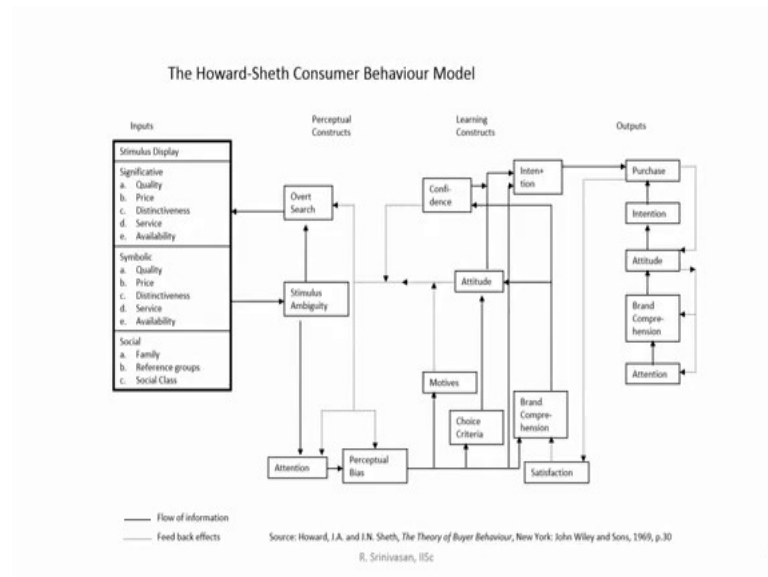


Integrated Marketing Management
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Lecture – 11
Consumer Behavior Mode

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Now, we look at an important Consumer Behavior Model this is called the Howard Sheth consumer behavior model, Howard is an American; Sheth is an Indian - both of them came out with this wonderful model on consumer behavior back in the year 1969. This is taken from their book on the theory of buyer behavior.

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Which came out through John Wiley in the year 1969. In this book you can find this model on page number 30 of this book. A wonderful compartmentalization has been given by these two gentlemen. On the type of inputs which go into play with respect to consumer behavior. They have put it under the heads stimulus then symbolic then social. This is a type of inputs which have come into play, one with respect to stimulus display this stimulus display can be significative symbolic or social, so these are the typical inputs.

In significative are the factors that are going to affect the significative inputs that is the quality of the product, the price of the product, the distinctiveness service and the

availability. With respect to symbolic inputs what are the type of factors that are going to come in? It gives quality, price, distinctiveness, service and availability. As you see the significant inputs the symbolic inputs are more or less the same they contribute to stimulus display.

Then with respect to the social inputs, who can influence the decision with respect to a product. The typical groups which can influence the decision with respect to a product could be family or could be reference groups you may have certain reference groups with respect to a particular individual which will influence. Suppose he wants to buy a car and he is always in the company of people who are owners of a particular brand of car, they form the reference groups for him. He may also like to have the same type of car and this depends on the type of social class he is like he is in.

These are the different social inputs which are likely to come into play, that is your family your reference groups and the social class now all this is going to give a few things with respect to the consumer. He enters the domain of what we call the perceptual constructs. These inputs give him the domain when he comes to the domain of perceptual constructs, he does what is called the overt search that is open search.

After that overt search, there may be a stimulus ambiguity which might step in. He may find many companies exhibiting the same type of products which he may be interested in. All these products may catch attention and towards a particular company's product he may develop more attention or he may be biased towards that company.

That is the perceptual bias which steps in. The perceptual constructs lead to what is called the learning constructs. What is this learning construct? The customer develops confidence about his own decision making and when he develops confidence about his own decision making, this is likely to result in a particular attitude being exhibited by him depending upon the types of motives he may have.

The confidence, the motives giving rise to certain attitudes, then this motive also giving rise to certain choice criteria. He may decide on the choice criteria with respect to his product. All this will lead to what we call the behavioral intentions which are exhibited by the consumer. These perceptual constructs lead to what is called the learning constructs.

These learning constructs towards the end exhibit the buyer's behavior intentions. The buyer's behavior intentions are also influenced by the types of brands which are competing to satisfy this particular product, category that is the brand comprehensions take a washing machine. For example, you have. Many brands like the LG, IFB, Samsung, many of them so, all these are catering to this particular market segment.

