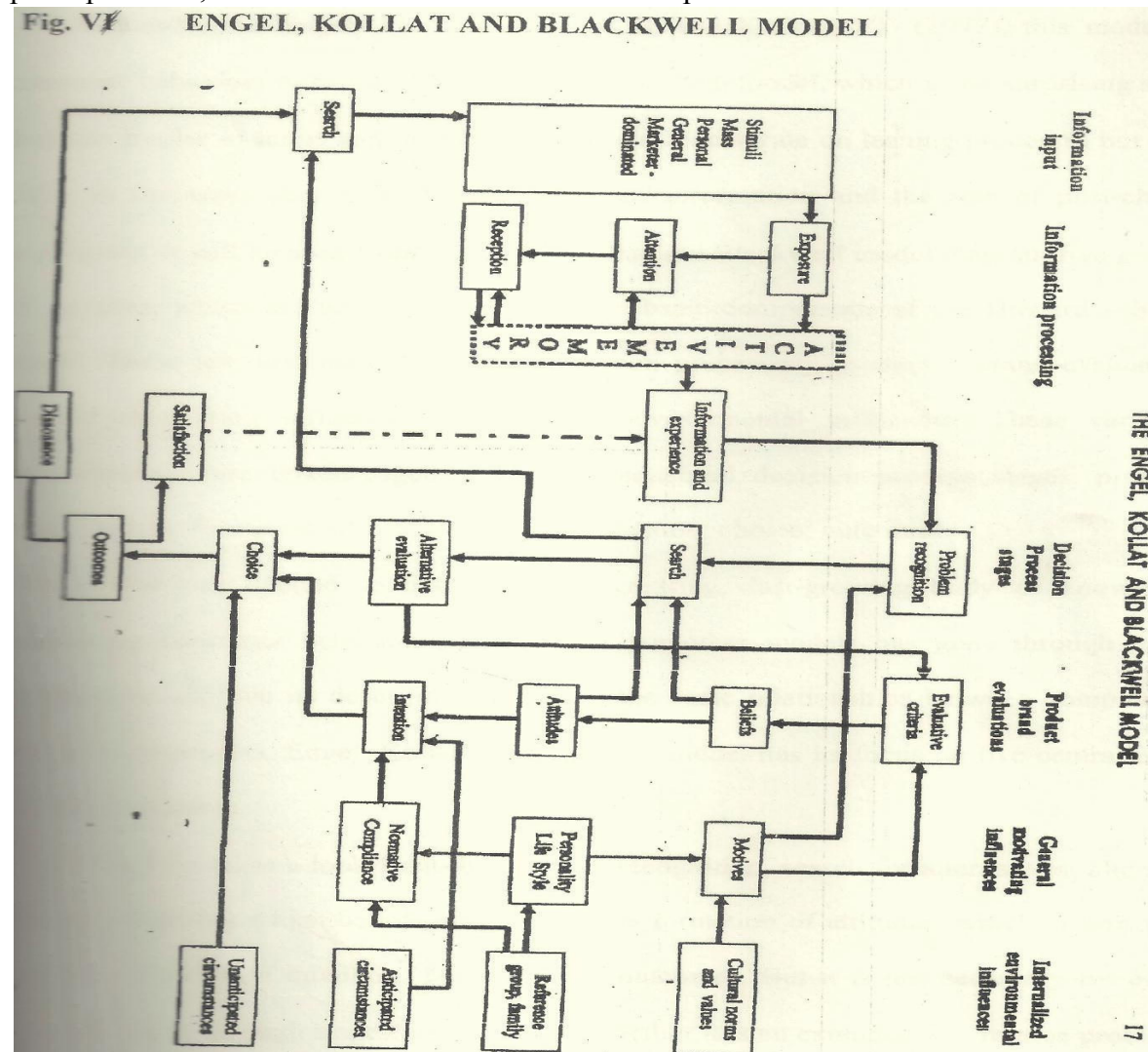
significant stimuli. Symbolic stimuli are those communicated through the mass media such as News paper and television advertisements.

### HYPOTHETICAL CONSTRUCTS

It describes internal processes within the buyer and consists of two sets- the perceptual constructs and the learning constructs. The *perceptual constructs* are sensitivity to information, perceptual bias and search for information.

Perceptual bias describes the fact that the buyer not only selectively attends to stimuli but some times distorts available information.

The *learning constructs* are motives, brand potential of the evoked set, decision mediators, predispositions, inhibitors and satisfaction. Motive impels the individual to action.



