



# A Critical Review on use of ICT on Consumer Decision

Veena Mehta Grover, Associate Professor, Department of Management, Galgitias University

## Abstract

In the 1960s, research focused on consumer choice models and theories. These models and theories, which date back to that decade, are still in use in the area of consumer behaviour today. In spite of this, choosing decisions nowadays is increasingly difficult owing to the prevalence of digital media and globalisation. This makes it clear that prior study has not fully investigated the adoption and acceptability process of new ICTs. A thorough understanding of consumer psychology and cognitive behavioural predispositions that influence people's adoption of developing Information and Communication Technologies is essential for marketers (ICTs). The theoretical standpoint is underscored by the research, which stresses the necessity for marketing academics to focus on better understanding the present environment and adoption and acceptance of the next generation of information and communication technologies. It will conduct empirical research on the academic literature and contemporary practise related to how to successfully use ICTs outside of the workplace, which has been recognised as a crucial issue that must be examined. To make a practical contribution, the researchers will also attempt to understand what marketers need know to effectively use this information.

**Keywords:** ICT, Consumer, review

## Introduction

We are seeing a 'new' customer and 'new' marketplace emerge as a consequence of dramatic macro environmental change (Assael, 2004). (Hawkins et al., 2004), 'informed' (Lawson, 2000) and 'post-modern' (Hawkins et al., 2004). (Assael, 2004). The individual operating in



this kind of marketplace will appear to be quite heterogeneous, and this will be attributed to IT involvement (Baker, 2003). ICTs are being created on a continual basis, which changes how an organisation connects with its consumers (Lindroos and Pinkhasov, 2003). In order to make accurate predictions, it is necessary to analyse how these technologies affect consumer behaviour, which is especially important now in a fast-changing world (Schewe and Meredith, 2004). . ICT is defined as anything that contributes to the generation, presentation, processing, storage, and transfer of information through electronic means, according to Bruneau and Lacroix (2001). Next generation goods and services should include characteristics such as ubiquity, personalization, mobility, context awareness, and security (Doolin et al., 2008; Mahon et al, 2006). It would seem that ICTs in the early stages of their development may have one or more of these characteristics, making them intriguing subjects for market research.

### **Adoption of Technology**

As a result of this groundswell of new research, a vast quantity of new literature has emerged on adoption and dissemination of new information and communication technologies. Previous study has mostly concerned pre-existing technologies or those that have been used after creation, and as a result, it is very difficult to discover the factors that lead contemporary consumers to adopt new or developing ICTs. Even while much of this effort has been directed towards conducting investigations from an organisational and employee viewpoint, most of it is intended to further these endeavours. Many of these research have been based on older consumer choice models, even though consumer decision-making in response to the changing decision environment has evolved significantly over the years.

### **Consumer Behaviour**

Consumers' behaviours are described as the complex interplay of emotions and thoughts with the physical world in which people live (Peter and Olson, 2005). The pattern of consumer behaviour that occurs before, determines, and follows on the decision-making process for the purchase of product, service, or concept need (Du Plessis et al. 1991:11). There have been many explanations offered for how customers make these kinds of decisions (Plummer, 1974;



Lawson, 2000; Kim et al., 2002; Hawkins et al., 2005). Lye et al. (2005) claim that current consumer decision theory is founded on theories created in the 1960s with Howard's consumer decision model, created in 1963, Nico-sia-model, which was developed in 1966, Engel, Kollat & Blackwell's model, which was developed in 1968, and Howard and Sheth's model, which was developed in 1969. (Hunt and Pappas, 1972; Howard and Sheth, 1968). Andreason's (1965) model is one of the first notable decision-making models used by consumers, in addition to Robinson's (1971) and Hansen's (1972) models (Erasmus et al., 2001).

