

An Essay on Consumer Behaviour Theories and Frameworks

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ABSTRACT

The paper focuses on the definitions and most discussed theories on consumer behaviour. This includes a summary and literature review of the (a) economic theories, (b) psychological theories (c) psycho-analytical theories and (d) socio cultural theories of consumer behaviour. The objective is to provide marketers and students of marketing a comprehensive picture of theoretical research on the subject. The various theories are linked with empirical examples of consumer behaviour and strategic marketing literature in the analysis.

Keywords: consumer behaviour, theoretical research, strategic marketing.

INTRODUCTION:

Any person engaged in the consumption process is a consumer. These consumers can be identified by the type of markets to which they belong. On the basis of this consumers are of two types i.e., Industrial and Individual consumers. The present study is concerned with the final consumers, individuals who buy for personal consumption or to meet the collective needs of the family and households needs. The consumer behaviour refers to those actions and related activities of persons involved specifically in buying and using economic goods and services. It includes both mental decisions with respect to acquisition, consumption and disposition of goods services, time and idea by (human) decision making units. It also includes whether, why, when, where, how, how much and how often and how long consumption depends. An understanding of the consumer behaviour will help us in understanding different market segments and evolve strategies to effect penetration with these markets.

The major theories of consumer behaviour have been adopted from the economic, organisational management and psychological disciplines. One of the first statements in classical economics by Jean Baptist Say in the early 18th century also known as the Say's Law is an economic account of consumer behaviour. The law states that 'Supply creates its own demand'. This view was taken forward by later classical economic thinkers in the 19th and 20th centuries. Adam Smith (1937) at the end of 18th century wrote that consumption is the sole end and purpose of all production and the interest of the producer ought to be attended to only, so far as it may be necessary for promoting that of consumer. The field of consumer's behaviour really began to develop in the early 1960s, when the Ford foundation commissioned a two years study of the state of knowledge of marketing in American Business School. Later many theories were developed which viewed consumer behaviour from different angle and the marketers used these theoretical base for studying consumer behaviour and for framing various marketing strategies and programmes based on the interest, attitudes and perception of consumers.

John Maynard Keynes, an economist famous for his explanation of depression economics and government role in recovery, sought to counter the utilitarian theory of consumption by rejecting the Say's law. S.A Drakoupoulos (1992) related to Keynes' theory in terms of its implications on consumer behaviour and found that Keynes rejected the utilitarian theory outright. Keynes' analysis seem to point to a consumer behaviour more based on the fulfilment of hierarchical needs from the most basic to the luxury needs based on what income group they belonged to. This is more in line with Abraham Maslow's theory of hierarchy of needs as an explanation of consumer's aspirations and purchase decisions. As such, Keynes' idea was to invert the 'supply creates its own demand' axiom and focus on 'creating aggregate demand' among the consumers.

WHAT IS CONSUMER BEHAVIOUR?

The study of consumer behaviour focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items (Schiffman and Kanuk, 1997). The field of consumer behaviour covers a lot of ground. According to Solomon (1996), consumer behaviour is a study of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires. Solomon (1996) has gone on to classify consumption into four distinctive types:

Consuming as Experience:

When the consumer values the pleasure derived from the process of consumption. This would involve the creation of an emotional attachment and an aesthetic bond with the product.

Consuming as Integration:

Consumption that helps the consumer to create a feeling of 'having been there'. Such form of consumption will help the consumer to identify with the product and integrate his/her experience with the identity or brand of the product. Integration could even mean the attachment to services like celebrity entertainment forms which consumers consume and adopt their characteristic traits.

Consumption as Classification:

These are consumer activities which the consumers use to communicate their association to the products. There is a sense of one brand vs the other present in such communication as the consumers want to communicate that they chose the product as a reflection of their social status and class.

Consuming as Play:

Consuming to participate in a mutual experience and merge the identities with that of a group. This type of consumption will be heavily influenced by the marketers attempt to create a favourable identity for the product. The official definition of consumer behaviour given by Belch (2007) is 'the process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services so as to satisfy their needs and desires'. Hayden Noel (2009) has defined consumer behaviour as the examination of 'how individuals acquire, use and dispose of company offerings'. Behaviour occurs either for the individual, or in the context of a group, or an organization. Consumer behaviour involves the use and disposal of products as well as the study of how they are purchased. Product use is often of great interest to the marketer, because this may influence how a product is best positioned or how we can encourage increased consumption. A comprehensive understanding of product use by the consumer will give the marketer much needed market information before framing the marketing strategy.

