Consumer buying decisions models: A descriptive study

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ABSTRACT: Most of the theories of consumer buying decision-making assume that the consumer’s purchase decision process consists of several steps. However, it may vary from product to services but all the customers pass through similar process. This study will help the marketers to understand various steps in the whole process of consumer decision making for final purchase of the products of their choices. The marketers may improve their marketing strategies by understanding issues which are most common in the different consumer decision model developed by earlier researchers and scholars of marketing management. In the present study we have tried to identify the major cues for purchase decision making and we have also explained various buying decision model which are most valuable in marketing literature like consumer psychology (how consumers think, feel, reason, and select between different alternatives), the psychology of how the consumer is influenced by his or her environment, behavior while at shopping, consumer knowledge or information processing abilities etc. and we have focused as how marketer can improve methods to convince the customers effectively.

KEYWORDS: Consumer buying decision making, Decision Making model, Consumer psychology.

1 INTRODUCTION

Marketers need to understand the dynamics of the consumer decision making process. While the process and the internal and external factors affecting decision making would vary from person to person and within the same person from situation to situation, the study of consumer behavior attempts to draw certain generalizations. The major decisions taken by a consumer relates to what he buys (products and services), how much he buys (quantity), where he buys (place), when he buys (time) and how he buys (payment terms). A decision is defined as choosing an option out of the few/many available. Decision making is the process of choosing between two or more alternatives, it is the selection of an alternative out of the few/many choices that are available.

The present study of consumer behavior focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items (Schiffman and Kanuk, 1997). Consumer behavior is a study of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires (Solomon 1996).

A consumer purchase is actually a response to a problem. Consumer Decision Making pertains to making decisions regarding product and service offerings. It may be defined as a process of gathering and processing information, evaluating it and selecting the best possible option so as to solve a problem or make a buying choice. While decision making is defined as the selection of an alternative to solve a problem, the time and effort required to complete the process varies across buying situations.

The consumer buying decision models refer to varying orientations and perspectives with which consumers approach the marketplace and how/why they behave as they do. They refer to how the varying orientations impact the buying decision process and overall buyer behavior. Various models have been proposed by numbers of researchers with their most adequate model of consumer buying decision for all kinds of products/services. In these models the researchers have tried to draw the ultimate direction of buying decisions whether programmed or non-programmed and its relevance. In the
present paper we would be discussing almost all recognized model of consumer buying decision model with comments as well as explanations.

Belch (1998) defines ‘the process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services so as to satisfy their needs and desires’. Behavior occurs either for the individual, or in the context of a group, or an organization. Consumer behavior involves the use and disposal of products as well as the study of how they are purchased. Product use is often of great interest to the marketer, because this may influence how a product is best positioned or how marketer can encourage increased consumption to the masses. We are now presenting most of all important and relevant models developed by marketing scholars and research in the context of purchase decisions of products and services.

2 ANDREASON MODEL

Andreason (1965) proposed one of the earliest models of consumer behavior which is shown in Figure 2.1. The model recognizes the importance of information in the consumer decision-making process and emphasizes the importance of consumer attitudes although it fails to consider attitudes in relation to repeat purchase behavior. All the sources of information collection are filtered and matched with other behavioral aspects like belief, norms, values etc; along with the search for alternate, substitute and other probable suitable products. Finally it goes through the budget, priority and fit for needs which some time work as constraint against the initial needs and wants.
3 Nicosia Model

Nicosia model concentrates on the buying decision for a new product, was proposed by Francesco Nicosia (1976) shown Figure 3.1. The model concentrates on the firm's attempts to communicate with the consumer, and the consumers' predisposition to act in a certain way. These two features are referred to as Field One. The second stage involves the consumer in a search evaluation process, which is influenced by attitudes. This stage is referred to as Field Two. The actual purchase process is referred to as Field Three, and the post-purchase feedback process is referred to as Field Four. This model was criticized by commentators because it was not empirically tested (Zaltman, Pinson and Angelman, 1973), and because of the fact that many of the variables were not defined (Lunn, 1974).

