



CONSUMER DECISION-MAKING PROCESS MODELS: A COMPARATIVE STUDY

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Abstract

Globalization has had a diverse impact on the perception of the role of a “consumer” within the framework of building and sustaining competitive advantage of a company. As a result of Globalization, cross border trade and capital flows have increased multifold; thereby promoting consumerism resulting in the need for redefining the role of markets and marketing strategies. The markets have become highly heterogeneous and complex; the consumers informed and demanding; and the marketers technology and information driven. The net effect of these irreversible trends is the need to understand and internalize the Consumer Decision-making Processes (CDP), which help the marketers translate their ideas into profits. The authors have made an attempt to focus on the conceptual analysis, the changing phenomenon of the role and impact of a consumer in the framework of Consumer Behavioral Research.

Consumer Decision-making Models (CDM) are simplified versions of the variables and their inter-relationships that influence the behavioral patterns of consumers. It covers processes that precede, determine and follow the purchase, use and disposal of a product. The paper tries to give a comparative study of the well-known CDP models developed over the years such as Howard & Sheth, Engel-Kollat-Blackwell, Schiffman & Kanuk, Henry Assael Models, highlighting their varied conceptual percepts. These models have been developed by the authors within a contextual framework existing at a particular time period. Hence the authors in the paper have also tried to identify the emerging trends affecting consumer behavior such as lifestyle changes, Knowledge revolution, Information and Communication Technology, higher affordabilities, diverse impacts of changing demographic and cultural profiles etc. The impacts of these high velocity changes on CDP is also studied and analyzed. It has been observed that the critical role of Information and Communication Technologies (ICTs) in decision making processes has not been incorporated explicitly in these models commensurate with the ongoing IT revolution across the globe. It is therefore imperative for the marketers to take this into account in their formulation and implementation of marketing strategies.

As a demonstration exercise, the paper also studies an emerging sector such as the Retail sector. In this exercise the application of one of the CDP models is validated.

Key Words: CDP Models, CDM, Comparative study, ICTs, Retail sector.

INTRODUCTION

The advent of Economic Reforms made globalization a mandatory phenomenon across the country although there seems to be some opposition in some parts of the world. The borders between countries are disappearing resulting in enhanced levels of competition and also opportunities. Globalization has had a diverse impact on the perception of the role of “consumer” within the framework of building and sustaining competitive advantage of a company. As a result of globalization and free trade, which implies free flow of goods and services, capital and labour, competition among different countries have increased multifold, thereby redefining the role of marketers and its strategies. The markets are becoming highly heterogeneous and complex and at the same time getting enlarged enormously

The national economy is growing at much faster rates resulting in higher levels of income, higher affordabilities, different lifestyles, and consumption patterns. At the same time the markets are getting flooded with large



number of products while the customers are becoming more informed and demanding about the available product and services in the market. Further the demographic, ethnographic and other profiles of customers are changing drastically along with their needs, tastes, preferences and values and also the impacts of electronic media on consumers. In this context, this paper tries to identify the emerging trends affecting Consumer Behavior.

It's therefore imperative for the marketers to assess the intended and unintended implications of these trends on Consumer Decision-making Processes (CDP), the end result of which is sales for the marketers. Traditionally marketers have used Consumer Decision-Making Models incorporating the numerous variables involved in CDP to analyze and simulate market realities.

Consumer Decision-Making Models (CDM) are simplified version of the variables and their inter relationships that influence the behavioral patterns of consumers. It covers processes that precede, determine and follow the acquisition of need satisfying products, ideas or services consumption and disposal of the same. The paper undertakes a comparative study of the well-known CDP Models developed over the years.

It has been observed that the impact the Information and Communication Technologies (ICTs) are revolutionizing the marketing concepts and strategies in the west. The same is sprouting in our country also. Besides this trend, the ICTs are transforming the traditional societies (like ours) into Knowledge based or Information based society. It is fairly acknowledged that there is an information revolution. Thus the quantity and access to information is growing exponentially in the recent years. Science and Technology together with the ICTs revolutionized the market environment. More importantly they have considerable impacts on purchase decisions and consequently on marketing strategies.

Retail sector being one of the fastest growing sectors, has been selected as a case study to validate the applicability of one of Consumer Decision-making Models.

The paper is divided into 3 sections as under:

Section I :Critical Appraisal of existing Consumer Decision-making Models

Section II : Trends affecting Consumer Decision-making Processes

Section III :A Case study on Retail Management.

