CHAPTER 2

BUYING DECISION MAKING - PROCESS & FORMULATION OF MODELS
In the most general terms, a decision is the selection of an option from two or more alternative choice. In other words, for a person to make a decision, a choice of alternative must be available. When a person has a choice between making a purchase and not making a purchase, a choice between brand X and brand Y, or a choice of spending time doing A or B, that a Person is in a position to make a decision. On the other hand, If the consumer has no alternatives from which to choose and is literally forced to make a particular purchase or take a particular action.

2.1 LEVEL OF CONSUMER DECISION MAKING:

We can distinguish three specific levels of consumer decision-making: extensive problem solving, limited problem solving, and routinized response behavior.

**Extensive problem solving:**
When consumer have no established criteria for evaluating a product category or specific brands in that that category or have not narrowed the number of brands they will consider to a small, manageable subset, their decision-making efforts can be classified as extensive problem solving.

**Limited problem solving:**
At this level of problem solving, consumers already have established the basic criteria for evaluating the product category and the various brands in the category. However, they have not fully established preferences concerning a select group of brands.

**Routinized response behavior:**
At this level, consumers have experience with the product category and a well-established set of criteria with which to evaluate the brands they are considering. In some situations, they may search for a small amount of additional information; in others, they simply review what they already know.
2.2 FOUR VIEWS OF CONSUMER DECISION-MAKING:

The term model of consumers refers to a general view or perspective as to how (and why) individuals behave as they do. Specifically, we will examine models of consumers in terms of the following four views: (1) an economic view, (2) a passive view, (3) a cognitive view, and (4) an emotional view.

An economic view
In the field of theoretical economics, which portrays a world of perfect competition, the consumer has often been characterized as making rational decisions. Consumer researchers for a number of reasons have criticized this model called the economic man theory. To behave rationally in the economic sense, a consumer would have to (1) be aware of all available product alternatives, (2) be capable of correctly ranking each alternative in terms of its benefits and disadvantages, and (3) be able to identify the one best alternative. It has been argued that the classical economic model of an all-rational consumer is unrealistic for the following reasons: (a) people are limited by their existing skills, habits, and reflexes; (b) people are limited by their existing values and goals; and (c) people are limited by the extent of their knowledge. Consumers operate in an imperfect world in which they do not maximize their decisions in terms of economic considerations, such as price-quantity relationship, marginal utility, or indifference curves.

A Passive View:
Quite opposite to the rational economic view of consumers is the passive view that depicts the consumer as basically submissive to the self-serving interests and promotional efforts of marketers. In the passive view, consumers are perceived as impulsive and irrational purchasers, ready to yield to the aims and into the arms of marketers. At least to some degree, the hard-riving super salespeople subscribed to the passive model of the consumer of old, who were trained to regard the consumer as an object to be manipulated.
The principal limitation of the passive model is that it fails to recognize that the consumer plays an equal, if not dominant, role in many buying situations – some times by seeking information about product alternatives and defecting the product that appears to offer the greatest satisfaction and at other times by impulsively selecting a product that satisfies the mood or emotion of the moment.

A cognitive View:
The third model portrays the consumer as a thinking problem solver. Within this framework, consumers frequently are pictured as either receptive to or actively searching for products and services that fulfill their needs and enrich their lives. The cognitive model focuses on the processes by which consumers seek and evaluate information about selected brands and retail outlets.

Within the context of the cognitive model, consumers are viewed as information processors. Information processing leads to the formation of preferences and ultimately, attempt to obtain all available information about every choice. Instead, consumers are likely to cease their information seeking efforts when they perceive that they have sufficient information about some of the alternatives to make a "satisfactory" decision.

An Emotional View:
Although long aware of the emotional role of impulsive model of consumer decision making, marketers frequently prefer to think of consumers in terms of either economic or passive models. In reality, however, each of us is likely to associate deep feelings or emotions, such as joy, fear, love, hope, sexuality Fantasy, and even a little "magic" with certain purchases or possessions. These feelings or emotions are likely to be highly involving. For instance, a person who misplaces a favorite fountain pen might go to great lengths to look for it, despite the fact that he or she has six others at hand.
Possessions also may serve to preserve a sense of the past and act as familiar transitional objects when one is confronted with an uncertain future. For example, members of the armed forces invariably carry photographs of "the girl (or guy) back home," their families, and their lives in earlier times.

If we were to reflect on the nature of our recent purchases, we might be surprised to realize just how impulsive some of them were. Rather than carefully searching, deliberating, and evaluating alternatives before buying, we are just as likely to have made many of these purchases on impulse, on a whim, or because we were emotionally driven.

When a consumer makes what is basically an emotional purchase decision, less emphasis is placed on the search for purchase information. Instead, more emphasis is placed on current mood and feeling ("Go for it!"). This is not to say that emotional decisions are not rational.

Consumers, moods are also important to decision making. Mood can be defined as a "feeling state" or state of mind. Unlike an emotion, which is a response to a particular environment, a mood is more typically an unfocused, preexisting state—already present at the time a consumer "experiences" an advertisement, a retail environment, a brand, or a product.

Mood appears to be important to consumer decision making, because it impacts on when consumers shop, where they shop, and whether they shop alone or with others. It also is likely to influence how the consumer responds to actual shopping environments (i.e., at point of purchase).

2.3 CONSUMER DECISION MAKING- AN ELEMENTARY MODEL:

This section presents an overview model of consumer decision- making that reflects the cognitive (or problem-solving) consumer and, to some degree,
emotional consumer. The model is designed to tie together many of the ideas on consumer decision making and consumption behavior.

I. INPUT

The input component of our consumer decision making model draws on external influences that serve as sources of information about a particular product and influence a consumer's product related values, attitudes, and behavior.

Marketing Input

The firm's marketing activities are a direct attempt to reach, inform, and persuade consumers to buy and use its products. These inputs to the consumer's decision making process take the form of specific marketing mix strategies that consist of the product itself (including its package, size, and guarantees); mass-media advertising, direct marketing, personal selling, and other promotional efforts; pricing policy; and the selection of distribution channels to move the product from the manufacturer to the consumer.

Socio-cultural Inputs

The second type of input, the socio-cultural environment, also exerts a major influence on the consumer. Socio-cultural inputs consist of a wide range of noncommercial influences. For example, the comments of a friend, an editorial in the newspaper, usage by a family member, an article in consumer reports, or the views of experienced consumers participating in a special-interest discussion group on the internet are all noncommercial sources of information. The influences of social class, culture, and subculture, although less tangible, are important input factors that are internalized and affect how consumers evaluate and ultimately adopt (or reject) products.

ii. PROCESS

The process component of the model is concerned with how consumers make decision. To understand this process, we must consider the influence of the psychological concepts examined in part II. The psychological field represents
the internal influences (motivation, perception, learning, personality, and attitudes) that affect consumers' decision-making processes (what they need or want, their awareness of various product choice, their information — gathering activities, and their evaluation of alternatives).