THEORIES OF CONSUMER BEHAVIOUR:

The major theories of consumer behaviour can be grouped with (a) economic theories, (b) psychological theories (c) psycho-analytical theories and (d) socio cultural theories. All the consumer behavioural theories are based on the basic law of consumption i.e. when aggregate income increases, consumption also increases by somewhat smaller amount and is based on the assumptions like spending habits remain the same, political conditions, remaining, normal and economy is free and perfect. The law of consumption is derived from the Keynesian concepts of propensity to consume and propensity to save. 'Savings' and 'Consumption' are the two key income functions of the consumer. The primary basis of the law of consumption would be that the propensity to consume would fall as we move to higher incomes reflecting in an increase in the propensity to save. These elements of consumption and savings are addressed in Keynes' Psychological Law of Consumption which states that when income increases, consumption increases at a rate lower than the rise of income.

ECONOMIC THEORIES OF CONSUMER BEHAVIOUR:

The economic theories on consumer behaviour focused on how consumers allocate their income and how this determines the demands of various goods and services. The traditional theory of demand starts with the examination of the behaviour of the consumer, since the market demand is assumed to be the summation of the demand of individual consumers. In the traditional economic theory, it is assumed that the consumer has full knowledge about all available commodities their prices and income. In the development of any economic theory, the rationality

axiom and the access to complete information are the most central assumptions which are indeed necessary to develop an understanding of the interaction of key economic variables in a market environment. However, the economists only partially accept this, theory on the ground that economic factors alone cannot explain variations in sales and decision of purchase by consumers, but it is influenced by many psychological and sociological factors. In order to attain the objective the consumer must be able to compare the utility (satisfaction) of various baskets of goods, which he can buy with his income. The basic economic theories include marginal utility theory, psychological law of consumption, absolute, relative and permanent income hypothesis etc.

Marginal theory was developed by classical economists. According to them, a consumer will continue to buy such products that will deliver him the most utility or maximum satisfaction at relative prices. Economists hold the view that man is rational in all the activities and purchasing decisions are the direct result of economic calculations. This theory brought out two laws that are said to govern consumer buying behaviour. These include law of Diminishing marginal utility and law at Equi-marginal utility. As per the law of diminishing marginal utility, a consumer satisfies his wants in order of their urgency and that he consciously or unconsciously weighs in his mind the price he has to pay for the utility of each product he buys. In the case of Law of Equi-marginal Utility, so as to maximise satisfaction, consumer arranges his expenditure in such a way that his marginal utilities from different items are equalized by a process of substitution of product or more utility for one possessing less utility. Both theories have considerable application in consumer behaviour study as they explain how far a consumer would go for/against the purchase of the product given the income constraints he/she faces.

It is to be seen that the classical utilitarian approach is not without its fair share of criticism for its lack of application in real-life markets. Economists in the later decades however have sought to address these concerns. Neo-classical economists have tended to prefer the ordinal approach to the cardinal approaches chosen by the classical utilitarian economists. The attempts to refine the classical approaches were done by providing improvements and thereby formulated indifference curve analysis and theory of revealed preferences. In the indifference curve analysis, the overall consumer choice problem is structured as a relative choice between product alternatives within constraints related to price, income and the available budget. Similar type of refinement of the utility theory has also been made by Samuelson in his Revealed preference theory and by Armstrong in his Marginal Preference theory. While the utility approach is micro in character, there are important macro theories also.

ECONOMIC THEORIES OF SPENDING BEHAVIOUR:

We shall first summarise the major economic theories that would help us explain consumer behaviour and consumption pattern of the individual with the given budget constraint. The three general theories on the determinants of total consumer spending are: (a) The Absolute Income Hypothesis, (b) The Relative Income Hypothesis, (c) The Permanent Income Hypothesis, and (d) The Life Cycle Hypothesis. Each theory was put forward originally in terms of individual behaviour and then generalized to aggregate behaviour and each hypothesis postulates a relationship between consumption and income, though the concepts underlying these terms may vary substantially.

Absolute Income Hypothesis:

The first statement of this theory is perhaps made by Keynes in the General Theory. Its subsequent development is primarily associated with James Tobin and Arthur Smithies. Houthakker (1958) suggests that Tobin's approach modifies the Keynes' theory by introducing assets as additional variables to explain. This theory states that the individual consumer determines what fraction of his current income he will devote to consumption on the basis of the absolute level of that income. Other things being equal the rise in his absolute income will lead to decrease in the fraction of that income devoted to consumption. This theory was criticized on the ground of its inability to reconcile data on saving with observed long term trends and as an answer to this inconsistency the relative income hypothesis was developed. Another drawback was the fact that the theory failed to take into account the relative income and the consumption bundle facing the consumer. However, the assumption that the marginal utility of money will fall as the income rises making the consumers consume less and save more is generally viewed to hold true.

