

CHAPTER THREE

UNDERPINNINGS OF THE STUDY : THE CONSUMER DECISION PROCESS

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The objective of the research is to analyze the behavioral process of the consumers. Therefore the research aims to understand the process, beginning from the creation of awareness of a product to the satisfaction derived on various counts for having purchased the product.

The study examines these objectives for their differences and/or similarities between the regions and as well as states. That is, the study attempts to understand the behavioral process in the different regions, through an analysis of the behavior of the urban consumers of Gujarat and Kerala, and the rural consumers of the same states. The rationale for the need to analyze the rural consumer vis-a-vis the urban has already been described, as also the rationale for the choice of the states.

Nevertheless, it is not sufficient to view the rural and urban consumers within the framework of the macro level environment of the states. Behavior could also be influenced by the changes that occur at the micro level, that are the changes that occur within the family, which could either be due to the changes in the education levels, income levels, or occupation. Therefore, viewing a consumer within a regional and macro level framework may not be sufficient to understand her/him. Hence, the study also analyses the patterns of behavior observable in the various levels of this social system. Thus far, the discussion also included the possibility of varying behavior observable with changing incomes, education and occupations. The social class that is formulated in this study takes into account these three variables.

Therefore, the study looks into the differences/similarities of the buying behavior among the rural and urban consumers irrespective of the social class to which they belong. Moreover, the study analyses the differences in the social classes irrespective of their place of residence, that is, irrespective of whether the consumers are from the rural or the urban regions.

A. Primary Objectives

The primary object of the research is to analyze the factors that influence a product and brand choice. This is imperative as product and brand purchases cannot be said to be solely motivated by the functions that it performs. Products or brands can be expected to be in great demand if the price is low and if the product performs a function that would bring physical comfort or minimize physical discomfort. But such factors alone might not be the reason for a product or brand to be in great demand, and nor can these factors be said to be sufficient to create demand. Demand could be created if the product or brand addresses a certain need of the consumer.

1. Factors Influencing Product Purchase

Behavior is dependent to a large extent on the social structure of the society. As a result, the motivations or the driving force leading to a certain action or end is in a large part attributable to this social system. Individuals live within a social system and it is their perception that this requires them to behave in a certain manner befitting their perceived image of themselves in relation to the social structure. Men continually strive to either maintain their position or to enhance their position in the social system.

Therefore, it could be said that individuals are always in pursuit of establishing themselves in the social system. With the evolution of the predatory culture it is incumbent upon the individuals to make a statement of their social standing through covert means.

One of the covert measures that could be relied upon to reflect on the level occupied by a person in this system, is through the acquisition and consumption of goods and services. Products could be said to possess certain symbolic values.

The evidence that points to this fact rests on the analysis of the following: If products are purchased only for reasons of attaining certain physical benefit that is, for the function that the product performs, then it is only reasonable to assume that those products which perform the same function at a lower price would be sought after by consumers. But this may not be so; since products possess a symbolic meaning. The motivation therefore to purchase a product, to some or to a large extent could therefore be due to this symbolic value of the product. Possession of products could therefore be one of the covert ways of conveying the status of the consumer.

In trying to understand the factors that lead to product purchase, what needs to be borne in mind is that competition exists not only between products which perform the same function, but also products which perform different functions. This is so because : as mentioned above products may not be purchased with the intention that it provides certain function alone. Products could be purchased to fulfill certain social needs too. In which case, products that can fulfill the same social needs of the consumer would be competing with other products that cater to this same social need, although the actual function performed by the two products may be vastly different. Hence, in product purchase decisions, all products which meet the same social need as well as those that perform the same function can be considered to be competitive products.

It could be said that men stretch their energies in trying to live up to the image they project to the society. Therefore they are constantly striving to live within the social system on the one hand, by adhering to the norms of the society, by emulating the life style and standards of living of the other members at the same level as themselves in the social structure, while on the other hand striving to emulate the mannerisms of those living on a higher level than themselves. This is to say that the social structure of

a society enjoins upon an individual certain norms which he perceives he follows by his actions, the actions of his fellow mates or peer group members which he strictly enforces upon himself, and the actions and behavior of the higher level, whom he emulates with the intention of being identified in that level that is the aspirations of the individual to attain a higher social standing through his actions and mannerisms.

Product purchases could also be related to or motivated by these needs. If products are considered as representative of the status of the person or household possessing it, then this could be a major determinant which could swing product purchases. Therefore, the research aims to carefully examine the factors that lead to a product purchase.

