

CHAPTER 2

CONSUMER BEHAVIOUR THEORY

2.1 INTRODUCTION

Chapter 1 provided an overview of the area of research for this study, by identifying, among others, the objectives of the study together with the importance attributed to the study.

This chapter will focus on the area of consumer behaviour by first considering a number of human behavioural models and the commonalities thereof with consumer behaviour, impacting the marketing field of study. Once the human behavioural models have been addressed, the chapter will focus on models of consumer behaviour.

Section 2.2 of this chapter will provide an overview of consumer behaviour, followed by models of human behaviour in Section 2.3. Section 2.4 will represent the main discussion of Chapter 2 by focusing on the definition, purpose and value of models of consumer behaviour. The chapter will be concluded with a short summary in Section 2.5.

It is important to note that this chapter will provide an overview of consumer behaviour theory and that an Internet perspective on consumer behaviour, and more specifically consumer decision-making, will be provided in Chapter 4.

2.2 AN OVERVIEW OF CONSUMER BEHAVIOUR

This section focuses on the consumer behaviour field of study and will explore the origin of a consumer focus in marketing. Since the term “consumer” will be used and quoted from all the sources consulted in this chapter, it is important to

first define the term “consumer”. Walters (1974: 4) provides such a definition by stating that: “A consumer is an individual who purchases, has the capacity to purchase, goods and services offered for sale by marketing institutions in order to satisfy personal or household needs, wants, or desires.”

As will be noted from the definition above, referral is made to an individual. Therefore, one should first focus on human behaviour, since consumer behaviour, according to Walters (1974: 6), represents a subset of human behaviour (discussed in Section 2.3). Human behaviour, therefore, “... refers to the total process whereby the individual interacts with his environment” (Walters 1974: 6).

Human behaviour encompasses every thought, feeling or action by people. This implies that every thought, motive, sensation and decision that is made every day, is classified as human behaviour. Belch & Belch (1990: 91) provide a link between human behaviour and consumer behaviour, by stating that consumer behaviour has been defined as the study of human behaviour in a consumer role. Consumer behaviour, according to Walters (1974: 6), represents specific types of human actions, namely those concerned with the purchase of products and services from marketing organisations.

Having defined human behaviour and accepted that consumer behaviour is founded in human behaviour, the focus in Section 2.2.1 will be on consumer behaviour.

2.2.1 Defining consumer behaviour

Walters (1974: 7) defines consumer behaviour as: “... the process whereby individuals decide whether, what, when, where, how, and from whom to purchase goods and services.”

Mowen (1993: 6) provides a different definition by explaining consumer behaviour as: "... the study of the buying units and the exchange processes involved in acquiring, consuming, and disposing of goods, services, experiences, and ideas". This definition focuses on buying units in an attempt to include not only the individual but also groups that purchase products or services.

Schiffman & Kanuk (1997: 648) define consumer behaviour as: "The behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products, services, and ideas." Schiffman & Kanuk (1997: 6-7) elaborate on the definition by explaining that consumer behaviour is, therefore, the study of how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items. It includes the study of what, why, when, where and how often they purchase and how they use the purchased product. In addition, it encompasses all the behaviours that consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs.

According to Schiffman & Kanuk (1997: 6-7), two different types of consumers can be distinguished, namely personal and organisational consumers. Personal consumers purchase products and services for personal or household use or as a gift to someone else. Personal consumers, therefore, purchase for final consumption. Organisational consumers on the other hand purchase products and services to run an organisation, including profitable and non-profitable organisations, government organisations and institutions.

This chapter and this study will focus on the individual, personal consumer, who purchases products or services for personal and family use.

A final definition of consumer behaviour, by Engel, Blackwell & Miniard (1990: G-4), states that: "those actions directly involved in obtaining, consuming, and disposing of products and services, including the decision processes that

precede and follow these actions". More recent descriptions or definitions (which in essence do not differ from the above) can be found in Arnould, Price & Zinkhan (2002: 5) and Peter & Olson (2002: 6).

The definitions provided above should provide sufficient clarity on the concept of consumer behaviour. Section 2.2.2 will provide greater clarity on the origin and importance of consumer behaviour, especially from a marketing point of view.

2.2.2 The origin and importance of consumer behaviour

According to Engel et al. (1990: 22) and Schiffman & Kanuk (1997: 8), consumer behaviour is regarded as a relatively new field of study with no historical body of research of its own. The concepts of the development, therefore, were heavily and sometimes indiscriminately borrowed from other scientific disciplines, such as psychology (the study of the individual), sociology (the study of groups), social psychology (the study of how individuals operate in groups), anthropology (the influence of society on the individual) and economics.

From a marketing perspective, consumer behaviour most probably became an important field of study with the development of the so-called marketing concept. Assael (1995: 5) emphasises the influence of the marketing concept in marketing by stating that, according to the marketing concept, marketers first need to define benefits sought by consumers in the marketplace, followed by the drafting of marketing plans supporting the needs of consumers.

The marketing concept was formulated during the 1950s and although it seems logical, marketers never considered the concept thereof earlier. Assael (1995: 8) provides two reasons why marketers did not use the concept earlier. The first is that marketing institutions were not sufficiently developed to accept the marketing concept prior to the 1950s. Advertising and distribution were geared for the mass production and mass marketing strategies of that time. The

implementation of the marketing concept requires diverse facilities for the promotion and distribution of products that will meet the needs of small, diverse market segments. The production and marketing focus before the 1950s was therefore concerned with economies of scale.

The second reason for not pursuing the marketing concept prior to the 1950s can be attributed to the lack of a need to do so. The effects of the Depression resulted in very little spending power of consumers, attributing to the lack of interest in consumer behaviour. The Second World War, immediately after the Depression, contributed to the lack of interest in consumer behaviour since product scarcities were the order of the day. With the lack of competitive pressure, manufacturers could sell whatever products they manufactured. The marketing approach for this era, according to Schiffman & Kanuk (1997: 10), is called a production orientation, where consumers purchased what was available, rather than waiting for what they wanted.

The production orientation was followed by a selling orientation, where marketers attempted to sell products that they unilaterally decided to produce. The assumption of this orientation, according to Schiffman & Kanuk (1997: 10), was that consumers were not willing to purchase products, unless they were actively and aggressively persuaded to do so. The selling orientation did not consider consumer satisfaction, leading consumers to communicate negatively regarding the product by means of word-of-mouth if they were not satisfied with it.

In the early 1950s marketers realised that they could sell more products more easily by offering products to those consumers they assumed would purchase them. Through this approach, organisations considered consumer needs and wants, leading to the formulation of the marketing concept.

As can be seen from a historical perspective, it is important for any organisation to acknowledge consumer needs as a key to success for both survival and profit

generation in a modern economy with multiple products per competitor and multiple competing distribution points.

The importance of understanding consumer behaviour can most probably be summarised in a simple, yet powerful, statement by Assael (1995: 3): “Consumers determine the sales and profits of a firm by their purchasing decisions. As such, their motives and actions determine the economic viability of the firm”.

To be a successful seller of products and services (as can be concluded from the statement above), organisations need to understand consumer needs and behaviour and draft their marketing strategies to incorporate such behavioural needs of consumers.

Section 2.2 provided an insight into the consumer behaviour field of study. Before addressing models of consumer behaviour in Section 2.4 (insight to the factors influencing consumers in the purchase process), models of human behaviour will be discussed in Section 2.3, providing greater clarity regarding the way in which human beings behave.

2.3 MODELS OF HUMAN BEHAVIOUR

According to Kotler (in Gould, 1979: 33), it is an extremely difficult task to uncover the reasons why people buy, as they are subject to many influences. One reason is that humans are greatly influenced by their psyche, which eventually leads to overt purchase responses.

Runyon & Stewart (1987: 694-695) explain the theory of human behaviour by stating that it represents the beliefs held regarding the nature of human beings as well as the causes of their behaviour. Human beings can therefore be viewed from many perspectives. If, for instance, human beings are viewed from an

economic perspective, marketers may attempt to influence them with economic incentives. If, however, viewed from a social theory perspective, marketers may attempt to influence people through appeals to group norms, references and values.

According to Runyon & Stewart (1987: 695), in discussing models of human behaviour, it is important to note that the models proposed are viewed as being an incomplete description of human beings, where different models may be appropriate for different marketing situations. Despite the above view, models of human behaviour provide valuable input to consumer behaviour, since they attempt to provide insights into why human beings, and therefore consumers, rationalise purchase decisions.

To provide a clearer understanding of human behaviour, four models will be discussed together with marketing applications based on the findings of Kotler (in Gould, 1979: 34-46). The models of human behaviour discussed below are the Marshallian economic model, the Pavlovian learning model, the Freudian psychoanalytical model and the Veblenian social-psychological model. In addition to these four models, the theory of Maslow's hierarchy of needs will be discussed to provide a perspective on the importance of understanding the influence of needs and motivation on consumer behaviour.

2.3.1 The Marshallian economic model

According to the Marshallian economic model, individual buyers will spend their income on goods that will offer the greatest satisfaction, depending on their taste and the relative prices of goods.

The antecedents for the Marshallian theory can be traced back to both Adam Smith and Jeremy Bentham. In accordance with a doctrine of economic growth developed by Smith, man is said to be motivated in all his actions by self-interest.

Bentham, who viewed man as carefully calculating and weighing expected pains and pleasures of every contemplated action, refined this view. By the time Bentham's theory was applied to consumer behaviour late in the 19th century, the "marginal-utility" theory of value was formulated independently and almost simultaneously by Walras in Switzerland, Menger in Australia and Jevons and Marshall in England (Kotler, in Gould; 1979: 35).

The theoretical work of Alfred Marshall, who was the consolidator of the classical and neo-classical tradition in economics aimed at realism, is founded in his method to examine the effect of change in a single variable, for example price, when all other variables were held constant, based on simplified assumptions. In the quest for greater realism, Marshall "reasoned out" consequences of the provisional assumptions and modified his assumptions in subsequent steps.

Marshall's methods and assumptions have been refined to the Modern Utility Theory, where the economic man maximises his utility and does this by carefully calculating the "felicific" consequences of any purchase. Runyon & Stewart (1987: 695) add to the discussion by stating that Marshall used money as the common denominator of psychological needs, where the value of satisfying a specific need could be equated and compared with other needs in terms of cost.

Marketing applications of the Marshallian model

The value of the Marshallian model for the purposes of behavioural science can be viewed from a number of different viewpoints (Kotler, in Gould; 1979: 35-36). One point of view is that the model is tautological and therefore neither true nor false. The model is also not very informative because it simply portrays the buyer as acting in his best interest.

A second view is that the model provides logical norms for buyers who want to be "rational", therefore it is a normative rather than a descriptive model of

behaviour. The consumer is not likely to employ an economic analysis for all purchases, but is rather selective in using an economic theory. A consumer may therefore not use the economic principles for choosing between two low-cost products but may apply an economic analysis when deciding to purchase a new house or car.

A third view is that economic factors should be included in any comprehensive description of buying behaviour, since economic factors operate, to a greater or lesser extent, in all markets.

The Marshallian model provides a number of useful behavioural hypotheses. The first hypothesis offered is that the lower the price of a product, the greater the sales will be for that product. A second hypothesis is that the lower the price of a substitute product is than that of a specific product, the greater the sales of the substitute product will be.

Third, the sales of a product will be higher, provided it is not an inferior product, if the real income is higher. The last hypothesis states that greater volumes of sales will follow as promotional expenditure is increased.

It should be noted that these hypotheses are intended to describe the average effect and do not attempt to class all individuals' actions as continuously calculating the economic impact during purchase decisions.

As a final comment to the Marshallian model, it can be concluded that economic factors alone cannot explain all variations in the sales and buying process and also that the fundamentals of how brand and product preferences are formed are ignored in this theory. The model offers a useful frame of reference for analysing only a small portion of the consumer's psyche.

