

**Routinised Response Behaviour/Habitual Buying Behaviour:** Situations when individuals do not follow the steps of buying process and buys the product out of their habit are categorised under habitual buying behaviour. Under this behaviour customers do not want to get involved in the evaluation of products and brands and buys a repeated product by spending little or no time/effort in shopping. Under this category, consumers have a lot of experience regarding what to buy as they buy frequently, and thus a little risk is involved. Product bought under this category may include newspapers, daily needs, haircuts, groceries, etc. Despite of having much experience, customers under this category often seeks small amount of additional information to review and confirm their part of product knowledge.

### Characteristics of Consumer Problem-Solving Approaches

Characteristics	Routine Problem Solving	Limited Problem Solving	Extensive Problem Solving
Purchase Involvement Level	Low,	Medium	High
Problem Recognition	Automatic	Semiautomatic	Complex
Information Search and Evaluation	Minimal	Limited	Extensive
Level of Prior Experience	Very high	Moderate	Very low
Purchasing Orientation	Convenience	Mixed	Shopping
Post Purchase Processes	Very limited	Limited	Complex
	Habit	Inertia to repurchase	Loyalty if satisfied
	Brand loyalty	Brand Switching If dissatisfied	Complaint if dissatisfied
Frequency of Purchase	Very high	Moderate	Very low
Amount of Perceived	Very low	Moderate	Very high
			Very low

### 2.1.3. Consumer Buying Decision Process

1) **Problem Recognition:** The basis of consumer purchase depends

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graph TD
    A[Problem Recognition] --> B[Pre-purchase Information Search]
    B --> C[Evaluation of Alternatives]
    C --> D[Purchase Decision]
    D --> E[Post-purchase Behaviour]
  
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The flowchart illustrates the Consumer Decision-Making Process as a linear sequence of five steps, each enclosed in a rectangular box. The steps are connected by downward-pointing arrows, indicating a sequential flow from top to bottom. The steps are: Problem Recognition, Pre-purchase Information Search, Evaluation of Alternatives, Purchase Decision, and Post-purchase Behaviour.

**Figure 2.2: Consumer Decision-Making Process**

2) **Pre-Purchase Information Search:** After ascertaining the need, the next step of consumer is to collect the information related to the product. This information may be received through advertisements in local newspapers, magazines or through online media or from an acquaintance. This information collected from internal and external sources enables him to form an idea about the product he intends to purchase. The next step taken by the consumer is to further analyse the available information, consult his close friends to gain further confidence or discuss with the marketers who have first-hand and latest information about the product in the market. These will make different levels of influences on the decision-making process about the product. There are four sources which supply information to consumers:

- i) **Personal Sources:** These sources are close to consumer, i.e., family members, close friends or acquaintance.
- ii) **Commercial Sources:** Advertisements in local newspaper or magazines, a visiting salesman, interaction with dealers or through display hoardings.
- iii) **Public Sources:** These sources can be consumers, mass media, rating organisations, etc.
- iv) **Experiential Sources:** The consumer may personally examine the product for his satisfaction.



- 3) **Evaluation of Alternatives:** It is a very common practice in present market environment for examining the products put up for sale by different brands along with the comparative parameters and prices of each. If the consumer has a firm thinking towards a particular brand because of his past experience, he may not indulge in looking for alternatives. At present, the customers have generally rational thinking which makes them to spend a lot of time in critically examining the products of other brands as well.

The consumers do not form an idea about a product in one go, but they prefer to take inputs from various sources and analyse each thoroughly to arrive at the final decision on purchase. But, before taking a final decision consumer first looks at the positive and the negative aspects of each product and then makes the judgement. This formation of an idea may be divided into various systems such as:

- i) **Evaluative (Choice) Criteria:** The different criteria on the basis of which consumers evaluate and compare products or brands. The evaluative criteria may include price, performance, running costs, maintenance costs, after sales service, etc. of a particular product.
  - ii) **Beliefs:** Many a times, the consumer accepts certain product brand due to his past experiences and characteristics of that product like reliability in performance. Such beliefs go a long way for continuation of consumer relationship with the product.
  - iii) **Attitudes:** Attitude is the level of liking or disliking of a consumer towards a specific product. It also depends upon the evaluative criteria and beliefs about the same product.
  - iv) **Intentions:** The intentions for purchase are derived from attitudes which may be positive or negative. In case of a positive response consumers make purchases. However, if there is a negative response, the chances of purchase are partial.
- 4) **Purchase Decision:** After analysing different brands of a product, the consumer restricts his choices primarily to one or two alternatives. However, financial constraints may restrict the consumer decision to shift his purchase plan for some time or he may even let go to the purchase decision, if no such alternative is found suitable to meet the requirements of the customer. At this stage, consumer sets some preferences among different brands and may purchase the most preferable one.



There are two factors which act as a barrier between purchase intention and purchase decision:

- i) The first factor includes liking or disliking of product by others, who are close to consumer (may be his wife, children or a close friend). This aspect has two situations:
  - a) The negative attitude of others towards the preferred alternative.
  - b) The importance attached by the consumer to honour or comply the wishes of others.
- ii) The second factor is related to unanticipated factors like performance, durability, etc., of a product. These factors can change the purchase intention of a customer.

This decision remains unpredictable because it totally depends upon the individual nature of the consumer which is largely influenced by perceived risk. The person's perceived risk varies with the amount of money involved, uncertainty and low self-confidence of a customer.

5) **Post-Purchase Behaviour:** After the consumer makes a purchase, he uses the purchased product and compares the performance with his earlier purchased product. In this comparison process, he may be satisfied or dissatisfied with the performance of the product. In either case, the seller must take a periodic feedback from his consumers and also offer after sales services. In case of unsatisfactory response of the product, immediate remedial measures like replacement of faulty product, repair or even return of full money in some genuine cases must be carried out for building a good relationship, winning the confidence of consumers and ensuring future market of the product.

- i) **Post-Purchase Satisfaction:** The post-purchase satisfaction depends on consumer's expectations from the purchased product from his past experiences or experiences shared from others and his experiences with the performance or taste of the product. Depending upon the level of satisfaction derived by the consumer, he may be dissatisfied, satisfied or delighted. This satisfaction is reflected by the repetitive purchases of the consumer and his recommendations to other consumers about the product.
- ii) **Post-Purchase Actions:** The repetition of purchase is an indication of consumer satisfaction after purchase. However, dissatisfied consumers generally try to return the product, verify the price offered to them or resort to legal actions like approaching to customer care forum, etc., or simply stop buying the product and give a warning or advice to friends and acquaintances. Such actions on the part of consumers only indicate poor marketing by the seller.



- iii) **Post-Purchase Use and Disposal:** The marketer should enlighten himself as to how the consumers use the product, or dispose it off. In case, the consumers store the product in closet, it means they have not liked the product and this will certainly make the product unpopular. Even if the consumer sells it after use, it may tarnish the brand image of the product. A feedback of marketer on this aspect will help to improve the quality of the product.

#### 2.1.4. Four Views of Consumer Decision-Making

There are following four views of consumer behaviour:

- 1) **Economic View:** In economic theory, consumers are often described as to make a rational decision. The theoretical model of this kind of "economic man", has been by consumer researchers criticism for many reasons. Like economics say rational behaviour of consumers should be:
  - i) Understand all available product selection;
  - ii) According to the advantages and disadvantages of each option to correctly order them; and
  - iii) To find the best option.

However, in reality, very few consumers will have all the information or the full and accurate information, rarely have a large enough participation desire and motivation to make the so-called "perfect" decision.

Consumers often make decisions in a not entirely ideal world, in this world they are not based on economic considerations such as price and the relationship between the number of marginal utility, etc. In fact, consumers usually are not willing to conduct extensive decision, they are more likely to be a "good", "good enough" decision.

Moreover, recent studies have found that consumers are not original motive for a supply of product or service. Like it is long argued that in order to obtain a good price (i.e., in order to better price to purchase), but with the need for achievement, the need to belong and dominant needs. The study of advertising and marketing planning has important enlightenment significance.

- 2) **Passive View:** Consumers rational economic point of view is the opposite, passive view will influence consumers. Described as always by his own interests and marketing promotion activities. According to the passive point of view, the consumer is considered to be impulsive and irrational buyers, will always be the marketing personnel's purpose and means.



The main limitation of passive model is that it does not recognise that even if consumers do not buy in many cases occupy the dominant position, atleast in the same position – sometimes he will search for product information and select the option that would seem to provide maximum satisfaction. Sometimes he will choose products that meet his mood or emotion at that time. However, at present more theory holds that consumers in today's market is a very difficult to become the object of marketing control.

- 3) **Cognitive View:** The model of cognitive views the consumer as thinking problem-solvers. In this framework, consumers often actively search to meet their needs and enrich the product and service life.

