UNIT 11: CULTURAL INFLUENCE ON CONSUMER'S DECISION AND THE DECISION MODELS

UNIT STRUCTURE

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11.1 LEARNING OBJECTIVES

After going through this unit, you will be able to:

- explain the concept ofSituational Influence
- understand the nature of situational influence
- explain the situational variables
- describe the types of consumer decisions
- explain the Nicosia Model of Consumer Decision-making(Conflict Model)
- explain the Howard-Sheth Model (Machine Model)
- explain the Engel Blackwell Miniard Model (Open System).

11.2 INTRODUCTION

Situational influences are temporary conditions that affect how buyers behave- whether they actually buy your product, buy additional

products, or buy nothing at all from you. They include things like physical factors, social factors, time factors, the reason for the buyer's purchase, and the buyer's mood. You have undoubtedly been affected by all these factors at one time or another. Because businesses very much want to try to control these factors, let's now look at them in more detail.

11.3 SITUATIONAL INFLEUNCE

Situational factors that affect consumers' buying behaviour significantly differ from personal or product factors. Situational factors include all those factors that are specific to a time and location of observation in spite of personal knowledge and evocation attributes that used to make a demonstrable and organized effect on present behaviourof the consumer.

Kauffman defines, "Situational influences on consumer buying behaviour are actually impermanent conditions that impact how they behave. It pertains to whether consumers really purchase a marketer's product, purchase supplementary products, or does not purchase anything from him."

Johnson opined,these factors are a significant interfering variable among the moderately unvarying family framework and buying decision behaviour.

Thus, situational factors can also be described as the effects of situation on a consumer's psychological procedures and explicit behaviour.Situational influences are factors that results from considerations, time, and location that in turn impact consumer buying decision procedure. Situational factors can affect a consumer's action in any phase of buying behaviour as well as it can also abbreviate, extend, or cease the buying procedure. All consumers have definitely been impacted by the situational factors at the time of purchasing one or another product.By understanding the diverse situational factors that affect consumers' buying behaviour at the time of purchasing a product or service, it will become easy for marketers

to develop strategies accordingly.

11.4 NATURE OF SITUATIONAL INFLEUNCE

Following are the nature of situational influences:

- **Situations directly affect action:** As soon as a person (or consider him as a customer) encounters a particular situation, his action is directed by that situation. For instance, he has been caught in rain, he left everything else and tries to cope up with the rain immediately. He thinks of every probable ways out to escape the rain depending upon the intensity of the situation.
- **Situations rise in priority according to urgency:** The nature of situational influence works in much the same and is amplified by urgency. This situational influence is represented by four distinct states of rain from Drizzle, Rain, Storm to a Flood. Underneath these is how the urgency of situation makes it rain harder thus creating a more directly influential situation. So depending upon the distinct state of situation a person is in will determine his purchase i.e; whether he will make no purchase and wait for the drizzle to stop or he will purchase umbrella or rain coat to escape from the rain or you need shelter from a lengthy or intense storm - the kind that disrupts your life and impacts your emotional well being. And the priority would be different in case of flood.
- **Urgency drives immediacy of action:** Situational urgency drives immediacy of action. Urgency could be from mild, medium high to life changing and depends upon the duration of the situation such as from instant to lifetime or a single second to decades.
- **We are oblivious to all of it:** Every customer is oblivious to the situational influences. But customers encounter these situations and act or react to it.

11.5 SITUATIONAL VARIABLES

Situational factors that affect consumers' buying behaviour significantly differ from personal or product factors. Situational influences

are factors that results from considerations, time, and location that in turn impact consumer buying decision procedure. Situational factors can affect a consumer's action in any phase of buying behaviour as well as it can also abbreviate, extend, or cease the buying procedure. Situational factors involve aspects like physical factors, social factors, time factors, the consumer's purchasing reason and his mood. All consumers have definitely been impacted by all these factors at the time of purchasing one or another product. These variables are explained below:

- **Physical Surroundings:** This category of situational factors include marketer's geographical and institutional location, furnishings, sounds, lighting, aromas, weather, signs and observable contours as well as products, exhibits or other materials circumventing the stimulus thing. Significant physical factors also include store design and layout that if considered by marketers at the time of designing their facilities can benefit them in increasing consumers' purchase.Presumably, the longer you wander around a facility, the more you will spend. Grocery stores frequently place bread and milk products on the opposite ends of the stores because people often need both types of products. To buy both, they have to walk around an entire store, which of course, is loaded with other items they might see and purchase. Generally, it is said that any aspect of the physical environment can have an effect on consumer behaviour. The physical environment that affects consumer purchasing behaviour can be classified into following elements- Spatial elements and Non-spatial elements. Spatial elements pertain to all kinds of physical objects like products and brands, countries, cities, stores, shopping centres and interior decorations. On the other hand, non-spatial elements pertains to all intangible factors like lightings, aromas, temperature, humidity, rainfall, illumination, noise level and time. By understanding the effect of these different aspects of the physical environment, a marketer can easily design strategies to effect consumer cognitions and behaviours regarding purchasing a product. For example,you've visited the office of an apartment complex and noticed how great it looked and even smelled. It's no coincidence. The managers

of the complex were trying to get you to stay for a while and have a look at their facilities.