The act of making a consumer decision consists of three stages:

- Need recognition
- Pre-purchase search and
- Evaluation of alternatives

- Need Recognition
The recognition of a need is likely to occur when a consumer is faced with a "problem."
Among consumers, there seem to be two different need of problem recognition styles. Some consumers are actual state types, who perceive that they have a problem when a product fails to perform satisfactorily (as a cordless telephone that develops desire for something new may trigger the decision process.

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

The consumer usually searches his or her memory (the psychological field depicted in the model) before seeking external sources of information regarding a given consumption-related need. Past experience in considered an internal source of information. The greater the relevant past experience, the less external information the consumer is likely to need to reach a decision. Many consumer
decisions are based on a combination of past experience (internal sources) and marketing and noncommercial information (external sources). The degree of perceived risk situations, consumers are likely to engage in complex and extensive information search and evaluation; in low-risk situation, they are likely to use very simple or limited search and evaluation tactics. The act of shopping is an important form of external information. According to a recent consumer study, there is a big difference between men and women in terms of their response to shopping. Whereas most men do not like to shop, most women claim to like the experience of shopping; and although the majority of women found shopping to be relaxing and enjoyable, the majority of men did not have the same response. In addition to gender differences, research reveals that price considerations can also play a role in determining the extent of the search process. For instance, consumers may engage in smart shopping, which indicates a willingness to invest a considerable amount of time and effort to seek and use promotion related information in order to obtain a price savings. For such consumers, this search constitutes doing their “home work” prior to making a purchase.

An examination of the external search effort associated with the purchase of different product categories (TVs, VCRs, or personal computers) found that, as the amount of the total search effort increased, consumer attitudes toward shopping became more positive, and more time was made available for shopping. Not surprisingly, the external search effort was greatest for consumers who had the least amount of product category knowledge. It follows that the less consumers know about a product category and the more important the purchase is to them, the more time they will make available and the more extensive their pre-purchase search activity is likely to be, conversely, research studies have indicated that consumers high in subjective knowledge (a self-assessment of how much they know about the product category) rely more on their own evaluations than on dealer recommendations.
Evaluation of Alternatives:

When evaluating potential alternatives, consumers tend to use two types of information: (1) a "list" of brands (or models) from which they plan to make their selection (the evoked set) and (2) the criteria they will use to evaluate each brand (or model). Making a selection from a sample of all possible brands (or models) is a human characteristic that helps simplify the decision making process.

Evoked set within the context of consumer decision making, the evoked set refers to the specific brands (or models) a consumer considers in making a purchase within a particular product category. (The evoked set is also called the consideration set.)

The evoked set consists of the small number of brands the consumer is familiar with, remembers, and finds acceptable. Depicts the evoked set as a subset of all available brands in a product category. Last figure indicates, it is essential that a product be part of a consumer's evoked set if it is to be considered at all. The five terminal positions in the model in the model that do not end in purchase would appear to have perceptual problems. For example, (1) brands (or models) may be unknown because of the consumer's selective exposure to advertising media and media and selective perception of advertising stimuli; (2) Brands (or models) may unacceptable because of poor qualities or attributes or inappropriate positioning in either advertising or product characteristics; (3) brands (or models) may be perceived as not having any special benefits and are regarded indifferently by the consumer; (4) brands (or models) may be overlooked because they have not been clearly positioned or sharply targeted at the consumer market segment under study; and (5) brands (or models) may not be selected because they are perceived by consumers as unable to satisfy perceived needs as fully as the brand that is chosen.

In each of these instances, the implication for marketers is that promotional techniques should be designed to impact a more favorable, perhaps more
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relevant product image to the target consumer. This may also require a change in product features or attributes.

iii. OUTPUT

The final purchase decision is the output. In case of FMCG there are two types of purchases (1) trial purchase (2) repeat purchases if satisfied by the experience. But this process is not possible in case of durables but some suppliers allow trial run of items like car, TV and if consumer feels satisfied he buys it.

CORE MODEL OF BUYER BEHAVIOUR

2.4 KEY FACTORS AFFECTING BUYER’S BEHAVIOUR

i. Cultural Factors

Culture, subculture and social class are particularly important in buying behavior; Culture is the fundamental determinant of a person's wants and behavior. The
Growing child acquires a set of values, perceptions, preferences and behaviors through his or her family and other key institutions.

Each culture consists of smaller subcultures that provide more specific identification and socialization, for their members. Subcultures include nationalities, religions, racial groups, and geographic regions. When subcultures grow large and affluent enough, companies often design specialized marketing programs to serve them. Such programs are known as diversity marketing.

All human societies exhibit social stratification. Stratification sometimes takes the form of a caste system where the members of different castes are reared for certain roles and can not change their caste membership. More frequently, it takes the form of social classes, relatively homogeneous and enduring divisions in a society, which are hierarchically ordered and whose members share similar values, interests, and behavior.

Social classes reflect not only income, but also other indicators such as occupation, education, and area of residence. Social classes differ in dress, speech patterns, recreational preferences, and many other characteristics.

II. **Social Factors**

In addition to cultural factors, a consumer’s behavior is influenced by such social factors as reference groups, family, and social roles and statuses.

a) **Reference Groups:** A person’s reference groups consist of all the groups that have a direct (face-to-face) or indirect influence on the person’s attitudes or behavior. Groups having a direct influence on a person are called membership group. Some membership groups are primary groups, such as family, friends, neighbors, and co-workers with whom the person interacts fairly continuously and informally.
b) Family: The family is the most important consumer-buying organization in society and family members constitute the most influential primary reference group the family has been researched extensively. We can distinguish between two families in the buyer’s life. The family of orientation consists of parents and siblings. Family of procreation namely, one’s spouse and children. A critical classification of the different stages in the family is given as under-

- Bachelor Stage
- Newly married couples
- Full nest I
- Full nest II
- Full nest III
- Empty nest I
- Empty nest II
- Solitary survivor
- Solitary survivor

c) Roles and Statuses:
A person participates in many groups-family, clubs, and organization. The person’s position in each group can be defined in terms of role and status. A role consists of the activities a person is expected to perform. Each role carries a status.

iii. Personal Factors:
A buyer’s decisions are also influenced by personal characteristics. These include the buyer’s age and stage in the life cycle, occupation, economic circumstances, lifestyle, personality and self-concept.
a) **Age and Stage in the life cycle:**
People buy different goods and services over a lifetime. They eat baby food in the early years, most foods in the growing and mature years, and special diets in the later years. Taste in clothes, furniture, and recreation is also age related.

b) **Occupation and economic circumstances:** Occupation also influences consumption patterns. A blue-collar worker will buy work clothes, work shoes, and lunch boxes. A company president will buy expensive suits, air travel, and country club membership. Marketers try to identify the occupational groups that have above – average interest in their products and services.

c) **Lifestyle:** people from the same subculture, social class, and occupation may lead quite different lifestyles. A lifestyle is a person’s pattern of living in the world as expressed in activities, interests, and opinions. Lifestyle portrays the “whole person” interacting with his or her environment. Marketers search for relationships between their products and lifestyle groups.

d) **Personality and self-concept:** Each person has personality characteristics that influence his or her buying behavior. By personality, we mean a set of distinguishing human psychological traits that lead to relatively consistent and enduring responses to environmental stimuli. Personality is often described in terms of such traits as self-confidence, dominance, autonomy, deference, sociability, defensiveness, and adaptability. Personality can be a useful variable in analyzing consumer brand choice.

e) **Psychographics** is the science of using psychology and demographics to better understand consumers.