### **Consumer Decision Making Model**

An estimated 90% of academic and commercial research and theory is based on consumer decision-making models (Erasmus et al., 2001). Erasmus et al. characterise these models as being capable of visualising change in variables and situations, and as providing a conceptual framework for organising variables in a clear manner. Consumer decision-making models help develop marketing theory by identifying various consumer choice processes and marketing tactics (Engel et al., 1995; Walters, 1978). Such models (e.g., Engel, Blackwell, and Minard's model) depict factors that influence customers and a better understanding of the ever-changing consumer choice process (Lawson, 2000).

Many models, each with distinct criteria of acceptability, have been developed with respect to ICT (Davis, 2003). Various approaches have been used, each dealing with the issue from a different viewpoint (Venkatesh et al., 2003). Compeau and Higgins (1995) tested the intention or use of users, whereas Davis et al. (1989) evaluated organization-level implementation or assimilation success, and Brady (2003) examined the connection of task to technology (Goodhue 1995; Goodhue and Thompson 1995). The research paper "Erasmus et al. (2001)" highlights the need of taking into consideration not just what the goods do, but also what the items represent to the customer.

### **Marketing Research**

Many have observed that Roger's study on the spread of innovations (1959, 1962) had a substantial impact on marketing research, consumer behaviour, and business innovation



(Fichman, 1992; Lawson, 2000; Baskerville et al., 2007). The Roger's model has been used often to predict new ICT adoption. The many diverse study focuses that have arisen because of this paradigm include: In contrast to the diffusion process, which is a collective activity, adoption is something that only an individual can accomplish. As a result of his character development, adoption research has contributed to the creation of many models of consumer decision-making (Fichman, 1992; Lawson, 2000).

Theory of Planned Behaviour (Ajzen, 1985), an extension of Theory of Reasoned Action that incorporates the additional concept of a perceived behavioural control (Schifter and Ajzen, 1985), and the Theory of Consumption (Bagozzi and Warshaw, 1990), which recasts Theory of Reasoned Action by replacing behaviour with trying to behave instead as the explanatory or predictive variable.

As significant as these individual contributions are, the Theory of Technology Acceptance (TAM) (Davis, 1989) is just as vital. This theory explores attitudes influencing choices to adopt particular technology (Shih and Fang, 2004). Two dimensions of technology acceptability are added to the TRA: "easy of use" and "usefulness" (Bagozzi et al., 1992; Davis et al., 1989). The TAM describes how social influence and cognitive instrumental processes relate to perceived usefulness and use intentions (Venkatesh and Davis, 2000).

## Conclusion

Venkatesh and his colleagues (2003) developed the Unified Theory of Acceptance and Usage of Technology to merge the major conflicting user acceptance theories (UTAUT). This model attempts to understand users' purpose in using information systems and describes their use behaviour after the first use. Nysveen et al. (2005) say that this model seems more adapted to understanding and forecasting customer behaviour when confronted with new technologies. When evaluating new technologies, Venkatesh et al. (2003:426) believe that UTAUT may assist managers in assessing the probability of success and determining the many factors influencing adoption. The problem is, they claim that we don't understand how dynamically behavioural factors affect intentions and behaviour and therefore future research should concentrate on developing new constructs that may augment our knowledge of this dynamic effect. But, as with other models, these decision-making theories have detractors. Some