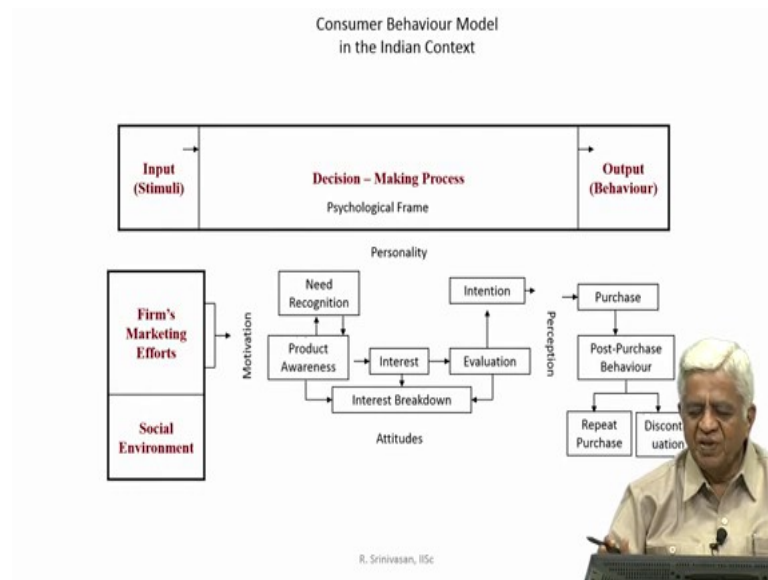
The brand comprehension is what comes in next with respect to the individual and now he decides on a particular brand of the product, he takes that particular product brand. When he when he makes that purchase; when he comes to the stage of brand comprehension he would have almost come to the stage of making a purchase of the product.

This purchase of the product is coming into play through these blocks; one is the product catching his attention, the brand comprehension his attitude then intention resulting in purchase. This results in purchase of the product once he comes to when once he crosses this intention block. It is almost very sure or certain that he is going to make a buy of the product because, mental evaluation would have told him 'yes I am I can afford to have this particular product'.

When he purchases this product the next thing which we are seeing has satisfaction, typically means after the use of your product how satisfied he is with respect to your product usage and that determines whether he is going to have a better feedback on your product for the next prospective customers.

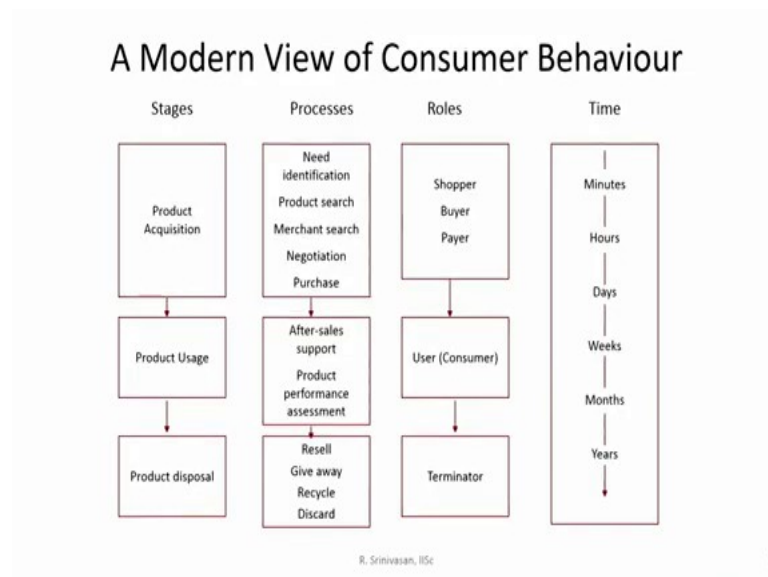
This word of mouth publicity is very important in marketing all these are exhibited in this wonderful model of Howard Sheth. The first one is inputs resulting into perceptual constructs, learning constructs, then coming out with outputs I am going to. Exhibit for you many of our Indian students felt that this is very complicated, can we not have a simple model in the Indian context of consumer behavior.

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A typical consumer behavior model in the Indian context is exhibited in the slide. This is a typical consumer behavior model in the Indian context which can be applied for any product any market. If you look at this; this is how it looks like.

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A typical Indian consumer behavior model look at the inputs that is a stimulus, inputs could be the firms marketing environment marketing efforts then the social environment. We normally categorize this under different variables: one is what is called the endogenous variables that is the variables which are existent within the individual. They

form what is called the decision making for the individual, that we put under what is normally refer to as the psychological frame of the individual. What are these fact variables? These are the motivational variables, the personality the perception and the attitudes.