The major tendencies of the four groups with high resources are:
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- **Actualizer**: Successful, sophisticated, active, “take-charge” people. Purchases often reflect cultivated tastes for relatively upscale, niche-oriented products.
- **Fulfillers**: Mature, satisfied, comfortable, and reflective. Favor durability, functionality, and value in products
- **Achievers**: Successful, career and work-oriented. Favor established, prestige products that demonstrate success to their peers
- **Experiencers**: Young, vital, enthusiastic, impulsive, and rebellious. Spend a comparatively high proportion of income on clothing, fast food, music, movies, and video.

The major tendencies of the four groups with lower resources are:
- **Believers**: Conservative, conventional and traditional. Favor familiar products and established brands.
- **Strivers**: Uncertain, insecure, approval-seeking resource constrained. Favor stylish products that emulate the purchases of those with greater material wealth.
- **Makers**: Practical, self-sufficient, traditional, family-oriented. Favor only products with a practical or functional purpose such as tools, utility vehicles, fishing equipment.
- **Strugglers**: Elderly resigned, passive, concern's, resource constrained. Cautious consumers who are loyal to favorite brands.

iv. **Psychological Factors:**
A person’s buying choices are influenced by four major psychological factors – motivation, perception, learning, and beliefs and attitudes.

a) **Motivation**: A person has many needs at any given time. Some needs are bioorganic; they arise from physiological states of tension such as hunger, thirst or discomfort. Other needs are psychogenesis; they arise from psychological states of tension such as the need for recognition, esteem, or belonging. A need
becomes a motive when it is aroused to a sufficient level of intensity. A motive is a need that is sufficiently pressing to drive the person to act.

Psychologists have developed theories of human motivation, and three of the best known - those of Sigmund Freud, Abraham Maslow, and Frederick Herzberg - carry quite different implications for consumer analysis and marketing strategy.

b) Perception: A motivated person is ready to act. How the motivated person actually acts is influenced by his or her perception of the situation. Perception is the process by which an individual selects, organizes, and interprets information inputs to create a meaningful picture of the world. People can emerge with different perceptions of the same object because of three perceptual processes: selective attention, selective distortion, and selective retention.

c) Learning: When people act, they learn. Learning involves changes in an individual's behavior arising from experience. Most human behavior is learned. Learning theorists believe that learning is produced through the interplay of drives, stimuli, cues, responses, and reinforcement.

A drive is a strong internal stimulus impelling action. Cues are minor stimuli that determine when, where, and how a person responds.

 Discrimination means that the person has learned to recognize differences in sets of similar stimuli and can adjust responses accordingly.

Learning theory teaches marketers that they can build up demand for a product by associating it with strong drives, using motivating cues, and providing positive reinforcement.

d) Beliefs and attitudes: Through doing and learning, people acquire beliefs and attitudes. These in turn influence buying behavior. A belief is a descriptive
thought that a person holds about something. People's beliefs about a product or brand influence their buying decisions. Marketers are interested in the beliefs people carry in their heads about their products and brands. Brand beliefs exist in consumers' memory.

2.5 STAGE MODELS OF THE BUYING DECISION PROCESS:

Marketing scholars have developed a "stages model" of the buying decision process. The consumer passes through five stages: problem recognition, information search, evaluation of alternative, purchase decision, and post purchase behavior. Clearly, the buying process starts long before the actual purchase and has consequences long afterward.

FIVE STAGE MODEL OF CONSUMER BUYING PROCESS:

- PROBLEM RECOGNITION
- INFORMATION SEARCH
- EVALUATION OF ALTERNATIVES
- PURCHASE DECISION
- POST PURCHASE BEHAVIOUR
SEVEN STAGES MODEL IN THE BUYING PROCESS

PROBLEM RECOGNITION (NEED RECOGNITION)

AWARENESS

COMPREHENSION (EVALUATION)

ATTITUDE

LEGITIMIZATION

TRIAL

ADOPTION
TEN STAGES MODEL OF THE DECISION MAKING PROCESS

- AWARENESS
- INTEREST IN PRODUCT & SERVICES
- EVALUATION
- TRIAL WHEN ALLOWED
- REJECTION / PURCHASE
- DIRECT EXPERIENCE
- PRODUCT EVALUATION
- FINAL ADOPTION OR REJECTION
- NO FUTURE
- REPEAT CASE IN CASE OF FMCG
Consumers may skip or reverse some stages. A woman buying her regular brand of toothpaste goes directly from the need for tooth paste to the purchase decision, skipping information search and evaluation.

i. **PROBLEM RECOGNITION:**
The buying process starts when the buyer recognizes a problem or need. The need can be triggered by internal or external stimuli.

ii. **INFORMATION SEARCH:**
An aroused consumer will be inclined to search for more information. Consumer information sources fall into four groups:

- **Personal sources:** Family, friends, neighbors, and acquaintances
- **Commercial sources:** Advertising, salespersons, dealers, packaging, displays
- **Public sources:** Mass media, consumer- rating organizations
- **Experiential sources:** Handling, examining using the product

iii. **EVALUATION OF ALTERNATIVES:**

How does the consumer process competitive brand information and make a final value judgment? There is no single process used by all consumers or by one consumer in all buying situations.

Some basic concepts will help us understand consumer evaluation processes: First; the consumer is trying to satisfy a need. Second, the consumer is looking for certain benefits from the product solution. Third, the consumer sees each product as a bundle of attributes with varying abilities for delivering the benefits sought to satisfy this need. The attributes of interest to buyers vary by product:
EVOKED SET:

Out of available alternatives consumer short lists certain brands for detailed consideration, which is called evoked, set which generally is of three to five brands. In this group there are following possibilities.