The second is information input; where the customer gets information from Marketing and non-marketing sources, which also influence the problem recognition stage of the decision-making process.

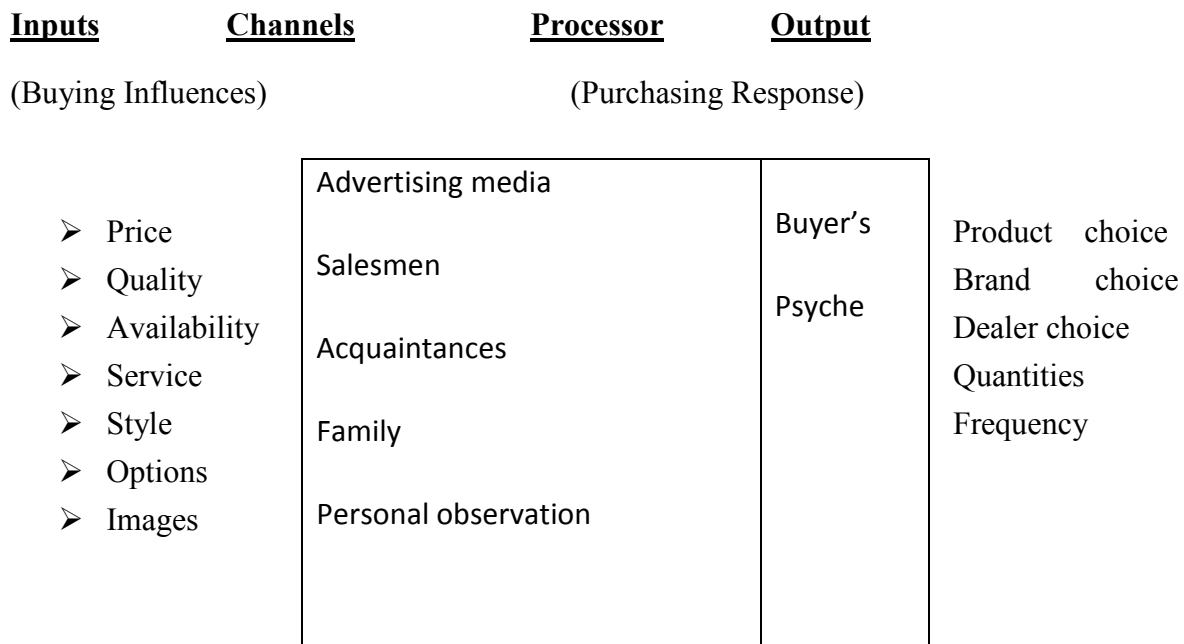
The third, which is information processing consists of the customer's exposure, attention, perception, acceptance and retention of incoming information.

The fourth stage describes variables in the decision process. This stage consists of individual and environmental influences that affect all the five stages of the decision process.

The fifth and final stage of the decision process in this model is that of outcomes, a variable that takes account of post choice consequences.

If the customer's choice is found to be consistent with his expectations and beliefs the purchase will result in satisfaction. This will contribute to his information and experience and will affect subsequent decisions.

**Fig. VI KOTLER'S BEHAVIOUR CHOICE MODEL**



**SOURCE:** Kotler, P. "Behavioural Model for Analyzing Buyers". Journal of Marketing. Vol. 20, October 1965, pp. 35-45.

**KOTLER'S BEHAVIOURAL CHOICE MODEL**

The inputs or buying influence in this model ("Black box") include communication about available brands, their prices, qualities, availability, service, styles, options and images. The channels through which the information reaches the buyer are advertising media, sales men, acquaintances, the buyer's family and his person observations.

After processing the inputs in the model, the buyer's responses are manifested in the form of decisions regarding product choice, dealer choice, quantities to buy and frequency of purchase.

In the words of Hutt and Span (1995), organizations have unique "personalities" and the industrial sales person must be sensitive of organizational status which varies from firm to firm.

**OTHER MODELS**

In addition to the models already discussed, other models exist, which include; Robinson, Farris and Wind, Webster, integrative models of Sheth and the Box model.

**ROBISON, FARIS AND WIND MODEL**

The model suggests that the industrial buying process consist of a series identified as buying phase which may vary, depending on which type of buying situation, the particular buying firm is confronted with.

The general model of Webster and Wind outlines four classes of factors which determine industrial buying behaviour. These are individual, social, organizational and environmental.

There are two broad categories namely **Task** and **Non-task**.

Task models see the organizational buyer as an economic man, that is, as a rational buyer. In the circumstance, it considers minimum price mode, lowest total cost model, reciprocal buying, model, and constrained choice model.