- **Social Surroundings:** The social situation you're in can significantly affect what you will buy, how much of it, and when. In other words, it can be said that social surroundings that influence consumers purchasing decisions are other persons, their compatibilities, roles, interactions and crowding. By understanding the social situation in which a consumer is, marketer can significantly affect their purchase decisions. Most of the companies like Avon and Tupperware, sell their products at parties because they know in these kinds of parties consumers are in different social situation and have to buy something. When a student is in collage he will not spend much amount on fast-food but when he is in a restaurant with his special friend or close friend he will definitely spend much more on his food or drink. In this way, consumers purchasing decisions are highly affected by their social situation or surroundings that if understood by marketers can assist them with effective selling strategies. Social surroundings have significant influence on the consumers throughout their purchase and consumption process.
- **Time:** The next situational factor that influences consumer purchasing decision is time. Time affects consumers buying decision process in a number of ways like the amount of time necessitated to become well-informed about a product, to look for it, and to pay money for and make use of it . Time plays a substantial role and in this a buyer regards the probable regularity of product use, the time-span required to make use of the product, and the span of the all-inclusive product life. In addition to this, other time aspects that affect consumers purchase are time of day, day of the week or month, times of year, and vacations. The consumer purchase decision is affected by the time, he/she devotes for purchasing decisions. This could also be understood with an example like if a customer is under severe time constraints he will either make a fast purchase decision or hold-up a decision. By managing and handling time, marketers can positively affect consumers' purchasing decisions. In regard to having a coffee a customer may have lots of time or a

customer may have little time. All these things need to be considered for designing effective strategies to affect consumers purchasing decisions. Nowadays, most of the consumers are facing paucity of time due to their busy or hectic schedules the companies or marketers should design strategies that accommodated this need of consumers. In this way, by identifying time related factors that affects consumers' decision-making, a marketer can become able in serving its consumers in a much more enhanced way.

- **Purchasing Reasons:** Another substantial situational influence is related to consumers' purchasing reason. It is a significant factor that affects consumers' every purchase decision. The cause for purchase elevates the questions of what precisely the product buying should bring about and for whom. For example, when we go to buy a gift for friend it differs from what we buy for our dear ones or family members. Our purchasing totally differs with our purchasing reason and this in turn will also affect the time spend on purchasing. Similarly, when a consumer go for a coffee in a store as some may purchase it for relaxation or some may purchase it for having fun with friends in a store where there are no limits of time to sit and talk over a coffee. Purchasing decision is significantly affected by the reason to purchase a product as every product fulfils different needs and necessity of consumers. By understanding these reasons a company or marketer can significantly influence its consumers purchase decisions.Nowadays, every company designs different offerings for kids, youngsters and old aged people as they know all of them have different reasons for their purchase. Understanding why a consumer purchases a product will definitely assist its marketers in presenting it to its consumers in a different and much more unique way.
- **Buyer's Mood and Conditions:**The last significant situational factor that influences consumers buying decision process is their temporary moods or momentary situations like exhaustion, ill health, having sufficient cash. All these conditions of consumers have bearing on their purchasing process. Any of the given mood or condition may affect

consumers ability and want to look for information, obtain information and evaluate available alternatives. These can also affect a consumers' postpurchase evaluation. An individual's mood is quite imperative for purchasing something. Individuals mood temporarily impact their spending habits like if an individual is having headache and he can feel relax by having a coffee; he will have coffee. On the other hand, if his headache cannot be affected by a coffee, he will not buy coffee. As well, if an individual is not having sufficient money to spend and purchase coffee, he will not purchase it. So, overall it can be said that mood and conditions significantly affect consumers' purchasing decision and by understanding it their purchasing decisions can be significantly affected by marketers.Understanding of all the above situational influences provides the ways through which a marketer can affect its consumers' purchasing decision processes. Marketers, who understand all these situational influences that affect consumers can design substantial strategies to affect their consumers' behaviour.