Relative Income Hypothesis:

This hypothesis was propounded by Dorothy Brady Rose Friedman and James Duesenberry. Its underlying assumption is that saving rate depends on the level of income, but on the relative position of the individual on the income scale. The primary Keynesian assumption was seen to be wrong after the savings and consumption

of the national income by Simon Kuznets. The propensities to consume and save did not show any changes despite rises in income. Houthakker (1958) sees this function as a radical shift departure from the primary Keynesian consumption function. As such, Relative Income Hypothesis implies the assumption that spending is related to a family's relative position in the income distribution of approximately similar families. Thus the theory argues that the fraction of families income spent on consumption depends on the level of its income relative to the income of neighbouring families and not on the absolute level of family's income.

James. S. Duesenberry supplied psychological support to the relative income hypothesis noting that there is a strong tendency in our social set up for people to emulate their neighbours and at the same time to strive constantly towards a higher standard of living. According to him, consumption expenditure of an individual is determined not only by his current income, but also by the standard of living enjoyed by him in the past. This idea is known as Duesenberry hypothesis.

The Permanent Income Hypothesis:

The Permanent Income Hypothesis was developed by Prof. Milton Friedman. Like Relative Income Theory it holds that the basic relationship between consumption and income is proportional, but the relationship here is between permanent consumption and permanent income. Friedman (1957) pointed out the indirect relationships between the theoretical constructs and observed magnitudes. The paper further went on to treat the total consumption function as having two components – the permanent income function and the transitory income component. The transitory income components were the expenditures that would arise out of 'chance' or 'accidental' occurrences. The author takes the transitory component as a constant and arrives at the consumption function by analysing the changes in the permanent income component in view of empirical data. He replaced the concept of current income to permanent income. According to him, Permanent income is to be interpreted as the mean income regarded as permanent by the consumer unit in question which in turn depends on its farsightedness". Since Permanent Income Hypothesis argues that proper consumption function relates permanent consumption to permanent income. It concludes that the long run consumption income relationship is proportional. Changes in permanent income give rise to proportional changes in permanent consumption. Hall (1979) states that policy can only affect consumption as much as it affects the permanent income.

However critics argue that this theory puts too much stress on the expectations and long range planning of consumer units, while in reality consumer units change their consumption behaviour frequently. Many other demand side factors were seen as not relevant and Friedman (1957) including the changes in consumption function arising out of cyclical economic changes as part of the transitory component was also challenged.

Life Cycle Hypothesis or (MBA Approach):

This hypothesis as propounded by Modigliani, Albert Ando and later by Brumberg. Ando and Modigliani (1963) state that the utility function of a single consumer is a function of his own aggregate consumption in both current and future periods. The individual is assumed to maximise his utility by taking into account the resources available to him. By resources are meant both the current income and discounted income from the future earnings and the current worth of the consumer. This approach is essentially a permanent wealth hypothesis rather than permanent income hypothesis. According to this, the household or consumer unit assumed to determine the amount available for consumption over life which is the sum of households net worth at the beginning of the period plus the present value of its non property income minus present value of planned bequests. In the MBA hypothesis, consumption is taken as a function of wealth and age and not of simple current income. It also emphasises that consumption functions is strictly proportional to total wealth. The above economic theories highlight the short run and long run consumption function of consumers based on their income, savings, wealth and life cycle. The theory it is widely agreed does explain the motives behind the savings function much better than the propensity function explained by Keynes and has much more empirical value.

Modigliani and Brumberg (1954) observe that the rate of consumption at any given point in the consumer's lifespan is a function of a plan which extends over the whole lifetime of the individual with the income accrued over that period is an element which contributes to the entire plan and not just the consumption of the given time period. Of interest to marketers and management theorists is the assertion by Modigliani and Brumberg (1954) that uncertainty over future incomes in the lifecycle will affect consumer's attitudes towards the consumption of durable goods.

PSYCHOLOGICAL THEORIES OF CONSUMER BEHAVIOUR:

The essence of psychological theories (learning theories) lies in the fact that people learn from experience and the results of experience will modify their actions on future occasions. The importance of brand loyalty and repeat purchase makes learning theory more relevant in the field of marketing. Among the learning theories come stimulus response theories and cognitive theories.

Contributors of stimulus response theories include Purlon, Skinner Thorindike and Kotlew. According to them learning occurs as a person responds to some stimulus and is rewarded with need satisfaction for a correct response. They proved that most frequent and recent stimuli are remembered and responded. This approach is the basis of reported advertisements. The cognitive theory was propounded by Festinger mainly to explain certain post buying behaviour.