2.3.2 The Veblenian social-psychological model

The Veblenian social-psychological model of human behaviour is based on the findings of Thorstein Veblen, who received his training as an orthodox economist and evolved as a social thinker through the influence of the science of social anthropology.

According to this model, man is perceived to be a so-called “social animal”, where man conforms to norms of its larger culture and to more specific standards of subcultures and face-to-face groups in which humans operate (Kotler, in Gould; 1979: 41). In essence this implies that human behaviour and needs are moulded by present group memberships.

Based on the theory of the model, Veblen hypothesised that, for the so-called leisure class, a great portion of economic consumption is influenced and motivated by prestige seeking and not on needs or satisfaction. Veblen placed specific emphasis on emulative factors that would influence people when purchasing conspicuous products, for example cars and houses or even less expensive items, such as clothes.

The model is criticised as it is perceived by more modern perspectives to be overstated. For example, not all people consider the leisure class to be a frame of reference and many people aspire to the social class immediately above their current social class. In addition to the above, more affluent people of the society would rather underspend than overspend on conspicuous items since they would rather “fit in” than “stand out”.

A final comment on the model is that although Veblen was not the first investigator to comment on the influence of social class on human behaviour, the incisive quality of his observations inspired further investigations.

Marketing applications of the Veblenian model

The importance of the Veblenian model, according to Kotler (in Gould, 1979: 42), to the marketer is that, in order to determine the demand for products, the most important social influences impacting on such product demands should be determined. Important for the marketer to consider is the impact of different social influences, which include social class, subculture, reference groups and face-to-face groups.

2.3.3 The Pavlovian learning model

The well-known Pavlovian theory of learning has its origin in the experiments of the Russian psychologist, Pavlov, who conducted his experiments by ringing a bell each time before feeding a dog. Pavlov soon discovered that he could induce the dog to salivate by ringing the bell regardless of whether or not food was offered to the dog. From this experiment, Pavlov could conclude that learning occurred due to a process of association and that a large component of human behaviour was conditioned in this way.

Experimental psychologists, focusing on rats and other animals and eventually human beings, continued Pavlov's mode of research. The objective of laboratory experiments was to explore phenomena such as learning, forgetting and the ability to discriminate. The result of the research led to a stimulus-response model of human behaviour, based on four central concepts, namely drive, cue, response and reinforcement. Before briefly discussing these concepts, it should be mentioned that O'Shaughnessy (1992: 116) explains that according to Pavlovian theory, also called classical conditioning, there has to be a connection between some stimulus and a true reflex reaction.

The four central concepts of the Pavlovian theory are briefly discussed below.

- a) **Drive:** In the Pavlovian learning model, drive, also referred to as “needs” or “motives”, implies strong stimuli internal to the individual, which activate action. Two types of drives are distinguished by psychologists, namely primary physiological and learned drives. Primary physiological drives refer to basic individual factors, such as hunger, thirst, pain, cold and sex. Learned drives, which are derived socially, include factors such as co-operation, fear and acquisitiveness.
- b) **Cue:** According to the model, a drive is very general and a particular response is impelled only in relation to a particular configuration of cues. Cues are furthermore perceived as weaker stimuli in the individual and the environment and will determine where, when, and how a subject responds. As an example, an advertisement for coffee may act as a cue, which stimulates the thirst drive. The response will be influenced by this cue as well as other cues, for example time of day and availability of other thirst-quenchers.
- c) **Response:** Response implies the reaction to the configuration of the cues. It should, however, be noted that the exact configuration of cues will not necessarily generate the same response. The same response depends on the degree to which the experience was rewarding.
- d) **Reinforcement:** A rewarding experience will result in the reinforcement of a particular response. It is therefore implied that the tendency is formed where the same response will be repeated when the same configuration of cues appears. If, however, a learned response or habit is not reinforced, the habit may eventually be extinguished, since the strength of the habit decreases.

Important to note is that, in contrast to extinction, forgetting occurs when learned associations weaken due to non-use and not because of the lack of reinforcement.

Marketing applications of the Pavlovian model

The Pavlovian model makes no claim to provide a complete theory of consumer behaviour due to the omission of interpersonal influences, perception and the subconscious influences considered to be important phenomena. The model does, however, contribute to marketing by providing insights to the marketer concerning consumer behaviour and advertising strategy.

An example of the usefulness of the model for the marketer would be the introduction of a new brand into a highly competitive market. The organisation may attempt to form new habits for its new brand by extinguishing existing brand habits. A challenge to the organisation will be to persuade consumers to try the new brand by deciding between using strong and weak cues. Although strong cues, for example samples of the product, may be the more expensive alternative, it often is the desired approach to target markets characterised by high brand loyalties. Also of importance, considering the reinforcing component of the model, is that sufficient quality should be built into the brand to create a positive experience. In addition to the above, it may be useful to determine the most effective cues in leading brands.

The second area in which the Pavlovian model offers insight, according to Kotler (in Gould, 1979: 38), is in the form of guidance for advertising strategy. The model emphasises the repetition in advertising since a single exposure is very likely to be a weak cue, hardly able to sufficiently arouse the individual's consciousness to inspire the drive as discussed in the model. Repetition in advertising also has two desirable effects (Kotler, in Gould; 1979: 38). Repetition (or frequency of association, according to Belch & Belch, 2001: 125) firstly

combats forgetting and secondly provides reinforcement since the consumer becomes selectively exposed to advertisements of the product after purchase.

As closure to the value of the model offered to marketing, guidance is provided to advertising copy, since in order to be effective, an advertisement should arouse strong drives in a person. Marketers should therefore identify the strongest product-related drives, for example hunger may be identified for candy bars and status for motor vehicles.

2.3.4 The Freudian psychoanalytical model

The well-known Freudian model of human behaviour, according to Kotler (in Gould, 1979: 39), is regarded to have a profound impact on 20th century thought, although it is labelled as being the latest in a series of philosophical “blows” to which man has been exposed in the past 500 years. Freud attacked the idea that man reigned over his own psyche, whereas preceding philosophical views by Copernicus and Darwin respectively destroyed the view that man was at the centre of the universe and opposed the idea that man was considered a special creation.

Kotler (2000: 172) summarises the theory by stating that Freud assumed that the psychological forces shaping people’s behaviour are largely unconscious, resulting in people not being able to fully understand their own motivations.

Kotler (in Gould, 1979: 39) provides more detail on Freudian theory by explaining that, according to the theory, the child enters the world driven by instinctual needs that cannot be satisfied by itself. The child quickly and painfully realises its detachment from the world and at the same time its dependence on it. Through blatant means, including supplication and intimidation, the child attempts to use others to satisfy its needs.

Freudian theory further propagates that, as human beings grow, their psyche (called the id) remains the source for strong urges and drives. Solomon (1996: 134) adds by stating that the id is oriented toward immediate gratification, forming the “partly animal” portion of the brain. A second part, called the ego, develops into a conscious planning core where outlets for drives are uncovered, responsible (according to Solomon, 1996: 134) for mediating between the id and the superego. The superego, the final concept of the model, is responsible for the channelling of instinctive drives into socially acceptable outlets in order to avoid the pain associated with guilt and shame, referred to by Solomon (1996: 134) as the individual’s conscience.

The urges that human beings feel, especially sexual urges, cause shame and guilt and are therefore repressed from the conscious. A person therefore develops defence mechanisms, for example rationalisation and sublimation, resulting in either the denial of such urges or the transformation thereof into acceptable social expressions. According to Freud, these urges are never eliminated or under perfect control and sometimes emerge, vigilantly, as slips-of-the-tongue, in dreams, in neurotic and obsessive behaviour or eventually in mental breakdowns where the ego is not capable to maintain the balance between the oppressive power of the superego and the impulsive power of the id.

A possible impact of the model, in practical terms, is that since the individual is not able to understand its own behaviour, it is even more difficult for the casual observer to understand such behaviour. For example, if a person is asked why a certain expensive vehicle is bought, the reply may be that the deciding factors were speed, comfort and appearance. At a deeper level, the reasons may include to impress others or to be young again. At an even deeper level, the motive for the purchase may be attributed to an attempt to achieve substitute gratification for unfulfilled sexual urges.

The Freudian model has been refined a number of times. Changes include the three parts of the psyche, where it is regarded as theoretical concepts rather than actual entities as well as the extension of the behavioural perspective to incorporate cultural and biological mechanisms.

Kotler (in Gould, 1979: 40) continues by stating that instead of focusing on sexual urges in psychic development, like Freud who focused on oral, anal and genital stages together with possible fixations and traumas, other philosophers refined the theories of Freud. For example, Adler focused on the desire for power and the manifestation thereof in superiority and inferiority complexes; Horney emphasised cultural mechanisms and Fromm and Erickson stressed existential crises in personal development.

In conclusion, it should be noted that the philosophical divergencies, as mentioned above, greatly enriched and extended the interpretative value of the Freudian model to a wide range of behavioural phenomena.

Marketing applications of the Freudian model

Kotler (in Gould, 1979: 40) suggests that the most important marketing implication of the Freudian model that marketers should note, is that consumers are motivated by both symbolic and economic-functional product concerns. For example, the change of a bar of soap from a square to a round shape has probably more a sexual than functional connotation. A more practical example may show that an advertisement for a cake mix, depicting little effort and labour involved, may alienate housewives since the easy life may cause a sense of guilt.

The importance of the model can also be viewed from a research perspective. While direct observation and interviewing can be used to obtain more superficial characteristics, for example age, gender and family income, these methods of

research cannot be used for establishing the mental state, which is believed to be deeply “buried” within an individual.

A final benefit to marketing researchers is that motivational research can offer beneficial insights and inspiration in terms of advertising and packaging. Belch & Belch (2001: 112) support this view by stating that insights gained from motivational research can often be used as a basis for advertising messages aimed at deeply rooted feelings, hopes, aspirations and fears of consumers. Such emotional appeals are often more effective than rationally based appeals.

2.3.5 Maslow’s hierarchy of needs

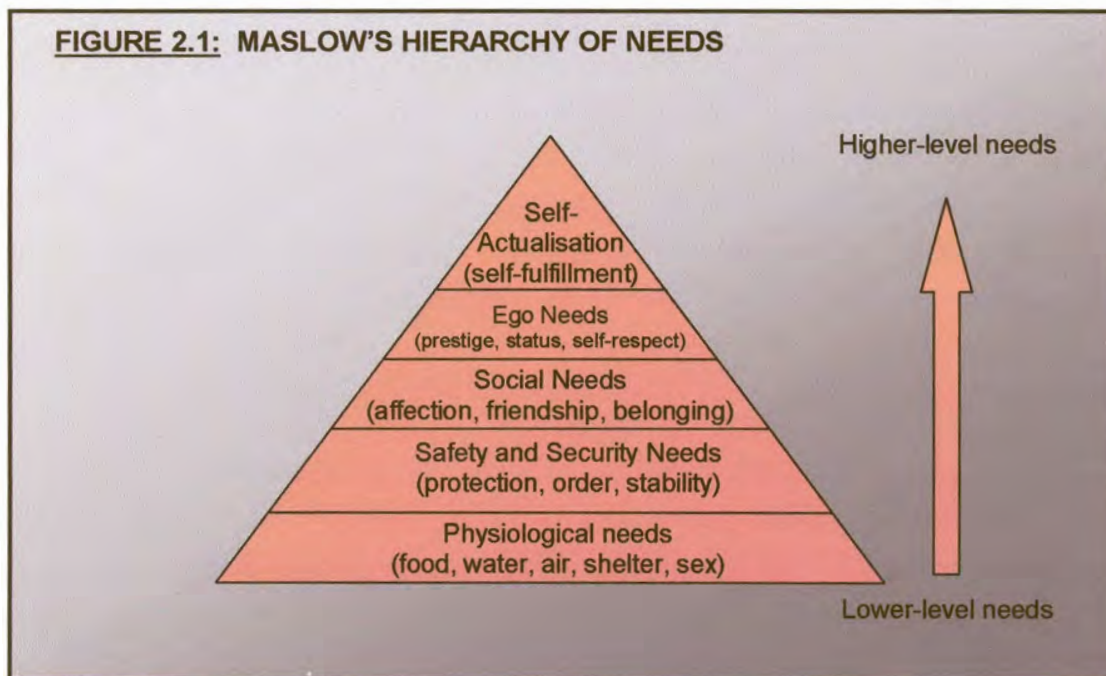
Maslow’s well-known hierarchy of needs, although not classified as a model of human behaviour, provides valued input to the theory of consumer behaviour, since it provides theory on the motivation of human beings based on a hierarchy of human needs. The importance of motivation and needs within the study of consumer behaviour will be noticed when the models of consumer behaviour are discussed later in this chapter. Important to note, as will be seen in Chapter 3, is that the theory of the consumer decision-making process commences with the identification or recognition of a need, therefore underlying the importance of considering the hierarchy of needs theory by Maslow.