11.6 TYPES OF CONSUMER DECISIONS

To successfully reach the target market, and improve interactions with customers, marketers need to understand just how much effort and time consumers put into decision-making. Decision-making is both an art, and a science, which has been studied by experts across generations. Most of the time, the secret of marketing lies in learning exactly what the customer wants, and how their decisions can be influenced to purchase one product over its competitors. Besides, apparently simple decisions, there are a range of thought processes which impact decision-making. For instance, a buyer may decide at the "spur of the moment", based on emotion, or he may make a researched, and well-thought out decisions. Based on this observation, we can see that different processes exist for decision-making.There are three types of consumer decisions to consider:

- **Nominal Decision-Making/ Routine purchase decision/ Low involvement decision:** Nominal decisions are often made on low-cost

products. They include frequent purchases, purchases from a familiar brand or product, buying that requires low involvement, or little search efforts.If you've been using the same laundry detergent for twelve years, you're unlikely to spend much time researching different brands unless you notice a problem with your existing purchase. In other words, you'll keep picking up the same bottle without thinking about it.Nominal decision-making doesn't always start off as nominal. Initially, you may have spent weeks searching for a laundry detergent that was within your budget, smelled great, and kept your clothes soft. However, your purchase becomes nominal over time because of your loyalty to the brand you ended up choosing.The important thing to remember about nominal decision making, is that too much marketing effort can have a negative impact on your customers. If someone is already happy to buy an item on impulse, or because of brand loyalty, they don't need constant interaction with the brand asking them what they like about the substance, or whether they want to change anything. Too much marketing is not only debilitating to your budget, but it can get on your customer's nerves - which is a dangerous thing for brands in this highly competitive era. Examples of this type of decision includes when one goes to purchase daily items like milk, pulses, rice etc.

- **Limited Decision-Making/ Limited involvement Decision:** Limited decision-making is a little more involved than nominal decision-making, but it's still not a process that requires in-depth research. Limited decisions are made about mid-cost products, semi-frequent purchases, or purchases from a somewhat familiar brand. They require a little involvement, and perhaps some searching.When customers make limited decisions, they take a small amount of time to ponder over their purchase, but they might not go online to look for testimonials and reviews. Instead, they could consider their memory of their product, and make decisions based on logical inferences.For instance, you might go to a store with every intention to pick up a particular brand of juice, but when you arrive you notice that another juice is on offer. Your memory tells you that you enjoyed this juice before, but found it too expensive for

your regular shopping habits, so you decide to make a change for a limited time, and purchase the alternative juice instead. While the argument could be made that limited decisions come from a lack of brand loyalty, the truth is that they can be attributed to anything from the novelty of a new product, to a feeling of boredom with an existing shopping habit.When it comes to addressing limited decision-making, it's important for marketers and brands to examine their customer data, and understand the factors that influenced decision-making, such as:Product quality, Product availability, Price, Packaging style. It is in between the nominal and extended decision making. A few alternatives are evaluated on a few dimensions using simple selection rules. Under this there is little thinking before purchase; for example, when you want to shift from Tata Taj Mahal Tea to Brooke Boond Red Label Tea or from Lux Soap to Dove Soap.

- **Extended Decision-Making/ High Involvement Decision:** Finally, extended decisions are made about higher-cost products, and infrequent purchases. They require a lot of involvement, often centreon and around unfamiliar brands or products, and need extended thought and search efforts to ensure buyer confidence.For instance, we don't buy a huge flat-screen television every day, so when the time comes to make this kind of investment, we want to know for sure that we're making the right choice in everything from brand to picture quality and so on. Major purchases come with more risk for the customer, and that means that there's more cause to consider things from a deeper perspective. Rather than grabbing the first television you see, or buying one just because it's on sale, you'd generally ask for advice from friends and family, find out as much as you can about different specifications, and spend a substantial amount of time looking up product reviews and testimonials. For example, products such as homes, computers and complex recreational items are frequently purchased by extended decision making. The evaluation process of the purchase takes pace. So, in this type there is consumer involvement but degree vary from

one to other.

11.7 NICOSIA MODEL OF CONSUMER DECISION-MAKING (CONFLICT MODEL)

The model proposed by Francesco Nicosia in the 1966, was one of the first models of consumer behaviour 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 making 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 action, affects the subsequent decisions of the marketer; the cycle continues. The various components that are further distinguished into main fields and subfields of the model are marketer's communication affecting consumer's attitude, consumer's search and evaluation, purchase action, consumption experience and feedback. The first field ranges from the marketer (source of message) to the consumer (attitude); the second from the search for to the evaluation of means/end(s) relation(s) which forms the pre-action field; the third field relates to the act of purchase; and the fourth to feedback. The output from one field acts as the input for the next. These are explained as follows:

Field 1: The firm's attributes and the consumer's attributes. The first field is divided into two subfields. The first subfield deals 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. The consumer is exposed to the firm's attributes through the marketing communication; this marketing communication could take place impersonally via mass media (TV, newspaper, websites, etc) as well as personally. The information could relate to the firm attributes as well as the product, price and distribution. This message relating to the firm's attributes affects the consumers' perception, predisposition and attitude toward the firm and its offering. Of course, the impact on perception and attitude is also dependent upon the consumer's personal characteristics, values, experiences, culture, social influences etc. Thus, the marketer's communication affects the consumers' attitude.

