

## **Topic- Consumer Buying Behaviour Model**

A model is often referred to an abstract representation of a process or relationship. As individuals, we try to make sense of the world and take decisions based on some models we have in our mind it is said that models help to understand complex relationships, do research work, develop theories and on. In this chapter, models have been used to understand consumer behaviour. We do this by having look at the earlier models and the contemporary models.

### **TRADITIONAL OR EARLIER MODELS**

The earlier or traditional models were developed by economists took decisions by making use of scarce resources. Here, we have discussed the Economic Learning model. Sociological model and the Psychoanalytic model

#### **Economic Model**

Under economics, it is assumed that man is a rational human being, who will evaluate all the alternatives in terms of cost and value received and select that product/service which gives maximum satisfaction (utility), Consumers are assumed to follow the principle of maximum utility based on the law of diminishing marginal utility. It is assumed that with limited purchasing power

The law of equimarginal utility enables him secure maximum utility from limited purchasing power Economic model of consumer behaviour is unidimensional. This means that buying decisions of a person are governed by the concept of utility. Being a rational man, he will make his purchase decisions with the tension of minimizing the utility benefit

Economic model is based on certain predictions of buying behaviour

- (1) Price effect-lesser the price of the product, more will be the quantity purchased,
- (2) Lesser the price of the substitute product, lesser will be quantity of the original product
- (3) More the purchasing power, more will be the quantity purchased (income effect)

The assumption about the rational behaviour of human beings have been challenged by the behavioral scientists. They are of the opinion that while the predictions are useful, the model only explains how a consumer ought to behave. It does not throw light on how the consumer actually behaves

Behavioural scientists argue that the economic model is incomplete. Economies is assuming the market to be homogeneous, and that buyers will think and act alike and only concentrate on one aspect of the product, i.e. income. This model ignores all the other aspects such as perception, motivation, attitude and personality and socio cultural factors. It has always been agreed upon that man is Learning. a complex entity, a puzzle, a riddle. Hence, it is very important to have a multidisciplinary approach to understand consumer behaviour. Further,

in today's environment, apart from the various psychological socio-cultural determinants of the consumer, it has been observed that the consumers also gets influenced by other marketing variables namely - products (ones which are technologically advanced), effective distribution network and marketing communication (media and promotional techniques). That, man cannot be assumed to be a rational person and price is not the only factor which influences his purchase decision. Behavioural scientists have opined that a broader perspective has to be taken while trying to analyse buying behaviour. Not only economics but the role played by needs, motives, personality and self-concept and socio cultural factors should also be taken into consideration to understand what will be the buyer's response to various stimuli and in turn what will be the effect of this on consumer's buying behaviour