This model focuses on the relationship between the firm and its potential consumers. The firm communicates with consumers through its marketing messages (advertising), and the consumers react to these messages by purchasing response. Looking to the model we will find that the firms and the consumers are connected with each other, the firm tries to influence the consumer and the consumer is influencing the firm by his decision.

The Nicosia model is divided into four major fields:

Field 1: The consumer attitude based on the firms’ messages

The first field is divided into two subfields. The first subfield deal with the firm’s marketing environment and communication efforts that affect consumer attitudes, the competitive environment and characteristics of target market. Subfield two specifies the consumer characteristics e.g., experience, personality, and how he perceives the promotional idea toward the product in this stage the consumer forms his attitude toward the firm’s product based on his interpretation of the message.

Field 2: search and evaluation

The consumer will start to search for other firm’s brand and evaluate the firm’s brand in comparison with alternate brands. In this case the firm motivates the consumer to purchase its brands.
Field 3: The act of the purchase

The result of motivation will arise by convincing the consumer to purchase the firm products from a specific retailer.

Field 4: Feed back

This model analyses the feedback of both the firm and the consumer after purchasing the product. The firm will benefit from its sales data as a feedback, and the consumer will use his experience with the product affects the individuals’ attitude and predisposition’s concerning future messages from the firm.

The Nicosia model offers no detail explanation of the internal factors, which may affect the personality of the consumer, and how the consumer develops his attitude toward the product. For example, the consumer may find the firm’s message very interesting, but virtually he cannot buy the firm’s brand because it contains something prohibited according to his beliefs. Apparently it is very essential to include such factors in the model, which give more interpretation about the attributes affecting the decision process.

The model proposed by Francesco Nicosia in the 1970s, was one of the first models of consumer behavior to explain the complex decision process that consumers engage in during purchase of new products. Instead of following a traditional approach where the focus lay on the act of purchase, Nicosia tried to explain the dynamics involved in decision making. Presenting his model as a flow-chart, he illustrated the decision making steps that the consumers adopt before buying goods or services, decision aiming was presented as a series of decisions, which follow one another. The various components of the model are seen as interacting with each other, with none being essentially dependent or independent, they are all connected through direct loops as well as feedback loops. Thus, the model describes a flow of influences where each component acts as an input to the next. The consumer decision process focuses on the relationship between the marketing organization and its consumers, the marketing organization through its marketing program affects its customers, the customers through their response to the marketer’s actions affect the subsequent decisions of the marketer and thus the cycle continues.

4 Howard-Sheth Model

The most frequently quoted of all consumer behavior models is the Howard-Sheth model of buyer behavior, which was developed in 1969 shown in Figure 4.1. The model is important because it highlights the importance of inputs to the consumer buying process and suggests ways in which the consumer orders these inputs before making a final decision. The Howard-Sheth model is not perfect as it does not explain all buyer behavior; it is however, a comprehensive theory of buyer behavior that has been developed as a result of empirical research (Horton, 1984).

This model suggests three levels of decision making:

1. The first level describes the extensive problem solving. At this level the consumer does not have any basic information or knowledge about the brand and he does not have any preferences for any product. In this situation, the consumer will seek information about all the different brands in the market before purchasing.
2. The second level is limited problem solving. This situation exists for consumers who have little knowledge about the market, or partial knowledge about what they want to purchase. In order to arrive at a brand preference some comparative brand information is sought.
3. The third level is a habitual response behavior. In this level the consumer knows very well about the different brands and he can differentiate between the different characteristics of each product, and he already decides to purchase a particular product. According to the Howard-Sheth model there are four major sets of variables; namely:

a) Inputs

These input variables consist of three distinct types of stimuli (information sources) in the consumer’s environment. The marketer in the form of product or brand information furnishes physical brand characteristics (significative stimuli) and verbal or visual product characteristics (symbolic stimuli). The third type is provided by the consumer’s social environment (family, reference group, and social class). All three types of stimuli provide inputs concerning the product class or specific brands to the specific consumer.
b) Perceptual and Learning Constructs

