

Five approaches to the study of consumer behaviour



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Economic Man, Psychodynamic, Behaviourist, Cognitive and Humanistic

Consumers possess considerable discretion to make independent and autonomous choices about what they will and will not buy, from whom they will buy, as well as from whom they will not, and this purchasing power leaves most businesses that are not monopolies little choice but to adopt a consumer orientation, meaning that they must resolutely focus on understanding customers in order to more effectively fulfil their needs (Baker & Hart, 2003). Specifically, in marketing, a good understanding of customers' lives to the maximum extent possible is crucial to ensuring that the most appropriate products and services are being marketed to the right people in the most effective way possible (Kotler & Keller, 2012).

Influencing consumers' behaviour, and in particular their purchasing decisions, is at the focal point of all the effort and resources that are devoted to marketing (Kotler & Armstrong, 2014) and because of this fact, marketers will require an in depth understanding of the principles and motivations behind consumers' behaviour if they expect to be able to effectively anticipate, forecast and perhaps even instigate what consumers will do in the future (Baker & Hart, 2003). According to Jobber and Fahy (2006), it is nearly impossible to succeed at marketing without an in-depth understanding of how and why consumers behave in the ways that they do and therefore, it is unsurprising that consumer behaviour and the ways in which consumers make decisions, particularly purchasing decisions, are prominent research topics and have been studied extensively in the various fields of consumer science (Erasmus, Boshoff, & Rousseau, 2001).

The first attempts at understanding consumer behaviour were based on the assumptions typically made in orthodox economics, that in a world of scarce resources, economic actors or 'economic men', are primarily motivated to reconcile the inevitable tension between unlimited needs and limited resources (Keizer, 2010) and that all behaviour results from rational decision making in the pursuit of purely self-regarding choices (Camerer & Fehr, 2006). For instance, a consumer presented with the same product at different prices, all other things being equal, will almost certainly choose the option which has the lower price. This approach assumes that consumers are always consciously aware of all their true preferences, ranked in order of priority and social factors are assumed to be irrelevant in interpersonal relations, which are assumed to be primarily motivated by economics (Keizer, 2010). In essence, the 'economic men' approach considers consumers' behaviour to be motivated primarily by the rational pursuit of optimum economic benefit.

Over the last three decades however, a large body of evidence has been accumulated showing that a number of the assumptions routinely made in economics about rationality and preference are, in reality, abstractions which are regularly violated in 'real world' situations (Camerer & Fehr, 2006). Behavioural psychologists dispute the assumption that consumers are by and large rational actors, the central assumption of the economic man approach (Keizer, 2010). In reality consumer's behaviour is often driven by psychological forces that often occur completely outside the conscious mind and of which consumers are not aware as well as motives that they may not fully understand (Kotler & Armstrong, 2014) and, therefore, according to

Keizer, (2010) to understand the functioning and the inner workings of the human mind is to gain insight as to what underlies and drives consumer behaviour. Even though the cognitive, psychodynamic and behavioural approaches to the study of consumer behaviour are all based on understanding the functioning of the mind, each takes a different perspective on the consumer in order to interpret their behaviour.

The first attempts to ascribe consumer behavior to cognitive processes made use of the information processing patterns of digital computers in the 1960s as the model for the mental process of decision making (Baker & Hart, 2003) and typically depict purchasing decisions by consumers as a five step sequential process which occurs mostly subconsciously (Marsden & Littler, 1996) starting with the recognition of a need or problem, followed by a search for information as to how that need may be fulfilled, which is then followed by an evaluation of available choices and options uncovered in the information search, after which the actual decision to purchase is made and then, finally, consumers undertake a post-decision evaluation of the outcome of the choice they have made (Erasmus, Boshoff, & Rousseau, 2001). Baker & Hart (2003) identify a weakness in this cognitive approach in pointing out that no account is taken of individual situational factors or context as no differentiation is made, for instance, between consumers making one-off buying decisions for durable products and others making repeat purchases of familiar brands or consumer goods. Also, in the case of low-risk, low-cost or low-involvement decisions or variety seeking consumers, information is not always processed in a deliberate rational manner (Kotler & Keller, 2012).

As the minds of other people are inaccessible, the cognitive approach is necessarily subjective (Keizer, 2010) and since there is no means by which cognitive processes can be directly observed or objectively measured, according to Bennett & Bove (2002) they do not have a place in study and research. The psychodynamic approach to the study of consumer behaviour is largely based around the ideas and theories of Sigmund Freud (Backhaus et al., 2007) who believed that behaviour is not based on environmental stimuli or cognitive processes (Hoyer and Macinnis, 2008) but instead is the result of a fundamental internal conflict and interplay between the drive for gratification of needs, wants with desires, will power and the limitations on behaviour brought about due to the survival and social necessities of being accepted as a functioning member of society (Solomon, Russell-Bennett & Previte, 2013). Some drives may be innate, like the need to eat, while others will be acquired or learned, like the need to smoke cigarettes (Bennett, 1996), but both drive behaviour all the same. According to Marsden & Littler (1996) childhood experiences have a powerful influence on many of the drives that follow consumers throughout their lives.