According to Schiffman & Kanuk (1997: 95-96), Maslow’s theory postulates five basic levels of human needs, ranging from lower-level (biogenic) needs to more important, higher-level (psychogenic) needs. Consumers, therefore, seek to first satisfy lower-level needs before attending to higher-level needs.

Only once a lower-level need is satisfied, will a new (higher-level) need emerge, motivating the consumer to fulfil such a need. The process continues, leading the consumer to aspire to the fulfilment of higher-level needs, each time higher than the need before. Loudon & Della Bitta (1993: 334) support this view by

stating that the most basic motives would cause the greatest influence on consumer behaviour until they are adequately satisfied. Tischler (1999: 274) adds by stating that the individual, once freed from a lower order concern, not only can, but also will begin to explore higher order needs. It should be noted that there is some overlap between the different levels of needs, since no need is ever completely satisfied. The major motivator within the individual is therefore the lowest level of need that remains unsatisfied.

The hierarchy of needs theory proposed by Maslow comprises five distinct levels (Belch & Belch, 2001: 110; Kotler, 2000: 172; Churchill & Peter, 1998: 143 and Schiffman & Kanuk, 1997: 97), namely physiological needs, safety and security needs, social needs, ego needs and self-actualisation. Figure 2.1 provides a graphical view of the different levels of needs, clearly indicating the hierarchy from lower to higher-level needs.



Source: Compiled from Schiffman & Kanuk (1997: 97) and Solomon (1994: 92)

Each level, as portrayed in Figure 2.1, will be briefly discussed to differentiate between the levels. **Physiological needs** represent the most basic needs that are required to sustain life and include food, clothing and shelter. **Safety and security needs** concern more than physical safety and include order, certainty and control over the environment and own life. The third level, **social needs** (referred to as affiliation needs by Churchill & Peter, 1998: 143), refers to needs such as friendship, love, affection, belonging and acceptance.

Egoistic needs (called esteem needs by Belch & Belch, 2001: 110 and Churchill & Peter, 1998: 143) comprise inwardly-directed needs (for example concerned with the individual's need for success, independence, self-acceptance and personal satisfaction with something well done) and outwardly-directed needs (including, for example, the need for reputation, status and prestige). The final and highest level of needs is that of **self-actualisation**, implying the desire to fulfil one's potential, becoming everything an individual is capable of becoming. Worth mentioning is that Maslow believed that most people do not satisfy their egoistic needs sufficiently, thereby keeping them from ever moving to the final, self-fulfilment needs.

Comments on Maslow's hierarchy of needs

According to Schiffman & Kanuk (1997: 100) the major problem of Maslow's theory is that it cannot be tested empirically, implying that there is no means of measuring precisely how satisfied one need must be before a next, higher need becomes operative.

Solomon (1994: 94) continues by stating that the influence thereof on marketing is somewhat simplistic since, according to the theory, consumers first need to satisfy basic needs before progressing to higher-level needs, where one product can satisfy a number of different needs. In addition to the above, Solomon (1994: 94) and Schiffman & Kanuk (1997: 100) argue that the theory may be

culture-bound, perhaps restricting it to Western culture, or even only certain Western cultures, with other cultures possibly questioning the order of levels specified by the model. For example, Eastern cultures may regard the welfare of a group to be more valued than needs of an individual.

Despite the criticism on the Maslow theory, Schiffman & Kanuk (1997: 100) believe that it is useful in marketing strategy, since it provides an understanding of consumer motivations, primarily because consumer goods often serve to satisfy each of the need levels. In addition to the above, the hierarchy offers a comprehensive framework for marketers when developing advertising appeals for their products. The theory is adaptable in two ways, firstly enabling marketers to focus advertising appeals on a need level that is likely to be shared by a large segment of the intended audience and secondly, providing input to product positioning and repositioning.

Solomon (1994: 94) indicates the relevance of the hierarchy of needs by stating that, rather than viewing consumer needs as a progression to higher-level needs, marketers should acknowledge that consumers have need priorities at different times. This view is supported by Walters (1974: 108) who states that the importance of needs to marketers is founded in the fact that motives for purchasing are established by needs.

Section 2.3 provided an overview of models of human behaviour. The following section focuses on models of consumer behaviour and will show how the shortcomings of the models of human behaviour led to the formulation of models of consumer behaviour. Chapter 3 will narrow the theoretical focus of the study by being devoted to the consumer decision-making process. Chapter 4 will provide an even greater focus (as far as the theoretical overview is concerned) by providing insights on how the Internet can possibly influence the consumer decision-making process.

2.4 MODELS OF CONSUMER BEHAVIOUR

The discussion on models of human behaviour in Section 2.3 showed attempts to explain human behaviour as well as its influence on consumer behaviour. These models had a very narrow approach in terms of their explanations of human behaviour and the impact thereof on consumer behaviour. It only focused on one subset of possible influences on behaviour, for example the Marshallian model, focusing only on the influence of financial resources on behaviour.

The shortcomings of models of human behaviour led to more complex models of consumer behaviour appearing in the early 1960s. According to Runyon & Stewart (1987: 698), models of consumer behaviour, in contrast to models of human behaviour, attempted to describe and systemise the entire purchasing process, thereby providing a guide for further study and research on the subject of consumer behaviour.

Section 2.4 will focus on the definition of models of consumer behaviour, the purpose and advantages thereof and finally, discuss a number of models of consumer behaviour together with the importance thereof in understanding consumer behaviour.

2.4.1 Defining models of consumer behaviour

Before providing a definition of models of consumer behaviour, it may be useful to first define the term “model”. Schiffman & Kanuk (1997: 652) provide such a definition, namely: “A simplified representation of reality designed to show the relationships between the various elements of a system or process under investigation.”

Engel & Blackwell (1982: 677) add to the above by explaining that a model is a replica of the phenomena it is intended to designate, meaning that it specifies the

elements portrayed within the model and represents the nature of relationships among these elements.

A model can therefore be viewed as a testable “map of reality” and its utility lies in the extent to which successful predictions and description of behaviour, together with underlying influences, are made possible.

A final definition, specifying models of consumer behaviour, is offered by Assael (1995: G-8): “Sequence of factors that lead to purchase behavior and hypothesizes the relationship of these factors to behavior and to each other.”

The definitions above should prove sufficient in an attempt to clarify the meaning of models, and more specifically, models of consumer behaviour. Section 2.4.2 will provide greater clarity on the purpose and advantages of models of consumer behaviour.

2.4.2 Purpose and advantages of models of consumer behaviour

According to Engel & Blackwell (1982: 678), the purpose of a model, namely to guide researchers, cannot be overemphasised. A model provides the researcher with a range of appropriate variables, thereby preventing a problem often experienced, namely a narrow perspective when looking at problems.

Lilien & Kotler (1983: 205) point out that comprehensive models of consumer behaviour pose both advantages and disadvantages. The advantage of these models is that they describe complex decision-making processes, while the disadvantage can be attributed to its estimation, measurement and policy analysis.

Runyon & Stewart (1987: 698) criticise comprehensive models by stating that models are primitive and ineffective in predicting behaviour. In addition, models

often consist of little more than elaborated flowcharts, designed to reflect the various factors influencing consumer behaviour. These so-called flowcharts do not adequately evaluate the relative importance of the variables involved in the models and borrow heavily, and sometimes indiscriminately, from behavioural sciences for their theoretical base.

As a final criticism, Runyon & Stewart (1987: 698) state that contemporary models of consumer behaviour are inadequate for marketing needs. Although this expressed opinion may cause confusion regarding the relevance of consumer behaviour models, it is important to view a different perspective on the relevance of models. Engel & Blackwell (1982: 678) provide clarity regarding the relevance of models by stating that decision process models encompassing many variables cannot explain the details of consumer behaviour in every specific situation. Engel & Blackwell (1982: 678) therefore suggest that a workable model should delineate the variables associated with the consumer decision process, the general relations that exist among variables, and the general principles that express the model's ingression in particular purchase situations.

The purpose and advantages offered by models of consumer behaviour are listed below:

- a) **Explanations are provided for behaviour:** Engel et al. (1990: 475) list probably the most obvious advantage - that it is possible to visually grasp what happens as variables and circumstances change;
- b) **Explanatory variables are specified:** According to Engel & Blackwell (1982: 677) every person has a model of consumer behaviour in mind, whether implicit or explicit. This implies that each person has a concept of factors that shape motivation and behaviour. Without a held concept, explanation and prediction will be impossible. The distinction is made with

- respect to the comprehensiveness of competing models and the accuracy with which predictions can be made;
- c) **Systematic thinking is encouraged:** Runyon & Stewart (1987: 698) suggest that forcing theorists to define the relevant elements in behavioural theory, will result in systematic thinking. Lilien & Kotler (1983:204) support this view by adding that all major variables that models comprise, are identified and measured;
 - d) **Fundamental relationships between variables and the exact sequence of cause and effect of variables are specified:** This view by Lilien & Kotler (1983: 204) is supported by Runyon & Stewart (1987: 698), adding that by showing explicit relationships between variables, a tentative view of behavioural phenomena is offered;
 - e) **Research findings can be integrated into a meaningful whole:** Engel & Blackwell (1982: 677) point out that most analysts of consumer behaviour are familiar with behavioural sciences. A well-formulated model assists analysts to differentiate between relevant and irrelevant literature that is often a highly frustrating experience to examine;
 - f) **Evaluations are provided for performance of the system:** Part of the requirements for a good model, according to Engel & Blackwell (1982: 678) is that they describe the functional relationships between variables, resulting in the ability of the model to make behavioural predictions with some degree of accuracy;
 - g) **Avenues for fruitful research are revealed:** Engel & Blackwell (1982: 678) point out that carefully designed models are often the source of researchable hypotheses, since gaps in existing knowledge are easily exposed. The nature of the researchable hypotheses identified is usually

determined by the variables themselves and linkages between them. Engel et al. (1990: 475) add to the above by stating that the gaps identified could possibly even establish research priorities;

- h) **A foundation is provided for management information systems:** Essential insights for marketing strategy, according to Engel et al. (1990: 475), are provided through the proper use of a model that discloses information required to understand consumer decision processes; and
- i) The final advantage, offered by Runyon & Stewart (1987: 698) and supported by Lilien & Kotler (1983: 204), is that **models sometimes permit sensitivity analyses and simulations of behaviour** so that the impact of changes in variables can be explored and the implications of the model observed under different sets of assumptions.

2.4.3 Some models of consumer behaviour

The objectives of discussing various models of consumer behaviour are to attempt to indicate the evolution in thought patterns of different authors on the subject of consumer behaviour over the past years as well as to show the relevance and importance of models of consumer behaviour in the study of consumer behaviour.