SECTION I: CRITICAL APPRAISAL OF EXISTING CONSUMER DECISION-MAKING MODELS

Economic Reforms and the Consumer choice

Before the introduction of Economic Reforms, the consumer had **“too little a choice”** with regard to quality of products, price of the product and so on. After economic reforms the consumer has **“so wide a choice”** that the absorption capacity itself seems to be endangered. The latter situation made the marketing strategies imperative at best as also made them very complex, at worst. It is in this context, the review of Consumer Behavior models become necessary to understand the changing patterns of purchase decision models. The later is undergoing substantial changes which the marketer finding it difficult to capture.

The understanding of the behavioral patterns of consumers-why they behave as they do (buy/not to buy a product) is a critical input to marketing strategies. Research in Consumer Buying Decision Processes has been expanding over the last few decades coupled with a shift in focus from quantitative to qualitative analysis.

In general there are three ways of analyzing Consumer buying decisions. They are:

1. **Economic Models** which are largely quantitative in character and based on the assumption of rationality and near perfect knowledge. The consumer is seen to maximize his/her utility.
2. **Psychological models** concentrate on psychological and cognitive processes such as motivation and need reduction. They are qualitative rather than quantitative and build on sociological factors like culture etc.



3. 3) **Consumer Behavior models** are practical models used by marketers as the assumptions of economic models are not valid in real world which is imperfect and consumers have only incomplete information and lack knowledge of all the alternatives available to make a rational decisions. Therefore the blend of both economic and psychological models help marketers predict Consumer Behavior and exploit favorable market trends.

The study of the Consumer’s Behavior aims at explaining in detail how an individual, groups and organization are involved in obtaining, consuming and disposing of products and services, including the decision process that precede and follow these actions in order to satisfy their needs and desires. Engel, Blackwell and Miniard (1995:143) state, “A model is nothing more than a replica of the phenomena it is designed to present. It specifies the building blocks (variables) and the ways in which they are interrelated”. Models are also described as flow charts of behavioral processes. As variables and circumstances change, then the models provide a conceptual frame of reference that logically indicates the interrelationship of variables and provides the possibility to understand different Consumer decision processes and Marketing strategies.

Consumer decision-making is depicted as a multi-staged and complex process with several internal and external sociological and psychological factors influencing various stages from problem recognition to outcome of purchase decision and post purchase. The Consumer Decision-making Models (CDM) that is used today reflects the consumer decision process in terms of the interrelationship of concepts and flow of activities as understood in the limited theoretical background. Decision-making is said to be psychological construct, where we can infer only through observable behavior.

The paper undertakes a comparative study of the well-known CDP models developed over the years such as Nicosia. F. (1966), Engel - Blackwell and Miniard –EBM, Howard – Sheth (1969), Engel – Kollat and Blackwell, Henry Assaell and Schiffman & Kanuk.

The main features of these models has been reclassified and summarized to depict the input factors, the decision process and the output as detailed in Chart No: 1.

Input signifies the various influencing factors, which enter the model as variables that are considered initially in Consumer Decision-making Process. A positive influence here results in the consumer proceeding to the next stage of decision process. A negative result truncates the decision process. **Process** signifies the usage or evaluation of input data by classification and assessment of the alternatives to enable a decision to be taken. This decision/action is reflected under the head ‘**Output**’ which also covers the consequences of such a decision (post purchase behavior).

Chart No: 1 - Summarized features of Consumer Decision-making Processes Models

MODELS	INPUT	DECISION PROCESS	OUTPUT
1) Nicosia. F. (N.F.) (1966)	1) Firms Attributes <i>(Advertising)</i> 2) Consumer Attributes <i>(Predisposition)</i> Attitude ↙ ↘ Positive Negative ↓ ↓ Motivation No decision	Search for evaluation of Means, ends(s) Relations(s) <i>(Pre action field)</i>	1) Decision (Purchasing action) 2) Purchasing Behavior 3) Consumption Storage (feedback) 4) Experience