- Acceptable Brands
- Unacceptable Brands
- Indifferent Brands
- Forgotten or Over Looked Brands

**PROCESS OF SELECTION OF BRAND FOR PURCHASE**

```
All Brands
  ↓
Known Brands  Unknown Brands
  ↓
Evoked Set
  ↓
Acceptable Brands (1)  Unacceptable Brand (2)
  ↓
Indifferent brand may be selected (3)  Forgotten Brand may be selected (4)
  ↓
Final Choice Out of (1),(3) and (4)
```

Successive sets involved in consumer Decision Making (For Air conditioners)

(67)
iv. **PURCHASE DECISION:**
In the evaluation stage, the consumer forms preferences among the brands in the choice set. The consumer may also form an intention to buy the most preferred brand.

v. **POST-PURCHASE BEHAVIOR:**
After purchasing the product, the consumer will experience some level of satisfaction or dis-satisfaction. The marketer’s job does not end when the product is bought. Marketers must monitor post purchase satisfaction, post-purchase action, and post-purchase product uses.
2.6 BUYING BEHAVIOUR: BUYER, A RIDDLE

The buyer is a riddle. He is a highly complex entity. His needs and desires are innumerable. And they vary from security needs to aesthetic needs. These needs and desires are often at others are highly dominant. And they have different priorities in his scheme of things. The buyer has his own ideas and plans about realizing these needs and desires. The first task of the marketer is to get close to the buyer and understand his need-structure and priorities.

Selective Perception:

The Buyer is exposed to a world of information—about new products, new uses for existing products, new ideas and new styles. His attitude towards this literal bombardment of information, however, is peculiar. He may ignore certain pieces of information, whereas he may actively seek out some other information. He may read certain messages, but he may not digest them. He may merely overhear some message about some product and it may register in his mind. In other words, he filters the information in a rather unconscious manner. His perception is selective in the sense that he perceives and retains only what he would normally like to. This selective perception is actually his defense mechanism.

Buyer Not Bound by Set Rules in Taking Buying Decisions:

When the buyer takes a buying decision, no rigid rule binds him. Sometimes, the decision is taken on the spot. That does not necessarily mean that it is an irrational decision. Sometimes he may decide after a long search after evaluating the various alternatives available and after reassuring himself with the opinion of those who have already purchased the product. Still, he may subsequently feel that his purchase was impulsive or even foolish. He may go to a shop after having taken the decision to buy a product; but he may not buy. For no apparent
reason, he may postpone the purchase or even drop the very idea of purchasing the product.

The buyer is also influenced by his social environment, which consists of his family, his society, his neighbor, his friends, his job and his colleagues. Every component of his social environment leaves some imprint on him and influences him day-to-day life. It influences his buying behavior, too.

It would be amply clear from the above discussion that buyer behavior is a complex subject. The buyer is not a passive being, allowing himself to be manipulated easily by the marketing man. He is dynamic and downright difficult.

## 2.7 CONSUMER INVOLVEMENT MODEL:

### Buying behavior:

Consumer decision-making varies with the types of buying decision. The decisions to buy toothpaste, a tennis racket, a personal computer, and a new car are all very different. Complex and expensive purchases are likely to involve more buyer deliberation and more participants. Henry Assael distinguished four types of consumer buying behavior, based on the degree of buyer involvement and the degree of differences among brands.

### Four Types of Buying Behavior on the basis of Consumer Involvement

1. **Complex Buying Behavior:** complex buying behavior involves a three-step process. First, the buyer develops beliefs about the product. Second, he or she develops attitudes about the product. Third, he or she makes a thoughtful choice. Consumers engage in complex buying behavior when they are highly involved in a purchase and aware of significant differences among brands. This is usually the case when the product is expensive, bought infrequently, risky, and highly self-expressive, like an automobile.
The marketers of a high-involvement product must understand consumers’ information gathering and evaluation behavior.

ii. **Dissonance – Reducing Buyer Behavior:** some times consumer is highly involved in a purchase but sees little difference in brands. The high involvement is based on the fact that the purchase is expensive, infrequent, and risky. In this case, the buyer will shop around to learn what is available. If the consumer finds quality differences, he or she might simply buy on price or convenience.

iii. **Habitual Buying Behavior:** many products are bought under conditions of low involvement and the absence of significant brand differences. Consider salt. Consumers have little involvement in this product category. Marketers of such products find it effective to use price and sales promotions to stimulate product trial. Television advertising is more effective than print because it is a low-involvement medium that is suitable for passive learning.

iv. **Variety-seeking Buying Behavior:** some buying situations are characterized by low involvement but significant brand differences. Here consumers often do a lot of brand switching.

Brand switching occurs for the sake of variety rather than dissatisfaction. The market leader and the minor brands in this product category have different marketing strategies. The market leader will try to encourage habitual buying behavior by dominating the shelf space, avoiding out of stock conditions, and sponsoring frequent reminder advertising. Challenger firms will encourage variety seeking by offering lower prices, deals, coupons, free samples, and advertising that presents reasons for trying something new.
<table>
<thead>
<tr>
<th>Significant Differences Between Brands</th>
<th>High Involvement</th>
<th>Low Involvement</th>
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<tbody>
<tr>
<td>Complexity of Buying Behavior</td>
<td>Complex buying Behavior</td>
<td>Variety-seeking buying behavior</td>
</tr>
</tbody>
</table>

| Few Differences Between Brands       | Dissonance-reducing buying behavior | Habitual buying behavior |

**Definition of Involvement**

The involvement theory is based on the concept that there are low and high involvement consumers and there are high and low involvement purchases. Accordingly to this theory consumer's involvement depends on the degree of relevance of purchase to a consumer. If for instance, consumer wants to buy a packet of tea or food or bread or butter he does not feel very much involved. It is because the life of these products is very short and ones consumed they exhaust. If the experience with the product is not good, next time some other brand can be purchased. However, this is not true in case of consumer durables and certain services. If one buys an automobile, refrigerator, air conditioner, furniture, or a house he is forced to use it for long period and cannot change early and if he decides to dispose off there is big loss. Hence in these products there is high degree of involvement; therefore, consumer takes a decision after lot of deliberations.
The Involvement is a theory of consumer learning which presumes that the degree of interest in purchase of an item depends upon risk involved which is from limited risk to extensive risk and the involvement depends upon the type of product under consideration for purchase. The risk involved decides the degree of involvement and comes in selection of a product. Based on this hypothesis researchers have developed theories of high relevant/high involvement, low relevance/low involvement. In case of high involvement products the consumer collects all possible information and access it in detail based on his knowledge and makes efforts to get the opinion of family members, relatives and friends and some times even of experts. If some one decides to buy a car he will consider large number of attributes but in case of daily consumption items, the same consumer will make quick and effortless decision.

The involvement is dependent not only on nature of product or service to be purchased but also on the psychology of the consumers. Even for same product involvement is not uniform for all consumers.