The central part of the model deals with the psychological variables involved when the consumer is contemplating a decision. Some of the variables are perceptual in nature, and are concerned with how the consumer receives and understands the information from the input stimuli and other parts of the model. For example, stimulus ambiguity happened when the consumer does not understand the message from the environment. Perceptual bias occurs if the consumer distorts the information received so that it fits his or her established needs or experience. Learning constructs category, consumers' goals, information about brands, criteria for evaluation alternatives, preferences and buying intentions are all included. The proposed interaction in between the different variables in the perceptual and learning constructs and other sets give the model its distinctive advantage.

c) Outputs

The outputs are the results of the perceptual and learning variables and how the consumers will response to these variables (attention, brand comprehension, attitudes, and intention).

d) Exogenous (External) variables

Exogenous variables are not directly part of the decision-making process. However, some relevant exogenous variables include the importance of the purchase, consumer personality traits, religion, and time pressure.

The decision-making process, which Howard-Sheth model tries to explain, takes place at three Inputs stages: Significance, Symbolic and Social stimuli. In both significative and symbolic stimuli, the model emphasizes on material aspects such as price and quality. These stimuli are not applicable in every society. While in social stimuli the model does not mention the
basis of decision-making in this stimulus, such as what influence the family decision? This may differ from one society to another.

Finally, no direct relation was drawn on the role of religion in influencing the consumer’s decision-making processes. Religion was considered as external factor with no real influence on consumer, which gives the model obvious weakness in anticipation the consumer decision.

The model is an integrative model that incorporates many of the aspects of consumer behavior; it links together the various constructs/variables which may influence the decision making process and explains their relationship that leads to a purchase decision. It highlights the importance of inputs to the consumer buying process. It was one of the first models to divulge as to what constitutes loyalty towards a specific product. It helped gain insights into the processes as to how consumer process information. The model is user friendly and is one of the few models which has been used most commonly and tested in depth. However, the limitation lies in the fact that the various constructs cannot be realistically tested; some of the constructs are inadequately defined, and thus do not lend to reliable measurements.

5 Engel-Kollat-Blackwell Model

This model was created to describe the increasing, fast-growing body of knowledge concerning consumer behavior. Engel et.al. model, like in other models, has gone through many revisions to improve its descriptive ability of the basic relationships between components and sub-components; which consists of four stages.

First stage: Decision-process stages

The central focus of the model is on five basic decision-process stages: Problem recognition, search for alternatives, alternate evaluation (during which beliefs may lead to the formation of attitudes, which in turn may result in a purchase intention) purchase, and outcomes. But it is not necessary for every consumer to go through all these stages; it depends on whether it is an extended or a routine problem-solving behavior.

Second stage: Information input

At this stage the consumer gets information from marketing and non-marketing sources, which also influence the problem recognition stage of the decision-making process. If the consumer still does not arrive to a specific decision, the search for external information will be activated in order to arrive to a choice or in some cases if the consumer experience dissonance because the selected alternative is less satisfactory than expected.
Third stage: Information processing

This stage consists of the consumer’s exposure, attention, perception, acceptance, and retention of incoming information. The consumer must first be exposed to the message, allocate space for this information, interpret the stimuli, and retain the message by transferring the input to long-term memory.
Fourth stage: Variables influencing the decision process

This stage consists of individual and environmental influences that affect all five stages of the decision process. Individual characteristics include motives, values, lifestyle, and personality; the social influences are culture, reference groups, and family. Situational influences, such as a consumer’s financial condition, also influence the decision process.

This model incorporates many items, which influence consumer decision-making such as values, lifestyle, personality and culture. The model did not show what factors shape these items, and why different types of personality can produce different decision-making? How will we apply these values to cope with different personalities? Religion can explain some behavioral characteristics of the consumer, and this will lead to better understanding of the model and will give more comprehensive view on decision-making.

6 Bettman’s Information Processing Model

Bettman (1979) in his model of Information processing and consumers’ choice, describes the consumer as possessing a limited capacity for processing information. He implicate that the consumers rarely analyze the complex alternatives in decision making and apply very simple strategy. In his model there are seven major stages.

Stage 1: Processing capacity

In this step he assumes that the consumer has limited capacity for processing information, consumers are not interested in complex computations and extensive information processing. To deal with this problem, consumers are likely to select choice strategies that make product selection an easy process.