<p>2) Engel, Blackwell & Miniard (EBM)</p>	<p>1) Environmental Influences (<i>Culture, social class</i> <i>Personal influences, family, situation</i>) 2) Individual Differences (<i>Consumer Resources, Motivation & Involvement, Knowledge, Attitudes, Personality, Values & Life Styles</i>) 3) Stimuli (<i>Marketer Dominated, Non Marketer Dominated</i>)</p> <p style="text-align: center;">↓</p> <p>Input Processing (Information Processing) Exposure → Attention → Comprehension → Acceptance → Retention → Memory</p>	<p>1) Need Recognition 2) Search for relevant Information (<i>Internal Search from Memory</i>) 3) Pre-purchase Evaluation of Alternatives (<i>Consideration set / Evoked set of 4P's</i>)</p>	<p>1) Purchase 2) Consumption 3) Post consumption Evaluation a) Satisfaction (<i>will give rise to Evaluation of alternatives again</i>) b) Dissatisfaction (<i>Again eternal search of information from Family, friends etc.</i>) c) Divestment (<i>Outright disposal, Recycling or Remarketing</i>)</p>
<p>3) Howard – Sheth (H&S) (1969)</p>	<p>Stimulus Display 1) Significant (<i>Quality, Price, Distinctiveness, Service, availability</i>) 2) Symbolic (<i>Quality, Price, Distinctiveness, Service, availability</i>) 3) Social factors (<i>Family, Reference, Group, Social class</i>)</p> <p style="text-align: center;">↓</p> <p>Stimulus ambiguity More → Less → ↓ Search</p>	<p>1) Attention ↓ 2) Brand Comprehension ↓ 3) Attitude ↓ 4) Intention</p> <p>1) Perceptual Process: (<i>i. Attention is reflected by stimulus ambiguity, if not to overt search. ii. Perceptual bias: can be carried over and becomes a part of learning</i>)</p> <p>2) Learning Process: (<i>During learning the Brand compr Comprehension and Attitude change can give rise to intention to Purchase or not</i>)</p>	<p>Purchase: (<i>If learning process is satisfied, Intentions are good then purchase takesPlace</i>)</p>



<p>4) Engel-Kollat Blackwell (EKB)</p>	<p>1) Information Input (Stimuli: <i>Mass, Personal, General marketer dominated</i>) 2) General Motivating Influences: (<i>Motives, Personality, Lifestyle, Normative Compliance-Consumer influenced by friends, Family etc.,</i>) 3) Internalized Environmental Influence: (<i>Cultural norms and values, Reference group and family, Anticipated circumstances, Unanticipated circumstances</i>)</p> <p style="text-align: center;">↓ Information Processing Exposure → Attention → Reception → Information and Experience →</p>	<p>1) Problem Recognition 2) Search 3) Alternative Evaluation (Product Brand Evaluation.) <i>Evaluation criteria → Beliefs → Attitudes → Intention</i></p>	<p>1) Choice (Purchase) 2) Outcome a) Satisfaction: (<i>Will lead to Info. and experience</i>) b) Dissonance: (<i>will again search for information from Input</i>)</p>
<p>5) Henry Assael (H.A.)</p>	<p>Input Variables: 1) Internal: (<i>Consumer past experience, Consumer characteristics, Consumer motives</i>) 2) External: (<i>Environmental Influences, Past marketing stimuli</i>)</p> <p>(Information Processing) Stimulus Exposure → Perception of stimuli → Memory → Search for Additional Information →</p>	<p>1. Need Arousal and Recognition. 2. Information Processing 3. Brand Evaluation (<i>Benefit Association, Expected satisfaction</i>) 4. Intention to buy/not</p>	<p>1) Purchase/No Purchase 2) Post Purchase Evaluation: (<i>Purchasing Vs Consuming, Satisfaction Vs Dissatisfaction, Post Purchase Dissonance</i>)</p>
<p>6) Schiffman & Kanuk (S&K)</p>	<p>External Influences 1) Firms Marketing efforts: (<i>Product, Promotion, Price, Channel of distribution</i>) 2) Socio Cultural Environment: (<i>Family, Informal Sources, Other Noncommercial sources, Social Class, Subculture and Culture</i>)</p> <p>Internal Influences:</p>	<p>Consumer Decision Making: 1) Need Recognition 2) Prepurchase Search 3) Evaluation of Alternatives (<i>Evoked set of brands</i>)</p>	<p>Post Purchase Behavior: 1) Purchase a) Trial and b) Repeat Purchase 2) Post Purchase Evaluation (<i>Will give rise to Experience</i>)</p>



	3) Psychological Field: (Motivation, Perception, Learning, Personality, Attitude)		
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Source: Authors

The comparative analysis has been undertaken from 3 perspectives:

- I. **Commonalities** – highlights the underlying factors that have been considered by all models though to varying degrees.
- II. **Divergences** – elaborates on the significant differences among the models.
- III. **Neglected factors** - specifies the factors that have not been considered in the models explicitly.