According to it stimulation and want are conditioned by a consumer's knowledge, his perception, beliefs and attitudes. The theory further states that even after a well thought out purchase the consumers undergo some sort of discomfort, fear or dissonance. This post decision anxiety is caused by nice (cognitive dissonance) arising from doubts on the decisions taken. The consumers compare on the merits of the products bought with substitutes or start analyzing drawbacks of the product. Such customers require some reassurances from the seller stressing that the decision taken is wise one. Though the theory was developed to explain a 'post decision' phenomenon, it is suitable for explaining pie-decisions anxiety also. The advertisements and personal selling aimed to reduce cognitive dissonance on the part of the buyer and prophets.

Gestalt theory, coined by German Psychologist Christian Von Ehrenfels viewed personality as the result of the interaction between the person and the total environment and the two must be considered together as a patterned event. Consumers attempt to stabilize their psychological field providing meaning to the surrounding world. Consumers, in making market decisions, strive to reduce tension and conflict between themselves and their environmental perceptions.

PSYCHO – ANALYTIC THEORIES:

This theory developed from the thoughts of Sigmund Freud. He Postulates that personality has three basic dimensions, the id, the ego and the super ego. It follows that consumer behaviour is a function of the interaction of these three systems. Here the id urges an enjoyable act, the super ego presents the moral issues involved and the ego acts as the arbitration in determining whether to proceed or not. This has led to motivational research and has proved useful in analyzing buyer's behaviour. This in turn has contributed some useful insight in the advertising and packaging field to induce response from the consumer towards the product.

SOCIO CULTURAL THEORIES OF CONSUMER BEHAVIOUR:

The credit of formulation of this theory goes to Thorstein Veblen known as Veblenian model. He asserted that a man is primarily a social animal and his wants and behaviour are largely influenced by the group of which he is a member. He argued that people have a tendency to fit in a society in spite of their personal likes and dislikes. Culture, sub culture, social classes reference group, family are the different factor groups that influence buyer behaviour. The theory is known as the demonstration effect and Veblen and James Dusenberry are key proponents of the theory. McCormick (1983) states that the relative level of consumption is more important in terms of high quality goods underlining the pressure on individuals within a community to consume goods in relation to others in the community. The demonstration effect gives valuable insight into the phenomenon of conspicuous consumption which is of particular help to marketers wishing to promote and sell high quality luxury goods in niche markets.

All the above theories of consumer behaviour give guidelines to the marketing managers how a consumer behave in a particular situation and what are the factors which influence their decision making process.

CONSUMER DECISION BEHAVIOURAL MODELS:

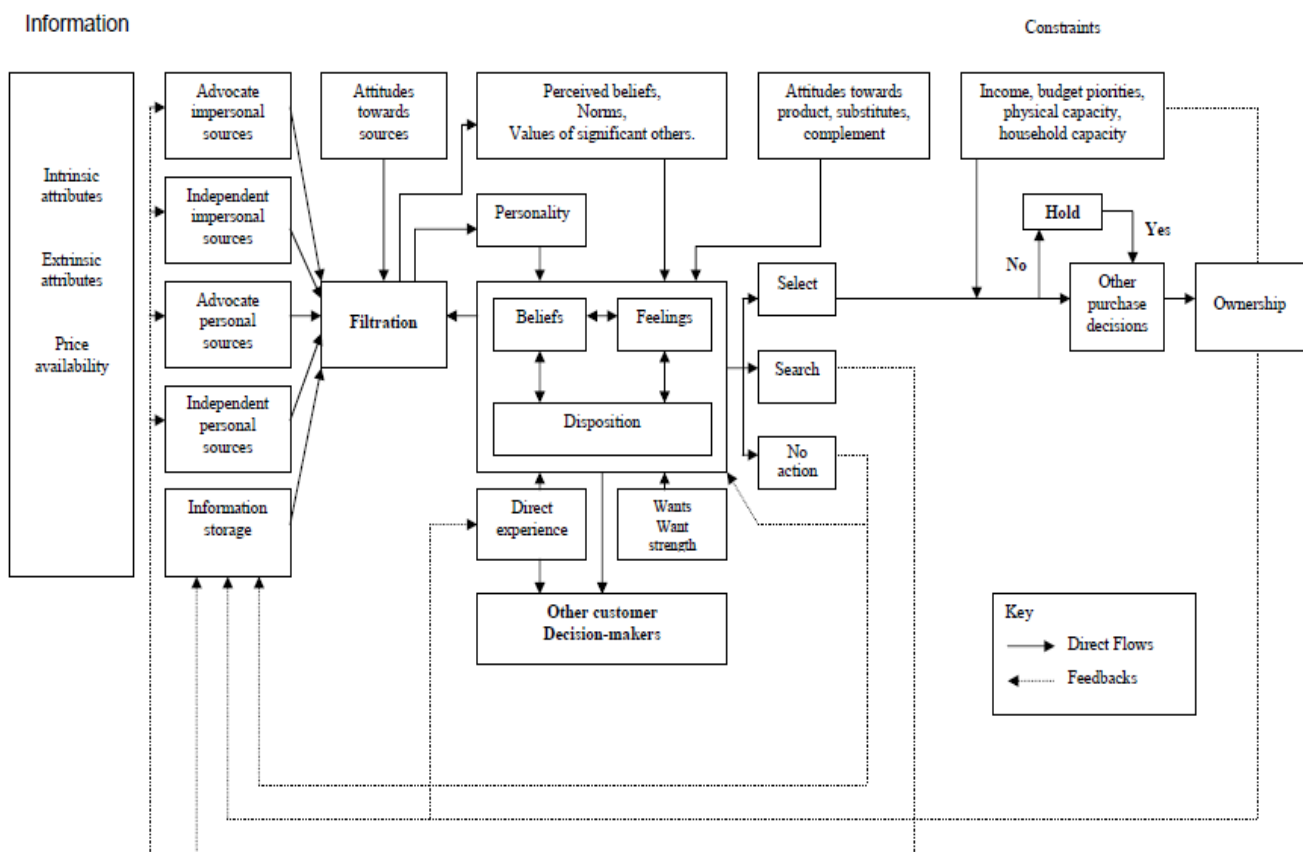
Consumer behavioural models describe the decision-making or choice process of consumers. The existing consumer behavioural models put to practical use the theories we had explained earlier to create models of consumer behaviour. We will be analysing three models that have been developed to explain consumer behaviour viz a) Andreason's Model of Consumer Behaviour b) Nicosia Model of Consumer Behaviour and c) Sheth Newman Model of Consumer Behaviour. The understanding of such models will enable the marketers to

