

**Consumer Behaviour**  
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**Lecture – 36**  
**Models of Consumer Behaviour – III**

Welcome. In this session we will discuss about the Engel-Kollat and Blackwell the model of consumer decision-making; this is also known as grand model of consumer decision-making.

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***Engel–Kollat–Blackwell Model (1972)***

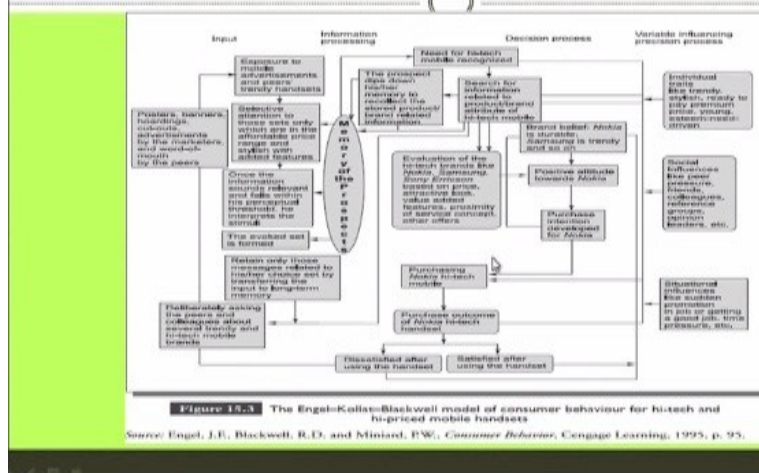
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- Engel–Kollat–Blackwell (EKB) model, as other basic models of consumer behaviour, has undergone several modifications and improvisations to enhance its evocative power of the basic relationships between constructs and sub-constructs.
  
- The latest version coined up was the Engel–Kollat–Miniard (EKM) model, which principally portrays the four stages.

Now Engel-Kollat-Blackwell model as any other basic models of contemporary rather contemporary models is not consumer buying behavior has undergone several modifications and improvisation to enhance its evocative power of the basic relationships between the constructs and sub-constructs in consumer decision-making. The latest version coined up was the Engel-Kollat-Miniard model which principally portrays the four stages.

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## Use of Engel-Kollat-Blackwell Model for choosing High-end mobile phone the example in the book. Page 320)



And like Howard-Sheth model this is also of a four stages. One part as you can see here is a input part from where the information is flowing to the customer. This is the information processing part that is a second one, and this is decision-making after processing the information take the decision and these are the exigencies variables which has implication to on the decision-making process, so we go one by one.

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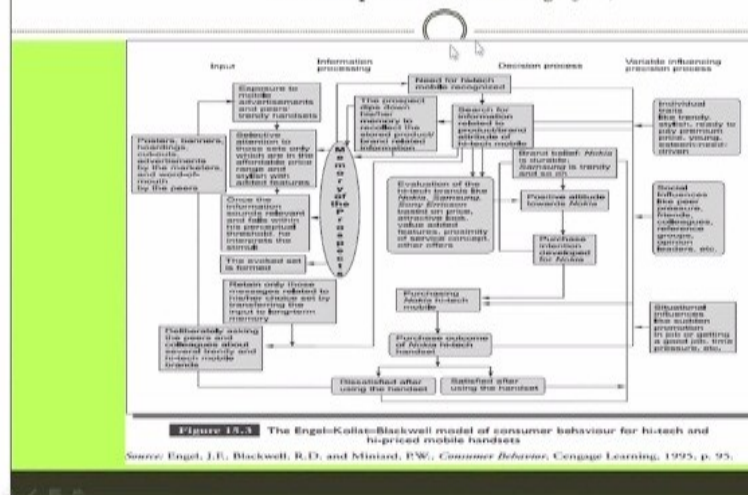
### First stage: Decision-process stage

- The pivotal point of the model is the five stage basic decision-process—problem recognition, search for alternatives, alternate evaluation (at some point in which consumer's beliefs may lead to formation of attitude and subsequently purchase intention), purchase, and outcomes (in terms of satisfaction or dissatisfaction).
- Nonetheless, as discussed in the earlier chapter, in all purchase situations the consumers are not passed through all five stages; only in case of extended problem-solving behaviour, all the five stages are visible.
- In case of the choice of hi-tech and hi-end mobiles, as discussed in the earlier case study (high-involvement purchase), the consumer will behave as an extended problem-solving situation and undergo all five relevant stages of decision-making.