Sigmund Freud theorised that there are three 'systems' within the human mind: the id, the ego and the superego. According to his theories, we are motivated as humans to behave in ways which minimise any conflict between these three entities (Solomon, Russell-Bennett & Previte, 2013).

The id is about selfish, illogical and immediate gratification and nothing more, without regard for any consequences and operating according to the pleasure principle, which is the basic desire to maximise pleasure and avoid pain. The superego counteracts the id, acting in essence like a 'conscience'

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and internalising society's rules especially as was taught by one's parents (Solomon, Russell-Bennett & Previte, 2013).

The ego is the system that mediates between the id and the superego. The ego tries to find the balance between the other two, applying the reality principle which means finding ways to attain the maximum gratification for the id that society at large will accept. As these conflicts occur unconsciously, consumers are not normally aware of the underlying reasons for the behaviour they bring about (Solomon, Russell-Bennett & Previte, 2013).

In a landmark study into behaviour, Watson & Rayner (1920) proved behaviour could be learned due to external events by teaching a small child to fear otherwise harmless objects through the repeated association with loud noises. The behaviourist approach, contends that conditioning of consumers' behaviour occurs as a result of external stimuli (Marsden & Littler, 1996) which triggers responses while, at the same time feedback received from the environment as a result of past behaviours, whether perceived as positive or negative, will act as reinforcement and will serve to strengthen or weaken future responses accordingly so that consumers will be driven to repeat behaviour which is perceived to have been rewarded, whereas behaviour that elicits negative feedback will likely be avoided (Bennett, 1996).

For example, a satisfactory experience when consuming a product or service will make it more likely that the consumer will purchase the product again,

whereas a negative experience will probably cause the consumer to avoid that product.

Around the time of the turn of this century, Natarajan & Bagozzi (1999: 637) identified inadequacies in the approaches to the study of consumer behaviour stating:

“ a pressing need in the field to balance the rational, cognitive side of marketing thought and practice with new ideas and research on the emotional facets of marketing behaviour”.

The humanistic approach emphasizes the ‘ self’, and places the individual consumer at the centre of the analysis (Keizer, 2010). The cognitive, economic, psychodynamic and behaviourist approaches outlined above all make assumptions based largely on generic rules, without taking into account that consumers are all unique individuals who may respond differently to the same stimuli, and without taking into account that experiences are personal, subjective and unique to each individual by definition, as are the emotions associated with those experiences (Ahola, 2005). Also, they assume that behaviour is always self-interested and do not account for selfless or altruistic behaviour (Natarajan & Bagozzi, 1999). Consumers will often seek to express some sort of self-definition through their belongings leading to an unsurprising consistency between a consumer’s values and the things they buy (Solomon, et al., 2006). These aspects of individualism and personality are manifested in the concept of the “ true self” (Keizer, 2010) or, as referred to by Sirgy (1982) the “ self-concept”. Demand for certain goods and services is known to be driven by

the perceived emotional value to consumers (Vigneron & Johnson, 1999), for instance, there are certain product classes, particularly in the entertainment industry for which consumption is largely driven by consumers seeking emotional arousal, not economic benefit or functional utility (Ahola, 2005).

In terms of comparison and differentiation, consumer behaviour is portrayed as highly rational in the economic man approach (in responding to economic stimuli) as well as in the cognitive approach (in following the sequence of decision making steps). The cognitive approach is, however, vulnerable to certain biases due to the way that people normally process information. Of these errors, two are of note and these are: fundamental attribution error, which results from incorrect identification of the impact or origin of certain situational factors which will have an impact on behaviour and self-serving bias, which is the tendency of individuals to play up their role in successes while ascribing failures to external situational factors (Keizer, 2010).

In summary, the psychodynamic and the behaviourist approaches both acknowledge that there are internal cognitive processes taking place in the mind and both regard human behaviour to be the outcome of various interactions between internal factors like drive and response and external factors like stimulus and reinforcement (Skinner, 1953) however, in the behaviourist approach, behaviour is originated externally from the environment whereas the psychodynamic approach ascribes the origin of behaviour to internal biologically drives.

The humanistic approach made an appearance in psychology as an alternative to behaviourism and psychoanalysis approach (Dafermos, 2006)

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and is the only one that accounts for individual perception and interpretation also, acknowledging that these are not completely determined by the environment, by economics or by internal psychology (Keizer, 2010).

Proponents of the humanistic approach attribute consumers' behaviour to free will and considers them to be responsible for their actions, while criticising the research techniques adopted by in approaches for examining consumers solely as objects and not as subjects (Dafermos, 2006).

In conclusion, consumer behaviour has been established to be a highly important aspect of management, in particularly, marketing management. The five approaches to the study of consumers covered compared and contrasted in this paper, are the economic man approach, the cognitive approach, the psychodynamic and behaviourist approaches and finally, the humanistic approach.

These studies have come from different perspectives but, given the value to businesses of understanding how consumers behave, as well as the ability to more accurately predict future consumer behaviour, it is not surprising that there have been a number of research studies on the nature and origins of consumer behaviour.

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