design their policy by taking into account the linkages of the various factors and attributes which govern the consumer behaviour pattern. While the Andreason’s model is a balanced account of the factors affecting consumer behaviour and information, Nicosia’s model explains the consumer’s decision making process in the form of a model. Sheth Newman Gross model is a relatively advanced model developed in the 1990s and is an improvement on the Howard Sheth Model in the 1970s.

ANDREASON’S MODEL OF CONSUMER BEHAVIOUR:

Andreason (1965) proposed one of the earliest models of consumer behaviour. This model is shown in Figure 2.1. The model recognizes the importance of information in the consumer decision-making process. It also emphasizes the importance of consumer attitudes although it fails to consider attitudes in relation to repeat purchase behaviour. As can be seen from the self-explanatory figure, the model encompasses all the flows in the whole consumer behaviour framework. The model documents all the major sources of the consumer and also the constraints.

Figure 2.1: Andreason, A.R (1965 Attitudes and Consumer Behaviour: A Decision Model in New Research in Marketing (ed. I. Preston). Institute of Business and Economic Research, University of California, Berkeley, pp.1-61

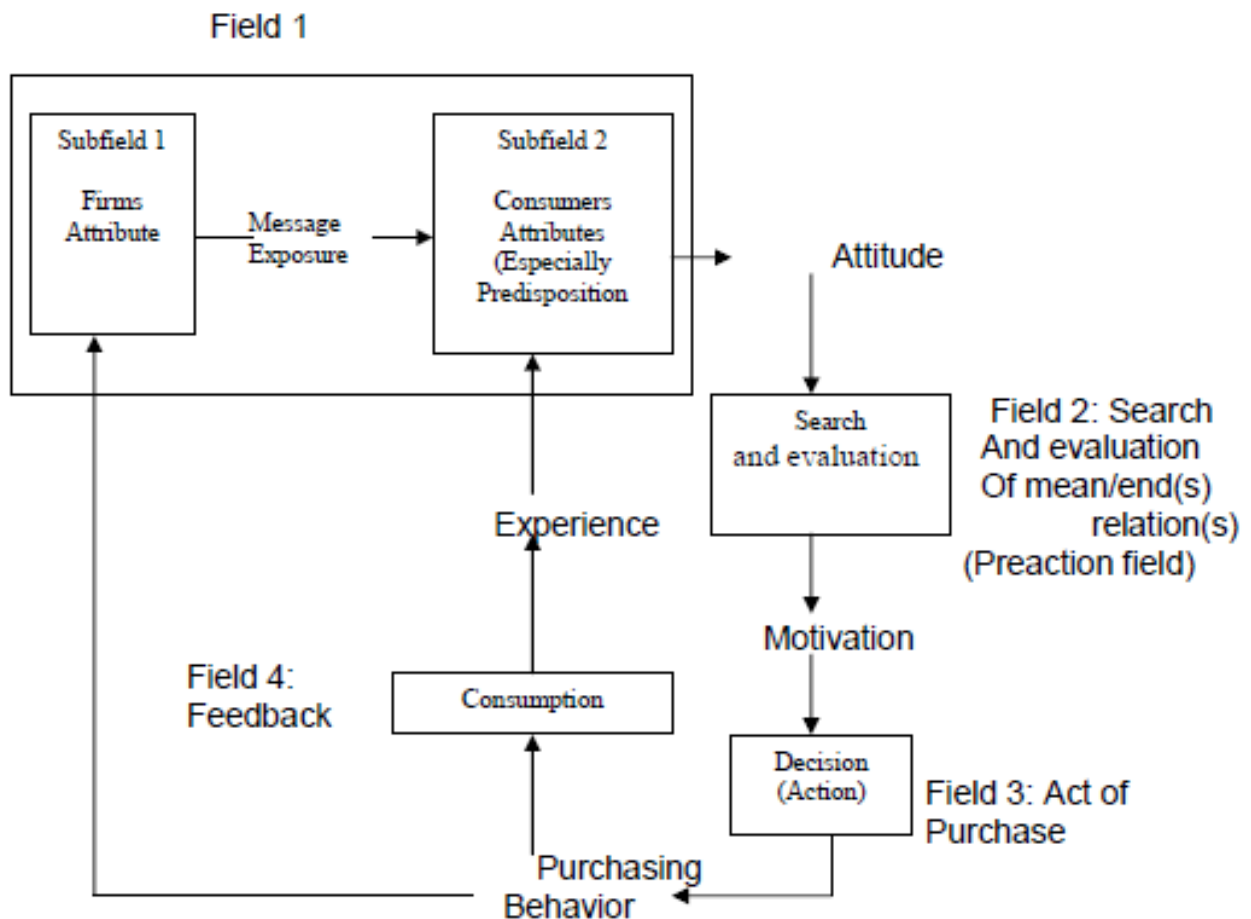


NICOSIA MODEL OF CONSUMER BEHAVIOUR:

The model focuses on the buying decision of the product looking at the relationship between the firm and potential buyers. The firm communicates with consumers through its marketing messages (advertising), and the consumers react to these messages by purchasing decisions. Looking to the model we will find that the firm and the consumer are connected with each other, the firm tries to influence the consumer and the consumer is influencing the firm by his decision. The model concentrates on the firm's attempts to communicate with the consumer, and the consumers' predisposition to act in a certain way. These two features are referred to as Field One. The second stage involves the consumer in a search evaluation process, which is influenced by attitudes. This stage is referred to as Field Two. The actual purchase process is referred to as Field Three, and the post-purchase feedback process is referred to as Field Four. This model was criticized by commentators because it

