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## TRADITIONAL MODELS OF CONSUMER BEHAVIOR: AN OVERVIEW

**R.VIJAYALAKSHMI**, Ph.D (Research Scholar), Department of Commerce, Alagappa University, Karaikudi-630004.

**Dr.T.R.GURUMOORTHY**, Professor & Head, Department of Commerce, Alagappa University, Karaikudi-630004.

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### ABSTRACT

*The purpose of the research work is to study the traditional models of consumer behavior. The study starts with objectives of traditional models of consumer behavior overview. Consumer behavior in general and also examines the various theories and available to understand consumer behavior. Theories of consumer behavior and models are a natural extension of human behavior theories. The two major consumer categories represent the basis for understanding how they guide the reverse models and theory under each. It was ascertained that in terms of cognitive and humanistic, the varied theories and models under them all have special attribute. These represent the basis for the selection of the theory or model suited to person product or service category. These models also help special marketing strategies like position and market dividing the total numbers of market and sub group of people.*

**Keywords** : Traditional models, consumer behavior, Micro Economic, Macro Economics, Behavior economic, Stimuli models.

### INTRODUCTION

A model can be describe as a simplify representation of reality. It simplifies by incorporation only those aspects of reality that model builder. Other aspects that are not of interest only add to the effortlessness of the situation and can be unobserved. Thus an architect's model of a building may not show furniture arrangements if that is not important to the building's design. In the way, consumers in modeling regulars should feel free to exclude any aspects that are not relevant to their behavior. Since we have define consumer behavior as concerning a decision process, models that focus on this process will be of significant interest to us.



Any given property or process can be modeled in a variety of ways. We can model something by verbally relating it, by representing it with diagram or arithmetical symbols, or by characterize it with some physical classes such as electrical contemporary models. The most important of consumer –behavior models are verbal, often supported by a schematic drawing.

Consumer–behavior models can be classified in terms of scope. Some are designed to represent a very specific aspect of behavior, such as consumer’s repetitive purchasing of the same brand over a period of time. Others are much more comprehensive because they attempt to include a great variety of consumer behaviors. These inclusive models are less depth in nature so that they can represented many diverse environments.

Models are devised for a variety of reasons, but the two purposes for developing most consumer models are assisting in constructing a theory that guides research on consumer behavior and to facilitate gathering what is presently known about consumer behavior. This entails identifying the relevant variables, indicating their characteristics, and specifying their interrelationships, that is, how they influence each other.

Developing theory is an interrelated set of concepts, definitions, and propositions that presents a systematic view of some phenomenon. It presents a logical viewpoint that is useful in understanding some process or activity. More specifically, a theory has four major functions: description, prediction, explanation and control. In its predictive role a theory is used to foretell future events, as when learning theory is used to predict what brand names will be easier for consumers to remember. Theory can be used for explanation in order to learn the underlying causes of some event or activity. This would occur when we want to understand why consumers regularly purchase the same brand of soup. Although it is possible events without understanding their causes, knowing why something happens greatly enhances our ability to predict its occurrence. Control is the capacity to control or regulate future events. This has been extremely difficult in the behavior is far from present capabilities. In this way models a present a unified view of what is known about consumer behavior and help identify what remains to be explored.

Another primary motivation for using models is to serve as a learning aid. In this role, models provide a structure helpful for organizing knowledge about consumer behavior into a logical pattern that is easier to comprehend. They also remind us of the interrelations



between relevant variables. Therefore, as we concentrate on one particular variable, reference to the model will remind us to consider how it interacts with other variables to influence behavior.

### **MODELS OF CONSUMER BEHAVIOR**

A multiplicity of such model exist, each taking a to some extent special view of regulars. Those chosen for presentation here are well known and represent traditional approaches to the study of consumers, while more contemporary viewpoints are presented next.

### **TRADITIONAL MODELS OF CONSUMERS**

The earliest comprehensive consumer models were actually devised by economists seeking to understand to economic systems. The traditional models can be explained in the four models. Partly because they have undergone some innovation these models still influence modern views of consumers.

### **MICROECONOMIC MODEL**

The classical microeconomic approach, developed early in the nineteenth century, focused on the pattern of goods and prices in the entire economy. Thus, micro economists concentrated on explaining what consumers would purchase and in what quantities these purchases would be made. Therefore, micro economists chose to ignore why consumers develop various needs and preferences and how consumers rank these needs and preferences.

The resulting theory was based on a number on a number of assumptions about consumers. Primary among these were the following:

1. Consumers' needs and wants in total, unlimited and therefore cannot be fully fulfilled.
2. Given a limited budget, consumers' goals are to allocate available purchasing dollars in a way that maximise satisfaction of their wants and needs.
3. Consumers independently develop their own preference, without the influence of others, and these preferences are consistent over time.
4. Consumers have perfect knowledge of the utility of an item; that is, they know exactly how much satisfaction the product can given them.



- As additional units of a given product or service are acquired, the marginal satisfaction or –utility provided by the next unit will be less than the marginal satisfaction or utility provided by previously purchased units.