models developed this way, according to Rau and Samiee (1981), are difficult, if not impossible, to operationalize because they lack specificity. Despite marketing research and education focusing more on purchase complexity, there are a significant number of models that are still the foundation for contemporary marketing research and education (Sheth and Krishnan, 2005). To keep up with changes in consumer choice-making, it has become more difficult to "predict" future decision realities (Erasmus et al., 2001). To meet the growing needs of their customers, businesses will have to be aware of key factors such as technology and globalisation, and use that knowledge to make informed decisions. Major differences between models may be seen in the kind of variables that they emphasise and the way that data is presented (Erasmus et al., 2001; Kollat et al., 1970). Some critics say that Engel et al model 's is hard to utilise when creating a strategy since it is unclear about the function of the variables it employs (Howard, 1989). In Zajonc and Markus' (1982) article, emotional, rather than cognitive, aspects are said to be influential in shaping consumer choices. Research results revealed the significance of repeated exposure when developing preferences which were consistent with Nobel laureate (2013) New York Times columnist (2014) economist (1965) Customer activity may take place without the consumer being a part of the message (Swinyard and Coney, 1978). Holbrook and Hirschman (1982) and Du Plessis et al. (1991) claim that although purchasing behaviour has increased since the 1960s, the favorability of model construction has declined after 1978, perhaps owing to consumers believing that these models are infallible. This suggests that more study is required to answer questions about consumer behaviour models in the marketplace, as well as to have a more in-depth knowledge of the whole consumer decision-making process.

### References:

1. Arnett, J.J. (2000), 'Emerging adulthood: A theory of development from the late teens through the twenties', *American Psychologist*, Vol. 55, No.5, pp. 469-480.
2. Assael, H. (2004), *Consumer Behaviour, A Strategic Approach*, Houghton Mifflin Company, New York, pp.11- 25.
3. Assael, H. (1992) *Consumer Behaviour and Marketing Action*, 4th Ed, Boston, MA: PWS- Kent, pp.26-45.



4. Bagozzi, R. P. and Warshaw, P.R. (1990), Trying to Consumer, *Journal of Consumer Research*, 17, pp. 127-140.
5. Bagozzi, R. P., Davis, F. D., & Warshaw, P. R. (1992), Development and test of a theory of technological learning and usage. *Human Relations*, 45(7), 660-686.  
Baker, S. (2003), *New Consumer Marketing, Managing a Living Demand System*, Wiley and Sons, England, pp. 10-18
6. Bakewell C. and Mitchell, V.W. (2003), ‘Generation Y female consumer decision-making styles’, *International Journal of Retail and Distribution Management*, Vol. 13, No. 2, pp. 95-106.
7. Bandura, A. (1986), *Social Foundations of Thought and Action: A Social Cognitive Theory*, Prentice-Hall, Englewood Cliff, New Jersey.
8. Baskerville et al. (2007), The enduring contradictions of new software development approaches: a response to ‘Persistent Problems and Practices in ISD’ *Information Systems Journal* 17 (3), 241–245.
9. Benbasat, I. and Barki, H, “Quo Vadis TAM” *Journal of the Association for Information Systems*, April 2007, Volume 8, Issue 4, Article 4, pp 211-218.
11. Brady, M. (2003), *Managing information technology assimilation: a marketing perspective*, *Irish Journal of Management*, 2003, pp 125-138.
13. Compeau, D. R., and Higgins, C. A. (1995), Computer Self-Efficacy: Development of a Measure and Initial Test, *MIS Quarterly* (19:2), 1995, pp. 189-211.
14. Davis, F. D. (1993), User Acceptance of Information Technology: System Characteristics, User Perceptions and Behavioral Impacts, *International Journal of Man-Machine Studies*, 38(3), 475-487.
15. Davis, F. D. (1989), Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly*, 13(3), 319-340.