was not empirically tested (Zaltman, Pinson and Angelman, 1973), and because of the fact that many of the variables were not defined (Lunn, 1974).

Figure 2.2: is an illustration of the Nicosia model of consumer behaviour



Source: Nicosia, (1966).

The Nicosia model is divided into four major fields:

Field 1: The consumer attitude based on the firms’ messages.

The first field is divided into two subfields.

The first subfield deals with the firm’s marketing environment and communication efforts that affect consumer attitudes, the competitive environment, and characteristics of target market. Subfield two specifies the consumer characteristics e.g., experience, personality, and how he perceives the promotional idea toward the product. In this stage, the consumer forms his attitude toward the firm’s product based on his interpretation of the message.

Field 2: search and evaluation

The consumer will start to search for other firm’s brand and evaluate the firm’s brand in comparison with alternate brands. This is a process where the firm’s messages to motivate the consumer will prove crucial in enhancing sales.

Field 3: The act of the purchase

The result of motivation will arise by convincing the consumer to purchase the firm products from a specific retailer. The field focuses on how the communication has led to the consumer choosing the specific product when he makes the purchase decision.

Field 4: Feed back

This model analyses the feedback of both the firm and the consumer after purchasing the product. The firm will benefit from its sales data as a feedback, and the consumer will use his experience with the product affects the

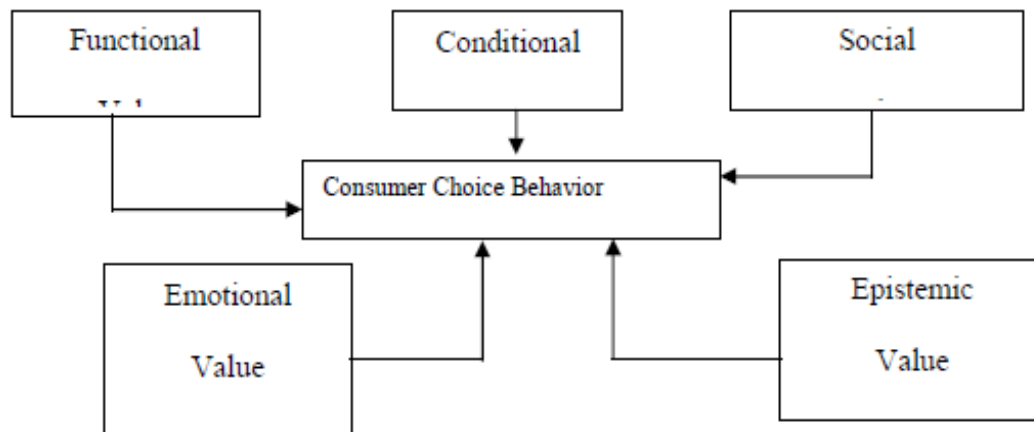
individuals' attitude and predisposition's concerning future messages from the firm.

