Definition: consumer behavior from QFinance: The Ultimate Resource

Consumer buying behavior the factors that affect people’s decision-making on whether to buy something and what to buy. See also consumer demand

Summary Article: Consumer Behavior from Encyclopedia of Business in Today’s World

Consumer behavior is essentially the attitudes, intentions, decisions, and actions of individuals as everyday consumers in the marketplace. The study of consumer behavior is embedded in a host of domains in social and behavioral sciences, such as anthropology, psychology, sociology, economics, and history, with reflection on social psychology, marketing, and management. As explaining and predicting consumer behavior can be very challenging, it becomes more so for marketers doing business globally compared with nationally or regionally. This is because planning and implementing marketing efforts necessitates a profound understanding of consumer motivations and expectations along many cognitive, affective, and behavioral dimensions; consequently, this can differ substantially across country boundaries, given that consumer behavior is subject to cultural, economic, and societal influences. Identifying the extent of consumer deliberation in decision processes is also essential to facilitate efficient and effective marketing communication efforts in international operations.

A prominent view of consumer behavior is how it is embedded in capitalism, marketing, and consumption ideologies. Such consumption ideologies can be traced back to Georg Simmel in the 1900s. Also motivated by scholars such as Max Horkheimer and Theodor Adorno in 1944, this study expanded over time through sociologists, anthropologists, historians, economists, and specialized consumer behavior-ists and consumer psychologists. Studies in the area of consumer research in many instances rely on consumption ideologies as a background presumption, where those studies proceed to investigate its corollaries and implications.

The American Marketing Association (AMA), the largest professional marketing association in North America for individuals and organizations involved in the practice, teaching, and study of marketing worldwide, describes consumer behavior as the outcome of two main components: marketing and psychology. This view presents consumer behavior as the dynamic interaction of affect and cognition, behavior, and environmental events by which people conduct the trading facets of their lives. According to this perspective, social psychology (a study of the two-way influence between social groups and an individual’s attitudes, motivations, and actions such as reference group influences) and cognitive psychology (a study of all knowledge and mental behavior such as attention, perception, comprehension, memory, and decision making) represent the two main disciplines that the AMA describes as germane to studies of consumer behavior.

Systematic studies of consumer behavior emerged only with the rise in mass production, communication, and sales through big organizations. Advertising and marketing research started earlier in the century in North America and Europe with the objective of practically investigating how to market goods to consumers. Consumer behavior research commenced in the marketing departments of
business colleges and universities in the United States in the 1950s. However, it was still tied to
economic studies of the consumer as a rational individual having innate needs to be met by produced
goods and services, disregarding social and marketing influences. Afterward, motivation research
emerged, which involved the use of analytical methods of investigation such as in-depth interviews,
focus groups, and projective techniques. It hence started probing into the emotional aspects of
consumer attitudes and actions. This path was more psychology-linked, and it was undertaken both in
academic research and in the business world.

However, looking into subconscious consumer actions and perceptions as such came to be considered
by some as unethical and manipulative, which led to the relative decline of the use of motivational
research at that point. Starting in the late 1960s, scientific experimentation spread widely, where
studies of the consumer as a rational information processor acquiring and analyzing information in order
to make brand choices became dominant. This motivated information processing theories of consumer
behavior to dominate related research in the 1960s and 1970s, where they were moderated by
psychological processes and also incorporated some individual differences and social and cultural
influences. New perspectives of consumer behavior emerged in the 1980s that differed from the
earlier positivist philosophies (those based on the notion that only scientific knowledge is genuine
knowledge, and the latter can only come from positive verification of theories through strict scientific
method and methodologies) that had taken over the field until that period in time.

The new shift that relied on nonpositivist philosophies, involving more qualitative and naturalistic
research, caused a stir in the field between supporters and skeptics. However, it broadened studies in
the domain of consumer behavior to become multi- and interdisciplinary, where scientists from other
disciplines such as sociology and anthropology engaged with interest in studying “the consumer”
alongside psychologists and economists. This more recent consumer behavior perspective addresses
the study of consumption and purchase decision processes of products/services as also carrying some
symbolic, cultural, and emotional implications, even those decision processes of products once thought
to be solely based on rational choice behavior (e.g., the decision to buy a car or a washing machine).
Along these lines, consumers are perceived as socially connected human beings constituting part of a
network of cultures, and consumption is analyzed as an integral part of human existence.

**Behavior Models**

Models of consumer behavior depict steps and activities that individuals experience in searching for,
evaluating, selecting, purchasing, using, and discarding products/services with the objective of fulfilling
needs, wants, and desires. The standard model of the consumer purchase decision process involves a
number of steps that basically are problem recognition, information search, evaluation, purchase, and
post-purchase evaluation. Consumer buying behavior is largely linked to the consumer's level of
involvement and perceived differences among brands offered on the market. These two important
criteria distinguish four common characterizations of purchase-related behavior: Complex buying
behavior, habitual buying behavior, variety-seeking buying behavior, and dissonance-reducing buying
behavior. Complex buying behavior involves a high level of consumer involvement in the purchase,
where the consumer perceives many significant differences among available brand choices; an example
of this behavior is illustrated in a consumer engaged in the decision to purchase a new car. In habitual
buying behavior, involvement in the purchase is low and the consumer perceives a few significant
differences among available brands. This can be exemplified in a consumer buying weekly or monthly
food groceries such as bread, cooking oil, salt, etc.
In the case of variety-seeking buying behavior, a low level of consumer involvement in the purchase is coupled with the consumer perceiving significant differences among the brands; this can result in the consumer engaging in a great deal of switching among brands in order to experience each and satisfy his/her variety-seeking tendency. An example of this behavior is in the purchase of varieties of cheese, yogurt, or desserts, or in the purchase of a shampoo or liquid hand soap. In such cases, the purchase for the consumer might be characterized by a low level of involvement emanating from habit and routine; however, prior knowledge and/or usage may lead to perceived differences among various brands, motivating the consumer to switch among them in repeat purchases to pursue diversity.