So, the object is to analyze to what extent a product has been purchased due to i) its price, (ii) its function (iii) its effectiveness in maintaining the status of the person/household, i.e., the peer group influence, (iv) its effectiveness in helping adhere to the perceived norms of the society, i.e., the normative influence, (v) its effectiveness in enhancing the status of the person/household, i.e., the aspirational influence, and (vi) its influence upon the various members of the family, i.e., the family influence.

2. Factors Influencing Brand Purchase

Likewise, brand purchases too cannot be considered to be the sole criterion of price. **With the growth and development of an economy, products proliferate. With this proliferation, it is incumbent upon the brands to provide value to the consumer.**

The onus of product differentiation would also lie upon the brand. It implies that the brand has the responsibility of differentiating itself from other brands in the same product category. This differentiation should also be based upon the analysis of the motivations that lead consumers to buy a particular brand. The influence of the social structure might also lead to a persuasion of brand purchase. If the need for the consumer is to express herself/himself as belonging to a higher level in the social system, the choice of brands would be from among those that would fulfill that need of hers/his. Social influences could also induce the consumers to seek a brand which looks good, that is, there could be a certain influence of the aesthetics of the brand on the consumers because, they might probably employ the aesthetic value of the brand to make known their social worth.

Brand value could also be created by the stress on the function and the performance of the same. Consumers while purchasing would probably not only be induced by the social value of the brand. Since purchases lead to an exchange between money and products, consumers might also be on the look-out for brands which have sufficient functional value. If this be the case, then it follows that all the factors that lead to an assurance on the enhancement of the functional value, might also enable to induce

brand purchase. Hence, the quality of the after sales service, the consumers' perception on the durability of the brand, and its' popularity, might be an important factor. Moreover, the assurance on the functional value of the brand could also be dependent on the recommendation of the retailer or dealer, the experience of the peer group, and their own prior experience of the brand.

Consumers could also be influenced by the various members of the family, likability of the brand advertisement. The influence of price is an important factor, especially in view that there are a number of competing brands for different products. The importance of the price in determining brand purchase is therefore self explanatory. Moreover, when there are a number of competing brands in the market, it is quite possible that an edge over rivaling brands could be through the ease with which brands are made available to the consumers. That is, it could be probable that were a particular brand to be more easily available than its' competitors, then it is quite probable that it would be favored over other brands. Therefore, there is a need to analyze the influence this factor exerts while making a brand purchase.

In short, the study examines in detail the following twelve factors that could lead to a brand purchase : i) price of the brand, ii) availability of the brand, iii) after sales service, iv) popularity of the brand, v) looks of the brand, vi) likability of the brand advertisement, vii) perceived durability of the brand, viii) peer group influence, ix) aspirational influence, x) family influence, xi) influence of the brand on having purchased a similar brand but a different product or repeat purchase influence, that is, the prior experience of the brand, and xii) dealer's/retailer's influence.

B. Secondary Objectives

1. Evaluating Perceptions

It is considered that a product is purchased in order to satisfy a felt need. The need is felt by a perceived gap in the actual state of the consumer from her/his ideal state. This gap could have been created either by the advertisements that consumers have been exposed to, or by the social and/or the family environment. Essentially though what this indicates is that the consumer believes that a product could assist her/him attain the ideal state. This belief is triggered in the mind of the consumer by the perceptions that s/he has about the product's capability to meet her/his needs. Opinions are formed with regard to the product based on these perceptions. Essentially a product could be considered to serve either or both of these two basic needs : social value and functional value. Consumers might form an opinion on these aspects which could be considered to be the sum value of the product. This, that is the formation of perception, opinions, and beliefs can be said to be the initial stage in the buying process since, only on holding firm beliefs and opinions on the total value a

product offers, would the consumer decide on exchanging her/his scarce money resources for a particular product.

One of the objectives therefore, is to examine the behavior at this initial stage in the decision process. The study examines the perception of the consumers with regard to the two fundamental aspects of the product value. That is, it analyses the consumer's opinion on the extent to which a particular product would enhance the status of the product owner. Moreover, the study also analyses their opinion on the extent to which the products can be considered to be useful in everyday life.