Within the framework of cognitive model, treatment is usually regarded as the information consumers. Processing of information leads to the formation of preferences and eventually forms the intention to buy. The cognitive view also recognises that consumers may not try to get all the possible information about each of the selected. Conversely, when consumers realise that they have to make a “satisfactory” decision of full information options, they will stop information search effort. Think like this information processing point of view, consumers often use decision rules using shortcut type (also called heuristic or trial method) to speed up the decision-making process. They will also use decision rules to deal with too much information of the situation (e.g., information overload). Cognitive or Problem Solving View described in the description of the economic view of consumers and passive view of the radical middle, he did not (or may not) about all the knowledge product options available, so cannot make a perfect decision, but he will still actively search for information and try to make good decisions.

- 4) **Emotional View:** Although marketers already understand emotions or impulse model of consumer decision-making, but they still prefer to consider the consumer according to economic or passive view. But in fact, each of us may have a strong feeling or emotion, such as happy, fear, love, hope, desire, imagination and even a little “charm” and specific purchase of items together. These feelings or emotions may make the individual degree of input.

When consumers make a basically is the emotional purchase decision, he will be less on pre-purchase information search, on the contrary, it is more concerned about the current state of mind and feeling.



Generally speaking, in a positive mood of individuals than in negative mood of individual recall more about a product's information. But studies have also shown that – unless previously had a brand evaluation, or in a positive mood make induced purchase decision and have little impact.

## **2.2. ONLINE DECISION-MAKING/ONLINE CONSUMER BEHAVIOUR**

### **2.2.1. Meaning of Online Decision Making**

Online decision making in consumer behaviour refers to the process individuals go through when making choices about products or services in the digital realm. It involves gathering information, evaluating options, considering reviews, and assessing factors like trust, convenience, and brand reputation. Understanding this process is vital for businesses aiming to effectively engage and influence consumers in the online marketplace.

The entire business of 'e-commerce' is based on the electronic markets or e-markets. The e-platform is vital for integration of various marketing campaign, order placements and delivering of the product which can be digitalised alongwith the payment procedures. An electronic platform or the electronic market is an inter-related information system which brings the potential buyers and sellers closer for exchanging information regarding the prices and types of products.

The organisation which is operating the system can be called as an intermediary and can be a market participant, like seller or customer, or a third party or a multi-organisation platform. The electronic or online transactions are facilitated through the e-markets where the dealing between the prospective buyers and sellers take place, leading to the order fulfilment. Numerous electronic markets are readily available where the prospective customers can buy literally anything from a luxurious spa to a music system.

Different new digital equipment and methods have been developed in recent times, which energise the electronic buying, benefitting both the customers as well as the sellers. The rise of online tools such as social networking sites (like Instagram and Facebook), the mobile web and the coupon sites (like get my coupon) empowered the consumers from the passive recipients of the advertising information to the active contributors who can not only share the information, but can also



express their point of view regarding the products and services. Hence, even the consumers have become a vital part of the advertising campaigns and are enjoying their empowered role. It has helped in creating a novel shopping attitude which is similar to some sort of gaming. As a result, the field of shopping has extended and has become complex, yet, it has enabled more lucrative prospects.

It has become essential to understand the psyche of online customers, primarily because of the rising the cultural and regional area of marketing. For acquiring information and for buying, online customers have a different approach. Moreover, there are fair chances that the same person might act differently when shopping offline. Hence, it becomes crucial for the e-marketers to have a close eye on the activities of the online customers and to support their purchasing behaviour.

In the field of the electronic market (e-commerce, e-buying, online shopping), consumer behaviour is the way things or services are bought through the internet. Usually, in case of online shopping, on arousal of any need, the prospective customer searches on the internet to find the information related to it. But at times, instead of surfing about the need-based products, the customers are attracted by the goods or products related to the felt need. It is followed by assessing various options available and picking the one which suits best with the felt need. Ultimately, a deal is finalised and the services or goods are provided to the customer alongwith post-sales services.

### **2.2.2. Model of Online Consumer Behaviour**

The purchase decision of the consumer is impacted by a range of stimuli which may or may not get triggered. **Figure 2.3** shows the range of stimuli and the buyer characteristics that can be seen in the model of consumer behaviour.

The first few factors which impact the purchase decision are the marketing mix variables and also the variables which pertain to the environment. This can force the consumer to make impulsive decisions to purchase rather than one which is based on a sound rational basis. It has been seen that young consumers are more likely to be influenced by their peers and reference groups while deciding on a purchase. **Urban** says that merely exposing consumers to message is not sufficient. In effect, the consumer must find the message appealing to his/her interests amongst a variety of messages in a marketplace. Besides, the level of consumer's involvement while purchasing has a significant bearing on the question should the customer be targeted online, i.e., through e-mails or through search engines and websites.



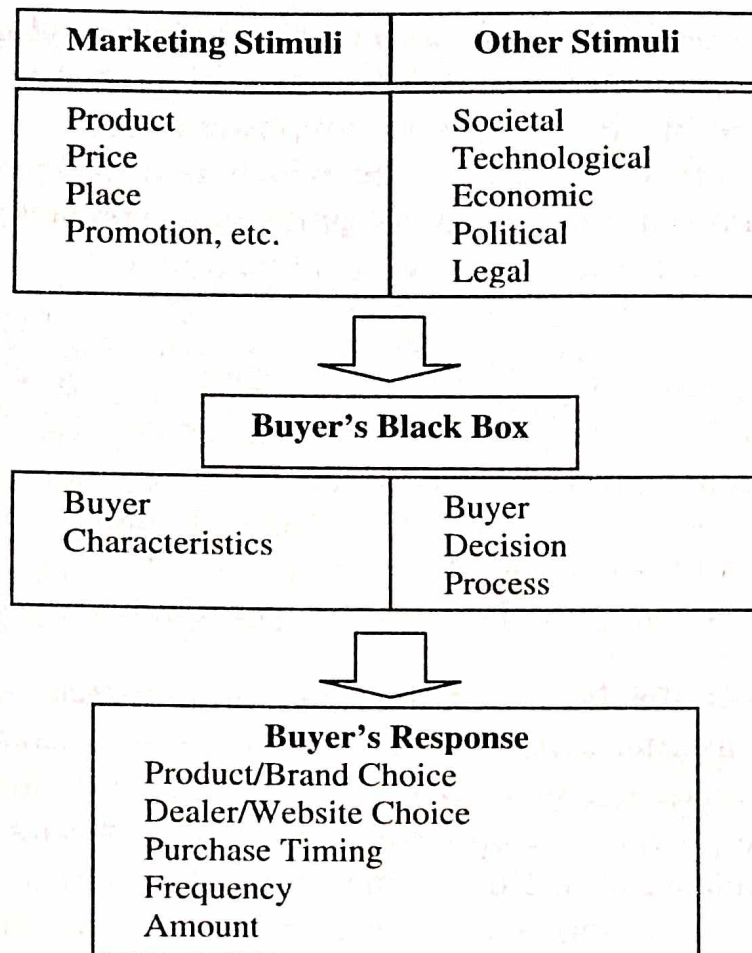


Figure 2.3: Model of Online Consumer Behaviour

### 2.2.3. Factors Influencing Online Consumer Behaviour

The various factors which affect the online consumer behaviour are as follows:

- 1) **External Environment:** External environment in consumer behaviour consists of such related factors which influence the online behaviour and attitudes of the customers. There are three aspects, through which external environment affects the online consumer behaviour. The **first** one is the current legal structure which safeguards the interests of the consumers against any kind of fraud during online dealings. The **second** one is the recognition by third party certification bodies for ensuring reliability of the online dealers and the **third** one is the presence of rivals in the market, i.e. number of online stores offering the same goods or services and due to this reason it was argued by **Lee** and associates that there are better chances of benefitting from the opportunities available to the current dealers if the competition is less in the market.
- 2) **Demographics:** Demographics comprise of variables like age, sex, educational qualification, income level and the amount of time spent online, etc. It has been argued by researchers that demographics are



paramount in finding if the people are going online, but, once they are using internet, the demographics do not affect the consumer behaviour.

For example, it was reported by Bellman and his associates that it has been proved through the surveys that, however, the online consumers are young, well-educated and rich; such differences are meaningless when the consumers are online. Some evidence were provided by Bhatnagar and his colleagues to show that demographics cannot show that which online store would be selected by the consumer and how much would be spent by them, yet, the gender based selection of product is always there for online shopping. Summing up, it has been theoretically proved that the demographics do not have a strong impact on the online consumer behaviour.

- 3) **Personal Characteristics:** The personal characteristic can be defined as combination of particular features of the consumers which affect their online behaviour and attitude, like internet literacy, specific requirements and their cultural atmosphere.

It has been found by Li and his co-workers that consumers opting for online shopping often, are usually looking for convenience, instead of experience. Such customers consider ease of shopping as a vital factor while making shopping decision, as they are short of time, and do not bother if they can buy the goods without actually feeling them if it can help in saving their time.

The prospective online customers do not shop online frequently due to security reasons, yet, there are always chances of lowering the apparent risk, by attaining appropriate knowledge, experience and skills about computer, internet and online buying.