The same has been presented in Chart No: 2

Chart No. 2–Comparative Analysis of Consumer Decision-making Processes Models

Commonalities	Divergences	Neglected Factors
<p>1) Individual Consumer attributes (Psychological & Socio-Cultural) have been considered; more prominent in EBM, EKB, S&K models than in others with direct impact on decision processes; least prominent in Nicosia model which considers more of psychological predispositions.</p> <p>2) Firm’s influence through marketing efforts only is considered; Nicosia considers only Advertising while others consider the traditional mix of 4P’s in varying degrees; S&K, H&S coverage of the 4P’s is wider in scope when compared to the others.</p>	<p>1) Impact of External environmental factors has not been considered in Nicosia Model; though it enters as Input explicitly in other models.</p> <p>2) Information processing has not been highlighted in Nicosia, H&S, S&K while EBM, EKB, H.A. view Information processing as a significant variable.</p> <p>3) Brand evaluation plays a critical role in decision process in H&S, EKB, S&K and H.A. models while Nicosia model does not consider Brands and EBM considers broadly evaluation of 4P’s instead of brand per se.</p> <p>4) Problem/Need recognition enters explicitly in most models except in Nicosia model.</p> <p>5) Post purchase evaluation is incorporated in most models in a significant manner while Nicosia model lays less emphasis by directly relating to experience and H&S considers it indirectly through Perception bias.</p>	<p>1) Impact / Implication of ICT (Net Marketing and accessibility of information) on buying behavior not explicitly Considered.</p> <p>2) Effect of enhanced level of awareness of consumers w.r.t. a company’s broad image and operations (not only product related marketing activities) such as corporate governance, environmental awareness, Corporate Social Responsibilities etc., has not been explicitly considered</p>



EVALUATION OF THE MODELS

As can be inferred from chart 1 & 2, the earlier model – Nicosia model takes a restrictive view of the influences on the CDP and doesn't take cognizance of the role and mode of information processing. The models of EBM and EKB are similar in emphasizing the product brand evaluation while EBM is the only model which recognizes that the products can be divested as a part of post purchase evaluation. H&S gives less prominence to psychological factors and neglects post purchase behavior. H.A. classifies input variables in a simplified manner into internal & external and considers major effects of information processing and brand evaluation on buying behavior. S&K, though a simple Input Output model, does not consider information processing in a detailed manner.

However it is to be noted that those models have been developed by the authors to reflect the varied conceptual percepts in buying processes and are relative to the contextual framework existing at a particular time period. EBM model has seen three revisions over a period of time. Hence we would like to highlight that the above comparative analysis is not intended to prove the superiority or otherwise of any model but to present an overview of the variables involved in buying decision processes.

SECTION II: TRENDS AFFECTING CONSUMER DECISION-MAKING PROCESSES

As presented in section I, multiple factors interact concurrently to affect the buying decision. These factors are undergoing significant changes over the past two decades. This section presents these emerging trends under three broad categories: Environmental, Individual and Firm.

1) Trends affecting Environmental Influences

Many of the socio-cultural or environmental factors have seen major shifts in the last two decades after the advent of Economic reforms, which was not envisaged by many. There has been an evident shift in the perception and mindset of the Indian middle class due to the impact of Liberalization and opening up of the Indian economy, coupled with a rise in average incomes across households and a palpable desire to own things 'now'. As consumers move through different lifestyles, their needs and buying habits for many items can be expected to change. The Indian cultural norms have also undergone a sea change in terms of composition of families, the respective influences of reference groups, openness to imbibe external cultural influences w.r.t. dress code and social behavior etc. The **middle class** now benchmark their consumption patterns with their compatriots abroad and hence are spending on leisure and lifestyle products instead of utilitarian products only.

The **younger generation** is independent and self-reliant and is driven by the need to succeed. Rising incomes of this generation coupled with easy accessibility to loans has propelled the demand for and availability of "lifestyle" products that are distinctive or exclusive. This has also given rise to revolutionary concepts like 'Dual Income No Kids (DINK)', which results in appropriation of disposable incomes by leisure activities and current life style expenses.