We first talk about the First stage of this.

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# Use of Engel-Kollat-Blackwell Model for choosing High-end mobile phone the example in the book. Page 320)



And in this case actually we will not start from here we will start from the central that is the decision-making process and from here we will move in both the sides. So first here the pivotal point of this model is the five stage decision-making problem. You can clearly see here the five stage decision-making problem one is the need for hi-tech mobile, we are taking this same example of mobile so here is a need recognition; this part is information search.

This is the evaluation of alternative followed by this is the purchase part; this is the post purchase part; satisfaction or dissatisfaction then this is again forming (()) (02:33) perception about that brand. So this is the five stage decision-making process which is in the central point of this model.

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## First stage: Decision-process stage

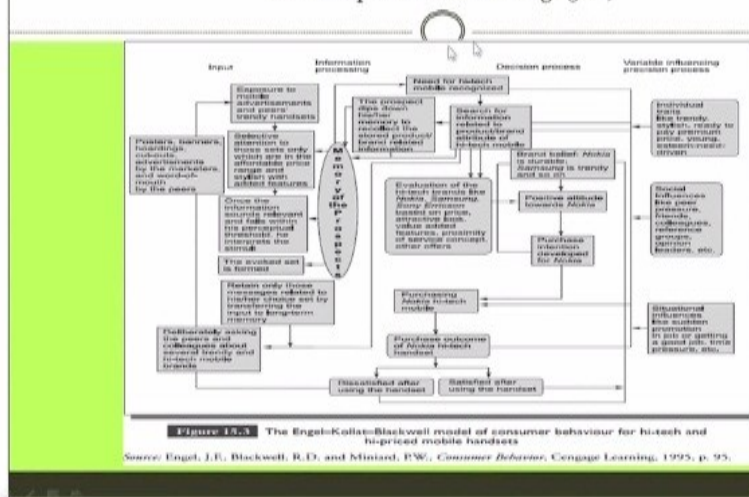
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So nonetheless, as discussed in the earlier modules or chapters in all purchase situation, the consumer are not passed only through five stages; only in case of extended problem-solving behaviour, all these five stages will be visible, that we have already said. And as because as in Howard-Sheth model also I have said that we are talking about the hi-tech mobile phone which is an expensive product.

So, therefore it is a high-involvement decision-making rather extensive problem-solving behaviour.

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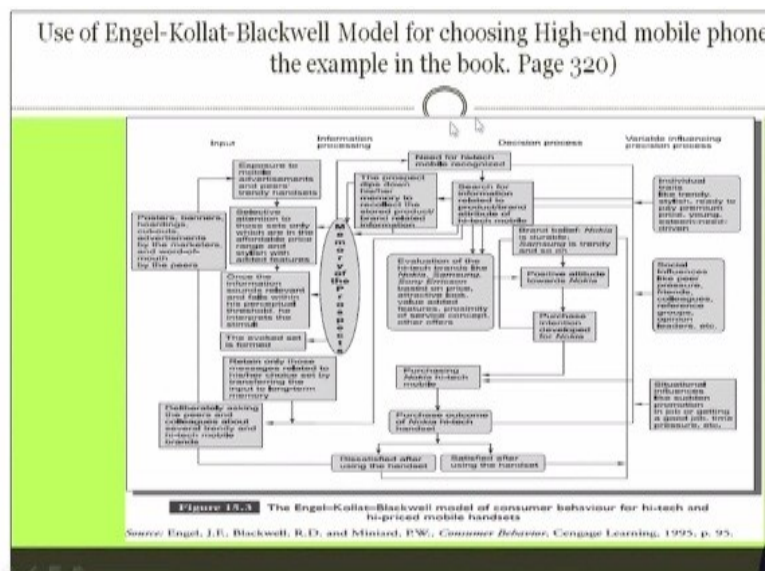
## Use of Engel-Kollat-Blackwell Model for choosing High-end mobile phone the example in the book. Page 320)