Field 2: Search and Evaluation. After an attitude is formed, the consumer moves to Field 2 of the model, i.e. the consumer's search for and evaluation of means/end(s) relation(s) which forms the pre-action field. The consumer searches for information about the product category and the varying alternatives, and thereafter evaluates the various brands on criteria like attributes, benefits, features etc. These criteria could be based on his learning and past experiences as well as the marketer's inputs. This step creates a motive in the mind of the consumer to purchase the product. 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. The motivated state leads to Field 3 of the model, i.e. the decision making on the part of the consumer and the act of purchase. The consumer finally gets into action and buys the product from a chosen retailer.

Field 4: Feedback of Sales Results. 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 individual's attitude and predisposition's concerning future messages from the firm.Thus, the purchase action leads a consumer to Field 4 of the model which is consumption experience and feedback. After purchasing the product, and the resultant consumption, the consumer may have two kinds of experiences. A positive experience in terms of customer satisfaction may reinforce his predisposition with the product/brand and make him loyal towards it. A negative experience on the other hand, implying consumer dissatisfaction would affect his attitude negatively, lower down evaluations about the product/brand and even block his future purchases. This Filed provides feedback to the marketer, who can modify its mix accordingly. In the first field, the marketer communicates with the customer and promotes an unfamiliar product to him; depending upon the existing predispositions and his evaluation, the consumer develops an attitude. In the second field, the consumer searches for information and evaluates it based on his attitudes; thereafter, he develops a motivation to act. In the third field, he makes and purchase and in the fourth field, he would provide feedback and also memorize his experience and learning for future use. Thus, the firm communicates with consumers through its marketing messages and the consumers react through an act of purchase. Both the firm and the consumer influence each other.

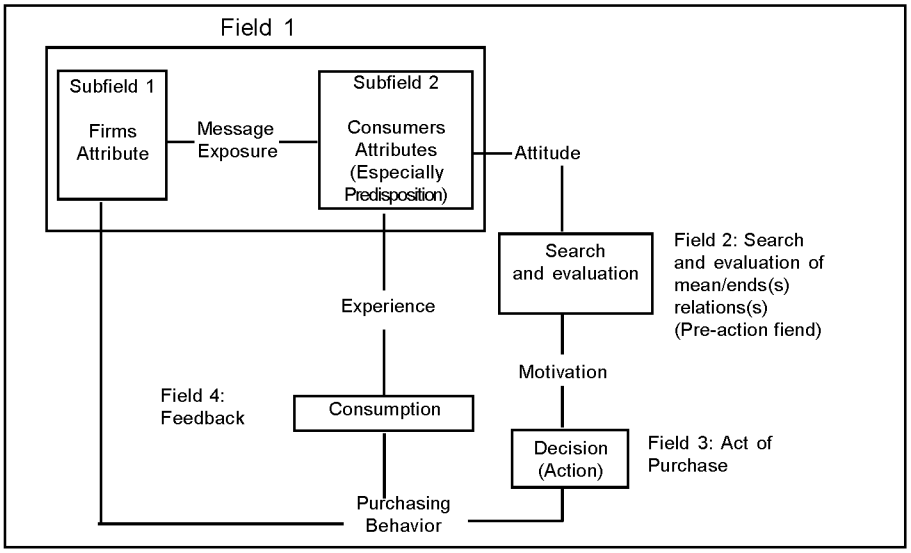


Figure: Nicosia's Model of Consumer Decision Making

Critical Analysis/Assessment of the Model

Nicosia's model is an integrative model that tries to integrate the body of knowledge that existed at the time of its formulation in the area of consumer behaviour. It was a pioneering attempt to focus on the conscious decision-making behaviour of consumers, where the act of purchase was only one stage in the entire ongoing decision process of consumers. The flowcharting approach proposed by Nicosia, simplifies and systemizes the variables that affect consumer decision making. It contributes to the step by step "funnel approach" which views consumers' movement from general product knowledge toward specific brand knowledge and from a passive position to an active state which is motivated toward a particular brand. However, the model suffers from limitations in the sense that the model proposes assumptions, boundaries and constraints that need not be realistic. It has been argued that attitude, motivation and experience may not occur in the same sequence. Variables in the model have not been clearly defined. Factors internal to the consumer have not been defined and dealt with completely. The mathematical testing of the model and its validity are also questionable.

11.8 HOWARD-SHETH MODEL (MACHINE MODEL)

Howard and Sheth used the term buying behaviour and not consumer behaviour as the industrial buyers and consumers are similar in most aspects. While the model was proposed in the 1960s, for industrial buying, the term "buyer" is used to connote both industrial consumers and personal consumers. Through the model, Howard and Sheth, tried to explain buyer rationality while making purchase decisions even in conditions of incomplete information. While they differentiated between three levels of decision making; Extensive Problem Solving, Limited Problem Solving and Routinised Response Behaviour, the model focuses on repeat buying/ purchase. The model has four major components, viz., stimulus inputs (input variables), hypothetical constructs, response outputs (output variables) and exogenous variables.