Given these assumptions, economist argued that perfectly rational consumers will always purchase the good that provides them with the highest ratio of additional benefit to cost. The good this benefit/ cost ratio can be expressed as a ratio of its marginal value to price (MU/P). Therefore, it can be shown that the consumer would seek to achieve a situation where the following expression holds for any number (n) of goods:

$$\frac{MU_1}{P_1} = \frac{MU_2}{P_2} = \frac{MU_3}{P_3} = \dots = \frac{MU_n}{P_n}$$

If anyone products ratio is greater than the others, the consumer can achieve greater satisfaction per dollar from it and will immediately purchase more of it. Provided there is an adequate budget, the consumer will continue purchasing until the products declining marginal utility reduce its MU/ P ratio to a position equal to all other ratios. Additional purchasing of that good will then stop. Although the micro economics model has had an important influence on your understanding of consumers, it provides a severely limited explanation of consumer behavior, with a major deficiency being its highly unrealistic assumptions. In addition, consumers lack perfect knowledge regarding products, and they often influence each other’s preference. Also appear to use many variables in addition to price to assess a products cost and many frequently use price as a measure of product quality as well as cost. These unrealistic assumptions may not have hindered the usefulness of this model in explaining the behavior of an entire economics system, but they certainly are not as useful in purchase situations in marketing and others.

### MACROECONOMICS MODEL

Macroeconomics focus aggregate flows in the economy – the monetary value of goods and resources, where they are directed, and how they change over time. From such a focus, the macroeconomics draws conclusions about the behavior of consumers who influence these flows.



This deal with two economics facts of life: higher-income families spend a smaller proportion of their disposable income than do lower income families, but as economic progress raises all income levels over time these size do not appear to change. That is, lower – income groups do not significantly change the proportions of income devoted to spending as economic progress results in an increase in their income. The relative-income hypothesis explains this apparent contradiction by arguing that people’s consumption standards are mainly influenced by their absolute income levels. Therefore, the proportion of a family’s income levels is rising at the same time.

### **BEHAVIORAL ECONOMICS**

Traditional economics focused on the results of economic behavior ( supply, quantity, demanded, prices and the like) rather than actual behavior of complicating of consumers themselves. Behavioral influences on consumer were viewed as complicating factors which could be assumed to cancel each other out. George katona found this approach lacking and argued that an appreciation of how psychological variables influence consumers could lead to a deeper understand of the behavior of economic agents. Katona’s viewpoint, now known behavioral economics, was fostered by important changes which occurred in our economy.

### **CONTEMPORARY MODELS**

The Contemporary Model is described and explains models of consumer behavior. The contemporary models can be three models can be explained.

- Nicosia model
- Howard- Sheth Model
- Engle- Blackwell- Miniard Model

**NICOSIA MODEL** --- Francesco Nicosia was one of the first consumer- behavior modelers to shift focus from the act of purchase itself to the more complex decision process that consumers engage in about products and services. He presented his model in flow-chart, resembling the steps in a computer program.



The model is views as representing a situation where a firm is designing communications to deliver to consumers, and consumers, and consumer's responses will influence subsequent actions of the firm. Generally, as shown in figure 1 the model contains four major components or fields : the firm's attributes, the consumer search for and evaluation of the firm's output and other available alternatives, the consumer's motivated act of purchase and the consumer's storage or use of the product. Nicosia assumes that the consumer is seeking to fulfill specific goals and that initially there is no history between the consumer's and the firm, so no positive or negative predispositions toward the firm exists in the consumer's mind. The consumer will properly become forced to gain in order at this point, and search activity is likely to occur. Some search activity will involve:

**HOWARD SHETH MODEL---** Howard Sheth Model depicted in figure 2 serves as an integrating framework for a very sophisticated comprehensive theory of consumer behavior. Howard-Sheth Model theory easy understand the buyer behavior.

- ❖ Extensive problem solving
- ❖ Limited problem solving
- ❖ Routinized response behavior

**INPUT VARIABLES---** Input Stimuli are depicted in the left segment of the model as stimuli in the environment.

**OUTPUT VARIABLES---** the five output variables in the right hand portion of the model are the buyer's observable response to stimuli inputs.

- Attention
- Comprehensive
- Attitude
- Intention
- Purchase behavior

Constructs dealing with information processing and learning constructs dealing with the buyer's formation of concepts.



**ENGLE- BLACKWELL- MINIARD MODEL---** The Engle-Blackwell-Mininard model was originally developed in 1968 by Engle, Kollat, and Blackwell and has gone through numerous revisions. Most recently the model has been contributed to by Mininard in conjunction with Engle and Blackwell's.

The scheme, shown in figure 3 depicts consumer behavior as a decision process of five activities which occur over time. 1. Motivation and recognition, 2. Search for information, 3. Alternative Evaluation, 4. Purchase and 5. Outcomes. As shown in the model, variables are grouped into four general categories: a) Stimuli inputs, b) information processing, c) decision process, d) variables influencing the decision process.

Characteristic of the individual and environment influences such as the urgency of need. Any information inputs are subjects to information processing activities which the consumer uses to derive meaning from stimuli.

### **CONCLUSION**

Marketers must have admission to information about consumers, buying habits and which types of media they favour, in order to extend convincing message programs. By deeply analyze special consumer behaviour models marketers can appreciate that consumer behaviour concept influence the growth of marketing communication strategy. By using this model they can estimate the information needed to classify and select target markets. These models also help special marketing strategies like position and market dividing the total numbers of market and sub group of people.

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