The impacts of **malls/retail outlets** of modern type are creating what is called "communicable effect" on buying behaviors. By this we mean that the buying decisions are not made by any "analysis of information" but essentially on the principle of group behavior (sheep mentality). This is how the "consumerism" is spreading fast breaking the old established cultural milieu of our country. In a sense, material consumption/consumerism is in fact turning out to be a peculiar psychological disease. This needs to be investigated in detail keeping both the creative and preventive mechanisms in view to maintain sustainable lifestyles for the largest number. Otherwise the ever-increasing trends will definitely push the socio-physical environment to the brink of its collapse. Before reaching this doom's day, it is better to take corrective steps right now. Because prevention is always better than cure. Incidentally this also calls for a tilt in the primacy of social interest over corporate interests.



With the **entry of women** in the job market at all levels, decision-making is no longer the domain of the male head of the family. Backed by purchasing power, women have carved a niche market for themselves and are also involved actively in the decisions relating to the family's investment plans. Due to the influence of advanced communication networks, we find that children are also involved in the decision process. All these shifts have led to consensus decision making rather than one individual imposing his decision on the family. **Thus, the decision-making process itself is becoming very complex.**

A broader issue is the development of markets due to migration of industries to smaller towns creating a steady income and demand and reducing the dependence on seasonal agricultural income in such places. Additionally the agricultural sector is better organized now resulting in higher levels of income. Coupled with their exposure to the media (print and electronic), the **rural market** is the future of marketing as many FMCG companies are realizing in the recent years.

2) Trends affecting consumer attributes:

ICTs have a pervasive influence on both the macro and micro level decision-making. They brought about winds of change that have resulted in a paradigm shift in the behavioral patterns of both the consumer and the enterprise. Thus ICTs have been both the cause and consequence of ethnographic changes and market expansion. Information accessibility through net coupled with wide product choice and/or close substitutes, has expanded the shopping space for consumers. Not only has Internet shopping created a new marketing-provider; it has also changed the consumer shopping culture with 'click' shopping. Consequently the information-search has become simple, fast and dependable. Thus consumers can engage in risk reduction behavior leading to optimal decisions. Nevertheless, unlike traditional commerce, e-commerce involves various perceived risks like product performance, misuse of credit card information etc. Provision of on-line information effectively increases brand comprehension and selection.

Consumers are now becoming loyal to **perceived value** and not necessarily to brands. A brand name can only provide a customer with a symbolic meaning, which assists in both the recognition of the service and in the decision making process. But now loyalty to perceived value takes precedence over brand loyalty. The consumer wants to reflect his/her individuality or personality while at the same time maximizes the utility stream of a product – whether tangible or intangible.

3) Trends affecting the Firm's Variables

For many years' product and service marketers felt that the customers were with the marketers, taking brand loyalty for granted. The current transformations in the mindsets of consumers reflecting the predominance of perceived values are creating biases in perception and attitudes in decision-making. A firm's marketing efforts aiming at the brand equity may not influence the extent of perceived value to any significant measure. The consumers are also interested in appraising the general operations of a firm. This is in fact a new trend gaining currency in India also. To substantiate, a **corporate's overall image** is affected by its commitment towards enhancing the value of various stakeholders as reflected by its Social Responsibility concerns, Corporate Governance, handling of environmental issues etc. They influence a consumer's processing of firm input data and subsequently defines the perceived value.

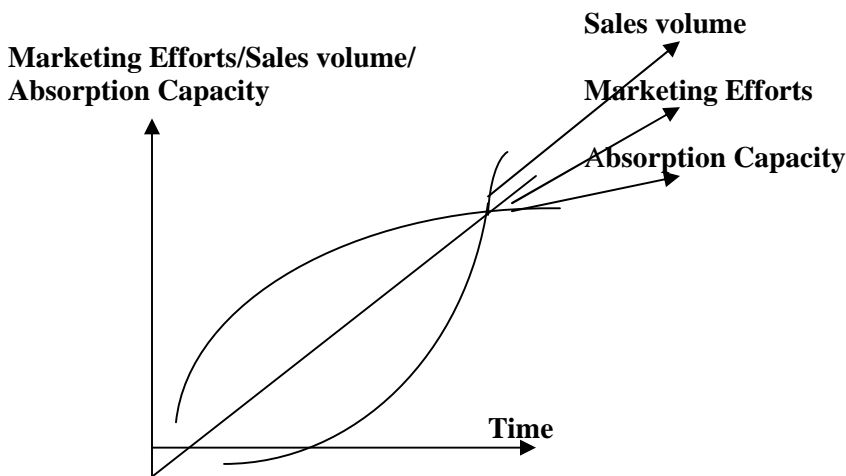
Thus given the higher levels of exposure of consumers to various issues affecting their buying decisions, emphasis on only quality or brand (4P's essentially) by firms will not sustain their growth in the present competitive markets. Firms need to incorporate the impacts of ICTs and Socio-cultural changes in their strategies to enable a consumer to perceive a value driven proposition when they make a purchase decision and thereby overcome the competitive forces in a successful manner.