- **Stimulus Inputs (Input variables):** The input variables refer to the stimuli in the environment; they take the form of informative cues about the product/service offering; these information cues could relate to quality, price, distinctiveness, service and availability. The informational cues could be Significative, Symbolic (both of which are commercial and can be controlled by the marketer) and Social (non-commercial and uncontrollable by the marketer; family, reference groups and social class). All these three types of stimuli provide inputs concerning the product/brand to a consumer.
  - **Significative Stimuli:** The product/brand information that the marketer provides, comprises the significative component; it deals essentially with the brand characteristics.
  - **Symbolic Stimuli:** This is the psychological form with which a buyer perceives the product and service offering (brand); it is figurative (verbal and visual product characteristics) and perceptual and depends on how the offering has been positioned; it emanates from advertising and promotion efforts.
  - **Social Stimuli:** This is the information about the product or service offering that comes from the social environment viz. family, groups, society and culture at large.
- **Hypothetical constructs:** Howard and Sheth classified the hypothetical constructs into two major groups, viz., perceptual constructs and learning constructs. These constitute the central part of the model and deal with the psychological variables which operate when the consumer is undergoing the decision making process.
  - **Perceptual Constructs:** The perceptual constructs deal with how a consumer obtains and processes information received from the input variables. Once the buyer is exposed to any information, there is an attention; this attention towards the stimuli depends on the buyers' sensitivity to information in terms of his urge and receptivity towards such information. Not all information would be processed and the intake of information is subject to perceived uncertainty and lack of meaningfulness of information; this is referred to as stimulus

ambiguity. This reflects the degree to which the buyer regulates the stimulus information flow. Stimulus ambiguity occurs when a consumer does not understand the message from the environment; it could trigger off a need for a specific and active search for information and thus lead to an overt search for information. The information that is gathered and processed may suffer from perceptual bias if the consumer distorts the information received so as to fit his/her established needs/beliefs/values/experiences etc.

- **Learning Constructs:** The learning constructs relate to buyer learning, formation of attitudes and opinions, and the final decision. The learning constructs are seven in number, and range from a buyer's motive for a purchase to the final satisfaction from a purchase; the interplay of these constructs ultimately leads to a response output or a purchase. The motives refer to the goals that a buyer seeks to achieve through a purchase and the corresponding urge towards action or the purchase activity. The brand comprehension is the knowledge and information that the buyer has about the various brands in his evoked set. The buyer forms an order of preference for the various brands; this order of preference is based on the choice criteria (decision mediators). The decision mediators are the evaluative criteria and the application of decisions rules by the buyer to the various purchase alternatives. Based on the choice criteria, the attitudes are formed for the varying brands. The attitudes reflect the predisposition of the buyer; preference toward alternative brands; and, feelings of like/dislike towards the offerings. The brand potential of the evoked set determines the buyer's perception and confidence level of the brands that he is considering to purchase. The purchase intention is a cumulative outcome of the interaction of buyer motives, choice criteria, brand comprehension, resultant brand attitude and the confidence associated with the purchase. Satisfaction, another learning construct, involves the post purchase evaluation (whether expectation from an offering matches the performance) and resultant

impact (positive/negative) on brand comprehension.

- **Response Outputs (Output Variables):** The output variables refer to the buyer's action or response to stimulus inputs. According to Howard and Sheth, the response outputs comprise five constituents, viz., attention, comprehension, attitude, intention and purchase. These could be arranged in a hierarchy, starting from attention and ending up with purchase.
  - **Attention:** It refers to the degree or level of information that a buyer accepts when exposed to a stimulus. It reflects the magnitude of the buyer's information intake.
  - **Comprehension:** It is the amount of information that he actually processes and stores; here, it refers to brand comprehension which is buyers' knowledge about the product/service category and brand.
  - **Attitude:** The attitude is the composite of cognition, affect and behaviour towards the offering; the attitude reflects his evaluation of the brand and the like/dislike based on the brand potential.
  - **Intention:** It refers to the buyer's intention to buy or not to buy a particular offering.
  - **Purchase:** Purchase behaviour refers to the actual act of buying. The purchase behaviour is a cumulative result of the other four constituents.
- **Exogenous Variables:** The Howard and Sheth model also comprises certain constant exogenous variables that influence some or all of the constructs explained above, and thereby impact the final output variables. These are explained as inhibitors or environmental forces that restrain the purchase of a favoured brand; for example- importance of the purchase, price, financial status of the buyer, time at the disposal of the buyer, personality traits, social pressures etc.