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- This stage is quite similar to the stimulus-input stage mentioned in the Howard-Sheth model.
- At this stage, the consumer first tries to recollect the product or brand related information from his own memory, which is referred to as 'internal search'.
- For example, in case of choosing a hi-tech mobile, the prospect first tries to remember the advertisements to which he is exposed to in recent past, which sets his peer group has used recently, and what the features of the product/brand are.

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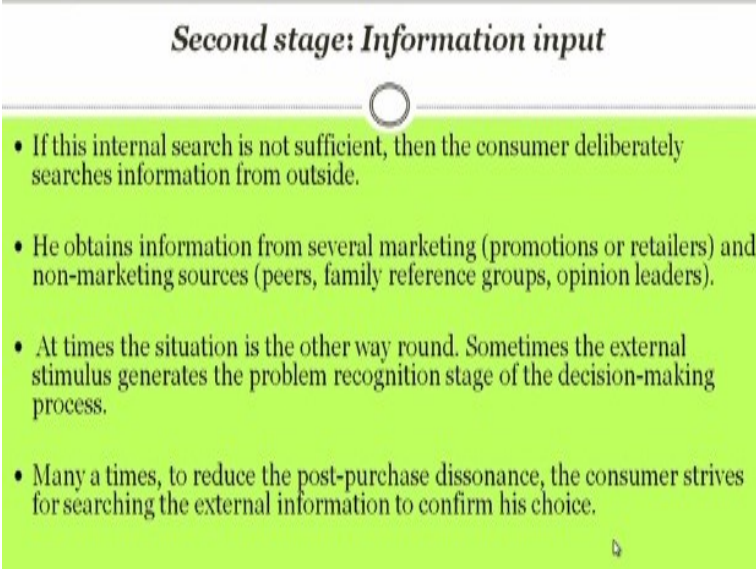


So here you can find out it is here when the prospect-- this is the search for information and search for information first search would be dipping down to the memory. This is the internal search. So internal search we will try to remember what has happened like whatever you have received the information through whatever the advertisement they were exposed to; whatever kind of the friends and peers are using so all these.

If they are not satisfied with this information or they feel that this information is not enough then they can go for deliberately asking their peers colleagues and they can deliberately search information from the mass media also or store keepers – I mean the particularly the retailers about or maybe in the online sites they can compare about the product features, okay. So this is an external search and this is internal search when deep down to your memory in this.

And from your external search also whichever information you feel is very relevant that again is included in your long term memory. So this is what.

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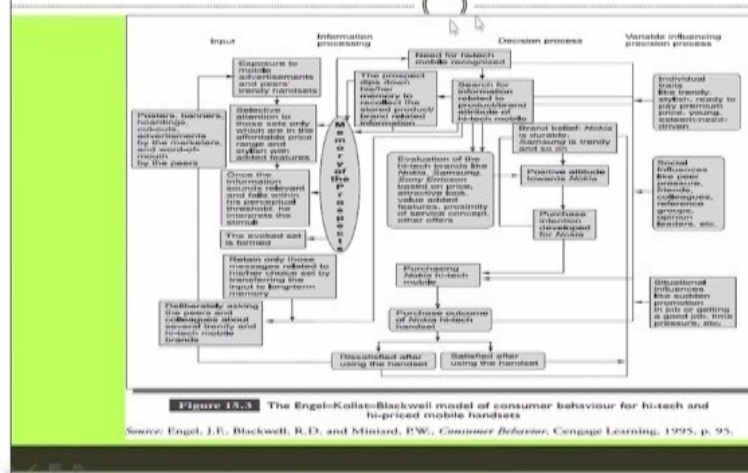
*Second stage: Information input*

- If this internal search is not sufficient, then the consumer deliberately searches information from outside.
- He obtains information from several marketing (promotions or retailers) and non-marketing sources (peers, family reference groups, opinion leaders).
- At times the situation is the other way round. Sometimes the external stimulus generates the problem recognition stage of the decision-making process.
- Many a times, to reduce the post-purchase dissonance, the consumer strives for searching the external information to confirm his choice.