The degree of involvement differs not only on the nature of product but also on the psychology of consumers. Some consumers take risk even for vital services and products. They take decisions without consideration of all attributes. For instance, if some one needs to be admitted into a hospital for treatment of serious injury or fracture there are persons who will take treatment in a near by hospital. But there are other persons who in a similar situation will make lot of inquiry before deciding the hospital for admission. Thus there are two sets of factors, which decide the degree of involvement (I) the nature of product or service and (II) the psychology of the consumer. Still it can be generalized that degree of involvement depends upon perceived risks in buying a particular product, the higher the risk. The deeper is the involvement. Based on this generalization there can three degrees of involvement—high, medium and low depending upon period of impact of purchases. Higher degree of involvement is in a product of long life or in services, which have long-term impact on consumer. The medium degree of
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Involvement is in items or services which have medium term impact upon life and the low involvement is in product and services which have short life and once used cannot be used again, “a few illustrations are given below:-

The marketers study the level of involvement indifferent products and services and accordingly make strategies to influence the consumers through mass communication i.e. print media and electronic media.

**CATEGORY OF INVOLVEMENT - AN ILLUSTRATION**

<table>
<thead>
<tr>
<th>Degree</th>
<th>Product / Service life</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>High involvement</td>
<td>Long</td>
<td>Automobiles, operation of a heart, insurance policy, graduate degree.</td>
</tr>
<tr>
<td>Medium involvement</td>
<td>Medium</td>
<td>Furniture, crockery, orthopodical treatment, admission of a child in a school.</td>
</tr>
<tr>
<td>Low involvement</td>
<td>Short life products,</td>
<td>Fast moving consumer products, admission services FMGC to nursery class, courier for fever.</td>
</tr>
</tbody>
</table>

**Antecedents of Involvement**

The degree of involvement depends upon past history of buyer i.e. on his level of knowledge, information, psychology, culture, life style, social system and other factors. Depending upon the circumstance of an individual, his involvement differs even for the same service or product. There is no clear-cut and universally acceptable definition of involvement. According to one view there are five types of involvement namely:
- Ego involvement.
- Communication.
- Communication involvement.
- Purchase importance.
- Extent of information secured.

**Decision Making Process:**
When one decides to buy a particular product it is an economic decision and expectations play an important role. One expects from a product or service best of performance, durability, and dependability. Expectancy is defined as "a monetary belief concerning the likelihood that a particular act will be followed by a particular outcome". Act is the decision to buy a particular service or products and outcome is satisfaction or dissatisfaction from use/consumption of purchased products or service. Finally there are a number of alternatives for each product or service. The consumer has to decide which one should be bought. In case of consumer non-durables choice is immense, be it soap, wheat flour, cosmetics, garments or consumer durables whether it is a car, refrigerator, washing machine, TV, air conditioner computer or some thing else or services like restaurant, finance, doctor, courier or others having long life degree of involvement is high. In case of short life FMCG the involvement is low and the degree of involvement is medium in case of items, which have medium life and have to be replaced after some time.

The degree of involvement also depends upon level of knowledge, information, psychology, culture and social system and differs for the same product in different setting. The involvements are ego involvement, commitment, communication, involvement, purchase importance and extant of information search.

The decision-making is a process whereby a buyer decides to purchase a particular product out of various available alternatives. The buyer expects from a product or service best of performance, durability and dependability, which he
evaluates. The process of selection and final selection is known as buying
decision-making. The process is quite cumbersome and requires lot of efforts in
case of certain products and services and it is simple in case of others.

First the consumer should be aware that a particular brand is available. Unless
he knows about the availability of a particular brand, it will not enter into
consumer decision-making. For instance there are hundreds of washing soaps
available in the Indian market but unless consumer is aware about its
performance, that brand is not considered. Therefore, it is the function of
marketer to make the prospective customers to know about a product i.e.
consumer must be informed about its availability.

Next stage is that the consumer must show interest in a particular product. For
example, if some one has decided to buy a car, he must not restrict has choice to
a few well-known brands, he must show interest in new brand also. This is
equally applicable to any other product. If there are 10/15 tea brands in the
market all of them should interest him so that he may evaluate them. The
evaluation in certain items is possible through trail. For instance, these days most
car producers allow trial run and one can evaluate the automobile by trial run. In
case of certain consumer items like shampoo, washing powder, pan masala, tea,
and small packets are available. The consumer before making a purchase
decision can buy small packs for trail. After trial or evaluation of its attributes the
consumer may either purchase or reject the product or service. If the consumer
accepts the product, he purchases it and consumes it. Through the first hand
experience, the product is again evaluated. If for example one purchases soap
and liked it he will have repeat purchase. In case of durables like refrigerator,
generator, T.V. etc. if one finds the product as per his expectations, he will not
only adopt it but will recommend to others too. If after the use the product is not
found satisfactory it will not only be rejected but the experience will be narrated to
others also.
There are different types of consumption and the decision-making depends upon the product or service to be purchased. The decision relates not only with regard to brand to be purchased but also the channel through which purchase is to be made and decision with regard to mode of payment. All these three are part of purchase decision. Types of purchase decision may be categorized as given in

LOW ININVOLVEMENT DECISION MAKING

When the stake in an item to be purchased or service to be utilized is not much and the risk of wrong decision is only short lived, decision-making involves low involvement. If for instance consumer decides to buy X brand-washing powder and does not find it suitable it can be rejected and repeat purchase is not made of the same brand. But the loss due to buying decision is limited to the cost of the powder. If one develops fever and visits near by doctor and he takes longer time than normally required he can be discarded. If some one sends a courier mail from Delhi to Mumbai and it does not reach next day the service can definitely be rejected for next Mumbai but if the mail contains important documents delay may cause loss and so risk is involved. Thus the low involvement does not depend entirely on the nature of product or service but also on other factors such as its consequences. Therefore even in some low involvement product or service decision-making has to depend upon other factors too. However, on the whole generally no or very limited inquiry is done for low involvement items. Very often some inquiry is made from seller but its attributes vis-à-vis of alternatives are not evaluated.

Unplanned purchase behavior:

All purchases by any consumer are not preplanned. When a wife visits a market for planned purchase and if something which was not in the list she likes or finds it a bargain on spot the short decision is taken for purchase, which is called unplanned purchase. The unplanned purchases may be defined those purchase decisions which are taken on the spot without any prior planning. Such purchases are quite large when one visits an exhibition or visits a religious place or visits
mela like khumbh Mela. One sees many products at these places and makes purchase for oneself, relatives and friends, for gifting or when innovative products are available. Generally when one visits such places he takes money for such purchases but does not know what he is going to buy. The purchase decision in such circumstances is called unplanned purchase decision. The basic point to observe is that no prior inquiry is made nor prior information is collected. But in such purchases also often alternatives are available and one has to decide which product is better. This depends purely on mood at that point to time and linking or disliking of a particular product or its alternative. It will not be correct to say that all unplanned purchase decisions are taken without considering alternatives.