Stage 2: Motivation

Motivation is located in the center of Bettman model, which influence both the direction and the intensity of consumer choice for more information in deciding between the alternatives. Motivation is provided with hierarchy of goals’ mechanism that provides a series of different sub-goals to simplify the choice selection. This mechanism suggests that the consumers own experience in a specific area of market and he doesn’t need to go through the same hierarchy every time to arrive at a decision, which make this mechanism serves as an organizer for consumer efforts in making a choice. No concern was given on religious motives, and how religion may motivate the consumer in his decision. Most of the general theories of motivation such as Maslow’s hierarchy of needs (1970) emphasize self-achievement, the need for power, and the need for affiliation.
Stage 3: Attention and perceptual encoding

The component of this step is quite related to the consumer’s goal hierarchy. There are two types of attention; the first type is voluntary attention, which is a conscious allocation of processing capacity to current goals. The second is involuntary attention, which is automatic response to disruptive events (e.g., newly acquired complex information). Both different types of attention influence how individuals proceed in reaching goals and making choices. The perceptual encoding accounts for the different steps that the consumer needs to perceive the stimuli and whether he needs more information.

Stage 4: Information acquisition and evaluation

If the consumer feels that the present information is inadequate, he will start to look for more information from external sources. Newly acquired information is evaluated and its suitability or usefulness is assessed. The consumer continues to acquire additional information until all relevant information has been secured, or until he finds that acquiring additional information is more costly in terms of time and money.

Stage 5: Memory

In this component the consumer keeps all the information he collects, and it will be the first place to search when he need to make a choice. If this information is not sufficient, no doubt he will start looking again for external sources.
Stage 6: Decision Process

This step in Bettman’s model indicates that different types of choices are normally made associated with other factors, which may occur during the decision process. Specifically, this component deals with the application of heuristics or rules of thumb, which are applied in the selection and evaluation of specific brand. These specific heuristics a consumer uses are influenced by both individual factors (e.g., personality differences) and situational factors (e.g., urgency of the decision); thus it is unlikely that the same decision by the same consumer will apply in different situation or other consumer in the same situation.

Stage 7: Consumption and Learning Process

In this stage, the model discusses the future results after the purchase is done. The consumer in this step will gain experience after evaluating the alternative. This experience provides the consumer with information to be applied to future choice situation. Bettman in his model emphasize on the information processing and the capacity of the consumer to analyze this information for decision making, but no explanation was given about the criteria by which the consumer accepts or refuses to process some specific information.

7 Sheth-Newman Gross Model Of Consumption Values

According to this model, there are five consumption values influencing consumer choice behavior. These are functional, social, conditional, emotional, and epistemic values. Any or all of the five consumption values may influence the decision. Various disciplines (including economics, sociology, and several branches of psychology, marketing and consumer behavior) have contributed theories and research findings relevant to these values, (Sheth et al. 1991). Each consumption value in the theory is consistent with various components of models advanced by Maslow (1970), Katona (1971), Katz (1960), and Hanna (1980). Five consumption values form the core of the model:

![Diagram of five values influencing Consumer Choice Behavior](image)


The first value: Functional value

To Sheth et al. (1991) the functional value of an alternative is defined as: "The perceived utility acquired from an alternative for functional, utilitarian, or physical performance. An alternative acquires functional value through the possession of salient functional, utilitarian, or physical attributes. Functional value is measured on a profile of choice attributes."
Traditionally, functional value is presumed to be the primary driver of consumer choice. This assumption underlies economic utility theory advanced by Marshall (1890) and Stigler (1950) and popularly expressed in terms of "rational economic man." An alternative's functional value may be derived from its characteristics or attributes, (Ferber, 1973) such as reliability, durability, and price. For example, the decision to purchase a particular automobile may be based on fuel economy and maintenance record.

By identifying the dominant function of a product (i.e., what benefits it provides), marketers can emphasize these benefits in their communication and packaging. Advertisements relevant to the function prompt more favorable thoughts about what is being marketed and can result in a heightened preference for both the ads and the product, (Solomon 1996).