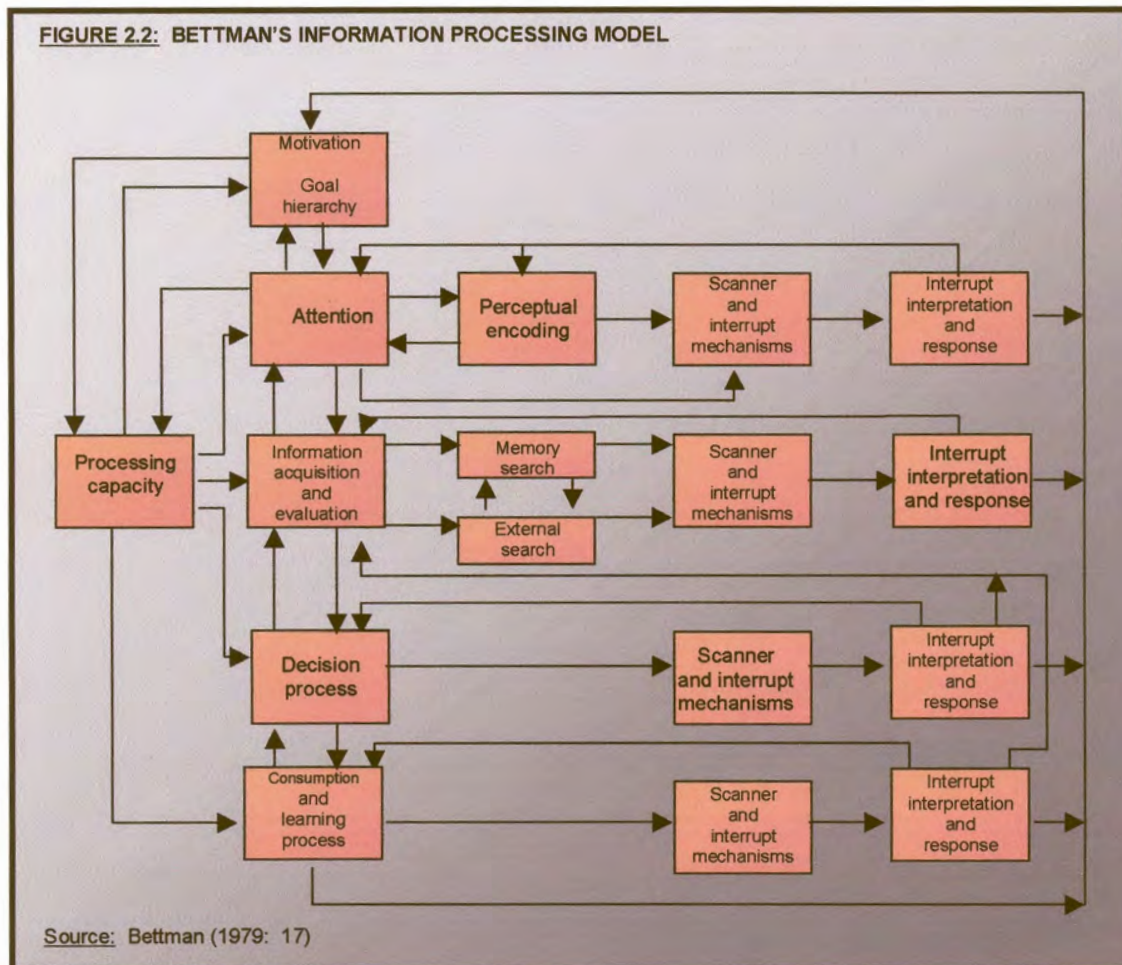
In an effort to achieve the objectives stated above, a number of models of consumer behaviour will be discussed. Important to note is that the models discussed will include historic versions by the same authors, often attached in appendices, thereby attempting to show the change in thought patterns of authors as more research on the subject is conducted. The second, even more important, objective will be to indicate the relevance and importance of these models on the subject of consumer behaviour. This will be achieved by briefly discussing historic models on the subject of models of consumer behaviour, as

well as a detailed discussion on a more recent model, namely that of Engel, Blackwell and Miniard. The detailed discussion of the Engel, Blackwell & Miniard (EBM) model will show the difficulty of understanding consumer behaviour due to the many variables influencing the consumer decision process. Only by understanding the influences on consumer decision-making, will the marketer be able to draft effective strategies aimed at meeting consumer needs. Although the researcher considered a number of more recent models of consumer behaviour, it was decided to focus on the EBM model (1995 version), since the discussion in Chapter 3 will be based on this model.

The discussion below will focus on four historic models of consumer behaviour, namely Bettman's information processing model, the Nicosia model, the Howard-Sheth model and the Howard model. As stated above, the Engel, Blackwell, and Miniard will be discussed in greater detail in an attempt to indicate the factors influencing consumer behaviour.

2.4.3.1 The Bettman information processing model

The Bettman information processing model, according to Runyon & Stewart (1987: 708), attempts to model a specific field of consumer behaviour, namely information processing. Lilien & Kotler (1983: 206) add that the model provides an analytical framework for understanding consumer behaviour in an environment where choice is made by selecting between a set of alternatives. The model focuses on the information processing perspective by viewing the type of information used by consumers, how the information is evaluated and finally, how decisions are made. The Bettman information processing model is shown in Figure 2.2.



Lilien & Kotler (1983: 206) continue by stating that the model comprises two submodels, namely the basic hierarchy and the intermediate or modulating processes. Before discussing the two submodels, it is noteworthy to mention that there is no logical starting point or ending point for the process.

a) The basic hierarchy

The first component of the basic hierarchy is motivation and goal hierarchy, serving as mechanisms to control the movement from some critical state to a desired goal or state within an individual. Runyon & Stewart (1987: 708) add that these components together with information acquisition are, at least in part, a

function of prior experience and information obtained by the consumer. Attention, the second component, comprises voluntary attention (implying the consumer's allocation of the information-processing effort) and involuntary attention.

The third component, information acquisition and evaluation, stipulates that attention is influenced by the goals pursued and therefore activates the search for information. The evaluation component of the model determines when sufficient information is obtained for the purpose of decision-making. The next component of the model, the decision process, is continuously active in the model by focusing on the comparison of possible alternatives.

The final element of the basic hierarchy, namely consumption and learning, focuses on the purchase and consumption of the product and offer a new source of information to the consumer. The final stage in the basic hierarchy will, therefore, affect the structure of future choices.

b) The intermediate process

The intermediate processes, also referred to as modulating processes, focus on four elements, namely perceptual encoding, processing capacity, memory and external search and finally, scanner and interrupt mechanisms.

The first component of the intermediate process, "perceptual encoding", comprises the interpretation process of an individual once being exposed to a stimulus. Bettman argues that this process is influenced by memory, implying the way things were, and by the stimulus itself, implying the way things are.

The implications of processing capacity, the second component, are that capacity has to be allocated to a decision task since the complete information-processing process is limited by capacity. Capacity is furthermore positively related to effort

and motivation. Runyon & Stewart (1987: 708) continue by pointing out a relation between processing capacity and education, intelligence and previous experience.

According to the memory and external search components, information may be obtained, in a choice situation, through internal search of the memory and external search, where attention and perceptual decoding is focused on stimuli outside the consumer's memory. Runyon & Stewart (1987: 710) continue by listing advertisements, other people and other sources external to the consumer as external sources. The cost of information search versus the benefits of the information, together with the availability of information, time pressure and the difficulty of the choice task, will determine the level of information search.

The final component, scanner and interrupt mechanisms, indicates that consumers are interruptible and not single-minded when pursuing a goal. The scanner monitors the environment in an effort to note conditions that may warrant changes in current actions or beliefs. By reaching a theoretical scanner threshold, an interrupt mechanism is triggered, resulting in the generation of new responses. It is therefore suggested in the model that scanner and interrupt mechanisms affect virtually the entire decision-making process.

Considering the Bettman information processing model, Lilien & Kotler (1983: 208) suggest that the model represents an attempt to develop a complete theory on the consumer choice process. Knowledge obtained from the model, beneficial for the development, presentation and timing of marketing communications, includes insight into the information consumers desire, how information is obtained and the probable processing of such information.

In addition to the above, the model offers a broad view of purchase decisions, including choices among product classes as well as competing alternatives within a specific product class. The theory of the model is therefore perceived to

position decision rules or choice heuristics within the broader concept of decision making.

The main limiting factors to the model, according to Lilien & Kotler (1983: 208), are that the model is not directly operational and does not provide quantitative support for marketing decisions. Runyon & Stewart (1987: 710) add to the above by stating that, while the schematic model suggests complex relationships involving interactions and feedback, these are not specified in the model and have not been empirically tested.

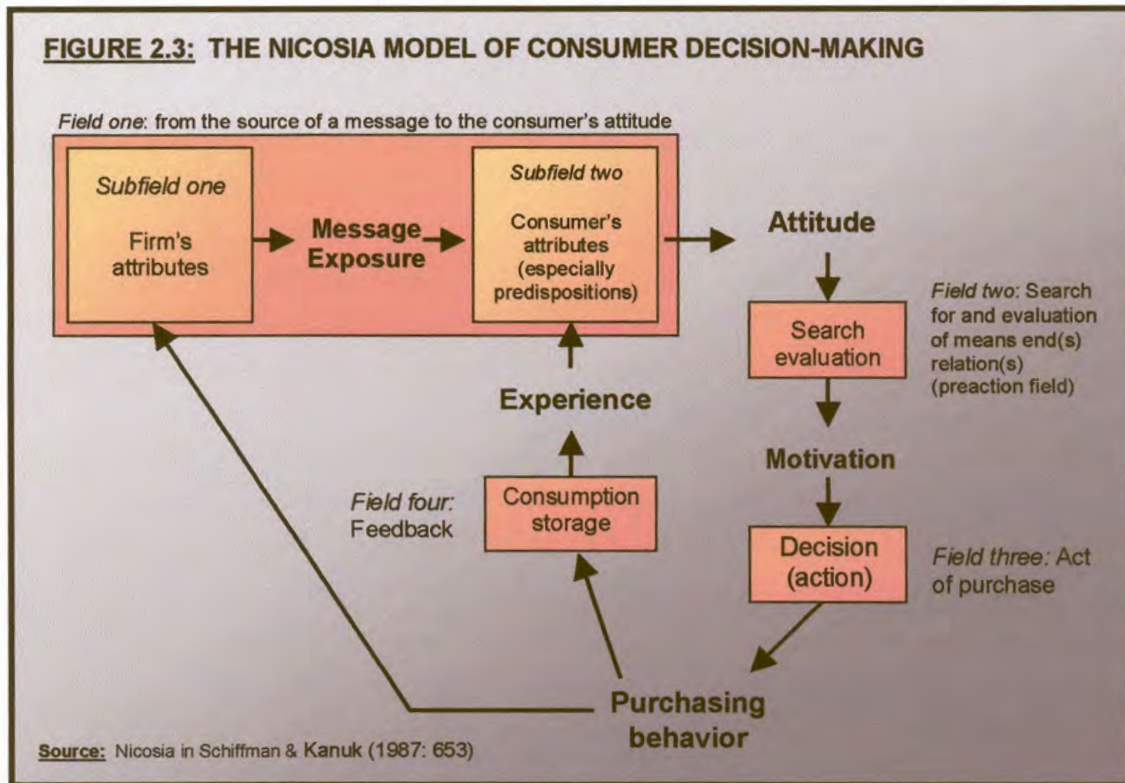
Despite the limitations, the model provides insight in terms of the structure of the process and guidance on the kind of issues that can be expected to affect and influence consumer choices. Runyon & Stewart (1987: 710) add that the model has proven useful to managers concerned with effective communication with consumers and also as a guide for further research on consumer information processing.

2.4.3.2 The Nicosia model

According to Runyon & Stewart (1987: 699), the Nicosia model provides a sophisticated attempt to show the interrelationship between attributes of the consumer, the consumer decision-making process, the marketing communication of an organisation and feedback of the response of the consumer to the organisation.