Working Relationships Between Constructs and the Model:

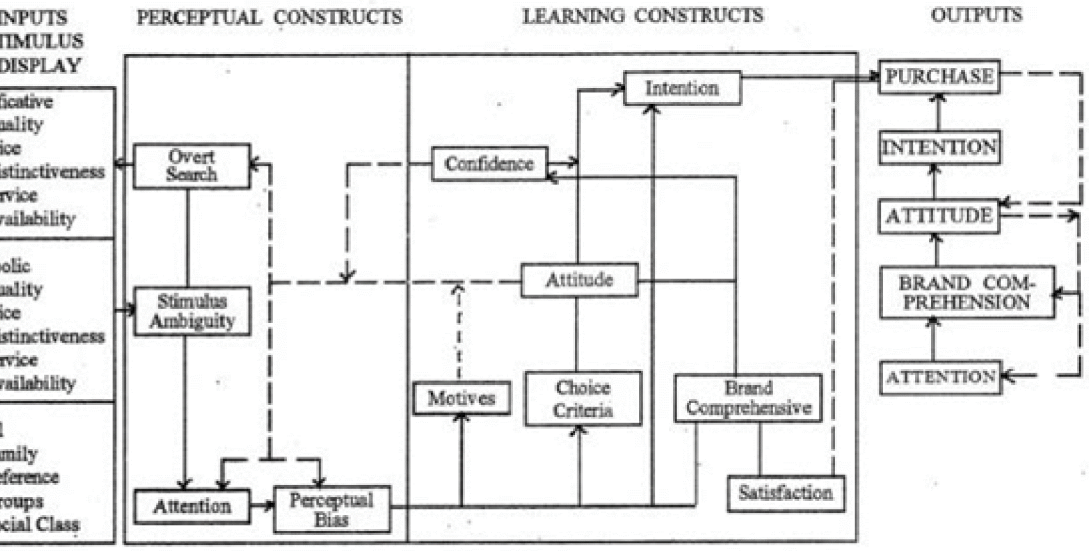
Through their model, Howard and Sheth explained the buying decision process that a buyer undergoes, and the factors that affect his choice decision towards a brand. The process starts when the buyer is exposed to a stimulus. As a result of the exposure, stimulus ambiguity

occurs, which leads to an overt search for information. The information that is received is contingent upon the interplay between the attitudes and the motives. In other words, the search for information and the conclusions drawn would be filtered by perceptual bias (that would be a result of attitude, confidence, search and motives). It may alter the existing patterns of motives and choice criteria, thereby leading to a change in the attitude towards the brand, brand comprehension, motives, purchase intention and/or action. The final purchase decision is based on the interaction between brand comprehension, strength of attitudes towards the brand, confidence in the purchase decision and purchase intention. The actual purchase is influenced by the buyer's intentions and inhibitors, which he confronts. The entire process is impacted by various exogenous variables like the importance of purchase, price, time available to make the purchase, social and cultural influences etc. After the purchase, the buyer experiences satisfaction if the performance matches and exceeds expectation; this satisfaction would strengthen brand comprehension, reinforce the confidence associated with the buying situations, and strengthen the intention to repeat purchase of the brand. With a satisfying purchase decision, the buyer learns about buying in similar situations and the behaviour tends to get routinized. The purchase feedback thus influences the consumers' attitudes and intention.

Critical Analysis/ Assessment of the Model

The model is an integrative model that incorporates many of the aspects of consumer behaviour; 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 in to the processes as to how consumers' 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.



(Source: John A Howard, Jagdish Sheth. The Theory of Buyer Behaviour, John Wiley, 1969)

Figure: Howard-Sheth Model

11.9 ENGEL BLACKWELL MINIARD MODEL (OPEN SYSTEM)

The Engel, Kollat and Blackwell Model, also referred to as the EKB model was proposed to organize and describe the growing body of knowledge/research concerning consumer behaviour. A comprehensive model, it shows the various components of consumer decision making and the relationships/interactions among them. The model went through many revisions and modifications, with attempts to elaborate upon the interrelationship between the various components and sub-components; and, finally another model was proposed in the 1990s which came to be known as the Engel, Blackwell and Miniard Model (EBM). The model consists of five parts, viz. information input, information processing, decision process stage, decision process variables, and external influences.

- **Information Input:** The information input includes all kinds of stimuli that a consumer is exposed to and triggers a kind of behaviour. The consumer is exposed to a large number of stimuli both marketing

(advertising, publicity, personal selling, demonstrations, store display, point of purchase stimuli) as well as non-marketing sources (family, friends, peers); thus the various stimuli compete for consumer's attention. These stimuli provide information to the consumer and trigger off the decision making process.