It has been proposed by Bellman and his colleagues that those people who are regular internet users are inclined to shop online. Such customers are habitual users of computer and internet; and use it for sending and receiving e-mails, for doing their work, for reading news, for drawing information or for entertaining themselves. As such internet has become a part of their everyday life and they like to explore it for shopping purposes as well.

- 4) **Vendor/Service/Product Characteristics:** Vendor/service/product characteristics are the attributes of the online stores, the kind of products sold by them, and the services offered by them for supporting the online transactions. Such factors affect the online shopping behaviour and attitudes to a great extent.



The various methods used to measure the features of the vendor include the physical existence and location of the online store, the goodwill of the store, size of the store, its trustworthiness, number of channels for entering the online store, its assurance-building techniques (e.g., warranties, seals, news clips) and use of endorsements.

The product features which influence the online behaviour of consumers are a range of products, quality/performance of the product, product availability and uncertainty, price, its requirement of social presence and product presence, its reliability, brand name and likelihood of delivering customised products.

Besides these, there are various factors related to services, provided by the online shopping stores that influence the online behaviour and attitude of the consumers. These are simplicity in communication channels, dealers' reaction to the needs of the consumer, availability of the sales persons, dependability/ambiguity of the buying process; timely/delayed delivery of goods and services, option of customised services, simplicity in exchanges and refunds, fraudulent, tracking system (to trace the speed and the place of the delivered ordered), transactional and overhead expenses and promotion of goods.

- 5) **Website Quality:** The quality of the website majorly affects the online behaviour of the consumer. It has been shown through above studies that the user can be satisfied or dissatisfied with the design of the website which can be observed as both motivation and hygiene factors. The motivation factors help in enhancing the worthiness of the website which leads to satisfaction of the user. The different elements of motivational factors are entertainment, intellectual satisfaction, empowerment of the user, dependability, visual appearance and presentation of the data.

On the other hand, the hygiene aspect refers to those elements whose presence can help in enhancing the functionality or serviceability of the website and whose absence can annoy the user and make him dissatisfied. Some elements of hygiene aspect are confidentiality and safety, technology, ease of navigation, objectivity and information provided. It has also been found that, out of all the quality factors, the hygiene quality factors were rated highest by the online consumers. **Liang and Lai** classified the website quality factors which affect the online consumption behaviour into three sets, the two being motivation factors and hygiene factors and the third being media richness factors.



They opined that, while motivation factors help in supporting the transaction process directly, the hygiene factors help in protecting the users against risks or unexpected incidents that could arise during the transaction process. The media richness factors help in enhancing information channels or make the presentation of the information richer. It has been proposed by Liang and Lai that by offering support for online transactions, the internet dealers can stay ahead of their online competitors. Also, customers from the traditional offline stores can be attracted if more relevance is given to the hygiene factors.

To conclude, the measures used by the researcher for evaluating the quality of website are content and presentation of the information, searching and navigation mechanism, security, richness of media, etc.

#### 2.2.4. Stages/Process of Online Purchase Decision

The process of online consumer behaviour consists of following five steps:

**Step 1: Problem Recognition:** The stimulus that gives rise to the need can come from a variety of sources. These could be offline or online in nature. This is particularly true as organisations use a mix of channels to reach the consumer these days. The website should create interest in the consumer about the online shopping portal as the customer data obtained online is relevant to building customer interest and in building long-term relationships.

It is a matter of pertinent question that is it possible that a person goes online without any purpose and return only to realise his true problem alongwith its solution. During this process, he has analysed all pieces of relevant information to arrive at an informed decision. This is referred to as serendipity or casual browsing.

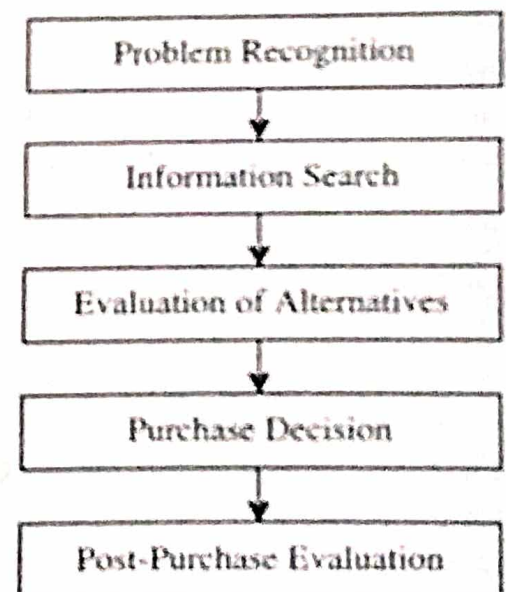


Figure 2.4: Process of Online Consumer Behaviour

For most of the consumers, internet is an information gathering medium for solving a certain problem. A marketer can make use of internet as a platform for promoting his products or services. For example, online advertising and targeted e-mail marketing can help develop interest in the consumer. The main benefit of internet is that it allows the purchaser to buy from the same site, whereas other media do not provide such facility.



All this provides the user with two options regarding the problem he faces:

- 1) The problem may be one which is of a perpetual or permanent nature, something that is common and for which people readily accepts the solution. **For example**, advertisements promoting low-calorie food or drink will always generate interest among the ones aiming for weight control. Then it is a matter of simply inserting the right keywords that describe the problem in the search engine to obtain right solution for the problem.
- 2) The second problem is a type of problem that can also be addressed by traditional media but can be more effectively solved by the online medium. This is on account of the fact that customers prefer to remain online and choose websites they frequently visit. This is referred to as extreme self-segmentation. In this context, online consumers can be made aware of a problem they have but do not recognise through effective use of target marketing. This can be achieved through methods like website banner advertising or textual advertising, a feature (hypertext links) that is not available in other communication medium.

Let us consider a product or activity that is related to healthy life or fitness. The customer may be a sport enthusiast and may regularly be part of a certain sports activity. In course of their interest, customers may search online in order to know more about their interest. While searching online, they may come across an ad which has a warning that repeated sports activity or exercise may be stressful for their body. In this way, consumer is informed about a new problem through online advertisement which may force them to buy even a particular product or avail a service in order to overcome their problem.

**Step 2: Information Search:** This process of consumer behaviour has been completely changed by the IT revolution and the change has been for both consumers and producers. It has never been before that consumer has so much information about the product being offered. This has led to, as some would say, information overload and sometimes this huge quantity of information can make the decision making complex for the consumer. The message coming out of the argument is that online-marketers need to design their sites and e-mail strategy in a proper manner. It is crucial to understand the search behaviour of the customer so that customers can be served information in the most befitting manner. Behavioural research can help the marketer in identifying the important information activators that encourage purchasing like price discounts, discussion forums or product reviews. All these information activators must form part of the website development.



In this age of internet connectivity, product information can be obtained from a variety of sources. These can be independent sources but the bulk is actually those provided by competitors. If competitors have a better website or their e-mail marketing more focussed, then their source of information will be preferred by the customers. This may lead to sales of the competitor's product even when they are actually inferior in terms of quality. It is now an accepted fact that internet has become an inherent part of the marketing plan and provides the consumers with even greater options, enhanced satisfaction and a range of other advantages. In this context, online communities or virtual communities have an increasing impact on marketing results. Online communities share their opinions and experiences about the products or services they consume.

This can be compared to the traditional word-of-mouth advertising with only the spread and impact being more rapid and wide. Online communities may sometimes be dominated by few influential leaders whose views about a product or service may mould the public opinion in a positive or negative manner about that product or service. Marketers must, therefore, consider their importance in the online community. Different stages of consumer purchasing may be facilitated with the use of online communication channels or offline channels or through the combination of both. **For example**, a customer may select a product of his choice online, and buy the product and take its delivery offline. Similarly, he may collect information about a product in a departmental store but order it online.

**Step 3: Evaluation of Alternatives:** Evaluation of alternatives occurs in the minds of the consumers. It involves bringing together the various analysis of the information that has been gathered in the earlier stages. In an offline scenario, this involves physically matching data or figures noted down on pieces of paper or drawing tables about the costs and benefits involved. Internet can facilitate the completion of the same task more effectively. **For example**, some websites allow consumers to save information and bring it to a single page.

**Step 4: Purchase Decision:** This phase of consumer buying process can certainly be completed online. Actually, this is what e-commerce is all about. Consumers can do the buying online. They can contribute to a social cause or download a document. They can download a map, be a part of online community, etc. Practically, the actual processing of the order must be hassle-free and simple for the user, more particularly in cases when consumers have limited IT knowledge. Many e-commerce functionalities like shopping cart, COD, etc., are critical for any online transaction to translate the search into purchase, else the customer may cancel his purchase out of annoyance.



Finally, buying takes place at two different levels:

- 1) The product offering alongwith other elements of marketing mix adds to provide a complete package. In this package of niceties, product branding plays an important part in consumer understanding. In addition to that, customer segmentation and targeting and purchase incentives can prove really effective, particularly in the case of spontaneous buying.
- 2) At this level, choice of a certain online marketer or e-commerce company is made. The decision to choose a particular e-vendor can be really complicated and can be compared to product decision. At the same time, the decision to select an e-vendor is also influenced by a number of factors.