Lastly, dissonance-reducing buying behavior is characterized by a high level of involvement in the purchase but a few significant differences perceived between available brands; in such cases, though the consumer takes time and effort in the purchase process, the purchase action takes place more quickly than expected due to the absence of important differences between alternative brands on the market. An example of this buying behavior is a parent in the process of purchasing an educational toy for his/her child; the parent may decide to look with involvement into a number of options for comparison purposes; however, the planned effort and time may be cut short by a perceived lack of difference in the features exhibited in available alternatives.

Though examination of consumer buying behavior focuses on elements linked to purchase decisions, investigating the behavior of consumers encompasses an extensive set of other phenomena. This includes other facets such as beliefs, inferences, attitudes, preferences, intentions, and memories occurring before and/or after consumption. This is reflected in attempts to understand issues such as customer satisfaction, consumer search and choice, purchase rationalization, regret and returns, brand loyalty, and switching behavior, among many others. Adoption behavior also represents a significant phenomenon exhibited in the consumer adoption decision process (modeled into steps of awareness, interest and information search, evaluation, trial, and adoption/rejection). This links to innovation diffusion and innovative behavior that affects such notions as timing of choice and adoption and is influenced by consumer-specific and market-related factors.
post-purchase evaluation.

Consumer behavior embodies a broad formalization of its phenomena through existing consumer behavior theories that evolved over time and continue to develop further; the core objective of such theories is to explore and explain a majority of consumer-related phenomena, where some theories are competitive and others complementary. Emanating from those theories are a number of models used to present and/or predict the why, what, how, when, and where of an individual's behavior in purchasing goods and services. Consumer behavior models may be classified into two types: The monadic models and multivariable models, which explain market parameters and factors influencing purchases.

Monadic models rely on theories in microeconomics; they are embedded in explaining human beings as economic entities acting to maximize utility within the constraints of income and price. Such models overlook the emotional side of human beings that relates to social satisfaction and desires, and they also fall short of accounting for an imperfect marketplace where knowledge is inadequate and where there are many practical constraints, such as time and effort. On the other side, multivariable consumer behavior models rely on more diverse theories that retain elements from the behavioral sciences to incorporate psychological effects, social influences as well as individual and cultural ramifications that moderate information acquisition and processing.

Classical and widely used examples of the multivariable models are those proposed by James Engel, Roger Blackwell, and Paul Miniard (EKB), Philip Kotler, Joel Cohen, and others, where further developments on such models are advocated and introduced over time by other researchers. Standard models divide influences on the consumer purchase decision process into internal and external components. The internal component covers individual differences and psychological factors at play in influencing decisions to buy, such as personality, value and lifestyle, motivations, consumer resources, prior knowledge, cognitions, and affections. The external component covers outer environmental influences on consumer purchases, such as demographic, social, economic, cultural, and situational factors.

Focusing on understanding either internal or external factors in isolation results in the critique of an incomplete modeling of the process in consumer research. More recently, though, investigating the intricate relationship between internal and external factors has uncovered more insights into varying behaviors of consumers. For example, studying the influence of social class or family lifecycle/composition on cognitive (thought-based) and affective (emotion-based) choices and expectations of individuals provides a more extensive understanding of purchase decision-making processes and outcomes.

Marketing

Marketers adapt and direct the marketing mix elements (mainly the 4Ps, representing marketing inputs involving product, price, place, and promotion) of a product/service at consumers with the aim of encouraging specific brand choices. In interacting with specific marketing mix elements of a product/service, consumers are usually bombarded with influences based on their own needs, personal characteristics, culture backgrounds, attitudes, and perceptions. Marketing practitioners may find it particularly insightful to dig deep into relevant theory-based studies in their pursuit of a critical and intense comprehension of various consumer behavior aspects in the marketplace.

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Though emanating from academic research, theories do not just stand on hypothetical grounds because, after their development, inherent assumptions and propositions are tested empirically in real life via such vehicles as surveys and experiments. This usually takes place more than once along different perspectives on different samples in different countries, and also through the eye and interpretation of various researchers. As practitioners expose themselves to this rich body of research-based theories and models, they usually identify with consumer behavior that they face in the marketplace, situating it within terms and phenomena long held in academic literature.

Consequently, the process might be easier for marketers who develop early on a richer interest in and engagement with academic marketing literature; this can be undertaken through adopting some theoretical perspectives that may offer marketers a base along which to examine, evaluate, and compare/contrast actual behaviors in the market with those modeled by consumer behavior theories. Such a process can support them in exploring, explaining, and predicting consumer attitudes and actions in different situations, cultures, and countries, a challenge made harder in doing business at the international and global levels.

See also
Buying Motives/Behavior, Consumer Needs and Wants, Consumption, International Marketing Research, Marketing

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