- **Information Processing:** Stimuli received in the first stage provide information; the information is processed into meaningful information. The stage comprises consumer's exposure, attention, perception/ comprehension, acceptance, and retention of information. The consumer is exposed to stimuli (and the accompanying information); attention determines which of the stimuli he will focus upon; thereafter he would interpret and comprehend it, accepts it in his short term memory and retains it by transferring the input to long-term memory.
- **Decision-Process Stage:** At any time during the information processing, the consumer could enter into this stage. The model focuses on the five basic decision-process stages, viz., problem recognition, search, alternative evaluation, choice, and outcomes (post-purchase evaluation and behaviour). There is problem recognition; this is followed by a search for information, which may be internal based on memory. The search of information is also impacted by environmental influences. Thereafter, the consumer evaluates the various alternatives; while evaluation, belief lead to the formation of attitudes, which in turn affect the purchase intention. The next stage is the choice and purchase, which gets impacted by individual differences. Finally there is an outcome, in the form of satisfaction and dissatisfaction. This outcome acts as a feedback on the input and impacts the cycle again. Environmental influences, individual differences and social influences, directly and indirectly influence each of the stages of the decision process. However, Engel, Kollat and Blackwell proposed that it is not necessary for every consumer to go through all the five stages; it would depend on whether the problem is an extensive or a routine problem-solving behaviour.

- **Decision Process Variables:** The model proposes individual influences that affect the various stages of the decision making process. Individual characteristics include constructs like demographics, motives, beliefs, attitude, personality, values, lifestyle, normative compliance, etc.
- **External Influences:** The model also proposes certain environmental and situational influences that affect the decision making process. The environmental influences include "Circles of Social Influence," like culture, sub-culture, social class, reference groups, family and other normative influences; situational influences include consumer's financial condition.

Working Relationships Between Components and theAssessment of the Model

The decision process comprises five stages from need recognition to outcome. The outcome in the form of satisfaction/dissatisfaction acts as the input in the next cycle of a similar purchase. Each of the components is directly or indirectly impacted by environmental influences, individual differences and social influences. The model incorporates many constructs that impact consumer decision making. It tries to explain clearly the interrelationships between stages in the decision process and the various variables. They attempted to relate belief-attitude-intention. An attempt was made to define the variables and specify functional relationships between the various constructs. However, the model fails to adequately explain as to how each of these influences consumer decision making. Critics argue that there are too many variables; these have not been defined; the model is vague and complex; and the validity of the model has been questionable. The model was revised in the 1990s and proposed again as the Engel, Blackwell and Miniard (EBM) model.

Modification of the Engel, Blackwell and Miniard (EBM) Model

The EKB model went through a series of revisions and modifications and finally it was proposed as the Engel, Blackwell and Miniard Model. The model consists of four sections viz., information input; information processing; decision process and variables influencing the decision process. The variables and the working relationship is similar to the

EKB but has been slightly modified. Information received from marketing and non-marketing stimuli feeds into the information-processing section of the model. The information section of the model comprises various stages like exposure, attention, comprehension, acceptance and retention. After passing through these stages, it goes into the memory. Then this information that is stored in the memory acts as an initial influence on the need recognition stage. If internal information is inadequate there is a search for external information. The model focuses on the decision process stages: need recognition, search, pre-purchase alternative evaluation, purchase, consumption, post-purchase alternative evaluation and divestment. "Divestment" as a construct was additionally added as a modification over the EKB model. Divestment relates to options of disposal, recycling or remarketing. The entire process is influenced by environmental influences and individual differences.