Schiffman & Kanuk (1987: 653) provide a simplistic explanation of the model by stating that it is interactive in design, where the organisation attempts to influence consumers through marketing actions and the consumers in return influence the organisation through their purchase actions (or lack of action if products are not purchased).

Runyon & Stewart (1987: 701) continue by stating that the model consists of four different fields, namely exposure of the organisation's message, search and evaluation, purchase and feedback. These four fields, together with their interaction, are visible in Figure 2.3.



The first field comprises two subfields. The first subfield represents the output of a commercial message from the organisation to the consumer in the form of advertising or other forms of promotions. For simplification purposes, the model explicitly assumes that the consumer has no previous knowledge or experience with the brand. The message from the organisation serves as input to subfield two, representing the consumer's unique psychological attributes. At this stage of the model, the consumer reacts to the message, providing input to the second field. Schiffman & Kanuk (1987: 654) indicate that the output of field one is an attitude towards the product, as a result of the interpretation of the organisation's message.

Runyon & Stewart (1987: 701) continues by stating that if the reaction or attitude resulting from field one is favourable, the consumer will search for the product and evaluate it in terms of other alternatives. Schiffman & Kanuk (1987: 654) add that the output of the second field is motivation to purchase the organisation's brand. The evaluation could, however, also lead to rejection of the brand although the model illustrates a positive response. The positive evaluation leads to purchase of the product, the third field of the model.

According to Schiffman & Kanuk (1987: 654), the final field of the Nicosia model, field four, consists of two types of feedback from the purchase experience. The first type of feedback relates to the organisation where sales data will be obtained and the second to the consumer in the form of experience, leaving the consumer either satisfied or dissatisfied. The experience obtained by the consumer relating to the product will affect the predisposition and attitudes with regard to future messages from the organisation.

Limitations of the Nicosia model according to Runyon & Stewart (1987: 701), are the questionable assumptions that the consumer has no prior knowledge or experience of the product, as well as inadequate understanding of subfield two, the influences and interrelationships among the consumer attributes. A final limiting factor is that, for repetitive decisions (considered a significant part of consumer purchases), the operation of the model is ambiguous.

Engel, Blackwell & Kollat (1978: 548) criticise the Nicosia model by claiming that the model never received the necessary elaboration and empirical support nor has it been revised to reflect changes.

In conclusion to the Nicosia model, Runyon & Stewart (1987: 701) express the opinion that despite the limitations of the model, it attempts to explicitly incorporate the marketing actions of the organisation within a model of consumer behaviour.

2.4.3.3 The Howard-Sheth model

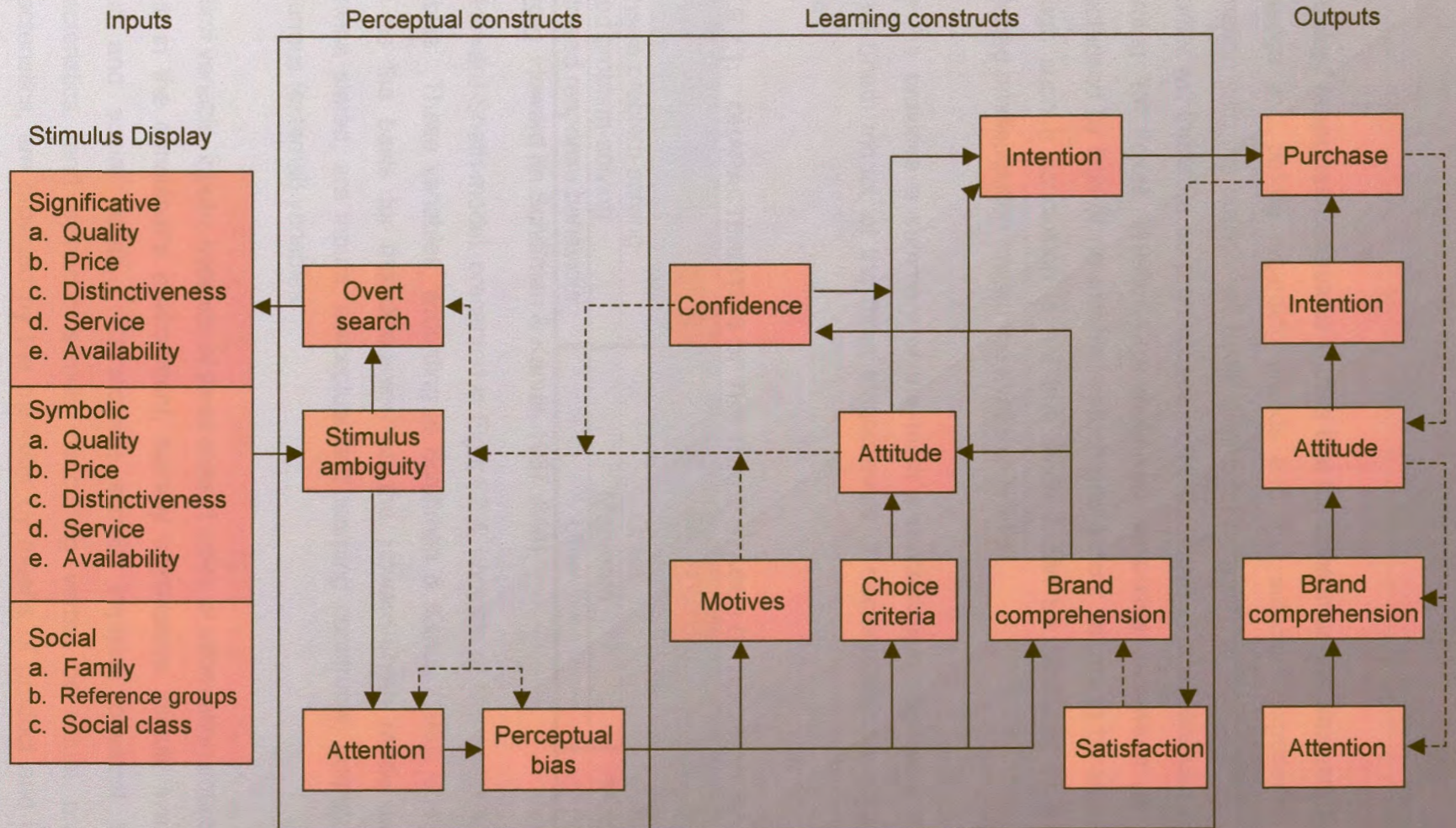
The Howard-Sheth model of buying behaviour, according to Foxall (1990: 10), presents a sophisticated integration of the psychological and various social and marketing influences on consumer choice, into a coherent sequence of information processing. Runyon & Stewart (1987: 704) and Foxall (1990: 10) add respectively that the model attempts to explain rational brand choice behaviour within the constraints of incomplete information and limited individual capacities, and also that it provides an empirically testable description of behaviour in terms of cognitive functioning together with its outcomes.

Schiffman & Kanuk (1987: 654) explain the Howard-Sheth model (depicted in Figure 2.4) a model that explicitly distinguishes between three different stages or levels of decision-making, also referred to as levels of learning, namely extensive, limited and routinised problem-solving.

Extensive problem-solving implies that the consumer has very little or no knowledge and beliefs about brands. The consumer actively seeks information on a number of alternatives at this point due to the lack of a brand preference. Foxall (1990: 12) adds that in order to reduce brand ambiguity, the consumer is involved in a decision process and undertakes prolonged deliberation contemplating which brand to purchase or whether to buy at all.

Limited problem-solving occurs when the consumer cannot fully assess the brand differences to arrive at a preference, since knowledge and beliefs about the brands are only partially established. According to Foxall (1990: 12), other factors to be considered in limited problem-solving are that consumers have formed choice criteria, know a few brands well and favour them equally because they have already tried several brands at this stage.

FIGURE 2.4: THE HOWARD-SHETH MODEL OF BUYER BEHAVIOUR



Solid lines indicate flow of information; dashed lines, feedback effects.

Source: Howard & Sheth in Schiffman & Kanuk (1987: 656)

Routinised response behaviour implies that the consumer has well-established knowledge and beliefs regarding brands and that sufficient experience and information with the brands will avoid confusion between various brands. The consumer will therefore be predisposed to the purchase of one particular brand. According to Foxall (1990: 12), routinised response behaviour is also characterised by little or no external search and almost seems to be impulsive, although such a conclusion is not true since it can be attributed to a well-developed predisposition toward the available brands.

Table 2.1 provides a summary of the main characteristics, applicable to the Howard-Sheth model, of the three stages/levels of decision-making discussed above.

TABLE 2.1: CHARACTERISTICS OF THE THREE STAGES OF DECISION-MAKING

Stage/level	Amount of information needed prior to purchase	Speed of decision
Extensive problem-solving	Great	Slow
Limited problem-solving	Moderate	Moderate
Routinised response behaviour	Little	Fast

Source: Howard (in Schiffman & Kanuk, 1987: 655)

The Howard-Sheth model, presented in Figure 2.4, consists of four major sets of variables. These variables, according to Schiffman & Kanuk (1987: 654-657), used as the basis for the discussion on the Howard-Sheth model unless otherwise stated, are inputs, perceptual and learning constructs, outputs and exogenous (external) variables.

The first variable, inputs, consists of three distinct types of information sources or stimuli in the consumer's environment, namely significant stimuli, symbolic stimuli and social inputs. Significant stimuli, implying physical brand characteristics, and symbolic stimuli, describing verbal or visual product characteristics, are provided by the marketer by means of product and brand information. Significant stimuli, according to Foxall (1990: 10), include quality,

price, service, distinctiveness and availability, while symbolic stimuli are portrayed by the mass media and sales people and influence the consumer indirectly. The third type of stimuli is provided by the social environment of the consumer and includes social class, family and reference groups. The three types of stimuli provide input to the consumer regarding the product class or specific brands.

The second variable, perceptual and learning constructs, forms the central component of the Howard-Sheth model. At this stage of the model, psychological variables are assumed to operate when the consumer is contemplating a decision. Although forming the so-called heart of the model, these constructs are treated as abstractions that are not defined operationally or directly measured.

The perceptual constructs are concerned with how the consumer receives and processes information obtained from input stimuli and other parts of the model, i.e. the function of information processing. For example, if the consumer is unclear regarding information and its meaning received from the environment, stimulus ambiguity occurs, while distortion of information received by the consumer, to match established needs or experiences, results in perceptual bias.

Learning constructs, the second component of this variable, includes the consumer's goals, preferences, criteria for evaluating alternatives, information regarding products in the evoked set and buying intentions. The proposed interaction between the perceptual and learning variables together with variables in other segments of the Howard-Sheth model ensures its distinct character.

Runyon & Stewart (1987: 704) provide additional information on the second variable, combining perceptual and learning constructs into a single term, called hypothetical constructs. These constructs are responsible for processing and

interpreting input stimuli and are characterised by the fact that changes in them can only be inferred from output variables, since they are not observable.

The third variable in the model, outputs, represents the possible response to stimuli by the consumer and includes five variables, namely attention, brand comprehension, attitude, intention and purchase.

The final variable, exogenous variables, is not depicted in the model, since it is not perceived to be directly part of the decision-making process. The reason for mentioning this variable is that it should impact on the segmentation efforts of the marketer, since the consumer is influenced by external variables. Exogenous variables considered relevant in terms of impacting on consumer behaviour include time pressure, consumer personality traits, financial status and importance of the purchase.

The value of the Howard-Sheth model, according to Runyon & Stewart (1987: 706), is that the model attempts to identify and organise major variables that may influence consumer behaviour. The model is also perceived to be dynamic in nature, since it reflects the complexity of consumer behaviour in an attempt to understand it. The consumer is portrayed to form generalisations as a guide to decision-making through an active information search from the environment by employing past experiences.