They form the typical decision making process or the psychological frame of the individual. If you look at a particular washing machine purchase itself, as a householder you might recognize the need for buying a washing machine you may say it is not possible to wash all these clothes by hand.

If the number of clothes is too many, better to go in for a washing machine. When you recognize it is need for a washing machine you start searching for the products, which are the companies which are producing this washing machines it can be IFB, LG. or Samsung.

In a particular product you may develop interest then you go to the next part evaluating that product. Suppose in a particular product you do not develop interest then the interest will break down. You exit from that only, when the evaluation of the product results for you to buy there is an intention to buy that particular product, this intension leads to what is called immediately the purchase.

When the consumer comes to this intention stage the typical output that you can expect is purchase. After he purchases a consumer durable like the washing machine you also look for what is called his post purchase behavior, that is whether he is happy with the product not happy with the product and if he is happy with the product he can may recommend your product to some other consumers also. He may also recommend it to his own very close family members. This may result in repeat purchases or he may discontinue he may say the product is not performing well.

This can happen to a typical consumer durable like the washing machine or it can also happen to TV's. So, different brands of TV's being on sale in the marketplace. So, you may find so many brands vying for the same space. This is a typical consumer behavior model in the present day context and all these can be put in a slightly different form, this model is what is called.

We look at the Howard Sheths consumer behavior model, then we gave a model for the Indian consumer a typical consumer behavior model in the Indian context. Now, even that model has undergone changes with respect to the type of competition that are set in. Now, you have to visualize what is called the consumer behavior model in this fierce competitive marketing world which has set in the Indian context.

This modern view of consumer behavior comes in, you have if you look at the modern behavior of view of consumer behavior you have three stages one is product acquisition, second is product usage, third is product disposal. So, this is also happening with respect to even automobiles. Kindly note that when you acquire a Maruti car you use a Maruti car; after sometime you want to dispose of your car - it was unthinkable for an Indian consumer.

Now, if you look at the modern Indian modern behavior of the Indian consumer, he may like to change his car even once in three years. He may say 'yes I used this car for three years let me go in for a different car'. So, this is these are the typical stages he goes through a product acquisition, product usage and the product disposal. The type of processes that he goes in need identification the product search the merchant search the negotiation and the purchase.

When he is doing looking this using this product, what is the type of after sale support he gets. Using this he makes a product performance assessment how is his product doing how is his car performing or what type of performance was promised. What is the type of performance he is getting? All this results in this block product disposal, he may like to resell the product you may like to give it away or he may like to recycle or he may like to discarded the product all this different stages will come into place.

These are called processes you may resell the product, sometimes you may give away the product, sometimes you may recycle the product, sometimes you may discard the product. You may many times many of these perishable food items, if you really see after sometime you keep it in a fridge after keeping in the fridge also you many times think that even after the keeping in the fridge it is not usable. You discard the whole this thing.

The type of roles that you can visualize in the light of these stages and processes. He can be a shopper he can be a buyer and he can be a payer for your product and when he is

having donning these roles he becomes a typical user for your product. He also can come to the role of the terminator where he discards your product, he has no link with your product all together.

All this takes place in a time frame, this time frame can be minutes with respect to the candy we saw or it can be hours with respect to some other are eating item or days or weeks months or years. Depending on the type of the product which catches his interest and in which his intention is to buy that product.

So, a typical modern view of the consumer in the present day fierce Indian market is can be visualized with respect to stages, with respect to processes, with respect to roles and also with respect to the time frame ok. With respect to stages it can be product acquisition product usage and product disposal, with respect to processes all the types which we have mentioned with respect to roles, the shopper buyer payer user terminator. And all this may take place with the time frame it can be going from minutes to hours to days to weeks months and years. This is a very nice method of depicting the consumer behavior in the present day Indian market.

So, we looked at three types of models; one is the first wonderful model given by Howard and Sheth with respect to consumer behavior. Second we looked at how this model can be used with respect to consumer behavior in the Indian context what is the type of modifications you looked at.

So, in that consumer behavior model we looked at the endogenous variables which are present in the individual. The exogenous variables are outside the individual over which he has no control. And to the typical modern view of the consumer behavior in this present fierce competitive Indian market can be visualized with respect to stages, with respect to processes, with respect to roles and the time frame ok. We stop here, we will continue in the next class.

Thank you.