The Nicosia model offers no detailed explanation of the internal factors, which may affect the personality of the consumer, and how the consumer develops his attitude toward the product. The model tends to give more importance to the factors induced by the firms and not the psychological or cultural factors on the side of the buyer. For example, the consumer may find the firm's message very interesting, but virtually he cannot buy the firm's brand because it contains something prohibited according to his beliefs. Apparently it is very essential to include such factors in the model, which give more interpretation about the attributes affecting the decision process to the evaluator and policy designer.

SHETH-NEWMAN GROSS MODEL OF CONSUMPTION VALUES:

According to this model, there are five consumption values influencing consumer choice behaviour. These are functional, social, conditional, emotional, and epistemic values (Drake, 2007). Kahle (1983) and Drake (2007) agree that values are an integral element in understanding the phenomenon of consumer behaviour. Various disciplines (including economics, sociology, several branches of psychology, marketing and consumer behaviour) have contributed theories and research findings relevant to these values, (Sheth et al. 1991). Each consumption value in the theory is consistent with various components of models advanced by Maslow et al (1970), Katona (1971), Katz (1960), and Hann (1980). Five consumption values form the core of the model:

Figure 2-3: The five values influencing Consumer Choice Behaviour



Source: Sheth, Newman, and Gross (1991) Pp159-170

The first value: Functional value

To Sheth et al. (1991) the functional value of an alternative is defined as:

"The perceived utility acquired from an alternative for functional, utilitarian, or physical performance. An alternative acquires functional value through the possession of salient functional, utilitarian, or physical attributes. Functional value is measured on a profile of choice attributes."

Traditionally, functional value is presumed to be the primary driver of consumer choice. This assumption underlies economic utility theory advanced by Marshall (1890) and Stigler (1950) and popularly expressed in terms of "rational economic man." An alternative's functional value may be derived from its characteristics or attributes, (Ferber, 1973) such as reliability, durability, and price. For example, the decision to purchase a particular automobile may be based on fuel economy and maintenance record.

By identifying the dominant function of a product (i.e., what benefits it provides), marketers can emphasize these benefits in their communication and packaging. Advertisements relevant to the function prompt more favorable thoughts about what is being marketed and can result in a heightened preferences for both the ads and the product, (Solomon 1996;160).

The second value: Social value

Sheth et al. (1991;161) defined social value of an alternative as:

"The perceived utility acquired from an alternative association with one or more specific social groups. An alternative acquires social value through association with positively or negatively stereotyped demographic, socioeconomic, and cultural-ethnic groups. Social value is measured on a profile choice imagery."

Social imagery refers to all relevant primary and secondary reference groups likely to be supportive of the product consumption. Consumers acquire positive or negative stereotypes based on their association with varied demographic (age, sex, religion), socioeconomic (income, occupation), cultural/ethnic (race, lifestyle), or political, ideological segments of society.

Choices involving highly visible products (e.g., clothing, jewelry) and good service to be shared with others (e.g., gifts, products used in entertaining) are often driven by social values

The third value: Emotional value

Sheth et al. (1991; 161) defined emotional value of an alternative as:

"The perceived utility acquired from an alternative's capacity to arouse feelings or affective states. An alternative acquires emotional value when associated with specific feelings or when precipitating those feelings. Emotional values are measured on a profile of feelings associated with the alternative."

Consumption emotion refers to the set of emotional responses elicited specifically during product usage or consumption experience, as described either by the distinctive categories of emotional experience and expression (e.g., joy, anger, and fear) or by the structural dimensions underlying emotional categories such as pleasantness/unpleasantness, relaxation/action, or calmness/excitement. Goods and services are frequently associated with emotional responses (e.g. the fear aroused while viewing horror movie). Emotional value is often associated with aesthetic alternatives (e.g. religious causes). However, more tangible and seemingly utilitarian products also have emotional values. This can lead to the building of a brand relationship with a specific product brand in certain product categories like apparel and automobiles. Additionally, Sheth and Parvatiyar (1995) find that consumers develop a relationship with the product service or provider where the product and service are inseparable like the services of a doctor or a lawyer. The writers suggest the need to therefore have relationship marketing activities which would create value and build the relationship between marketers and consumers.