So sometimes the things go other way round also so there is an external stimulus sometimes generate the program.

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## Use of Engel-Kollat-Blackwell Model for choosing High-end mobile phone the example in the book. Page 320)



So this is what I am saying once you recognize the problem and then you are searching information it may go otherwise also like you have been exposed to some Ad of Apple iPhone7, or you have been exposed to the Ad of Samsung a new series—what was the new series which is coming up. So if you are then you feel the need of changing your handset. So it may—we like that also it may come from that side also.

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## Second stage: Information input

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So many times and also sometimes we may have purchased a product and then you are not so satisfied so then also you may search external information to confirm that how the other brands are performing and whether should you change this model or not.

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The diagram illustrates the Engel-Kollat-Blackwell model of consumer behaviour for hi-tech and hi-priced mobile handsets. It is structured into four main stages: Input, Information processing, Decision process, and Variables influencing the process.

- Input:**
  - Exposure to products, advertisements and publicity materials
  - Problem, barriers, benefits, Attitudes, Perceptions, and needs
- Information processing:**
  - Selection of attention to focus on only relevant information for the purchase and select parts defined features
  - Search for information relevant to the selected product/brand related information
  - Evaluation of the benefits to decide the purchase
  - Retention only those messages related to the purchase decision by transferring the input to long-term memory
- Decision process:**
  - Formation of attitude towards the product
  - Evaluation of the benefits to decide the purchase
  - Formation of intention to purchase the product
- Variables influencing the process:**
  - Social influences (Social norms, peer pressure, etc.)
  - Personal influences (Personal characteristics, etc.)
  - Situational influences (Situation, time, etc.)

The flowchart shows a sequential process from Input to Information processing, then to Decision process, and finally to Variables influencing the process. There are feedback loops from the Decision process back to Information processing and from the Variables influencing the process back to the Decision process.

Now we move to the next part of this model which is known as the third stage information processing – this part, okay.

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- This phase of consumer decision-making encompasses the following stages—consumer's exposure to the marketer's stimuli (advertisements or any other marketer's communication), attention (if the product has any relevance to the consumer), perception (once the marketer's communications fall within the consumer's perceptual threshold), acceptance of the information, and retention of the perceived and accepted information in the memory (initially short term, then gradually long term).
- For example, the prospective buyer of the hi-tech mobile may have to undergo through the following stages of information processing.
  - Initially today's young prospective buyer of a hi-tech mobile is ushered with information through television commercials, hoardings, banners, and also from his peer group.
  - Once the information sounds relevant to him and falls within his perceptual threshold (in terms of price preference, trend, style, design, features, availability, celebrity endorsement, catchy music, or colours in the advertisements), he interprets the stimuli.
  - After interpretation, the prospective buyer can shape his evoked set and retain messages related to his choice set by transferring the input to the long-term memory.

In this part what do we do in this phase the consumer decision-making encompasses the following stages the consumer's exposure to the marketer's stimuli that is the advertisement or any other form of marketer's communication, attention if the product has any relevance to the customer perception once the marketer's communication falls within the perceptual threshold of the customer, acceptance of the information and retention of the perceived.



And accepted information in the memory initially in the short run and gradually it enters in the long term memory. I just-- I explained it with example that when the prospective buyer of the hi-tech mobile they may have to undergo the following stages of information processing. So first maybe they assured with television commercials hoardings, banners and also they get lot of information about hi-tech mobiles from there peer group.