Theory of low involvement:

Low involvement is applicable when neither performance nor image dimensions are very important. In such cases there is very vague or shallow impression and product is readily accessible. For instance, if one buys sugar one is not bothered about the name of the factory, which produced it because all sugar, are alike.

Complex decision-making:

In case of high involvement products and services decision-making is complex and difficult. If there are chances for permanent loss of funds or treatment does not succeed, the heart's operation costs Rs. 3 Lacs in one hospital and Rs. 1lakh in another hospital. The concern person has to decide whether it is worth spending Rs. 3 lacs instead of Rs. 1lakh. In such case psychology, emotion, price, pocket play a part along with reliability. There are social culture inputs consisting of non-commercial influences, which are considered. Social class, culture, sub-culture, information, recognition, opinions of users all plays a part.

If some one decides to buy a car, it is available from Rs. 2 lacs onwards going up to Rs. 25 lacs or more for imported car. The decision to buy a particular model does not depend merely on technical factors, reliability of operations, trouble free operation but also on non-utility factors. The buyer considers his status, ego
satisfaction, impression on friends and relatives and satisfaction that most of his known persons do not process that high price model. But there are others whose decision is based only on utility. In that case he has to collect information on all the possible models, compare their technical and non-technical features, narrow down his choice to two or three models before taking the final decision. At these stage friends who have experience of driving that model or who knows about automobiles is consulted.

In any other high Involvement item also the process is quite complex first one has to collect information on alternative choices, evaluate them not only in term of performances, reliability and durability but also price. One is required to work out cost benefit analysis and terms of payment. It is difficult to evaluate all these complex factors. When some manufacturer is offering wide range of TV or refrigerator task becomes all the more complex.

Model of Consumer Involvement:
There is no single model of consumer involvement in all situations and in all products but in all cases there are three major components – input, process and output. As an economist Mc Fadden (1981) has described the multinomial logic model based on macroeconomic theories of choice. In contrast, Yellot (1978) has described the same model as a descendent of psychological theories of comparative judgment development in the late 1920.

In figure taxonomy of theoretical choice model form is given. The economic theory presumes that an individual attempts to maximize utility and thus choice is made in such a manner as to achieve this objective.

The common models have three components as discussed below:

The inputs factors are external factors which influence product related values, attributes and behavior of buyers. The marketing mix activities and social cultural
inputs are the factors, which influence the purchase decision for a particular product or service.

The marketer tries to influence the consumer by making him aware about the availability of a product or service through advertisements, mailing literature to customers or personal communication. All marketing and promotional efforts are part of marketing inputs. It includes product, packaging, and mass media; direct marketing, personal door selling, e-mail, telemarketing, distribution channels, pricing, discount sales and promotional measures. The impact of these efforts depends upon consumer perception and therefore marketer evaluates them continuously and modifies their strategy when justified.

2.8 DEVELOPMENT OF MODELS

Studying consumer behavior can be quite complex, especially because of the many variables involved and their tendency to interact. Models of consumer behavior have been developed in an effort to overcome these difficulties.

A model can be defined as a simplified representation of reality. It simplifies by incorporating only those aspects of reality that interest the model builder. Other aspects that are not of interest only add to the complexity of the situation and can be ignored.

In modeling consumers we should feel free to exclude any aspects that are not revenant to their behavior. Since we have defined consumer behavior as involving a decision process, models that focus on this process will be of considerable interest to us.

TYPES OF MODELS

Consumer – behavior models can be classified in terms of scope. Some are designed to represent a very specific aspect of behavior, such as consumers’
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 comprehensive models are less detailed in nature so that they can represent many diverse situations.

USES OF MODELS

Models are devised for a variety of reasons, but the two purposes for developing most consumer models are (1) to assist in constructing a theory that guides research on consumer behavior and (2) to facilitate learning what is presently known about consumer behaviors. In both cases the model serves to structure systematic and logical thinking about consumers. This entails (1) identifying the relevant variables, (2) indicating their characteristics, and (3) specifying their interrelationships, that is, how they influence each other.

Developing Theory: A 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.

A useful relationship exists between models and theories because models can assist theory development by clearly delineating the relevant variables and their influence on each other.

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 interrelationship between relevant variables. Therefore, as we concentrate on one particular variable, reference to the model will remind us to consider how it interact with other variables to influence behavior.
2.9 MODELS OF CONSUMER BEHAVIOR

Comprehensive verbal models have been employed most often in the study of consumer behavior. A variety of such models exist, each taking a somewhat different view of consumers. Those chosen for presentation here are well known and represent a broad perspective.

**Buyer Behavior Models**

The influences of social sciences have prompted marketing experts to propound certain models for explaining buyer behavior.

i. The economic Model
ii. The Learning Model
iii. The Psychoanalytical Model
iv. The Sociological Model
v. The Nicosia Model
vi. The Howard- Sheth Model
vii. The Engel–Blackwell–Miniard Model:

i. **The Economic Model:**
According to the economic model of buyer behavior, the buyer is a rational man and his buying decisions are totally governed by the concept of utility. If he has a certain amount of purchasing power, a set of needs to met and a set of products to choose from, he will allocate this amount over the set of products in a very rational manner with the intention of maximizing the utility or benefits.

ii. **The Learning Model:**
Manipulating the drives, stimuli and responses of the buyer can influence According to the learning model, which takes its cue from the Pavlovian stimulus-response theory, buyer behavior. The model rests on man's ability at learning, forgetting and discriminating.
iii. The Psychoanalytical Model:
The psychoanalytical model draws mainly from Freudian psychology. According to this model, the individual consumer has a complex set of deep-seated motives that drive him towards certain buying decisions. The buyer has a private world with all his hidden fears, suppressed desires and totally subjective longings. Appealing to these desires and longings can influence his buying action.

iv. The Sociological Model:
According to the sociological model, society-by intimate groups as well as social classes influence the individual buyer. His buying decisions are not totally government. And, several of his buying decisions may be governed by societal compulsions.

v. 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 format, resembling the step in a computer program. Also, all variables are viewed as interacting, with none being inherently dependent or independent. Thus, the model describes a circular flow of influences where each component provides input to the next.

Field one: From the source of a message to the consumer’s attitude
Searching internal memory for relevant information about the communication. External search may also occur, where the consumer visits stores, reads, etc. This is likely to lead to evaluation. If the consumer processes relevant information and being to favor the firm’s brand he will be motivated toward it. If nothing intervenes, this motivation is likely to lead to shopping activity and purchase of the brand. At this point a number of outcomes can occur. One outcome is that the firm receives feedback and another is that the consumer’s attitudes toward the brand may change because he gains experience with the product during its
storage and use. This product experience is feedback to the consumer's predisposition.