2. Sources Relied Upon For Information

Once the consumer has made her/his decision with regard to purchase of a particular product, s/he enters the subsequent in the decision making process. This stage of the decision process can be considered to be prior to the decision on brand choice. At this stage, the consumer may make an effort to know the kind of product or brands that are on offer in the market, which would suit her/his needs. Since the decision making is with regard to a durable product, it may be expected that the consumer makes a concentrated attempt in knowing and learning about the different brands, as the perceived risk in making a wrong choice is greater than while making a wrong choice while on purchase of a non-durable product. Therefore, the search for alternative brands and the time and effort spent on learning about them could be considerable. The consumer might therefore not depend upon his memory alone for knowledge of alternative brands. S/he may go to various sources in order to collect information and learn about the various brands and their attributes that are on offer. It is hence in this context that, the analyses of the sources of information that s/he relies upon, gains importance.

Information could be sought by the consumer from the various media outlets. Although there are a number of media outlets, advertisements in the television or over the radio or in the newspaper or magazines could be considered to be more sought after while gathering information. This could be because of the inherent advantages of such media vehicles to be better able to pass on information to potential buyers. Potential buyers could also rely upon personal sources for information on the alternative brands that are available. Personal sources could either be in the form of seeking information from opinion leaders or from among owners in the peer group. Dealers or retailers also could be one of the sources that are relied upon. Moreover, brochures, product literature and product display at the dealer could also inform the potential buyers on the various attributes of the brand.

This research makes an attempt to understand the information processing stage of the consumer. Since information could be sought for and relied upon from such sources as described above, the study analyses the extent to which the following sources are relied upon for information on alternative brands and brand attributes : i) Opinion leaders, ii) Owners among peer group, iii) Television advertisements, iv) Radio advertisements, v) Newspaper/Magazine advertisements, vi) Dealer/Retailer, and vii) Product literature/Brochures/Window Displays.

3. Family Decision Process

Individuals are a part of a family, therefore it could be said that the consumption of the individual in a large part might be influenced by other member in the family, although this varies with the type of family to which s/he belongs.

Families differ from one another by their adaptability, cohesiveness, and the communication channels that are established between the various members of the family. This in turn could influence the individual preferences and tastes of the various members of the family.

Although, households or families cannot be said to buy products, the individuals within the family could influence the decision of the product and brand purchase. The individuals within the household could therefore be considered to have five definable roles in a product and brand purchase. It is quite possible though, for a person to enact multiple roles or not at all.

The decision process within the family begins with the initiation of the idea of buying a product by a family member. The initiator could have been the person who might have initially felt the need for a product. The family might then weigh the advantages and disadvantages of making the purchase. At this stage members of the family are sought for their advice. On the basis of the advice the decision is made within the family to either buy the product or not. Thereafter the purchaser is entrusted with the purchase of the product on whose purchase, the user within the family begins the use of it.

The study aims to ascertain the various roles enacted by the various family members in purchase of a product. Hence, the study looks into these five aspects in the family decision process : i) The member(s) in the family who initiated the idea of buying the product, ii) the member(s) who is/are sought for advice, iii) the member(s) who make(s) the final decision, iv) the member(s) who make(s) the actual purchase, and v) the member(s) who use(s) the product.

4. Product Financing

Purchase of products might not always be through the income of the family. Since because the purchase of the product is with reference to the durable kind, it may happen that the consumer does not have the necessary income to purchase it. Purchase of products can therefore not be assumed to be through income alone. For various reasons consumers may feel that the purchase of a product is imperative and hence may not hesitate to either take a loan or draw on their savings to make this purchase.

A number of means of financing a product purchase exist. Products can either be purchased through the income of the family, or through their savings, or through loans/ installments or through a combination of any of these three. Purchase of products therefore cannot be considered to be limited in any way by the income of the consumer. However the actual situation that exists is to be studied. Which implies that an attempt be made to know the kind of products that are purchased by these modes of financing.

This research undertakes to study the mode of purchase of products. Seven modes of purchase have been identified for this purpose : i) Current income, ii) Savings, iii) Loans/installments, iv) Current income and savings, v) Partly income and partly loans, vi) Partly savings and partly loans, and vii) A little each of income, savings and loans.

5. Pattern Of Product Ownership

Although the study focuses on the behavioral processes of the consumers, it is equally important to ascertain the kind of products that are purchased by the consumers, be it the rural or the urban, or those of the different social classes. Consumption of the kind of products among the various consumers would enable an analysis of the broad patterns of consumption among them, and the priority between the different products, for the various consumers.

Therefore, the analysis of the consumption pattern begins with the kind of products consumed among the various consumers. Although, of course the objective of the kind of product ownership is not to make any forecast on the demand for such products. Next, the analysis pertains to the planning period for product purchase. If the planning period for purchase of products is known then manufacturers would be in a better position to facilitate the purchase of products. Likewise, it would also be immensely useful to know the number of each product that are used in the different family environment. Moreover, the order in which the products were purchased would throw light on the emphasis that is placed on various products in the different location and among the different social class.