COMPETITIVE ADVANTAGE AND THE FIRM

Customer Satisfaction and Customer Delight are becoming the surest way to retain competitive advantage. The advantage of delight lies in its ability to raise the customer satisfaction barrier. Delight is effective only when the organization is sharply focused and puts customer loyalty above its compulsions to expand customer base. Here we would like to highlight the **inter relationship between a firm's marketing efforts, sales volume and consumer's absorption capacity** which are the three dominant decision variables in a marketing strategy.

Consumer's capacity to absorb a particular product or a basket of products is a function of income level, education level, urbanization level etc of the consumer. This can be conceptualized graphically and analyzed in three segments as under:



Source: Authors

Segment I: Firms' marketing efforts create the required awareness or need recognition in the consumer resulting in purchase decision (sales for the firm). From the graph it is clear that the rate of absorption capacity is higher than the rate of increase in marketing efforts and the sales is also increasing more than proportionately.

Segment II: The absorption capacity reaches an asymptotic limit and an equilibrium stage is reached where absorption capacity and sales is maximized for a given level of marketing efforts and product.

Segment III: Here, despite the increase in marketing efforts, the rate of absorption for a particular product decreases. It imposes a constraint on market expansion or customer base expansion or sales volume for that product/market.

To ensure survival and growth (increase in sales) after segment II, the firm's emphasis needs to shift from new product development (tangible factor) to product-value improvements (intangible factors) and **diversification of products and markets**. Thus as the consumer shifts from segment to segment on getting **satiated** in each segment, the firm has to take action to revise its marketing strategies accordingly. Otherwise the firm will have to exit from industry.

SECTION III: A CASE STUDY ON RETAIL MANAGEMENT - CONCEPTUAL ANALYSIS

The case study method has been chosen to validate the applicability of CDM in a market situation. The Retail industry which is the one of the fast growing industry in the services sector, has been selected as the impacts of the emerging trends detailed in Section-II is being seen directly to a great extent in this industry. EBM model of



CDM was felt to reflect more appropriately the buying process of a consumer decision dealing with retailers and hence has been adopted for the case study analysis. The analysis in this paper is restricted to the process involved by a consumer in deciding on a retailer and does not cover the selection of retailer by Manufacturer/wholesaler or selection of Manufacturer/wholesaler by retailer.

The country's favorable demographic profile and the high growth in urbanization, high disposable income, as well as retail spending etc is attracting business houses to retail market. Today retailing is providing jobs to adults, roughly 15% of employable Indian adults, and is the biggest contributor to India's GDP after agriculture. The growth potential of the industry is such that in the next ten years nearly one million new jobs will be created in the organized retail sector alone.

Arvind Singhal, Chairman of Retail Consultancy firm KSA Technopak has said that " Organized retail in India set to grow at 35%, studies estimate the share of organized retail to grow from 2% now to 20% by 2010" (Times of India dt. 2/8/04). The Retail sector of India has huge potential for growth and development, the majority constituents are un-organized sector. The retail sector of India handles about \$250 billion every year, and is expected to reach to \$660 billion by the year 2015. In the organized retail sector of India, the business is growing faster at the rate of 15-20 per cent every year and expected to reach the level of \$100 billion by the year 2015. In India, modern retailing could be worth US\$ 175-200 billion by 2016. According to the predictions of McKinsey that the Indian consumer market will quadruple by 2025 to US\$8.2 trillion in purchasing power parity (PPP) terms and become the world's fifth-largest consumer market. This is being facilitated by the expanding Indian middle class, which by 2025 will be 583 million people strong, or 41 percent of the population.