The second value: Social value

Sheth et al. (1991) defined social value of an alternative as: "The perceived utility acquired from an alternative association with one or more specific social groups. An alternative acquires social value through association with positively or negatively stereotyped demographic, socioeconomic, and cultural-ethnic groups. Social value is measured on a profile choice imagery."

Social imagery refers to all relevant primary and secondary reference groups likely to be supportive of the product consumption. Consumers acquire positive or negative stereotypes based on their association with varied demographic (age, sex, religion), socioeconomic (income, occupation), cultural/ethnic (race, lifestyle), or political, ideological segments of society.

Choices involving highly visible products (e.g., clothing, jewelry) and good service to be shared with others (e.g., gifts, products used in entertaining) are often driven by social values. For example, a particular make of automobile is being chosen more for the social image evoked than for its functional performance. Even products generally thought to be functional or utilitarian, are frequently selected based on their social values.

The third value: Emotional value

Sheth et al. (1991) defined emotional value of an alternative as: "The perceived utility acquired from an alternative's capacity to arouse feelings or affective states. An alternative acquires emotional value when associated with specific feelings or when precipitating those feelings. Emotional values are measured on a profile of feelings associated with the alternative."

Consumption emotion refers to the set of emotional responses elicited specifically during product usage or consumption experience, as described either by the distinctive categories of emotional experience and expression (e.g., joy, anger, and fear) or by the structural dimensions underlying emotional categories such as pleasantness/ unpleasantness, relaxation/action, or calmness/excitement. Goods and services are frequently associated with emotional responses (e.g. the fear aroused while viewing horror movie). Emotional value is often associated with aesthetic alternatives (e.g. religion causes). However, more tangible and seemingly utilitarian products also have emotional values.

The fourth value: Epistemic value

Sheth et al. (1991) defined epistemic value as: "The perceived utility acquired from an alternative's capacity to arouse curiosity, provide novelty, and/or satisfy a desire for knowledge. An alternative acquires epistemic value by items referring to curiosity, novelty, and knowledge."

Epistemic issues refer to reasons that would justify the perceived satisfaction of curiosity, knowledge, and exploratory needs offered by the product as a change of pace (something new, different). Entirely new experience certainly provides epistemic value. However, an alternative that provides a simple change of pace can also be imbued with epistemic value. The alternative may be chosen because the consumer is bored or satiated with his or her current brand (as in trying a new type of food), is curious (as in visiting a new shopping complex), or has a desire to learn (as in experiencing another culture).

The Fifth value: Conditional value

Sheth et al. (1991) defined the conditional value as: "The perceived utility acquired by an alternative is the result of the specific situation or set of circumstances facing the choice maker. An alternative acquires conditional value in the presence of antecedent physical or social contingencies that enhance its functional or social value. Conditional value is measured on a profile of choice contingencies."
An alternative’s utility will often depend on the situation. For example, some products only have seasonal value (e.g., greeting cards), some are associated with once in a life events (e.g., wedding dress), and some are used only in emergencies (e.g., hospital services). Several areas of inquiry have also influenced conditional value. Based on the concept of stimulus dynamism advanced by Hall (1963), Howard (1969) recognized the importance of learning that takes place as a result of experience with a given situation. Howard and Sheth (1969) then extended Howard’s earlier work by defining the construct inhibitors as non-internalized forces that impede buyers’ preferences. The concept of inhibitors was more formally developed by Sheth (1974) in his model of attitude-behavior relationship as anticipated situations and unexpected events. Recognizing that behavior cannot be accurately predicted based on attitude or intention alone, a number of researchers during the 1970s investigated the predictive ability of situational factors (e.g., Sheth 1974).

The five consumption values identified by the theory make differential contributions in specific choice contexts. For example, a consumer may decide to purchase coins as an inflation hedge (functional value), and also realize a sense of security (emotional value) from the investment. Social, epistemic, and conditional values have little influence. Of course, a choice may be influenced positively by all five consumption values for example, to a first-time home buyer, the purchase of a home might provide functional value (the home contains more space than the present apartment), social values (friends are also buying homes), emotional values (the consumer feels secure in owning a home), epistemic value (the novelty of purchasing a home is enjoyable), and conditional value (starting a family).