Criticism towards the model, highlighted by Runyon & Stewart (1987: 706), is that the hypothetical constructs portrayed in the model are not operationally defined in unambiguous terms and the specific interrelationships are therefore somewhat speculative.

2.4.3.4 The Howard model

The Howard model has been revised a number of times from the early 1970s to the current version published in 1994. It should be noted that the original model

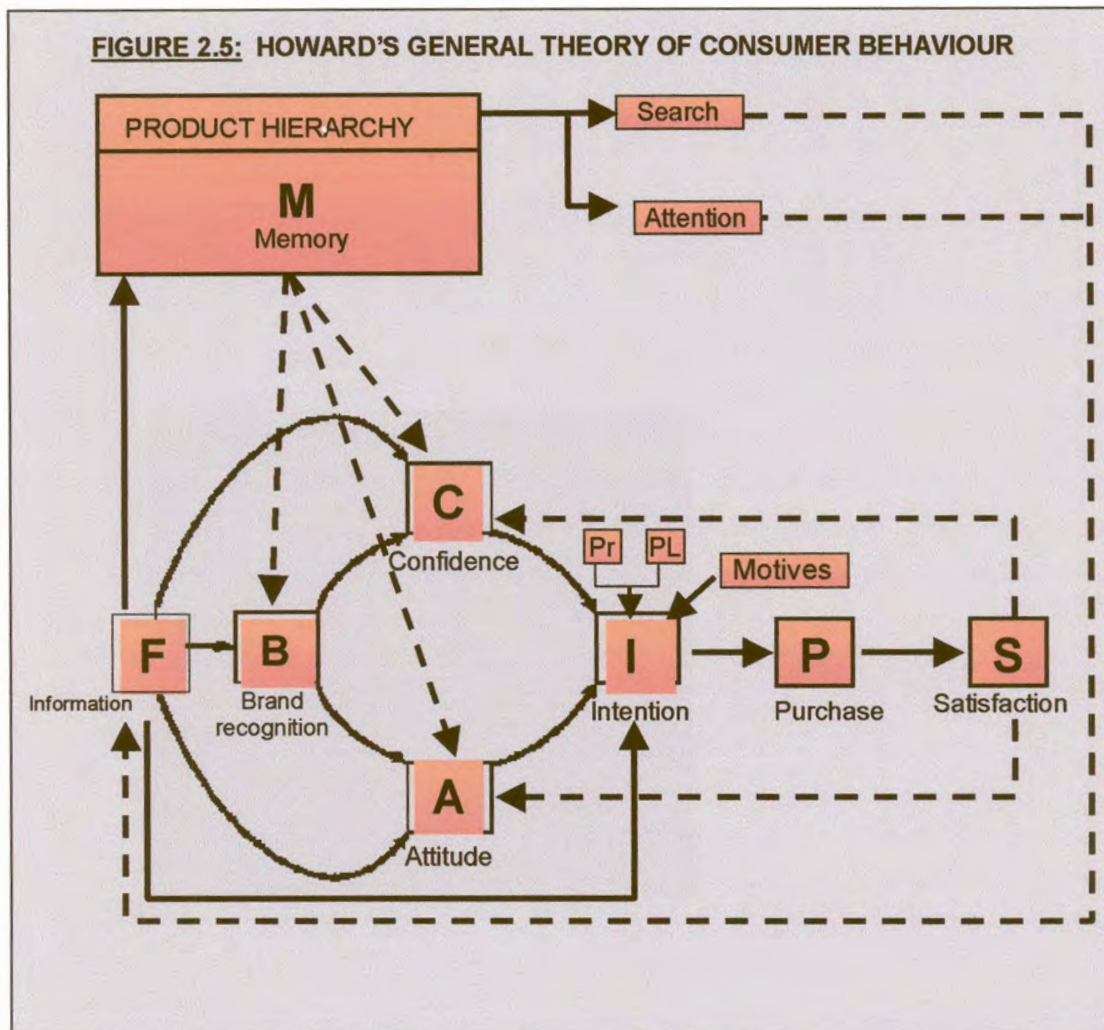
by Howard (1974 version), according to Engel et al. (1978: 553), was based on revisions from the Howard-Sheth model. The model indicates the revisions that reflect insights gained from testing the Howard-Sheth model, as well as contributions of other authors who often approached consumer behaviour from different theoretical perspectives.

The 1974 version of the Howard model specifies 12 primary functional relationships (attached as Appendix 1) in such a way that it can be tested empirically. The testable equations of the Howard model ensure that the model can be evaluated in two different, yet related, ways. The model can first be evaluated metatheoretically, implying evaluation in terms of the internal structure of the theory itself. Secondly, it can be measured empirically in terms of its utility in describing real life behaviour.

According to Engel et al. (1978: 553), the 1974 version of the Howard model was revised by other authors, based on what was learned from the model. The revision was initiated due to some of the variables sited being difficult to define operationally, while other variables were difficult to measure, as well as the fact that the model presented a substantial measurement of error, resulting in a high level of noise. The result of the revision of the 1974 model by Howard was the 1977 model, showing a scant relationship to the 1969 Howard-Sheth model. The 1977 version is characterised by an increase in the predictability of the variables portrayed in the model, although noise of the data was still noted.

The 1974 and revised 1977 versions of the Howard model are shown in Appendix 2, together with the functional relationships applicable to both versions in Appendix 1. As will be noted in the testable equations shown in Appendix 1, the 1974 model lists 12 functional relationships, whereas the 1977 version lists only 11 relationships. The difference in the thought pattern of the two versions of the model is clearly visible in Appendix 2, where the models are depicted in figures.

Later revisions of the model by Howard resulted in the 1989 and 1994 versions. The Howard model that will briefly be discussed below refers to the 1989 and 1994 versions, based on the findings of O'Shaughnessy (1992:68-72) and Howard (1994: 128-161). The Howard model is illustrated in Figure 2.5.



Source: Howard (1994: 158)

The Howard model views consumers to be in one of three different stages of decision-making, corresponding to the first three stages of the product life cycle. At the introductory stage of the product life cycle, the corresponding decision state is called extensive problem-solving, followed by the growth stage, referred

to as limited problem-solving, and finally at the maturity stage, the decision state is referred to as routine problem-solving.

According to the model, extended decision-making implies that the consumer has not formed a concept of either the product class or the product category. Limited decision-making implies that the consumer has a concept of the product category but has not formed a concept of new brands falling into a familiar product category.

Once the consumer has formed a concept of both the product category and all the product brands within the category, routine problem-solving applies.

As discussed above, it is clear that basic to all three decision categories is the concept of product category, defined as a group of brands viewed by consumers as close substitutes for each other. In view of the product category, Howard dismisses the utility of the product life cycle for brands. The movement from extensive problem-solving to routine problem-solving, therefore, is a movement towards a state of total understanding of a brand, although not implying that the consumer becomes an expert on brands. The consumer does, however, know the physical characteristics of the brand, leading to brand recognition, and feels confident to judge the quality of a brand. In addition to the above, the consumer knows the strengths of a brand based on the benefits thereof, as manifested in an attitude towards a brand. This so-called understanding of brands by consumers, referred to by Howard as the ABC of marketing (comprising brand recognition, attitude and confidence), constitutes brand image.

As could be seen from Figure 2.5, the Howard model portrays the consumer decision process, comprising six interrelated concepts, namely Information (F), Brand recognition (B), Attitude (A), Confidence (C), Intention (I) and Purchase (P). The six interrelated concepts will be briefly discussed to provide greater clarity on the Howard model.

Information (F) refers to the precept that is caused by stimuli, for example advertisements, where the precept is what the consumer perceives when exposed to stimuli. The precept is measured by recall, implying that information comprises of all that is recalled by the stimulus.

Brand recognition (B) involves categorisation, resulting in the consumer needing information on both the functioning of the product and the form. Brand recognition is viewed as being causally linked to both Attitude (A) and Confidence (C).

Attitude (A) towards a brand refers to the measure of the extent to which consumers expect the brand to meet certain expectations. The measure of attitude is argued to be multidimensional, where each benefit is measured in terms of its importance to the consumer and the multiplication of each weighting by the corresponding envisaged performance of the brand, resulting in the overall sum being the measure of attitude. Attitude is viewed as being causally linked to Intention (I).

Confidence (C) refers to the degree of certainty experienced by consumers regarding the correctness of their judgements about a brand and its benefits. Confidence is suggested to be causally linked to Intention (I), especially when Attitude (A) is high.

Intention (I) to purchase represents the mental stage reflecting the consumer's intention to purchase a specified quantity of a particular brand within a specified period. Intention (I) is viewed as a predictor of Purchase (P).

Purchase (P), the final interrelated concept of the Howard model, occurs once the consumer either has bought the brand or when the consumer has financially committed to purchasing the brand.

As indicated in Figure 2.5, Intention (I) is influenced by Pr and PL, defined by Howard (1994: 139) as Price (Pr) and Availability (PL). Price and availability, directly influencing Intention (I), represent the regular price of the brand and the Place (PL) where the brand can be purchased. Although price and availability are considered important influencing factors of the purchase process, these variables change often and Information (F) can therefore bypass the thinking process by directly influencing Intention (I). As depicted in Figure 2.5, Intention (I) is not only influenced by Price (Pr) and Place or availability (PL), but also by motives. Howard (1994: 159) indicates that motives represent the motives operating in each specific situation.

Drawing a conclusion from the Howard model, it should be noted that the variables impacting on consumer behaviour changes for each of the three different stages of decision-making. The discussion above provided a general overview of all the variables that could impact on the model, implying that some variables would be omitted, not changed, in the different stages of consumer decision-making.

2.4.3.5 The Engel, Blackwell, Miniard model

The Engel, Blackwell, Miniard model has its origin in decades of work on the subject of consumer behaviour by Engel, Kollat, Blackwell, and Miniard. These authors were responsible for the evolution of the model from 1968 to its present form, namely the eighth edition of their book on the subject of consumer behaviour.

Important to note, as stated by Engel, Blackwell & Miniard (1986: 27), is that the name of the model is compiled from the names of the authors, and it can therefore be concluded that the Engel, Blackwell, Miniard model is based on the same model as that of Engel & Blackwell, and Engel, Kollat & Blackwell.

Although the eighth revision of the Engel, Blackwell, Miniard model will be discussed in this section, it is important to briefly mention the evolution of the model since 1978, from the third revision by Engel et al. (1978: 554-562), to the eighth revision by Engel, Blackwell, and Miniard.

According to Engel et al. (1978: 555), the Engel, Kollat, Blackwell model (referred to as the EKB model) was a revision of a previous version of the model and had several distinct purposes, namely:

- a) the interrelationship between stages in the decision-process and the endogenous and exogenous variables which are highlighted;
- b) to clarify the relationship between attitudes and behaviour as well as the introduction of beliefs and intentions as explicit variables and the introduction of normative compliance; and
- c) to define variables with greater precision and specify functional relationship for the purpose of empirical testing.

Engel & Blackwell (1982: 686) revised the 1978 version of the EKB model and listed the same reasons for the revision as stated above. Interesting to note is that both revisions listed 16 equations and variable definitions in an effort to compare the EKB model to that of the Howard-Sheth and the Howard models.