Non-task model emphasizes the role of personal motives in buying process, such as buyers who respond to personal favours or to attention e.g. (Ego enhancement). It introduces human elements into organized industrial buying.

**THE SHETH INTEGRATED MODEL;** Concentrates on information source and brings out the dynamism of the industrial purchase situation. The model acknowledges that the expectations of purchasing agents, engineers, and users and others, who ostensibly are directly involved in the act of purchase and could therefore be rightly regarded as constituting the buying centre, can be influenced by their experiences.

**THE NELSON BOX MODEL;** Combine elements of organizational buying behaviour with those of consumer behaviour. The model hinge on two main assumptions; Viz,

1. That decision at different levels of the organization neither always involve the same individual nor identical work.
2. That decisions taken at one level will form the basis for all subsequent decisions.

## **THE ROLE OR APPLICATION OF MODELS IN MANAGERIAL DECISION MAKING IN MARKETING PRACTICE**

Decision making is systematic and not automatic. It is a process which emanates out of conscious effort to arrive at profitable outcome. Under normal circumstances decision making requires a thoughtful process to ensure attainment of decision making objectives.

From our discussions, we are to understand that purchase decisions are made by individuals, households, institutions, governments (at all levels) and industries.

Individuals (consumers) buying behaviour are influenced by many factors, including, among others; availability of funds, price, quality of product, advertising promotional appeals, personality traits, and other environmental influences. It is important that the marketer should study these features/characteristics reasonably, through marketing research before embarking on production and sales.

In similar vein, organizational purchasing is influenced by many factors including, among others; individuals in the organization, depts./units, objective of the of the organization, government regulations, prices, competition, suppliers, influence of other organizations in the same area of operation and other relevant environmental influences.

***Models of consumer behaviour serve managerial decision makers in marketing practice of planning their advertising and other promotional appeals to ensure consumer patronage and retention.***

In general terms, consumer behaviour models play the following role in managerial decision making in marketing practice;

1. They are basis for Marketing planning and setting of goals.
2. Consumer models are tools that enable the marketing executive to commence marketing research to enhance sustenance of the firm's objective and attainment of desired customer satisfaction.
3. Models serve the purpose of aiding the marketing executive to determine the needs of complex consumers in complex environments.
4. Models help managerial decision makers to reasonably evaluate their product/ service offerings to ensure conformity with set goals.

***The central purpose of these classic models is to enable decision makers take such decisions that will bring about consumer satisfaction and company growth/profitability.*** For instance, the presentation of Howard Sheth model beginning from input elements to out-put devices demonstrate the fact that consumers respond to stimuli and their environment in the course of purchase decisions. Therefore, as management make policy decisions based on set objectives, pre-determined goals and other internal and external factors, it remains consciously committed to consumers' need-satisfaction.

In the same vein, the ***Nicosia Model*** which reveals the relationship that exist between the customer and the firm, aligns itself with the fact that, the ultimate purpose of every marketing practice is to so elicit purchase response from consumers. Therefore, marketing practitioners can rely on Nicosia model to monitor the progress of their promotional appeals, sales campaign etc, to enable them act promptly on feed-back.

The ***Engel –Kollat and Blackwell model*** has similarity with ***Howard Sheth***, but differs in handling of information processing and post choice experience. Engel et al model will give the marketing clue as to media choice and reach and may be desirable for various categories of consumers for product types (brand).

The input channel processes and output processes in ***Kotler behavioural choice model*** make it captivating, because, when properly applied, will enable and encourage realistic decision making in marketing practice. Following the inputs, which are mostly the features of a product and influences that motivate the buying behaviour, the marketer is expected to design his product mix to ensure reasonable conformity with these inputs.

## **CONCLUSION/RECOMMENDATIONS**

The different types of models presented in this paper are classical in their nature, scope and content. We appreciate the fact that a consumer behaviour model is simply anything used to represent all or a part of the



variables of consumer behaviour. Essentially, consumer models are indispensable instruments for managerial decision making in marketing practice.

It is obvious that Howard-Sheth model, Kotler et al model and Nicosia models represent bench marks for decisions relating to getting the best product quality, the best advertising reach, the most accessible channels of distribution and the most suitable pricing strategy which can be used to satisfy consumers and attain corporate objectives.

It is therefore recommended that in making decisions, it will be expedient to understand the working of various consumer models. This is so because the consumer is at the centre of all marketing management decisions. Hence, incorporating his views, preferences, feelings and motives will guarantee overall corporate success.

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