So if the information sounds relevant to them because if he is choosing as a customer he is choosing the product based on price, trend, style, design or any other add-on features or the availability of the product, the service center or maybe the celebrity who is endorsing it or maybe the colors of the mobile or maybe the kind of advertisement it; the kind of esteem need it can satisfy.

So if all these things whichever is my evaluative criteria; if the product actually talks any of the USP of the product or talking about any of this criteria then actually it will catch my attention and it will fall within my absolute threshold and terminal threshold which means it will be-- in my perceptual threshold I can perceive it now. I will pay attention to it. Then I start interpreting it after interpretation the prospective buyer can shape the evoked set.

And retain the messages to the choice set by transferring the input in the long-term memory. Because after all these things I may think that trend wise okay style wise Samsung is good; design wise I feel Micromax is good; features wise I think Nokia is good; I think feature wise and design wise Apple is also very good; so this how I have several brands in my choices.

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And your evoked set is found with those brands which have price -- which are affordable and which are stylish. And then-- and then again you retain other information about this brands also because you collect more information this time about this brand; initially it will be in your short-term memory and then it passes to the long-term memory, so this is the information search part where this information processing we have already discussed.

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### *Fourth stage: Variables influencing the decision process*

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- In the fourth stage, Miniard *et al.* spoke of the individual and environmental influences on all five stages of the decision process.
- Similar to the Howard-Sheth model, here too, individual characteristics include motives, values, lifestyle, and personality.
- The social influences, like culture, reference groups, and family, and the situational factors (such as a consumer's financial condition) also influence the decision process.
- About the hi-tech mobile users, once again, it is well understood from the explanation of the Howard-Sheth model, mentioned in the earlier section, that the young high-income prospective consumers are more influenced by both the social and the individual variables like esteem needs, social needs, trendy lifestyle, happy-go-lucky, or chic-urbanite personality, etc.
- This model, therefore, incorporates many important individual and social parameters such as values, lifestyle, personality, and culture, which significantly influence the consumer decision-making.

Now we come to the fourth part of this model that is the variables that influencing the decision-making process. This is the fourth stage, as Miniard et al. improved this model he has actually added this part and he said that, individual and environmental influences, on all five – all these parameters which we have already discussed individual determinants and the environmental determinants all these has an implication on the all the stages actually of the decision-making process.

So similar to Howard-Sheth also here too the individual characteristics that include motives, values, lifestyle, personality of the customer and how this matters this we have already discussed in the individual determinant section. Motivation we also know, that what are the different-- we studied several motivational theories like Maslow's motivational theory, we have studied the Dichter's consumption motives, okay.

So when we have studied all these motives we know that what can be the predominant motives for customers choice for even for need recognition. Okay, if I have a social-- if I have an safety need-- if I am not so good in terms of my health and I feel that my organization is not giving me enough coverage then I may be interested to by a medical insurance. I may feel the need of buying a medical insurance.

Are you with me? So therefore, that is my safety need is my motive in that case which drags my need recognition also. And now which medical insurance, there are several brands which provide medical insurance, so what I will do is I will search many-- because say I maybe prone to some lungs disease. So therefore I search the policies which actually-- talking about inclusion of lungs disease not exclusion.

Wherever the lungs disease is excluded I will try to avoid those kind of policies, so that-- it is a kind of selective attention I am actually paying to the messages; I am filtering actually the messages based on my requirement. And finally all the policies which actually provide me this benefit of lungs disease all these in my evoked set and then I may compare these brands and see where the premium might be less.

Where the service is little better, I will ask my peers and all this. So that comprises of my information search and processing part. And then it was kind of-- even in the evaluation of alternative also whatever criteria I have said about the premium structure, my own age and the insurance agents performance; the brand image of the company so all these together maybe my evaluative criteria based on which I will make a decision of which brand I will decide to buy.

This we have already discussed in the previous sections. So I am not going in details to that.

But this is-- that is I mean to say, that this motives; these value systems; this lifestyle; the personality parameters and my requirements all these together I am actually influenced not only my need recognition but also my information search as well as my evaluation of alternative criteria. And the purchase point also.