16. Davis, F. D., Bagozzi, R. P., & Warshaw, P. R. (1989), User acceptance of computer technology: A comparison of two theoretical models. *Management Science*, 35, 982-1003.
17. Davis, F. (2003), User acceptance of information technology: toward a unified view, *MIS Quarterly*, 9/1/2003.
18. Doolin, K., Mullins, R., Abad, R.M., Moreno, M.G., Mota,T., Farshchian, B.A., Gómez, M. (2008), "Supporting ubiquitous IMS-based teleconferencing through discovery and composition of IMS and web components" *Journal of Network and Systems Management (JNSM, Springer)*, Special Issue on Management of the IP Multimedia Subsystem, March.
19. Dubois, B. (2000), *Understanding the Consumer, A European Perspective*, Prentice Hall, UK, pp.340.
20. Du Plessis, P.J., Rousseau, G.G., Blem, N.H. (1991) *Consumer Behaviour, A South African perspective*, Pretoria, Sigma.
21. Engel, J. F., Blackwell, R.D. and Miniard, P.W. (1993), *Consumer Behaviour*, Dryden Press, Fort Worth, TX, P.79.
22. Erasmus et al. (2001), Consumer decision-making models within the discipline of consumer science, *Journal of Family Ecology and Consumer Sciences*, Vol 29.
23. Fannin, R. (1984), "Marketing to teens: all talk and no action", *Marketing and Media Decisions*, Vol. 19, No.9, pp.42-47.
24. Farley, J.U., Ring, L.W. (1970), "An empirical test of the Howard-Sheth model of buyer behaviour", *Journal of Marketing Research*, Vol. 7 No. November, pp. 427-38.
25. Fichman, R. (1992), *Information Technology Diffusion: A Review of Empirical Research*, MIT Sloan School of Management, Cambridge, MA.
26. Fishbein, M. (1967) *Readings in Attitude Theory and Measurement*, NY: Wiley.
27. Fishbein, M., I., Ajzen (1975), *Belief, Attitude, Intention and Behaviour: An Introduction to Theory and Research*. Addison-Wesley, Reading, MA.
28. Foxall, G.R. (1990), *Consumer Psychology in Behavioural Perspective*, London: Routledge.
29. Goodhue, D. L. (1995), Understanding User Evaluations of Information Systems, *Management Science* (41:12), pp. 1827-1844.





30. Goodhue, D. L., and Thompson, R. L. (1995), Task Technology Fit and Individual Performance, *MIS Quarterly* (19:2), pp. 213-236.
31. Hawkins, D. I., Best, R. J. and Coney, K. A (2005), *Consumer Behaviour, Building Marketing Strategy*, McGraw-Hill, New York.
32. Herbig, P., Koehler, W. and Day, K. (1993), 'Marketing to the baby bust generation', *Journal of Consumer Marketing*, Vol. 10, No.1, pp.4-9.
33. Holbrook, M. and Hirschman, E. (1982), The Experiential Aspects of Consumption: Consumer Fantasies, Feelings, and Fun, *The Journal of Consumer Research*, Vol. 9, September, pp.132.
34. Holbrook, M. and Schlinder, R.M. (1989), 'Some exploratory findings of the development of musical tastes', *Journal of Consumer Research*, Vol. 16, No.1, pp.119-24.
35. Howard, J.A. (1989). *Consumer Behavior in Marketing Strategy*. Englewood Cliffs, NJ: Prentice Hall, Inc.
36. Howard, J., Sheth, J.N. (1968), *Theory of Buyer Behaviour*, J. Wiley & Sons, New York, NY.
37. Hunt, S. and Pappas, L. (1972), A Crucial Test for the Howard-Sheth Model of Buyer Behavior, *Journal of Marketing Research*, Vol. 9, No. 3 (Aug., 1972), pp. 346-34.
38. Rogers, E.M. (1995), *Diffusion of Innovations*, 4th edition, The Free Press, New York.
39. Keillor, B. D., Parker, S.R, and Schaefer, A. (1996), 'Influences on adolescent brand preferences in the United States and Mexico', *Journal of Advertising Research*, Vol. 36, No. 3, pp. 47-56.
40. King, M.M. and Multon, K.D. (1996), 'The effects of television role models on the career aspirations of African-American junior high school students', *Journal of Career Development*, Vol.23, No.2, pp.111-25.
41. Lawson R. (2000), "Consumer Behaviour", In *Marketing Theory*, (Ed.)Baker, Michael J. (Kent), Business Press, Thomson Learning. pp.133–147.
42. Leonard-Barton, D., and Deschamps, I. (1988), *Managerial Influence in the Implementation of New Technology*, *Management Science* (34:10), pp. 1252-1265.