The consumer loyalty and confidence is also dependent on factors like online safety, privacy of consumers' information and the entire shopping experience in which things like logistics play an important role. Brand affinity is another factor that has led to the growth of online retail giants like Flipkart, Amazon, Myntra, etc, in a short period of time.

**Step 5: Post-Purchase Evaluation:** The process of post purchase evaluation can happen as soon as the buying transaction gets completed. The consumer gets an e-mail from the company confirming the details of the order and reference number for tracking the order. The rise of virtual communities signifies the importance of sharing post-purchase experience among the users. The rapid distribution of customer responses across the web needs to be carefully monitored in order to build long-term customer relationships. It can play a significant role when other parties are also part of the transaction.

**For example,** consumers at the Amazon site can either buy from the e-tailer giant itself or buy the same product at cheaper rates from the suppliers who supply to Amazon. If a particular supplier of Amazon cannot satisfy a consumer then this can also affect the brand image of Amazon. In the post-purchase period, Amazon is eager to know customer feedback about the vendors, which serves as the basis of decision regarding whether a particular vendor must continue in the Amazon marketplace or not.



## **2.3. SITUATIONAL INFLUENCES**

### **2.3.1. Introduction**

Situational influences are related to a certain place or time which has the capacity of influencing the decision making of a customer and the value obtained from the consumption. The effect of the physical environment on the consumer behaviour will also be the part of situational influences.

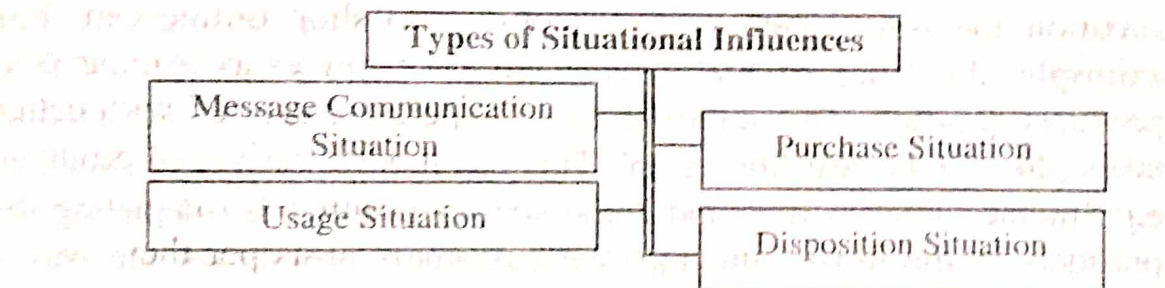
**For example,** the consumer behaviour may be formed due to presence of music in a certain environment and this can even modify the purchase patterns of individuals. Consequently, while waiting for the service, the feelings of a person can be changed by music. Therefore, there will be a market for the music that is able to develop a positive influence on the customers.



There are some other traits which have the capacity to change the environment are taken into consideration by the researchers of consumer behaviour. Situational influences can be seen as the temporary environmental factors which can prevail in a certain place and time and that have an impact on the consumer behaviour. A situation can be referred to as the combination of environmental factors or events to which a response is provided by the customer. The marketers are quite keen to analyse the various types of situations and traits of situations. Situation inventories are created by the marketer after evaluating the effect of situations. This indicates that the situations are also used for product positioning. There will be different situational influence for the different products.

### 2.3.2. Nature and Types of Situational Influences

There are a number of types of situations that influence consumer behaviour. These are as follows:



The consumer behaviour is affected by the various types of situations that are described below:

- 1) **Message Communication Situation:** The message situation will include both the setup in which the message is received by the customer and the different types of communication elements such as the content and the source of the message. The advertisements are placed in those programmes by the advertisers that are in similar nature as that of the message tone. **For example**, the advertisement will be published by the business services company during Business Sunday. The development of some advertisements is done in order to place them on a specific media. **For example**, a number of advertisements for cooking-related products, condiments and ingredients are placed in the cooking magazines. The advertisements for health related products such as vitamins and sports clothing are published in the Men's Health magazine.

Apart from advertising, it is also significant to take forms of communication into account while talking about the communication situation. **For example**, an organisation that sponsors a popular sporting event will be having greater exposure with the help of indirect methods, e.g., clothing of the players and different types of signage.



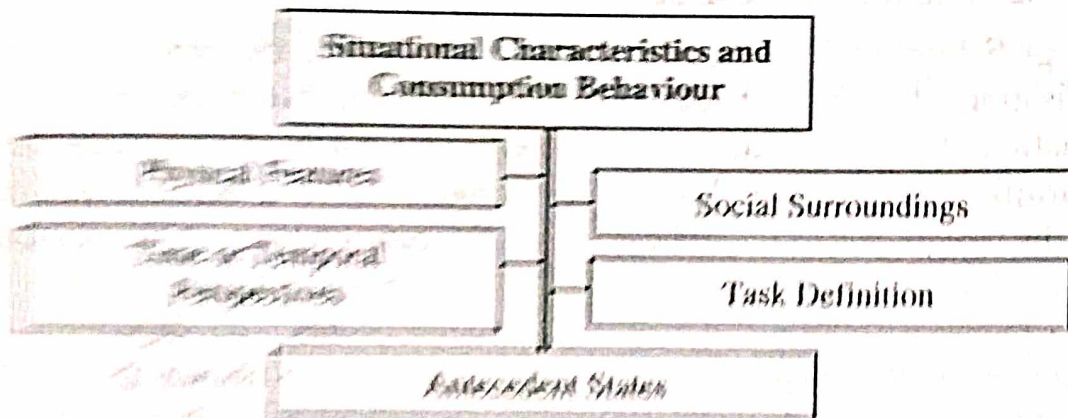
If a player is photographed or interviewed on TV putting on the jersey of the company's logo, the company will be able to gain more exposure. There are some teams which are identified by the name of the sponsor.

- 2) **Purchase Situation:** This can be seen as the environment or the setting in which the actual product is obtained by the customer. This represents the environment in which the actual buying of the product or service takes place. A lot of efforts are put in by the marketers in order to find out the manner in which the buying situation affects the buying behaviour as they can have tremendous control over the stimuli in the buying setup. Indeed the response of the customer towards these stimuli is not in control of the marketers but marketing decisions can be guided by the research so that the buying situation can be used at best.
- 3) **Usage Situation:** This represents the setting where the consumption or utilisation of a product takes place. In order to boost the use in the situation, the usage situation is quite often shown by the marketer. For example, the 'slice of life' advertisements have a number of food products depicted. This indicates that the consumption of the product takes place in the real-life set up. This can include the usage situation, e.g., picnic, lunch parties and some special events. By depicting the products in the usage situation, the customers are shown the way a certain product can become the part of their daily lives. It is important for the marketer to have a better understanding of the usage situations in which their products can or may be suitable. With the help of this input, the marketer can convey the manner in which the product results in customer satisfaction in different appropriate usage situations.
- 4) **Disposition Situation:** The occasional disposal of product or product packages before or after using the product by the customer is quite important. A number of critical social issues and the opportunities for the marketers can be presented by the customers decisions related to the disposition situation. The ease of disposition is considered as a critical element of the product by some of the customers. Only the easily recyclable products are bought by these customers. Generally, it is important to have the disposition of the current product prior or at the same time of the new product acquisition. For example, the existing bed has to be removed by the majority of the customers before buying a new bed. It is important for the marketer to have a better understanding of how disposition decisions are affected by the situational influences so that they can come up with more efficient and ethical products and marketing programmes. This input is also required by the government and environmental organisations so that the socially responsible disposition decisions can be promoted.



## Situational Characteristics and Consumption Behaviour

Situational variables describe characteristics of a situation or environment that have the potential to influence our communicative behaviour. They are the various changeable stimuli that affect our choice of language in any particular situation. One way of classifying situational variables is to use the categories proposed by Belk (1975). His work was actually conducted in relation to consumer behaviour and influenced shoppers to make purchases. However, his categories can usefully be applied to communicative behaviour and can influence a speaker to make particular language choices. **Belk** identifies situational variables:



### 2.1.1. Physical Surroundings

Physical surroundings include physical and spatial aspects of the environment in which the communication has taken place (e.g. school, house, arena, etc.). Physical surroundings include location, atmosphere, aromas, sounds, and other sensory stimuli in the physical environment. The physical surroundings in which the decision process is conducted, may influence the decision. Even though the seller may have little or no control over conditions in the physical surroundings, a candidate may be aided by their effect on consumer preference caused by conditions in the physical surroundings and altering presentation accordingly.

For example, when a person always enters a perception regarding a product in a supermarket, a person considers a product lying in a supermarket. The physical surroundings influence the consumer's perception. The consumer always gets a feeling of assurance regarding the quality of the product and tends to repeat those purchases. For example, when the quality of the product is good, the consumer considers the same product. For example, when the consumer thinks twice about the quality of the product, the consumer is more in quality perception is more in terms of the product. The physical surroundings influence the consumer's perception and the consumer's perception is more in terms of the product. The physical surroundings influence the consumer's perception and the consumer's perception is more in terms of the product.