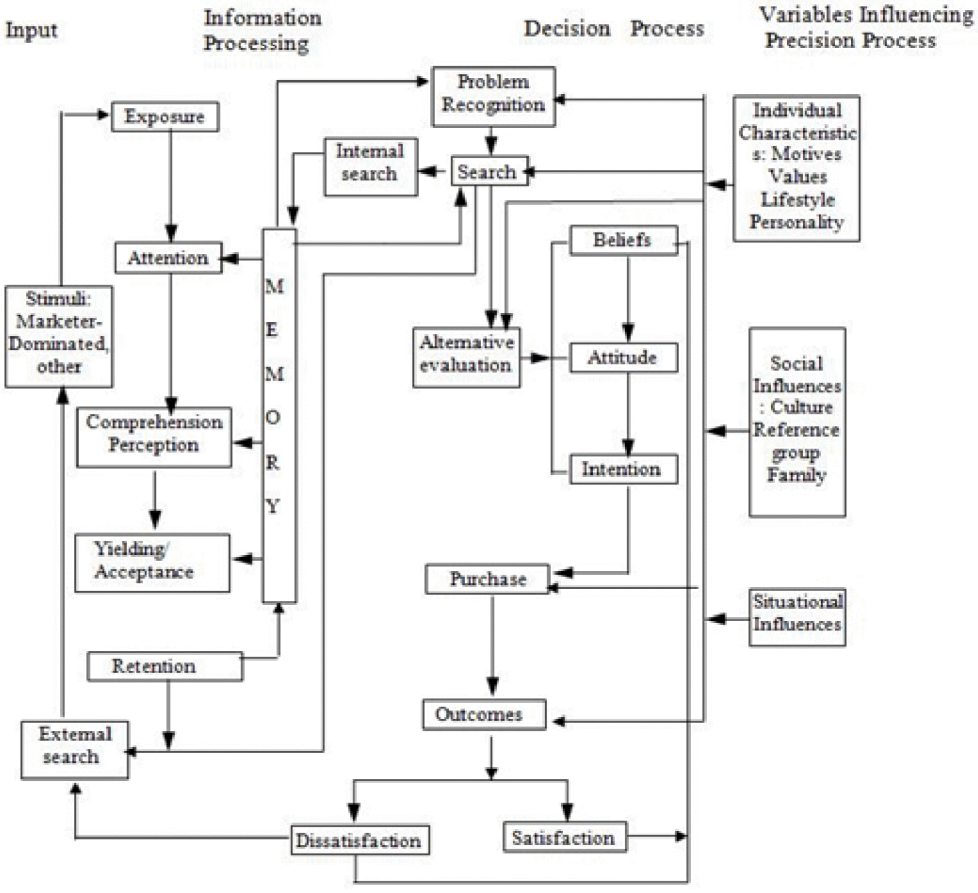


Figure: The Engel, Blackwell and Miniard (EBM) Model



CHECK YOUR PROGRESS

1. Situational influences are _____ conditions that affect how buyers behave. (Fill up)
2. Consumers are not at all affected by physical and social factors. (True or False)
3. Nominal decisions are often made on _____ products. (Fill up)
4. Originally the Howard and Sheth Model was proposed for industrial buying. (True or False)
5. The flowcharting approach proposed by Nicosia, complicates the process that affects consumer decision making. (True or False)
6. The Howard Sheth model has four major components, viz., stimulus inputs, _____, response outputs and exogenous variables. (Fill up)
7. _____ presented his model in the form of a flow-chart. (Fill up)
8. _____ as a construct was additionally added as a modification over the EKB model. (Fill up)
9. The EKB model consists of four sections. (True or False)



11.10 LET US SUM UP

- Situational influences are temporary conditions that affect how buyers behave- whether they actually buy your product, buy additional products, or buy nothing at all from you. They include things like physical factors, social factors, time factors, the reason for the buyer's purchase, and the buyer's mood.
- The nature of situational influences are- situations directly affect action, situations rise in priority according to urgency, urgency drives immediacy of action and we all are oblivious to it.

- Situational factors involve aspects like physical factors, social factors, time factors, the consumer's purchasing reason and his mood. All consumers have definitely been impacted by all these factors at the time of purchasing one or another product.
- There are three types of consumer decisions to consider- Nominal Decision-Making, Limited Decision Making and Extended Decision Making.
- The model proposed by Francesco Nicosia in the 1966, was one of the first models of consumer behaviour to explain the complex decision process that consumers engage in during purchase of new products.
- Howard and Sheth used the term buying behaviour and not consumer behaviour as the industrial buyers and consumers are similar in most aspects. While the model was proposed in the 1960s, for industrial buying, the term "buyer" is used to connote both industrial consumers and personal consumers. Through the model, Howard and Sheth, tried to explain buyer rationality while making purchase decisions even in conditions of incomplete information.
- The EKB model, a comprehensive model, shows the various components of consumer decision making and the relationships/ interactions among them. The model went through many revisions and modifications, with attempts to elaborate upon the interrelationship between the various components and sub-components; and, finally another model was proposed in the 1990s which came to be known as the Engel, Blackwell and Miniard Model (EBM).



11.11 FURTHER READING

1) Schiffman, L.G. and Kanuk, L.L., Consumer Behavior, Eight Edition, 2004, Prentice Hall, India.
2) Loudon, D.L. and Bitta A.J. Della, Consumer Behavior, Fourth Edition, 2002, Tata McGraw-Hill, New Delhi.
3) Kotler P., and Keller K.L., Marketing Management, Thirteenth edition, 2009, Pearson.



11.12 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Temporary

Ans to Q No 2: False

Ans to Q No 3: Low cost

Ans to Q No 4: True

Ans to Q No 5: False

Ans to Q No 6: Hypothetical constructs

Ans to Q No 7: Nicosia

Ans to Q No 8: Disinvestment

Ans to Q No 9: False



11.13 MODEL QUESTIONS

Q 1: Define situational influence in the context of consumer behaviour. Discuss the characteristics of situational influences.

Q 2: Explain the types of different consumer decisions.

Q 3: Describe the variables of situational influences affecting consumer behaviour.

Q 4: Briefly explain and assess the Howard and Sheth Model of Consumer Behaviour.

Q 5: Critically assess Nicosia's model of Consumer Behaviour.

Q 6: Explain the EKB Model. What was the improvisation that led to the EKM Model?

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