Even I am very much price sensitive and if any competing brand is giving a major discount at the purchase point so maybe I will be interested to buy that product. So therefore at the purchase point also you know, the-- my own personality that whether I am very price sensitive or not and whether I am very much prone to circumvent to this discounts and all this or not so that also determines my choice at the final stage that is the purchase stage.



So this has an implications actually in all stages and then there are social implications also which social influences also which we have discussed in the previous sections that how-- culture has an implication on consumer's decision-making; how reference groups I mean reference like if I am very much conscious about my beauty and all these maybe Lux I will prefer Lux which is mentioned as "Sitaraon ka saundarya sabun".

And which is actually for years together is using different celebrities as their-- female celebrities as their models when they in their top forms. So those are the things—and there could be some family factors – family decision also we have check, some situational factors life is in ups and down like the financial condition and many other things that can also influence the decision-making process.

Now about the hi-tech mobile users which we were discussing in the earlier session also and this session also; once again it is well understood from the explanation of the Howard-Sheth model that the young in high-income prospective consumers are more influenced were the social and individual variables like esteem need, social needs, trendy lifestyle, happy-go-lucky lifestyle, chic-urbanite personality et cetera.

The model therefore, incorporates many important individual social parameters such as values lifestyle, personality, culture, which significantly influence the consumer decision-making-- and this addresses the gap actually which we did not find in the economic model --economic models only focused on the-- microeconomic models focused mainly on the price and budget line and macroeconomic model mostly on the customers income and their relative income.

But the contemporary model the Nicosia model first started with the assumption of you know taking the motivational attitudinal variables into consideration but it was not so clearly measured it is very abstractly measured and it is empirically tested as such. Then came the Howard-Sheth model which was even more elaborative and it was having a two ways--different connections and feedback loops with all these variables.

So the variables were interconnected in all the ways which Nicosia model it was Unidirectional model it was not saying how motivational parameters can impact the attitudinal parameters also kind of. So in Howard-Sheth model we first addressed this kind of gaps and EKM model is also a addition in that SPI view only which has incorporated so many exigencies variables into consideration.

And it has actually bridged the gap among all the models we can say because it starts with the five stage decision-making model. It has elaborated from the stimulus response part of Howard-Sheth model here; it takes into consideration as an information processing part which is very similar to the either model attention — interest desired action which I have discussed during the communication process model part.

And then here the variables these are all the determinants which in Howard-Sheth model we were talking about the exogenous variables which here we have actually discussed in much more detail where we have talked about the individual tricks. Then, we have talked about the social influences and there we are talking about the situational influences. We have divided it into three and very, very elaborately EKM model as, you know discussed about how these exogenous variables as an impact on the consumer decision-making.

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### *Critical Evaluation*

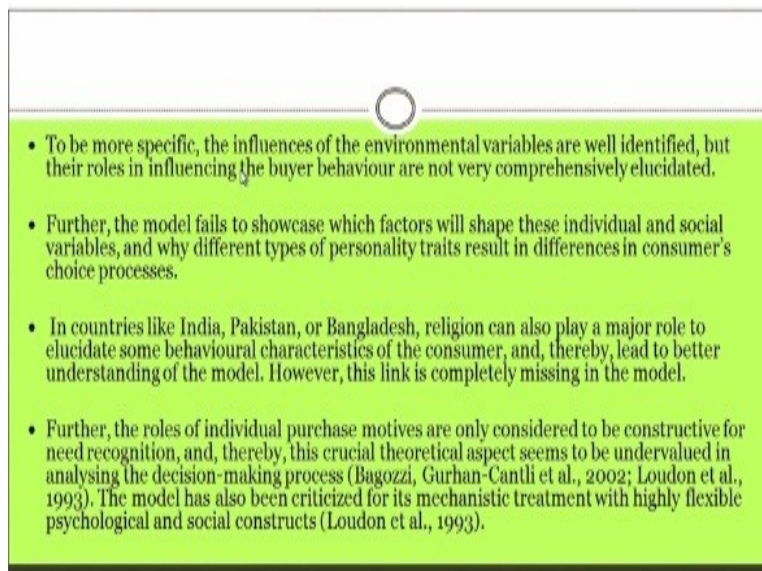
- According to Du Plessis, Rousseau et al., (1991) majority of the contemporary models shaped in the 1960s and 1970s lacked strong theoretical background as the discipline of consumer behaviour was in its nascent stage at that time.
- This concern might have been partially eliminated by the modernizing of some of the contemporary models like the EKB model. The so-called 'grand model' has been revised and renamed as EKM model which has categorically and explicitly encompassed several individual and environmental constructs of consumer decision-making, such as values, lifestyle, personality, and culture.
- Nonetheless, the environmental and individual variables mentioned in the model have been ushered with severe criticisms due to the vagueness of their definitions and their roles within the decision-making process (Loudon and Della Bitta, 1993).