Compare the banks of 1980s and the banks of today. This perceived quality difference by consumers is more prevalent when they make a purchase decision regarding services.

### **2.3.3.2. Social Surroundings**

The social surroundings are the number, profile, and actions of other people at the purchase site. Consider two options, one, going out with friends for a dinner and second, going out with family for a dinner. Individual's thought process in making a decision may be different in both the cases. Now consider two situations of buying in a same store. First, consumer visits the store to buy clothes. The number of customers is less and the salesman is free. Consumer probably will ask more questions and try more options while making a purchasing. Now consider visiting the same store at some peak hour, when the store is full with customers and all the salesmen are busy. Consumer will tend to make a quicker purchase decision in the second case.

The social surroundings deals with the characteristics of and interactions with others who are present when the decision is made, and may include people both directly, indirect and unrelated to the outcome, such as friends, relatives and employees.

In a social setting, buyers often feel pressured to behave in a specific manner. In business-to-business buying company representatives may respond differently around different company representatives. Selection decisions are often a product of group input. Even though the seller may have little or no control over the presences of others, a candidate may be aided by being aware of changes in consumer behaviour caused by the addition or deletion of the influence of others and altering presentation accordingly.

### **2.3.3.3. Time or Temporal Perspectives**

Time will influence a purchase outcome, including the amount of time necessary to search, buy and use a product, as well as physical time of day, year, etc. Time constraints on the buyer may result in the application of simplistic decision rules.

**For example,** in a career management context, time constraints are a huge influence. When decision makers are overwhelmed with large numbers of applicants, the decision process is negatively impacted. As unemployment rises, so do the number of applicants for any given position. Even though the seller may have little or no control over time pressures on the buyer, a candidate may be aided by putting the best foot forward and clearing communicating a good fit between the candidate and the organisation.



The time dimension can have impact on all the elements of the marketing mix. It is known that demand can be seasonal in nature. That is why it is seen clearance sale for woollens in February and March. Sports goods for outdoor sports face a lean season from May to August. The reason, rainy season does not support outdoor activities. However, it is the opposite in West Bengal. Youngsters prefer to play football when it is raining mildly. Hence, the demand for football and relating accessories picks-up in West Bengal from May to August. Many restaurants are responding to the time dimension of consumer buying when they introduce happy hours from 3:30 pm to 6:00 pm, when the inflow of customers is expected to be low. By offering discounts, they assure a steady flow of customers throughout the day.

#### **2.3.3.4. Task Definition**

This is simply the reasons for the communicative act. The intent or reason for purchase affects the choices made. Individuals are likely to behave very differently when buying a product for a gift as opposed to buying the same product for themselves. **For example**, a dress bought for wearing in office by a woman is likely to be different than a dress bought for party wear. Similarly, when the same woman purchases her clothes for wearing while doing household jobs, she is likely to make an altogether different decision.

The task definition influences the outcome. The amount of emotion and the level of involvement are directly related to the reason for purchase. Even though the seller may have little or no control influences resulting from the reason for purchase, the more a candidate knows about the reason for purchase, the better able the candidate is to clearly communicate a good fit between the candidate and the organisation.

#### **2.3.3.5. Antecedent States**

These are the temporary physiological and mood states that a person brings to a social interaction. Sometimes consumers are in a temporary state that influences their buying decisions. The current, momentary mood or state of health of the decision maker will influence the outcome. The day to day mood of the decision makers influences interpretation of candidates. Even though the seller may have little or no control over the buyer's emotional state, a candidate may be aided by being sensitive to the buyer's mood and altering presentation accordingly.

When individual are not well or in a hurry, individual may be unwilling to wait in line or take extra time or give care that a particular purchase deserves. An individual have gone to a cars showroom to purchase a new car and favourite colour is not available.



The colour of individual's choice will be available only after a week and individual need the car immediately as old car has broken-down. Customer is likely to make a compromise on colour in this situation since individual are in a hurry.

Moods can also influence purchases. Feelings such as anger or excitement can result in purchases that otherwise neither would nor have been made. An individual go to a party and listen to an old ghazal of Jagjit Singh. Next day that person goes to market and see the CD of the same. Individual relate it with the enjoyment he had last night and purchase it. The CD was there in the market for the last five years but the mood set in the party prompted you to make the purchase decision. Situational influences are often so powerful that they can override the other forces in the buying decision process. Marketers must acknowledge these situational influences and adjust their marketing mix accordingly.



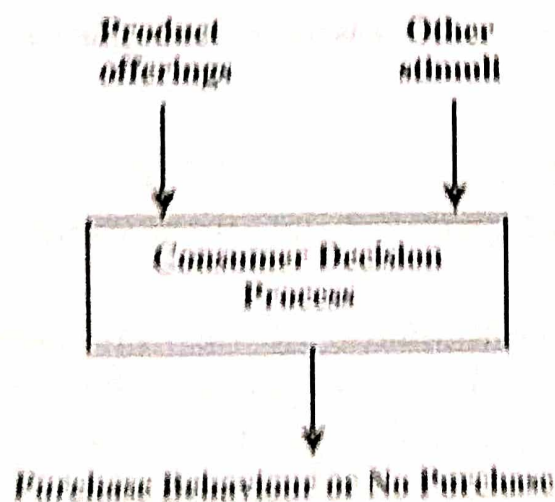
## 2.4. MODELS OF CONSUMER BEHAVIOUR

### 2.4.1. Introduction

A logical or rational illustration of any event, process or relationship is called a model. Every individual has some models in his mind, through which he/she understands the world and life and anticipates possible course of events in the coming future.

The role of models can be explained by the following points:

- 1) Help in establishing and developing theories of various fields,
- 2) Help in understanding and simplifying the complex relationships between entities, and
- 3) Help in providing framework for further research and discussion.



With the evolution of consumer behaviour as a distinct discipline, various models, concepts and approaches describing and explaining factors influencing consumer behaviour, came into light. These models highlight the mental activities occurring before, during and after the purchasing process.



The motive is to describe the process of consumer decision-making, especially the process of finalising the brand options for purchasing. In these models, the whole consumer behaviour concept is explained with the help of three main elements, i.e., **input**, **system**, and **output**; where, **system** represents the 'consumer' and **input** and **output** represent the 'stimulus' and 'behaviour' respectively.

### 2.4.2. Types of Consumer Behaviour Models

Given below are the different consumer behaviour models:

- 1) Input-Process-Output Model
- 2) Howard Sheth Model
- 3) Nicosia Model
- 4) Engel-Blackwell-Miniard Model

### 2.4.3. Input-Process-Output Model

Model of consumer decision-making developed by **Schiffman** and **Kanuk** reflects the cognitive (i.e., problem-solving) consumer and, to some degree, the **emotional consumer**. The model is designed to tie together many of the ideas on consumer decision making and consumption behaviour. The model has three major components: input, process, and output.

A model of consumer decision-making reflects the cognitive (or problem-solving) consumer and, to some degree, the emotional consumer. The model is designed to tie together many of the ideas on consumer decision-making and consumption behaviour discussed throughout the book. It does not presume to provide an exhaustive picture of the complexities of consumer decision-making. Rather, it is designed to synthesise and coordinate relevant concepts into a significant whole.

#### Components of Input-Process-Output Model

The model, presented in **figure 2.5**, has three major components – input, process, and output:

- 1) **Input:** The input component of our consumer decision-making model draws on external influences that serve as sources of information about a particular product and influence a consumer's product-related values, attitudes, and behaviour. Chief among these input factors are the marketing mix activities of organisations that attempt to communicate the benefits of their products and services to potential consumers and the non-marketing socio-cultural influences, which, when internalised, affect the consumer's purchase decisions.