Field Four: The feedback

Nicosia Model

vi. Howard - Sheth Model:
The Howard - Sheth model, serves as an integrating framework for a very sophisticated comprehensive theory of consumer behavior. It should be noted that the authors actually use the term "buyer" in their model to refer to industrial purchases as well as ultimate consumer's. Thus, it can be seen that their interest was to develop a unified theory useful for understanding a great variety of behaviors.
The model attempts to depict rational brand choice behavior by buyers under conditions of incomplete information and limited abilities. It distinguishes three levels of decision-making.

- **Extensive problem solving** - early stages of decision-making in which the buyer has little information about brads and has not yet developed well-defined and structured criteria by which to choose among products (choice criteria).
- **Limited problem solving** - in this more advanced stage choice criteria are well defined but the buyer is still undecided about which set of brands will best serve him. Thus, the consumer still experiences uncertainty about which brand is "best."
- **Routinised response behavior** - buyers have will-defined choice criteria and also have strong predispositions toward one brand. Little confusing exists in the consumer’s mind and he is ready to purchase a particular brand with little evaluation of alternatives.

The model borrows from learning – theory concepts to explain brand choice behavior over time as learning takes place and the buyer moves from extensive to scrutinized problem – solving behavior. Four major components are involved: (1) input variables (2) output variables, (3) hypothetical constructs, and (4) exogenous variables.

**INPUT VARIABLES:** Input variables are depicted in the left portion of the model as stimuli in the environment. Significative stimuli are actual elements of brands that the buyer confronts, while *symbolic* stimuli are generated by producers representing their products in symbolic from, such as in a advertisements. The social environment including family and groups generates social stimuli.

**OUTPUT VARIABLES:** The five output variables in the right –hand portion of the model are the buyer’s observable responses to stimulus inputs. They are arranged in order from attention to actual purchase and are defined as follows:
Attention – the magnitude of the buyer's information intake.
Comprehension – the buyer's store of information about a brand.
Attitude – the buyer's evaluation of a particular brand's potential to satisfy his or her motives.
Intention – the buyer's forecast of which brand he or she will buy.
Purchase behavior – the actual purchase act, which reflects the buyer's predisposition to buy as modified by any inhibitors.

Constructs dealing with information processing and (2) learning constructs dealing with the buyer's formation of concepts.

The three perceptual constructs of the model can be described as follows:

- Sensitivity to information – the degree to which the buyer regulator the stimulus Information flow.
- Perceptual bias – distorting or altering information.
- Search for information - active seeking of information about brads or their Characteristics.

The buyer's six learning constructs are defined as:

- Motive – general or specific goals impelling action.
- Brand potential of the evoked set – the buyer's perception of the ability of brads in his or her evoked set (those that are actively considered) to satisfy his or he goals.
- Decision mediators – the buyer's mental rules for matching and ranking purchase alternatives according to his or her motives.
- Predisposition – a preference toward brands in the evoked set e expressed as an attitude toward them.
- **Inhibitors** – environmental forces such as price and time pressure which restrain purchase of a preferred brand.
- **Satisfaction** – the degree to which consequences of a purchase measure up to the buyer’s expectations for it.

**EXOGENOUS VARIABLES:** At the top of the back box the model lists a number of external variables that can significantly influence buyer decisions. These variables are not as well defined as other aspects of the model because they are external to the buyer.

**MODEL DYNAMICS:** Although there are various aspects of the model that are beyond the scope of this chapter, a brief review of its operation is appropriate. The process starts when the buyer confronts an input stimulus and it achieves attention. The stimulus is subjected to perceptual bias as a result of the influence of the buyer’s predispositions as affected by his or her motives, decision mediators, and evoked set. The modified information will also influence these variables, which, in turn, will influence his or her predisposition to purchase.

The actual purchase is influenced by the buyer’s intentions and inhibitors, which are confronted. A purchase leads the buyer to evaluate his or her satisfaction with it, and satisfaction increases the buyer’s predisposition toward the brand. As the buyer acquires more information about brands, he or she engages in less external search for information and exhibits more routine purchase behavior.

**MODEL EVALUATION:** The Howard–Seth model represents a significant contribution to understanding consumer behavior. It identifies many of the variables influencing consumers and details how they interact with each other. Also, the model—and the earlier work on which it is based—recognizes explicitly for the first time different types of consumer problem solving and information–search behaviors. It also recognizes that outcomes of consumer’s decisions are more than just purchases.
Of course, the model has certain limitations. First, it does not make sharp distinctions between exogenous and other variables. Second, some of the variables are not well defined and are difficult to measure. The model also has limited generality. For example, it is not highly useful in explaining joint decision making between family members or other members of an organization. Family, the model is quite complex, making it difficult to comprehend, especially for those new to the field.

vii. Engel–Blackwell–Miniard Model:

The Engel–Blackwell–Miniard 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 Miniard in conjunction with Engel and Blackwell. It stands as one of the most popular representations of consumer behavior.

The scheme, shown in Figure, depicts consumer behavior as a decision process of five activities which occur over time: (1) motivation and need 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) stimulus inputs, (b) information processing, (c) decision process, and (d) variables influencing the decision process. Arrows in the model depict major directions of influence that specific variables exert. The following decision of the decision process characterizes the role and nature of these variables.

Similar to the Howard–Sheth model, the authors recognize two significantly different modes of operation by consumers. One is described as extended problem solving behavior (EPS), which is characterized by high levels of involvement and /or high levels of perceived risk. Under EPS the product evaluation process will be rigorous and if necessary the consumer will shop at many outlets. In addition, satisfaction with the brand is crucial for continued commitment to use the brand. In limited problem-solving behavior (LPS) the
consumer is operating under low levels of involvement and / or low levels of perceived risk. Consequently, he has low motivation to search for brand information and is only willing to engage in a non rigorous evaluation of alternatives. He is not motivated to shop at many outlets and satisfaction with the purchase will encourage repurchase because in inertia, not real loyalty with the product.

The authors argue that the same basic model can be used to characterize both EPS and LPS behavior. What will change is the degree to which consumers will use various stages in the model. Looking at extended problem-solving behavior first, the model is activated with the consumer recognizing a need from three possible influences—information stored in memory, environmental influences, and individual characteristics such as the involvement level of the consumer. Typically, the consumer becomes aware of a disparity between his present state and his concept of the ideal state of affairs—the state where he would really like to be. Because involvement is high, EPS is usually activated by exciting those motives that are closely related to the consumer’s self-concept.

Given that the consumer is aroused to action, the next stage is to undertake information search. First, the consumer searches internal memory to determine what is known about the alternatives and how to choose among them. External search for information will be activated if the consumer does not feel comfortable with his existing knowledge. The likelihood of external search is also affected by characteristics of the individual (low risk takers will tend to seek more information, etc.) and environmental influences such as the urgency of need.