The 1978 version of the EKB model, by Engel et al. (1978: 557-558), compares the EKB model to the 1974 version of the Howard model, whereas the 1982 version, by Engel & Blackwell (1982: 686-689), compares the EKB model to the 1977 version of the Howard model. The definitions and equations of the 1978 and 1982 versions of the EKB model are attached as Appendix 3, where the changes in the model can be viewed. In addition to the equations, the two

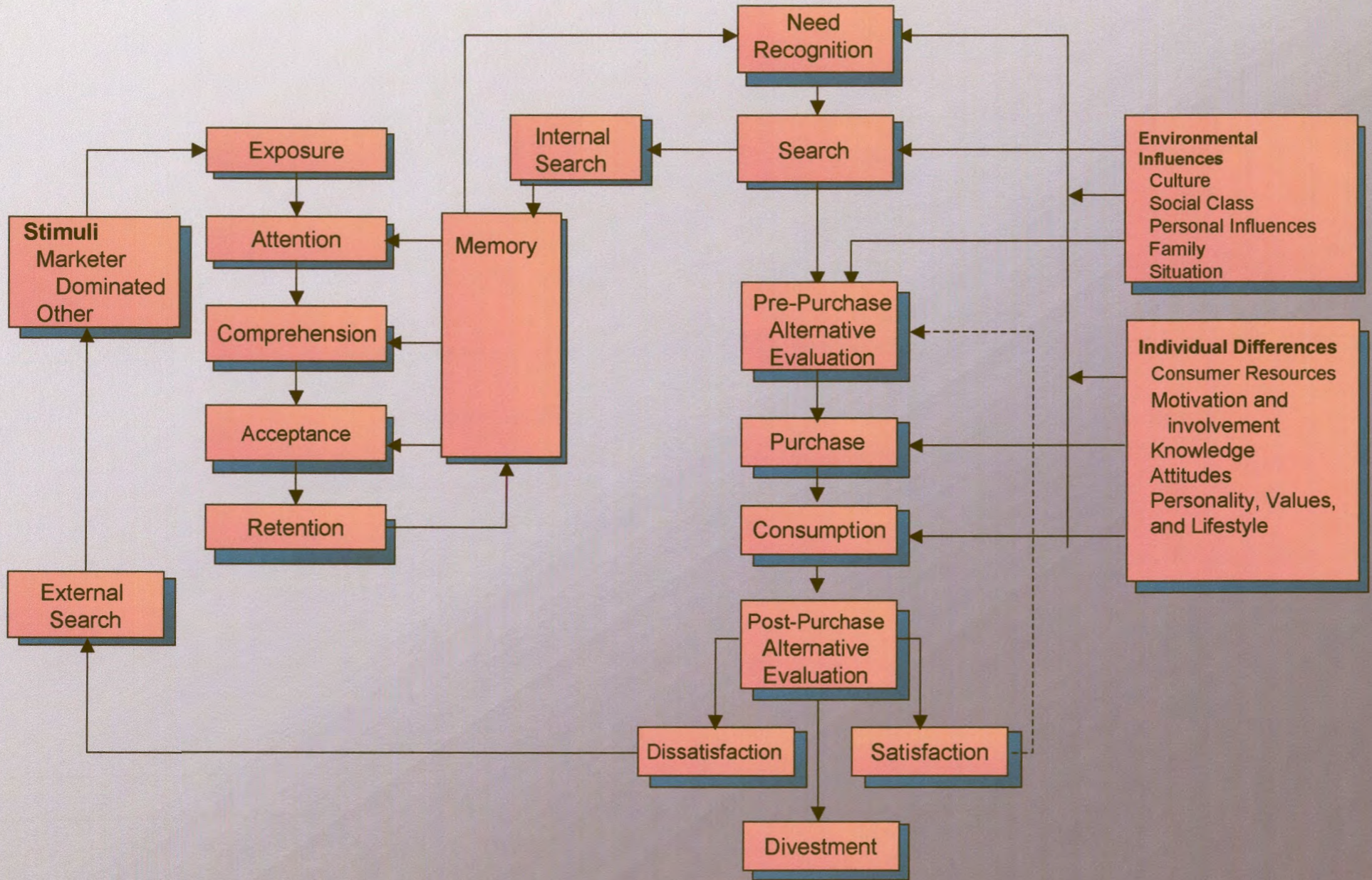
revisions of the EKB model presented as figures, clearly indicating the changes in the model, are illustrated in Appendix 4.

As indicated earlier, the EKB model was revisited and together with a new author, Miniard, the model became known as the Engel, Blackwell, & Miniard model (referred to as the EBM model). Two earlier revisions of the model, the 1986 and the 1990 revisions by Engel et al. (1986: 26-42 & 1990: 25-53), are indicated graphically in Appendix 4, and show the transformation of the model from 1978, the EKB model, to the 1990 version of the EBM model.

The EBM model discussed below is based on the findings of Engel et al. (1995: 147-154). Comparisons between the EKB and different versions of the EBM model will be shown in tabular form at the end of the discussion on the EBM model. It should be noted that the three authors published a 2001 version (Blackwell, Miniard & Engel), a ninth edition on consumer behaviour. Since the 1995 and 2001 versions are essentially the same model and theory, the researcher will discuss the 1995 version. Any differences between the two versions (mostly terminology) will be highlighted in Chapter 3, where the focus of the chapter is on the consumer decision-making process (based on theoretical background provided by the three authors).

The complete EBM model (1995 version) will be discussed in the remaining part of this chapter, focusing on the variables influencing consumer decision-making and the way in which they interact. The complete EBM model is shown in Figure 2.6, where a solid arrow indicates a direct relationship and a broken arrow, an indirect or feedback relationship between variables.

FIGURE 2.6: THE ENGEL, BLACKWELL & MINIARD MODEL - 1995 VERSION



Source: Engel et al. (1995: 154)

It should be noted that the EBM model identifies three broad decision processes based on the extent of active reasoning underlying consumer behaviour, namely extended, limited and midrange problem-solving. These decision processes will be discussed in greater detail in Chapter 3 (as stated before, Chapter 3 will be based on the theory on the consumer decision-making process offered by Engel et al., 1995) and will, therefore, not be covered in more detail in this chapter.

According to the EBM model, the consumer decision-making process is influenced and shaped by a number of factors and determinants, categorised in three broad categories, namely individual differences, environmental influences and psychological processes. The three categories will be discussed below, based on the discussion provided by Engel et al. (1995: 147-154), together with the components associated with each category, in an attempt to explain the consumer behaviour and decision processes suggested by the EBM model. Before discussing the EBM model, it should be noted that an alternative view of models of consumer behaviour can be viewed in Appendix 5, where the Assael model of consumer behaviour is discussed.

A) Individual differences

The EBM model suggests that consumer behaviour is influenced by five major categories of individual differences. These individual differences are consumer resources; knowledge; attitudes; motivation; personality, values and lifestyle.

i) Consumer resources

Each decision situation is characterised by the involvement of three different consumer resources. First, the consumer uses time, which is valued since time is often more important to consumers than money due to the increasing lack of time in a modern society. The second resource is money or economic resource, and the third is information reception and processing capabilities. The

consumer's perception regarding the availability of these resources may affect the willingness to spend time and money on products, which causes the consumer to carefully allocate these resources due to the limited availability thereof.

ii) Knowledge

Knowledge, defined as the information stored in memory, encompasses a wide variety of information, including the availability and characteristics of products and services. Information contained in memory regarding products include awareness of the product category and brands within the product category, attributes and beliefs of both the product category and specific brands, and the availability of products in terms of the distribution channels and competitors selling products within these channels. In addition to the above, knowledge regarding products also includes when to purchase, since the consumer may be aware of specials at certain times during the year and may therefore delay the purchase decision. A final component of knowledge is the information contained in memory regarding the uses and requirements to use a product. Consumers may, therefore, be aware of the uses of products, although they are not able to actually operate them.

iii) Attitudes

An attitude can be defined as an overall evaluation of alternatives, ranging from positive to negative. Attitudes are considered important in viewing consumer behaviour, since behaviour is strongly influenced by attitudes towards a given product or brand. In addition to the above, attitudes influence future choice and are difficult to change, even though being a common marketing tool.

iv) Motives

Needs and motives, where need is a central variable in motivation, influence all phases of the decision process. Activated needs, defined as a perceived difference between an ideal and the present state that is sufficient to activate behaviour, lead to energised behaviour or drive that is channelled towards certain goals that have been learned as incentives. In addition to the above, it should be noted that needs fall within two categories, namely the utilitarian or functional category which has practical benefits, and the hedonic or subjective category with emotional benefits.

v) Personality

Personality, values and lifestyle encompass what is known as psychological research, where the emphasis is placed on individual traits, values, beliefs and preferred behaviour patterns that combine to characterise market segments.

Personality, defined as consistent responses to environmental stimuli, provides for orderly and coherently related experiences and behaviour. Personality is also the component that makes one individual unique from all others and provides consistency of responses.

vi) Values

Values represent an individual's beliefs about life and accepted behaviour, therefore expressing both the goals that motivate people and appropriate ways to achieve those goals. Values are classified as either being social, implying shared beliefs that characterise a group of people and thereby defining behaviour for the group that will be acceptable as "normal", or personal, responsible for defining "normal" behaviour for an individual.

vii) Lifestyle

Lifestyle, reflecting an individual's activities, interests and opinions, represents certain patterns in which people live and spend their time and money. Lifestyle can, therefore, be viewed as the result of all the economic, cultural and social life forces that contribute to an individual's human qualities.

B) Environmental influences

Environmental influences impacting on consumer behaviour include culture, social class, personal influences, family and the situation.

i) Culture

Culture, from a consumer behaviour perspective, implies the values, ideas, artefacts and other meaningful symbols assisting individuals to communicate, interpret and evaluate as members of society.

According to the EBM model, the importance of culture from a consumer behaviour perspective is that it provides people with a sense of identity and understanding of acceptable behaviour within society. In addition to the above, culture influences attitudes and behaviour, including the sense of self and space, communication and language, time and time consciousness, values and norms, food and feeding habits, relationships with family, organisations and government, dress and appearance, beliefs and attitudes, mental processing and learning, as well as work habits and practices.

ii) Social class

The second environmental influence, "social class", can be defined as divisions within society where individuals share similar values, interests and behaviours.

Social classes are differentiated by socio-economic status differences, often leading to consumer behaviour differences, for example the make of a vehicle or the favourite style of dress.

The impact of social class on consumer behaviour can often be observed when viewing consumer time spent, products purchased, where, and how they purchase products, especially since brands of products and services are associated with specific social classes.

iii) Personal influences

Consumers are often influenced by people they associate with, where they conform to the norms and expectations of others or simply value their opinions in the buying process. This influence can either be the observation of others or alternatively the active seeking of advice, where the person providing the advice becomes an influential or opinion leader.

iv) Family

The family is often the primary decision-making unit with different roles and functions, often resulting in simultaneous co-operation and conflict. Two behavioural roles of the family can be distinguished, namely instrumental or functional roles, involving financial, performance and other “functional” attributes, such as conditions of purchase and expressive roles, involving the support of other family members in the decision-making process by expressing the family’s emotional needs and upholding of family norms.

At least five definable roles, assumed by the husband, wife, children, or other members of the household, can be distinguished in family consumption decisions. These roles are the initiator or gatekeeper, initiating family thinking about purchasing products and gathering information. There is the influencer,

the individual determining the criteria to be used by the family when purchasing products as well as identifying products that would most likely meet the criteria. Then there is the decider, the person with the financial authority, determining how the money of the family should be used and on which products or brands. The buyer is the person responsible for visiting the store, purchasing the products and bringing it home. Finally, there are the users, the individuals in the family using or consuming the product.

v) Situation

The final environmental influence impacting on consumer behaviour according to the EBM model is that of the situation, since behaviour changes as the situation changes. The importance of considering the situation is due to changes impacting on consumers sometimes being unpredictable and erratic, for example retrenchments from work resulting in the postponement of purchases.

Situational factors can be divided into three categories, namely communication, purchase and the usage situation. Communications situations influencing consumers are, for instance, affected by marketing messages, where, for example, the impact of a television advertisement is in part determined by the programme during which it is broadcast.

The purchase situation includes elements of the information environment, for instance the availability thereof externally or internally in memory, the volume of information, determined by the number of choice alternatives as well as the number of attributes per alternative. Other aspects from the information environment influencing the purchase situation are the format, implying the manner in which it is organised, and form of information. In addition to information influences, the retail environment or store atmospherics also influence the purchase situation. Factors comprising the retail environment

include music, layout, point of purchase material, colours and crowding caused by the density of shoppers in a store.