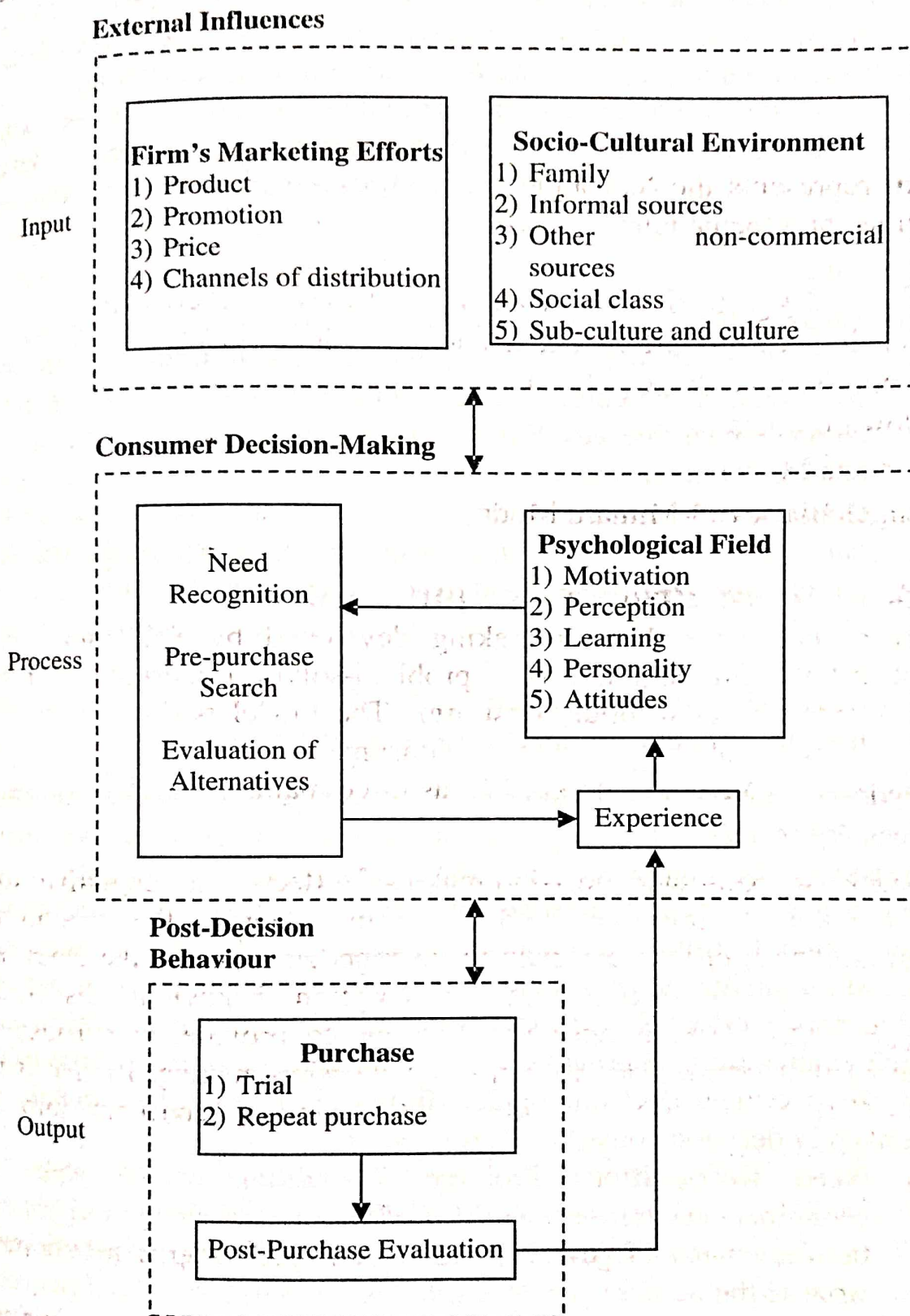


Figure 2.5: Input-Process-Output Model

- i) **Marketing Inputs:** The firm's marketing activities are a direct attempt to reach, inform, and persuade consumers to buy and use its products. These inputs to the consumer's decision-making process take the form of specific marketing mix strategies that consist of the product, itself (including its package, size, and guarantees) – mass-media advertising, direct



marketing, personal selling, and other promotional efforts; pricing policy; and the selection of distribution channels to move the product from the manufacturer to the consumer.

Ultimately, the impact of a firm's marketing efforts in large measure is governed by the consumer's perception of these efforts. Thus, marketers do well to remain diligently alert to consumer perceptions by sponsoring consumer research, rather than to rely on the intended impact of their marketing messages.

- ii) **Socio-Cultural Inputs:** The second type of input, the socio-cultural environment, also exerts a major influence on the consumer. Socio-cultural inputs consist of a wide range of non-commercial influences. **For example**, the comments of a friend, an editorial in the newspaper, usage by a family member, an article in Consumer Reports, or the views of experienced consumers participating in a special-interest discussion group on the internet are all non-commercial sources of information. The influences of social class, culture, and sub-culture, although less tangible, are important input factors that are internalised and affect how consumers evaluate and ultimately adopt (or reject) products. The unwritten codes of conduct communicated by culture.

- 2) **Process:** The process component of the model is concerned with how consumers make decisions. To understand this process, one must consider the influence of the psychological concepts. The psychological field represents the internal influences (motivation, perception, learning, personality, and attitudes) that affect consumers' decision-making processes (what they need or want, their awareness of various product choices, their information-gathering activities, and their evaluation of alternatives). As pictured in the process component of the overview decision model (**figure 2.5**), the act of making a consumer decision consists of three stages:

- i) **Need Recognition:** Problem recognition results when a consumer recognises a difference of sufficient magnitude between what is perceived as the desired state of affairs and what is the actual state of affairs, enough to arouse and activate the decision process. The "actual state" refers to the way in which a need is already being met and the "desired state" is the way a person would like for the need to be satisfied.

This process integrates many of the concepts that have been discussed earlier in previous chapter. **For example**, consumer information processing and the motivation process are highly relevant here. Consumers must become aware of the problem or



need through processing of information arising internally or externally. They then become motivated. Thus, the process of problem recognition means that the consumer becomes aroused and activated to engage in some purposeful purchase-decision activity.

- ii) **Pre-Purchase Search:** Pre-purchase search begins when a consumer perceives a need that might be satisfied by the purchase and consumption of a product. The recollection of past experiences (drawn from storage in long-term memory) might provide the consumer with adequate information to make the present choice. On the other hand, when the consumer has had no prior experience, he or she may have to engage in an extensive search of the outside environment for useful information on which to base a choice.

The consumer usually searches his or her memory (the psychological field depicted in the model) before seeking external sources of information regarding a given consumption-related need. Past experience is considered an internal source of information. The greater the relevant past experience, the less external information the consumer is likely to need to reach a decision.

- iii) **Evolution of Alternatives:** The marketer is interested in knowing how consumers process the information gathered during the search process on their evoked set of brands. There are two broad approaches: brand processing or attribute processing.

a) **Brand Processing:** In brand processing, the buyer assesses one brand at a time. Thus, the consumer may decide to look at a particular brand, examine several attributes of that brand, and then assess several attributes for a second and third brand, for instance.

b) **Attribute Processing:** In attribute processing, the consumer examines a specific attribute and then compares several other brands on that attribute. Then, a second attribute may be selected for comparison and so on.

- 3) **Output:** The output portion of the consumer decision making model concerns two closely associated kinds of post decision activity:

i) **Purchase Process:** The keys to influencing the purchase process are understanding purchase intention and the situational influences. Purchase intentions get converted into purchase actually only when situational factors act favourably. Situational factors refer to physical surroundings, social surroundings, temporal considerations and finally antecedent conditions.



- ii) **Post Purchase Behaviour:** Once the consumer makes a decision to purchase a product, there can be several types of additional behaviour associated with that decision.

### 2.4.4. Nicosia Model

This model was given by **Francesco Nicosia**, one of the first consumer behaviour modellers, who shifted his attention from simple act of purchasing of goods and services to the complex process of decision-making which the consumers are engaged in.

The whole model is described with the help of flowchart, similar to steps in any computer program. Here, different interrelating variables are used which are not essentially dependent or independent.

Thus, a circular flow of effects is described in this model, where each variable acts as an input to the next. This model explains the consumer behaviour by establishing the relationship between the consumer and the organisation.