Any informational inputs are subjected to information processing activities, which the consumer uses to derive meaning from stimuli. The first step in processing involves exposure to such stimuli. Exposure can happen on an involuntary basis—such as when one sees a billboard next to a highway—or through the active search for information. After exposure, stimuli must capture the consumer’s attention to significantly influence extensive problem solving. The attention stage
is highly selective since it tends to ignore most stimuli and admit only those that the individual believes are important. The comprehension stage then involves reliving meaning from information that has been attended to and holding this meaning in what is termed short-term memory where it can be retained briefly to allow further processing.

The final two steps of information processing are related to the third stage of the decision process—alternative evaluation. The alternative evaluation stage involves comparing information about alternative brands gained through the search process to evaluative criteria, which are product-judging standards that have been stored in permanent memory. The first information-processing step associated with his evaluation task is termed acceptance. Acceptance occurs when information is compared to evaluative criteria and, as a result, existing beliefs held in permanent memory are either reinforced or changed. Whether the information tends to reinforce or to change existing beliefs is a function of how consistent it is with the belief and the degree to which the consumer generates supportive or negative thoughts about the information being received. In either case, acceptance results in the retention of information in permanent memory, while a lack of acceptance results in the loss of such information.

Generally the most common path is that information acquired is used to evaluate alternatives and this leads to changes in beliefs about the brands. This, in turn, leads to changes in attitudes and intentions to purchase.

Brands judged against evaluative criteria are likely to have some features judged positively and others negatively. In EPS these results tend to compensate for one another so that the consumer develops an overall weighted judgment of each brand.

The alternative evaluation process leads to an intention to make a purchase of the most favorably evaluated brand. Unless situations (lack of money, uncertainty about future income, etc.) intervene to postpone or stop the process, intentions
will lead to actual purchase behavior. At this point the consumer begins to use the product and evaluation continues by comparing performance to expectations. One outcome is satisfaction but if the alternative does not meet expectations, dissatisfaction is the result. These results may lead to further search for information about the brand and / or changes in beliefs. Thus, the process is seen as a continuous one that does not stop with a purchase.

In limited problem – solving situations the consumer is not highly involve and a number of the stages are shortened or pursued the consumer with less vigor. For example, need recognition after occurs because the consumer has just run out of the product. External search is also likely to be minimal and often information is acquired by just seeing ads and “running into” the sources of product information. Alternatives are often evaluated by determining whether they meet some minimal level of acceptability, and purchase is made with minimal deliberation. If the brand meets expectation, repurchase is likely but brand loyalty is not likely due to the lack of involvement.

MODEL EVALUATION: Advantages of the Engel–Blackwell–Miniard model include it consideration of the many variables influencing consumers, its focus on levels of consumer involvement, and its emphasis on the decision–making process regarding purchases. Also, the flow of the model is quite flexible and it incorporates numerous theories of consumer behavior treated in this book, such as those relating to information processing, motivation and attitude charge. Fro example, the authors recognize that in numerous purchase decisions many of the detailed steps are passed through very quickly or are bypassed, as in the case of limited problem solving behavior. Factors contributing to the model’s clarity and flexibility, however, also generate some of its limitations. The primary drawback appears to be a vagueness regarding the role of some variables. For example, the influence of environmental variables is noted, but their role in affecting behavior is not well specified. The role of motives in influencing behavior is also quite vague. In addition, the model has been criticized as being somewhat mechanistic in its treatment of the decision process. However, despite this
limitation, it has been updated regularly to accommodate new evidence about the behavior of consumers. Because of this, the model has withstood the test of time quite well since its first introduction in 1968, and it continues to provide a very comprehensive framework for understanding the many facets of consumer behavior.

The preceding section has presented a considerable amount of information. It should be apparent that models are very useful in providing a framework for organizing and understanding what has been learned about the behavior of consumers. However, evidence about consumers continues to accumulate through new research studies. Therefore, it seems appropriate to briefly review some of the research approaches and methods that are used to develop knowledge about consumers and their behavior.

2.10 SOME IMPORTANT CONSIDERATIONS IN THE DECISION MAKING PROCESS:

i. Information search
To find out facts about a product or service information is made. Now a days independent research surveys are available which evaluate the product on the experience of consumers.

ii. Brand Loyalty
The consumer sticks to specific brands based on past experience. But as started in earlier part of this chapter brand loyalty is declining at least in India.

iii. Purchase Of Reputed Brand
The brand image is built overtime, based on experience of consumers. Philips, risk of performance.
Consumers presume that reputable retailers and stores sell only standard products to maintain their reputation based on their performance. Therefore, when a consumer buys a known brand he feels assured of the quality and risk of uncertainty is reduced.

iv. Buying Expensive Product

(92)
It is belief of many consumers that performance of costly products is better than cheaper alternative product. Hence some consumers who are not cost conscious buy the costlier product. This strategy often works but on certain occasions the value received is not commensurate with the price paid, or one pays for goodwill also.

v. Assurance From Suppliers

In order to reduce perceived risk especially in case of unknown brands products consumer seeks assurance from seller like money back guarantee and laboratory tests. The consumer Protection Act also is a source of assurance that consumer will not be exploited.

Based on above discussion model of consumer decision making maybe as explained in Figure. As will be observed from the figure first need must be recognized then there should be pre-purchase search explained of various available alternatives, and evaluation of short listed alternatives.

2.11 PERCEIVED RISK IN DECISION MAKING:

The process of buying decision is concerned with the process adopted by buyers. He considers perceived risk. The perceived risks may be of following types.

i. Performance
   The product may not perform as expected at the time of purchase.

ii. Physical Risk
   Some products may harm physically to the user or others. For instance, synthetic fabrics are not considered safe for user. The ne-chemical and electronic products may causes injury due to defects in the products or due to its very nature.
iii. **Financial Risk**

The product may not be worth its price. For instance, there are many management schools and computer centers who charge heavy fees and one pays though hisnoise in the expectation that good job will become available after passing out when one does not get a good job it is not worth the expenses and this is a financial risk.

iv. **Reliability Risk**

One buy certain-brands in the hope that will be reliable but when they break down very often they causes inconvenience and discomfort. This may not cause financial loss because of warranty but is a great risk.

v. **Social Risk**

If a car breaks down on its way or food is found bad at the time of servicing it causes embarrassment and results in social risk and it has to be considered while taking purchase decision.

vi. **Ego And Psychological Risk**

The poor purchase may hurt the ego of buyer and he may be psychological depressed.

vii. **Durability Risk**

When consumer buys durables, he expects certain life from a product like car, T.V. computer, furniture, AC, generators etc.; he expects some trouble free service from it when it is not realized there is loss of funds, and inconvenience is caused.

The perception of risk depends upon product purchased and the Psychology of the purchaser, the risk perception differs from culture, region-to-region and country-to-country.