However, this model and all other contemporary models are not free from the criticisms. Of late, in 1991 that do, Du Plessis and Rousseau et al they have said that majority of the contemporary models shaped during the 1960s and 70s lacked strong theoretical background as a discipline of consumer behaviour was in its nascent stage at that time. This concern might have been partially eliminated by the modernizing of some of the contemporary models like EKB model.

The so-called grand model now I have already mentioned that how many other devices and now it is EKM model which has categorically and explicitly encompassed several individuals and environmental constructs of consumers decision-making, such as values, lifestyle, personality, and culture. And nonetheless, the environmental and individual variables mentioned in the models have been ushered with severe criticisms due to vagueness of their definitions.

And their roles within the decision-making process. This we have got from the Loudon and Della Bitta in 1993 in their paper.

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- To be more specific, the influences of the environmental variables are well identified, but their roles in influencing the buyer behaviour are not very comprehensively elucidated.
  - Further, the model fails to showcase which factors will shape these individual and social variables, and why different types of personality traits result in differences in consumer's choice processes.
  - In countries like India, Pakistan, or Bangladesh, religion can also play a major role to elucidate some behavioural characteristics of the consumer, and, thereby, lead to better understanding of the model. However, this link is completely missing in the model.
  - Further, the roles of individual purchase motives are only considered to be constructive for need recognition, and, thereby, this crucial theoretical aspect seems to be undervalued in analysing the decision-making process (Bagozzi, Gurhan-Cantli et al., 2002; Loudon et al., 1993). The model has also been criticized for its mechanistic treatment with highly flexible psychological and social constructs (Loudon et al., 1993).

To be more specific, the influences of the environmental variables are well identified, but their roles in influencing the buyer behaviour are not very comprehensively elucidated. So I mean which is most important which is less important in which kind of purchase which is more important, so this kind of have not been discussed in details.

And another thing I will just try to talk about the bottom of the pyramid market who are maybe the customers are not so rational their evaluative criteria is also not so clear it might be hindrance by something else maybe hindrance by their lack of literacy it maybe invest by their financial their financial weakness-- so in those cases the decisions always not rational many times they resorted to bound the rationality to maximize their utility.

So—and to minimize the transaction cost. So that-- those kind of factors not been analyzed here and this model-- and all these models actually fails showcase which factors will shape these individual and social variable and to what extend that is the most important part. In countries like India, Pakistan, Bangladesh religion also plays a major role to elucidate the behavioural characteristic of the customer and thereby lead to better understanding of the model.

And this religious part is not so much included in this model. Further, the roles of individual purchase motives are only considered to be constructive for need recognition thereby, this crucial theoretical aspect seems to be undervalued in analyzing the decision-making process. This has been mentioned by Bagozzi, Gurhan-Cantli et al in 2002; London et al., in 1993. The model has also been criticized for its mechanistic treatment with highly flexible psychological and social constructs.

As I was saying that they have just broadly mentioned about this constructs but in each of this purchase situation the construct might play a different role the relative strength might be different which I mean to say. So this part is not so much addressed but lot of researches are going to on actually a newer new models are coming up in this to domain, so let us see how it progresses.