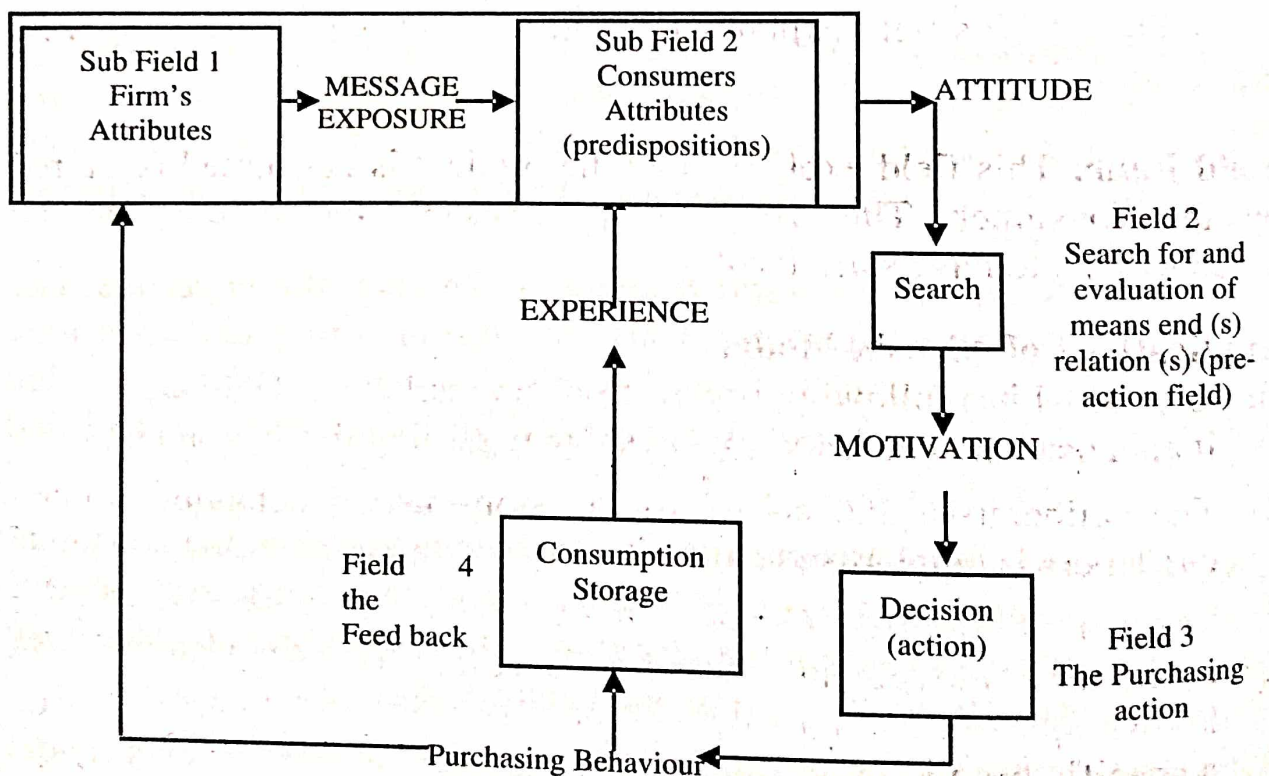


Figure 2.6: Nicosia Model Source: The Nicosia Model (1976)

According to this model, first the inclination of consumers towards a particular product or service is influenced by organisational messages. Then, they (consumers) develop a specific attitude towards the product as per the situation. Lastly, the consumer searches the product or evaluates the features of the product.



If, following the above steps, generates a positive response for the consumer, he/she may decide to buy the product, otherwise he/she may reject it.

### **Elements of Nicosia Model**

The Nicosia model, categorises the above mentioned activities into **four basic fields**:

**Field One:** This field is divided into two sub-fields, i.e., attributes of the organisation and the attributes of the consumer. Attributes of the consumer receive advertising message developed by the organisation. It develops a certain kind of attribute in consumer based on the way the message is acknowledged. Thus, the new attribute of the consumer serves as the input for the next field.

**Field Two:** This field describes the searching and evaluation of the advertised product and its alternatives (if any), performed by the customer. If the above mentioned step motivates the consumer to buy the product/service, it serves as the input for next field.

**Field Three:** This field explains how the product is actually bought by the consumer.

**Field Four:** This field explains how the product is consumed or stored by the consumer. This field often serves as the output for the organisations to have sales feedback.

### **Implications of Nicosia Model**

Nicosia model has following implications on marketing decisions:

- 1) It enhances the marketer's knowledge regarding the customers.
- 2) The deliberative and conscious decision-making behaviour of the customers is emphasised by this model.
- 3) The "funnel approach" was given by this model, which observes customer movement from general to specific brand knowledge and from a passive to active stage influenced towards a specific brand.

### **2.4.5. Howard Sheth Model**

As compared to other models, Howard Sheth Model is slightly complex in nature. According to this model, consumer behaviour is a complicated phenomenon which is influenced by factors like perception, attitude and learning. The process of decision-making described in this model is applicable to different individuals.



The two main features of this model are as follows:

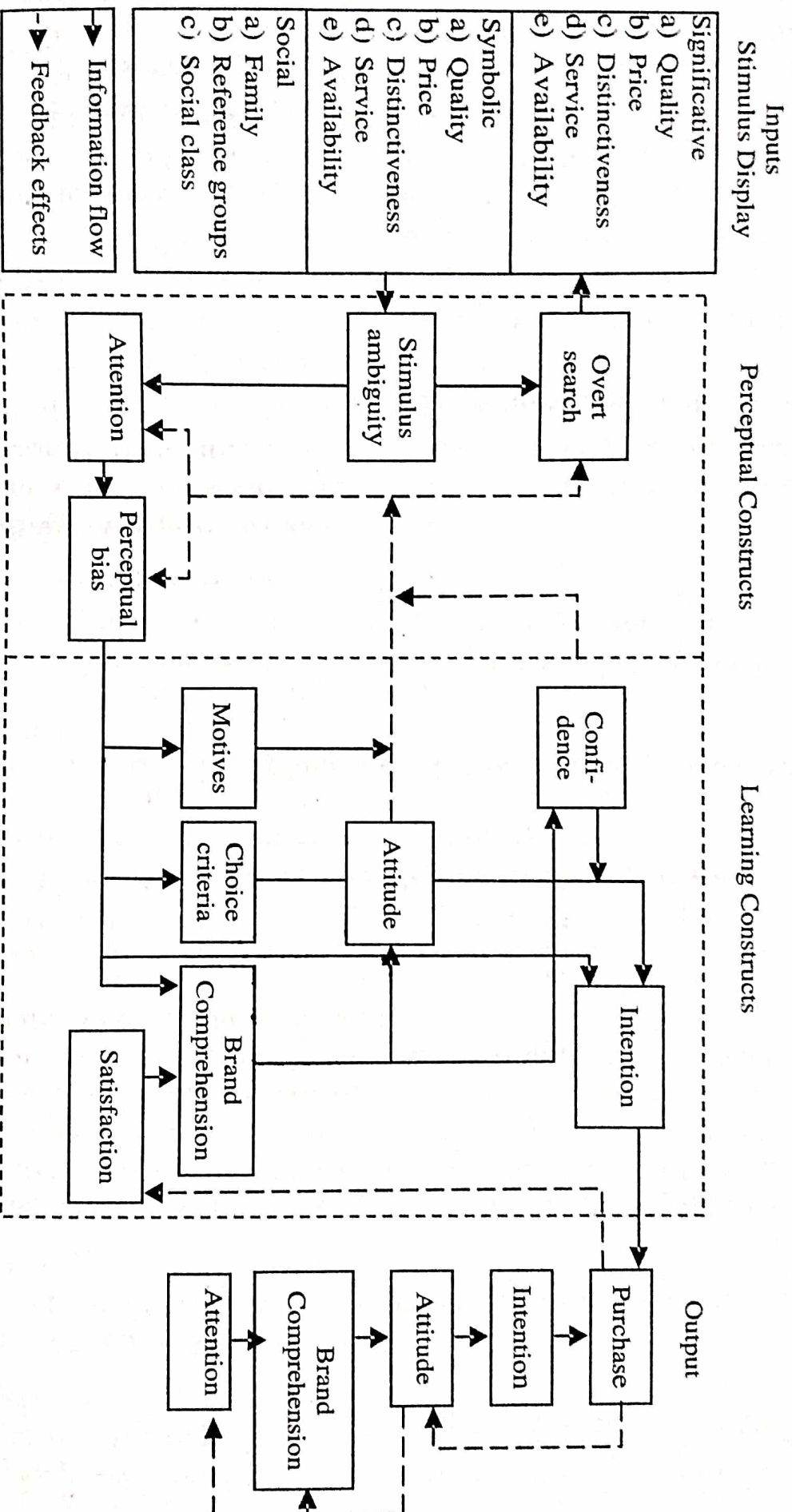


Figure 2.7: Howard Sheth Model

Source: Howard and Sheth, 1961; Hunt, Pappas, 1972; Rau and Samiee, 1981; Foxall, 1980.



- 1) It shows the real complexity of the consumer behaviour process and
- 2) It shows the framework for including consumer behaviour influencing factors (like perception, attitude and learning) in consumer behaviour process.

### Variables of Buyer Behaviour

According to this model, following three sets of variables are used to describe the consumer behaviour process:

- 1) **Input:** According to this model, input is very essential in the process of consumer decision-making. This input can be offered by following types of stimuli:
  - i) **Significative Stimuli:** The physical features of the product (tangible in nature) like quality, availability, price, services rendered and distinctiveness, act as significative stimuli. Such kind of stimuli are important for decision-making.
  - ii) **Symbolic Stimuli:** Symbolic stimuli are same as the significative stimuli, except that individual perception is also included in these stimuli.

**For example,** level of quality (appropriate or below average), extent of difference of the product with that of other products, nature of product price (high or low), type of services offered by the product, the location as well as the extent of ease of availability of the product and the extent of after-sales service, all these aspects denote the perception of the individual about a product or service.

- iii) **Social Stimuli:** Stimuli are called social stimuli when they generate from social class, family, social groups or friends. Buying behaviour of the individual is directed by these groups so as to get the support and appreciation of the society in which he/she lives.

- 2) **Output:** Output here represents the final purchase decision of the consumer. After the purchase, the customer will either be satisfied or dissatisfied with the product.

The satisfaction will result in the development of positive attitude in the customer and increased brand comprehension. Whereas, from dissatisfaction, a negative attitude may be developed.

The dotted lines represent the feedback while the flow of information is represented by solid lines. Following are the output variables:

- i) **Purchase:** The real act of buying is denoted by purchase variable, which is a collective outcome of other four variables



- ii) **Intention:** The intention of an individual to buy or not to buy a given product/service is denoted by intention variable.
- iii) **Attitude:** The cognition, affect and behaviour of an individual towards a product/service are collectively termed as attitude. It describes how he/she evaluates a particular brand and whether he/she likes or dislikes the brand as per its potential.
- iv) **Brand Comprehension:** The extent of information that a consumer processes and stores about a particular brand is called brand comprehension.