The final situational influence, “product consumption”, plays an important part in consumer behaviour, since consumers may alter their purchase patterns due to usage situations. An example of the consumption situation is where it is acceptable to drink a certain brand of wine at home, yet when with friends it may be unacceptable.

C) Psychological processes

The psychological processes in the EBM model comprise the decision-process behaviour of consumers which, together with the environmental influences and individual differences, form an elaborated consumer behaviour and decision model.

Although Chapter 3 will focus in detail on the consumer decision-making process, it is important to consider the decision process documented by the EBM model, since the discussion on this element of the model not only completes the model but also provides insight into the influence of processing ability and the complexity thereof on consumers. The decision-making process in the EBM model comprises the following components: need recognition, search for information, information processing, pre-purchase alternative evaluation, purchase, consumption and post-purchase alternative evaluation as well as divestment.

i) Need recognition

The first stage of the decision-making process is that of need recognition, where the consumer senses a difference between what is perceived as an ideal state of affairs compared to the actual state at any given time. Need recognition is

therefore a state of desire, initiating a decision process that occurs throughout the interaction of individual differences and environmental influences.

ii) Search for alternatives

The second stage of the decision process is that of internal search into memory to determine whether or not enough is known about alternatives to make a decision without additional information searches. If there is not sufficient information contained in memory, consumers will engage in external search. Individual differences and environmental influences, influence external search. For example, some consumers are cautious and unwilling to purchase products without searching for extensive and detailed information, whereas others may purchase products without comparing alternatives.

External sources used when searching for information are categorised as either being marketer dominated or other. Marketer dominated sources imply any activities by suppliers of products for the purpose of offering information or persuasion, including for example point of sale material and advertising. The “other” external source of information in the EBM model includes for instance word-of-mouth from others, product rating and consumer reports.

iii) Information processing

The information processing process commences when the consumer is exposed to an external search. In the information processing process, five distinctive steps can be identified, namely exposure, attention, comprehension, acceptance and retention.

Exposure forms the first step of information processing since communication first needs to reach consumers, resulting in the activation of one or more senses and therefore the start of preliminary processing. Once exposed to information,

consumers need to allocate information processing capacity to the incoming information, or alternatively decide not to allocate processing capacity.

Attention to information will most likely occur if the incoming message and the contents thereof are considered relevant. At this stage of the process, consumers may ignore marketing dominated messages, thereby exercising their capabilities of selective attention.

During the third step of the information processing process, **comprehension**, the message to which attention was attracted, is further analysed against categories of meaning stored in memory. At this point, the marketer wishes for accurate comprehension of the message.

The goal of the marketer's message is to modify or change beliefs and attitudes held by consumers. At this stage of the information processing process, **acceptance** of an incoming message can be assumed if it has not been screened out as being unacceptable. Of importance to note with acceptance is that there will be, at least to some degree, changes in consumer beliefs and attitudes if the message was accepted.

The final step in the process is that of **retention**, where the marketer will aim to not only achieve acceptance for its information but also the storing thereof in memory for future use.

It should be noted in conclusion to the information processing process that attention to stimuli will be attracted and held only if the information is relevant to the needs and motives of the consumer. Due to the massive volume of competing messages to which consumers are exposed, only a small subset will be processed as a result of the selective information processing capabilities of consumers.

iv) Pre-purchase alternative evaluation

At the pre-purchase evaluation phase of the EBM model, the consumer will examine products in terms of their attributes as compared to personal standards and specifications, defined as evaluation criteria.

The evaluation criteria, expressed in the form of preferred attributes, present the desired outcomes from the purchase and consumption of products. Evaluation criteria, influenced by individual and environmental influences, can therefore be perceived as becoming a product-specific manifestation of the consumer's needs, values and lifestyle.

v) Purchase

The purchase process occurs in either a retail-type environment or through in-house shopping, and often requires the assistance of a highly skilled salesperson, although this does not necessarily imply that the decision and evaluation process is executed at the point of purchase.

vi) Consumption and post-consumption alternative evaluation

The consumption of products has traditionally not been the concern of marketers, since the primary objective used to be to sell the product. This view has changed since marketers need to remain competitive by ensuring consumer satisfaction with the purchase and the consumption of products in an effort to retain consumers. Marketers can, therefore, learn a great deal from consumers by examining how products are consumed, noting preferences and suggestions on how to improve on products, and finally to probe into reasons why products are returned.

Dissatisfaction with the purchase and consumption of a product occurs when the consumer perceives the chosen alternative to be failing against the desired outcome. The consumer may also experience doubt with the purchase even before consumption, simply because of the presence of alternatives that also cater for the desirable features. This phenomenon is known as post-decision regret and may inspire the consumer to engage in further information search.

The importance of satisfaction and dissatisfaction with the purchase and consumption of a product is illustrated in Figure 2.6, where satisfaction provides feedback to pre-purchase alternative evaluation, assisting the consumer with future alternative evaluation and choice, and dissatisfaction which leads to external search for information.

vii) Divestment

The final stage of the decision process model is divestment, where the consumer faces the options of disposal, recycling or re-marketing.

D) Comparison of EBM and EKB models

As indicated at the beginning of the discussion on the EBM model, a comparison between the different versions of the EBM model and the EKB model will show the manner in which the model has evolved over more than two decades. Important to note is that the EBM was revised twice between the 1986 and 1995 versions. The reason for comparing only the 1986 and 1995 versions is because the changes identified are substantial, showing clearly the change in the model over the period of almost ten years. Table 2.2 below provides a comparison between the EKB model (1982 version) and the EBM model (1986 and 1995 versions).



TABLE 2.2: COMPARISON BETWEEN THE ENGEL, BLACKWELL, MINIARD (1995 AND 1986 VERSIONS) AND THE ENGEL, KOLLAT, BLACKWELL MODEL (1982 VERSION)

Variable/ Components	Engel, Kollat, Blackwell model (1982 version)	Engel, Blackwell, Miniard model (1986 version)	Engel, Blackwell, Miniard model (1995 version)
Components	Five, namely (i) input (ii) information processing (iii) decision process (iv) decision process variables, and (v) external influences	Four, namely (i) input (ii) information processing (iii) decision process; and (iv) variables influencing the decision process	Four distinct components can be identified, namely (i) input (ii) information processing (iii) decision process; and (iv) variables influencing the decision process
Variables influencing decision process	Influences shown separately in two different components of model (decision process variables and external influences)	Three identified (included under one component – variables influencing decision process), namely individual characteristics; social influences; and situational influences	Two identified under one component – environmental influences (including situation, previously separately); and individual differences (including consumer resources and combining of personality, values and lifestyle)
Comprehension (as part of information processing component)	Shown as comprehension only	Shown as comprehension / perception	Shown as comprehension only
Internal search	Included in memory	Shown separately	Shown separately
Implementation of decision (as part of decision process component)	Indicated as choice	Indicated as purchase	Indicated as purchase
Outcome of purchase (as part of decision process component)	One result shown as dissonance – feedback to external search only, no feedback to beliefs; second outcome shown as satisfaction – feedback to beliefs	Outcomes shown as satisfaction and dissatisfaction – both feeding back to beliefs	Outcome shown as consumption, leading to post-purchase evaluation, with three possible outcomes – dissatisfaction feeding back to external search only; divestment; and satisfaction providing feedback to pre-purchase evaluation
Motives	Shown separately	Included with individual characteristics (as part of variables influencing decision process component)	Included under individual differences and includes involvement by the consumer
Lifestyle	Shown separately	Included with individual characteristics (as part of variables influencing decision process component)	Combined with personality and values, all included under individual differences
Personality	Included in lifestyle	Included with individual characteristics (as part of variables influencing decision process component)	Combined with values and lifestyle, all included under individual differences
Evaluation criteria	Shown separately	Included in beliefs	Indicated as being considered before purchase as pre-purchase evaluation criteria as well as after consumption as post-purchase alternative evaluation

Variable/ Components	Engel, Kollat, Blackwell model (1982 version)	Engel, Blackwell, Miniard model (1986 version)	Engel, Blackwell, Miniard model (1995 version)
Normative compliance and information influence	Shown separately	Included with social influences (variables influencing decision process component)	Not explicitly indicated
Cultural norm and values	Shown separately (direct influence on lifestyle)	Included with social influences (variables influencing decision process component). Direct influence on all elements of decision process	Included as part of environmental influences
Reference group/family	Shown separately (direct influence on problem recognition, information search, alternative evaluation and choice)	Included with social influences (variables influencing decision process component). Direct influence on all elements of decision process	Family and reference groups (included under personal influences) included as part of environmental influences
Unanticipated circumstances	Shown separately (direct influence on choice)	Shown separately as situational influences (direct influence on all elements of decision process)	Included as part of environmental influences

Source: Compiled from the comparison of the three models by the authors: Engel et al. (1995: 154); Du Plessis (1986: 64); Engel et al. (1986: 35); and Engel & Blackwell (1982: 500).

As can be seen from Table 2.2, the most prominent differences can be noted in the components and the variables within each of the models. The most noticeable differences between the EKB and the EBM (1986 version) models are the combination of the decision process variables and the external influences (shown separately in the EKB model) into a single component, namely variables influencing decision process (as documented in the EBM model).

A second difference is that in the EKB model, where alternative evaluation and intention lead to choice, resulting in outcomes, whereas in the EBM model, intention leads to purchase, and purchase on its part leads to outcomes. A final difference, clearly identified, is that in the EKB model, dissonance (a result of outcomes) feeds back to external search only, whereas with the 1986 version of the EBM model, both satisfaction and dissatisfaction feed back to beliefs, although dissatisfaction also feeds back to external search.

Differences noted between the 1986 version of the EBM model and the 1995 version, include the variables influencing the decision process being reduced from three in the 1986 version (individual characteristics, social influences, and situational influences) to two in the 1995 version (environmental influences – including the situation, previously shown separately -, and individual differences).

Secondly, in the decision process component in the 1995 version, pre-purchase alternative evaluation directly leads to purchase and purchase leads to consumption (replacing outcomes, the result in the 1986 version). Keeping the focus on the decision process, consumption feeds into three areas, namely dissatisfaction, satisfaction and divestment (not present in the 1986 version). Interesting to note is that in the 1995 version of the EBM model, as with the EKB model, dissatisfaction (although referred to in the EKB model as dissonance) only feeds back to external search and not, as with the 1986 version, to beliefs or evaluation criteria.

2.5 SUMMARY

Chapter 2 provided a discussion on consumer behaviour by focusing on the origin of consumer behaviour from both human behaviour and human behavioural models, as well as the development of the marketing concept. The impact of the marketing concept, formulated in the 1950s, was discussed together with the practical implication thereof for not only the study of consumer behaviour but also for the marketing field of study.

Chapter 2 also considered a number of models of human behaviour. These models offered only a partial explanation of the way in which human beings and consumers behave since they focused on only a small number of possible influences that could possibly affect behaviour.

The final part of the chapter focused on models of consumer behaviour and showed how the theory has evolved over the years. The dynamic changes in these models could clearly be highlighted, especially when considering current models, that have been revised a number of times over a period of more than 20 years.

All the models of consumer behaviour attempted to explain all possible variables and influences on consumer behaviour. Earlier attempts considered the possibility to explain models of consumer behaviour by means of testable equations, often comparing a model to that of a different author.

The final model on consumer behaviour, the Engel, Blackwell & Miniard model, provided a comprehensive discussion on the possible influences on consumer behaviour, and more specifically the impact of influences on the different stages of the decision-making process. The model provided the latest thoughts on the subject of consumer behaviour and will, therefore, be used as the basis for the discussion on the consumer decision process, the topic of Chapter 3.

Chapter 3 will focus on the consumer decision-making process, namely the different stages thereof, the factors influencing each stage of the process and finally how the Internet influences both the decision-making process and the factors influencing it.