A number of different attempts have been made to identify the various emotions that people experience. Izard (1977) develops the taxonomy of affective experience approach that describes the basic emotion that people feel. He measures emotions using ten fundamental categories: interest, joy, surprise, sadness, anger, disgust, contempt, fear, shame, and guilt. This approach has been used extensively by consumer researchers, for example, Westbrook and Oliver (1991).

The fourth value: Epistemic value

Sheth et al. (1991 ;162) defined epistemic value as:

"The perceived utility acquired from an alternatives capacity to arouse curiosity, provide novelty, and/or satisfy a desire for knowledge. An alternative acquires epistemic value by items referring to curiosity, novelty, and knowledge."

Epistemic issues refer to reasons that would justify the perceived satisfaction of curiosity, knowledge, and exploratory needs offered by the product as a change of pace (something new, different). Entirely new experience certainly provides epistemic value.

The concept of epistemic values has been influenced by theory and by several important areas of research. Exploratory, novelty seeking, and variety seeking motives have been suggested to active product search, trial, and switching behavior (Howard and Sheth, 1969). One of the most significant contributors to the study of the optimal stimulation and arousal has been Berlyne (1970), who contends that individuals are driven to maintain an optimal or intermediate level of stimulation. Finally, Hirschman (1980) has advanced innovativeness, or a consumer's propensity to adopt new products.

The Fifth value: Conditional value

Sheth et al. (1991;162) defined the conditional value as:

"The perceived utility acquired by an alternative is the result of the specific situation or set of circumstances facing the choice maker. An alternative acquires conditional value in the presence of antecedent physical or social contingencies that enhance its functional or social value. Conditional value is measured on a profile of choice contingencies."

An alternative's utility will often depend on the situation. For example, some products only have seasonal value (e.g., greeting cards), some are associated with once in a life events (e.g., wedding dress), and some are used only in emergencies (e.g., hospital services). Several areas of inquiry have also influenced conditional value. Based on the concept of stimulus dynamism advanced by Hall (1963), Howard and Sheth (1969) recognized the

importance of learning that takes place as a result of experience with a given situation. Howard and Sheth (1969) then extended Howard's earlier work by defining the construct inhibitors as non-internalized forces that impede buyers' preferences. The concept of inhibitors was more formally developed by Sheth (1974) in his model of attitude-behaviour relationship as anticipated situations and unexpected events. Recognizing that behaviour cannot be accurately predicted based on attitude or intention alone, a number of researchers during the 1970s investigated the predictive ability of situational factors (e.g., Sheth 1974).

The five consumption values identified by the theory make differential contributions in specific choice contexts. For instance, a consumer may decide to purchase coins as an inflation hedge (functional value), and also realize a sense of security (emotional value) from the investment. Social, epistemic, and conditional values have little influence. Of course, a choice may be influenced positively by all five consumption values for example, to a first-time home buyer, the purchase of a home might provide functional value (the home contains more space than the present apartment), social values (friends are also buying homes), emotional values (the consumer feels secure in owning a home), epistemic value (the novelty of purchasing a home is enjoyable), and conditional value (starting a family).

CONCLUSION:

We live in an era of changing consumer consciousness but the variables and the factors affecting consumer behavior tend to be the same. On the business side of things, the focus has considerably shifted from profit maximization to sales and revenue maximization in general as Williamson (1966) has demonstrated in his empirical study on the profit, sales and growth functions facing a business firm. This concept was introduced by the famous economist William Baumol. Amihud and Kamin (1979) comment in their review of the validity of the hypothesis commented that the theory holds true in sectors which have 'oligopolistic' and management controlled business ownership. It is to be noted that oligopoly is the most dominant ownership pattern in most countries and sectors. This means firms are looking more than ever to reach out to as many sections as they can with product differentiation and promotional strategies. The marketers therefore need to develop a closer understanding of the variables and attributes involved in consumer decision making and that is where the consumer behavior theories we have reviewed in this paper come into the equation. The reviewed theories help the marketer understand the consumption function, which has great relevance and applicability at a time, when consumerism is a growing movement. Consumerism is an organized movement of citizens and government to strengthen the rights and powers of buyers in relation to sellers. Consumerist's groups seek to increase the amount of consumer information, education, and protection.

The models that we have explained in great detail will help us understand the linkages in the consumption process and also how the consumption function is influenced by various agents. It is of paramount importance for marketers to look at the attributes and constraints (Andreason's model), linkages and the process of buying (Nicosia model) and finally the values affecting the consumer and his consumption function (Sheth Newman Gross model). It is clear that our understanding of the subject has grown a lot and firms have been able to successfully capture more data and empirical evidence on behavioral trends enabling them to have innovative and tailored marketing campaigns.

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