Here, the brand comprehension variable describes the knowledge of an individual about a particular product/service as well as the brand.

- v) **Attention:** The level of information accumulated by an individual in case of being exposed to a stimulus is called attention. Attention variable denotes the extent of information an individual receives or accepts.

### 3) Perceptual and Learning Constructs

- i) **Perceptual Constructs:** The psychological process, all the multifaceted states and the way individuals deal with different types of information signs coming from variety of sources, come under the category of perceptual constructs.

It is observed that one cannot attend all the available information (attention) and it may lose its meanings (stimulus ambiguity).

Since an individual is explicitly involved in searching for information, majority of irrelevant information may come to him/her.

Also, due to an individual's own frame of reference, a particular information sign, which he/she can attend, may be biased (perceptual bias).

- ii) **Learning Constructs:** Learning constructs include several factors and these are more complex in nature. One of the learning constructs is 'motive'.

An individual, through his/her buying behaviour, always wants to achieve a particular goal. This goal is called motive. An individual's needs derive his/her goals, and therefore, act as an indication of his/her motives.



Another learning construct is '**attitude**'. An individual's attitude towards a particular product or brand is closely linked to his/her motive or intention. Factors that may affect an individual's attitude towards any product or brand include positive attitude (whether formed or not), possibility of change of attitude (in case positive attitude is not formed), etc.

Learning constructs also include '**brand comprehension**' (the knowledge related to the brand features on the basis of which evoked set of choices of the consumers are made), individual's 'confidence' related to his/her brand comprehension, 'motives' or 'attitudes', 'criteria for alternatives' and finally 'satisfaction'. Satisfaction represents the process of feedback, i.e., output of the process is evaluated on post-purchase and post-use basis.

#### 4) **Exogenous or External Variables**

- i) **Social and Organisational Setting:** According to this model, social and organisational setting comes under the category of external variables. The social and organisational environment around the individual is capable of affecting his/her choices, buying process and ultimately lifestyle.
- ii) **Social Class:** Every individual belongs to a certain social class. Therefore, he/she has to follow a certain behaviour so as to adapt the norms of the concerned social class.
- iii) **Culture:** Culture refers to a set of beliefs, norms, traditions and values, which is developed over a period of time. Individuals attached to a particular culture show a common pattern of behaviour. Subcultures may also be prevalent in a particular culture; therefore individuals belonging to two different subcultures show different behaviour.
- iv) **Purchasing Power/Financial Status:** The consumption pattern or the buying behaviour of an individual is also affected by his/her financial status or purchasing power (level of income/money) at a given time.

#### **Implications of Howard-Sheth Model**

Though it has its own limitations, the Howard-Sheth buyer behaviour theory is supported by many researchers. The volume of researches influenced by this model reflects its effect on marketing ideology and thoughts. It is firmly believed by a majority of scholars that the Howard-Sheth model has greatly modernised the consumer behaviour study. Numerous variables which are precisely linked in the working relationships to cover the majority of purchase decision aspects



combined with the effective utilisation of behavioural science contributions is the primary advantage of this theory.

The inability of the theory to be tested, despite significant measurement errors, is the biggest disadvantage of this theory. Also, the exogenous and endogenous variables are not differentiated clearly. Few of these variables cannot be measured and others do not fall into precision. The operational specification and definition of a variable often vary. Most importantly, there is no proper description for a few critical aspects like perceptual bias.

The complete coverage of all purchase decision aspects and explanation of responses has contributed significantly towards studying buying decision, despite all the above-mentioned limitations and weaknesses. Following are the implications of Howard-Sheth model on marketing decisions:

- 1) A number of variables which determine the customer's behaviour with each other are identified by this model. This proves very helpful for the marketers for shaping a marketing strategy.
- 2) The model facilitates information search and solves customer problems.
- 3) The fact that a customer's purchase decision outcomes are more than only a purchase is understood by the marketer through this model.

#### **2.4.6. Engel-Blackwell-Miniard Model**

The Engel-Blackwell-Miniard model (EBM model) highlights two types of components of consumer decision-making along with describing the interactions and interrelationships among them. Therefore, it is also called a multimediation model.

According to this model, consumer buying includes following five facets – input, information processing, a decision process, decision process variables, and external influences.

These five facets act as five steps or activities (occurring over a particular time in a particular sequence) to define the process of consumer decision-making. Five other classes of related variables are also included in this model along with the fundamental decision-making steps, these are:

- 1) Information input,
- 2) Information processing,
- 3) Product-brand evaluation,
- 4) General motivating influences, and
- 5) Internationalised environmental influences.



In the given model, arrows represent the direction of influence. Following are the five basic steps (activities) describing the consumer decision-making process:



### Figure 2.8: Engel-Blackwell-Miniard Model

Source: Blackwell, Miniard and Engel, 2001; Rau and Samiec, 1981; Foxall, 1980.



- 1) **Problem Recognition:** It starts with consumer realising the difference between his/her actual state (what it is) and the ideal state (what it should be). Generally, it happens due to any external stimulus. **For example,** advertisement of a new smartphone may attract youngsters and they may realise the need for such a smartphone, or a new car of neighbours or relatives may develop an urge in individuals to buy the same.
- 2) **Information Search:** Initially, a consumer may have limited information as per his/her attitude and belief. In this step, extended information about a particular product or service is gathered by the consumer from different sources. These sources may include friends, relatives, peers, neighbours, mass media or salespersons. Here, the consumer is simultaneously involved in information search and information processing. Exposure, attention and retention are the three main elements of the information processing process. The consumer is exposed to a particular stimuli, gives attention to that stimuli, and it is received and retained in the memory.
- 3) **Alternative Evaluation:** In this step, the consumer will evaluate the alternative products/brands available in the market. Consumer's personality and his/her goals and motives determine the methods used for product/brand evaluation. Moreover, the evaluation of alternatives is influenced by the previously positioned beliefs about certain products/brands in the mind of consumers. Thus, the consumer generates a final response (positive or negative) about a particular product/brand with the help of these beliefs.
- 4) **Choice:** It is the next step in consumer decision-making process, in which the consumer makes the final choice. Alongwith consumer attitude and intention, two other factors influencing the choice of the product/ brand are **normative compliance** and **anticipated circumstances**. The extent to which, people like family members, friends, peers, etc., influence an individual and his/her decisions, is called 'normative compliance'. And 'anticipated circumstances' are the situations which the consumer expects to occur in the near future. Sometimes, unanticipated circumstances critically influence the choices of the consumers. The capability of the consumers to handle odd situations like sudden loss of job or property greatly influences their choices. Therefore, the consumer will make a purchase if not confronted with any unanticipated circumstance, and in case, an unanticipated circumstance occurs, it may become a barrier to the purchase decision.
- 5) **Outcome:** The final step of decision-making according to this model is outcome. An outcome can be positive or negative based on the end result. The outcome will be positive, if there is a positive end-result.



However, if the end result is negative or the individual develops a doubt about the choice made by him/her, then there will be a negative outcome and further information is searched by the individual to match his/her choice.

### **Implications of Engel-Blackwell-Miniard Model**

A number of variables impacting customers have been taken into account by the Engel-Blackwell-Miniard model. Under this model, the focus has been laid on the customer's conscious decision-making process. This model is flexible and can be easily understood. It acknowledges the fact that a customer sometimes cannot take all the steps. Some of the steps might be skipped in case of repeat purchases. Following are the implications of Engel-Blackwell-Miniard model:

- 1) The degree to which a customer gets involved is emphasised by this model. The decision-making process which assists the marketer in evaluating the importance a customer gives to a particular product is also focussed by this model.
- 2) A number of theories pertaining to attitude change, information processing, motivation, etc., which help the marketer in innovation purposes are utilised by this model.

## **2.5. EXERCISES**

### **2.5.1. Very Short Answer Type Questions**

- 1) What do you understand by consumer decision making?
- 2) What is on-line decision making?
- 3) What do you understand by complex decision making?
- 4) What is low-involvement decision making?
- 5) What do you understand by situational influences?

### **2.5.2. Short Answer Type Questions**

- 1) Write a note on levels of consumer decision making and involvement.
- 2) Highlight the four views of consumer decision making?
- 3) Discuss the model of online consumer behaviour.
- 4) Write a note on nature of situational influences.
- 5) Discuss the situational influences and marketing activity.

### **2.5.3. Long Answer Type Questions**

- 1) Elaborate the consumer buying decision process.
- 2) Explain the process/stages of online decision making. What are the factors influencing online consumer behaviour?
- 3) Discuss the situational characteristics and consumption behaviour in detail.
- 4) What are the different types of models of consumer behaviour? Elaborate the input-process-output model.
- 5) Write a detail note on Nicosia Model, Howard Sheth Model and Engel-Kollat-Blackwell Models of consumer behaviour.