8 SOLOMON MODEL OF COMPARISON PROCESS

Schiffman and Kanuk (1997) mentioned that many early theories concerning consumer behavior were based on economic theory, on the notion that individuals act rationally to maximize their benefits (satisfactions) in the purchase of goods and services. A consumer is generally thought of as a person who identifies a need or desire, makes a purchase, and then disposes of the product during the three stages in the consumption process in Figure 8.1 (Solomon, 1996)

The model explains some of the issues that are addressed during each stage of the consumption process. The ‘exchange’ in which two or more organizations or people give and receive something of value, is an integral part of marketing. He also suggested that consumer behavior involves many different actors. The purchaser and user of a product might not be the same person. People may also act as influences on the buying processes.
Organizations can also be involved in the buying process for individuals. Much of marketing activity, they suggest, concentrates on adapting product offerings to particular circumstances of target segment needs and wants. It is also common to stimulate an already existing want through advertising and sales promotion, rather than creating wants. The definitions and models, which have been presented so far, have been from general marketing theory.

9 Stimulation-Response Model of Buyer Behavior

Middleton (1994) presented an adapted model of consumer behavior decision making, which was termed the stimulation-response model of buyer behavior. The model is shown in Figure 9.1. This model is based on the four interactive components with the central component identified as ‘buyer characteristics and decision process’.
The model separates out motivators and determinants in consumer buying behavior and also emphasizes the important effects that an organization can have on the consumer buying process by the use of communication channels.

10 MODEL OF CONSUMER DECISION-MAKING FRAMEWORK

Gilbert (1991) suggested a model for consumer decision-making in which is shown in Figure 10.1. This model suggests that there are two levels of factors that have an effect on the consumer. The first level of influences is close to the person and includes psychological influence such as perception and learning. The second level of influences includes those, which have been developed during the socialization process and include reference groups and family influences.
11 **INDUSTRIAL BUYER DECISION MODEL**

Jagdish N. Sheth (1973) developed a model of industrial buyer behavior model focusing on the decision making of industrial buyer for industrial products. The model describes so for presumes that the choice of a supplier or brand is the outcome of a systematic decision making process in the organizational setting. However, there is ample of empirical evidence in the literature to suggest that at least some of the industrial buying decisions are determined by ad-hoc situational factors and not by any systematic decision making process. In other words, similar to consumer behavior, the industrial buyers often decide on factors other than rational or realistic criteria.

Figure 11.1 describe that it is important to realize that not all industrial decisions are the outcomes of a systematic decision making process. There are some industrial buying decisions which are based strictly on a set of situational factors for which theorizing or model building will not be relevant or useful.

![Figure 11.1 An integrative model of industrial buyer behavior](image)

*Source: Jagdish N. Sheth (1973), pp. 50-56*

It is difficult to prepare a list of ad hoc conditions which determine industrial buyer behavior without decision making. However, a number of situational factors which often intervene between the actual choice and any prior decision making process can be isolated. These include temporary economic conditions such as price controls, recession, or foreign trade, internal strikes, walkouts, machine breakdowns, and other production-related events, organizational changes such as merger or acquisition and ad hoc changes in the market place such as promotional efforts, new product introduction, price changes, and so on, in the supplier industries.
12 CONCLUSION

The buyer behavior models discussed above postulate that if the actual outcome of a product is judged to be better than or equal to the expected, the buyer will feel satisfied, can plan for repeat purchase or become brand loyal. If, on the other hand, actual outcome is judged not to be better than expected, the buyer will be dissatisfied and will give negative word of mouth. The theories/models of consumers buyers behavior are similar in its outcome, varies on the basis of consumers priorities and the intensity of need and wants of a particular product. Moreover products have their own relevance in consumer buying decision making process depending its utilities and urgencies to consumers apart from various consideration of price, quality etc and attitude, perception, self-concept etc; which have a value association, which determines the degree of demand. Correspondingly, the product image has also a value component reflective of the affective intensity associated with attribute that directs the intension to purchase and consume.

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