The Indian middle age group population will bring in new consumers into the market with higher consumption rates and affordability factors influencing the consumer Decision-making Process of the product or service. Metros and other urban cities like Bangalore is now home to a growing number of malls and innumerable international brands that tempt a consumer to indulge in shopping sprees. Malls have been looked as hangouts, entertainment, a place for social interaction – all under one roof. It is being predicted that Bangalore will be the one to have its first women's mall.

Network marketing as a method of retailing products using independent distributors is gaining prominence, as products sold are different and unique in comparison to conventional retail. The increasing importance given to logistics and supply chain management has led to consolidation of retail sector. The size and dominance of retailers combined with media fragmentation due to the ICT revolution, has resulted in retailers becoming a mass channel for communicating with the consumers. Their awareness and understanding of consumer's needs and requirements is a vital input to a firm's marketing strategy.

Consumers interact on a constant basis with the retailers and this interactive relationship leads to major influences in the input-output variables of the CDP. A consumer, who is shopping for say "**readymade garments**", is likely to be influenced by various **input** variables. The first being the cultural aspects existing at the society's level (open or closed to change and external cultures) and also the cultural norms prevalent in the individual's family (conservative Vs modern). Higher levels of openness and exposure will generally lead to a consumer choosing more exclusive retail outlets. The general level of awareness and openness is also a function of level of education and income/purchasing power. Higher the levels, more is the influence of these factors on processing and evaluation of data. **In retailing decision, therefore environmental influence play a major role as depicted in EBM model.**

A consumer who is thus influenced positively by general macro level trends is likely to be a high involvement buyer who equates exclusivity and brand image with his/her personality and attitude. Consequently the consumers view purchase as a reflection of his/her values in life. A low involvement buyer on the contrary is



likely to emphasize utilitarian aspects. The level of involvement of individual consumers also affects their perception of the firm's market related stimuli more specifically promotional campaigns and brand image. Further, information processing is undertaken in detail when the consumer is motivated. In conclusion these variables have significant impacts on retail purchasing behavior. **EBM model also speaks of the same under the heads of individual differences and firm stimuli.**

Any **decision process** starts with the recognition of the fact that a decision involving selection of the best choice from a set of choices is to be made so as to meet an objective – be it purchase, consumption or disposal of a product. It is need recognition and the requirement of readymade garments that gives the impetus to a consumer to search for and process the input variables which can aid in the decision-making processes. The intended and unintended impacts of these variables will reflect in the manner a consumer evaluates a retailer. The consumer has option to decide on the choice for shopping from Shopper's stop, Westside, Life style, Warehouse or Big Bazaar (**which constitutes the consideration set as per EBM model**). He/she will evaluate the alternatives in light of the individual's psychological differences and the individual's perception of the 4P's w.r.t. each retailer. Product brand and Price in a combination are the major considerations in retailing and more so in the specific example of readymade garments. Generally price enters in these decisions not as a bargaining proposition but as a reflector of quality and value. Promotion and place tends to play a less prominent role in the selection of outlets as the motivation/involvement propels the consumer to purchase a readymade from an outlet commensurate with his/her social class and culture. **Thus 4P's (as shown in EBM model) are not equally important in the case of a high involvement consumer but it can be said that the 4P's are equally important in case of other retail products like groceries, white goods etc.**

As the consumer shifts through various options using a judicious mix of input processing results and evaluation criteria of 4P's, the choice gets narrowed down to a single option. Thus the intention to buy backed by purchasing power is translated into an **output** or decision/action in the form of 'buy a readymade from shopper's stop'. The output has a inter linkage to input by providing feedback on consumption and perceived value achievement. This in turn affects future or repeat purchases. **This component in retailing decision-making compares favorably with the output component of the EBM model.**

It can therefore be concluded from the aforesaid analysis, that EBM model is generally applicable to the retail purchase decision, though the significance of the information processing and evaluation may vary in depth and breath depending on the nature of the product.

CONCLUSION

In order to thrive in the hyper competitive climate of the future, firms of all sizes and types must focus on the basic level of any business transaction – namely understanding how consumers make product purchase decisions. Companies must align their strategies to the structural transformation taking place at both the macro and micro levels through constant innovation and customer feedback for effective and efficient use of resultant knowledge. The role of technology in supporting the strategic planning and implementation process is indeed critical.

Consumer Decision-making Models (CDM), by delineating the input variables and their influences on consumer purchasing and consumption patterns, help businesses to exploit market opportunities or trends favorably. By combining past experiences with future trends, the CDM can result in a more holistic understanding of the Consumer Behavior.

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