Therefore, the overall ownership pattern of products is studied through these four factors : i) Ownership of the kind of products, ii) Purchase plan period for these

products, iii) Number of each product purchased, and iv) Order in which products have been purchased.

6. Post Purchase Evaluation

Consumers purchase a product/brand in order to fulfill a need. The implication is that when the consumer purchases products/brands s/he has certain expectations with regard to the its ability to meet these needs. The consumer therefore expects to be satisfied from the purchase of the product and brand.

If the consumer is satisfied s/he would be favorably disposed towards the product and brand. The outcome of this positive disposition could be in any or all of the following three ways : i) The consumer might be more inclined towards buying the same brand while making a repeat purchase of the same product, ii) S/he might be favorably disposed towards buying the same brand even though the purchase might be for a different product, and iii) S/he may express her/his approval on the brand's ability to meet their expectations to the other members of their peer group. Whereas a negative outcome of purchase that is to say that, were a consumer to be dis-satisfied on purchase of the product and brand, the result would be a deterrent to all those mentioned above.

The study therefore measures the extent of satisfaction derived by the consumers as a result of the: i) functional utility of the product, ii) value of the product in enhancing their status, iii) extent of status enhancement by brand, vi) quality of after sales service of brand, v) durability of the brand, and vi) performance of the brand.

7. Saving Motivations

It could be said that ideally, every family would like to make some savings. The family budget ideally is made therefore in such a manner that there is some savings after the expenditure on essential items. Purchase of durable products is not, largely considered to be an essential item. So, this implies that durable products have to compete with other saving criteria.

Savings could be motivated by the need to buy durable products, but there could be other reasons too which could motivate a family to make some savings. There have been a number of economic theories that have been propounded on saving motivations. The object of this study is to analyze the saving behavior of the consumers, from the marketing angle.

The study examines six motivations that could influence savings among the consumers : i) It could be influenced due to concern over the individual's or couple's income for old age. That is, savings could be motivated due to old age

considerations. ii) Families might be concerned over the need to save in order to tide over certain unforeseen, unexpected expenditures that could occur in the family. iii) Savings could also be influenced by the need to spend a large amount of money at certain occasions like marriages in the family. iv) Purchase of durable products could also influence saving decisions. v) The desire to buy farmland or to buy houses to could also prompt families to make savings. vi) Concern for the future of their children could also be one of the factors that could lead families to save.

8. Lifestyle Analysis

Values, beliefs, and attitudes determine to a large part the lifestyle that a person adopts. Lifestyles in turn determine the kind of products and services that the consumers feel a need for. Lifestyle is considered to be an interchangeable term with AIO, which is an acronym for Activities, Interests and Opinions. The kind of activities an individual is engaged in, would also be indicative of the products and services that s/he would have use for.

The study examines the kind of activity a family is engaged upon. For this purpose various activities falling under the heads of : i) Leisure time related, ii) Specific activity related, iii) Entertainment related, iv) Social activity related, and v) Vacation related, are examined.

9. Demographic Profile

The demographic characteristics of the population are a well-known measure for market segmentation. Segmentation of the market could be either by the age, occupation, income, or education, or any other character of the consumers. Moreover, the kind of dwelling of a consumer also necessitates certain product purchases.

A marketer cannot benefit from product differentiation strategies employed for long, since competitors would soon follow suit in emulating and copying the product characteristics. Therefore, product differentiation as a strategy might be able to bear fruit for a limited period. Moreover, with product innovations being increasingly difficult, marketers would have to find ways and means of giving greater buyer satisfaction.

Under such circumstances, one of the methods that could be employed is that of the market segmentation strategies. Segmentation of the market could be carried out in a number of ways. One of them being the lifestyle segmentation as mentioned above, the other segmentation strategy that could be adopted would be the stratification of the society into various strata.

To stratify the society into social classes, certain demographic characteristics need to be evaluated. In this research work the demographic characteristics that have been chosen to stratify into the three social classes are : i) Education, ii) Occupation, and iii) Family income.

Over and above this, there are certain other characteristics that have been employed to profile the consumers. These are: i) The type of family structure i.e. the study has ascertained whether the family is of a nuclear or joint type, ii) the age of the Male and Female household heads, and iii) the kind of dwelling that they are living in, i.e., whether they live in their own house, rented house or in a house provided by their employer.

10. Print Media Exposure

Lastly, the study examines the kind of print media that the respondents are exposed to. The print media has been classified into the exposure derived from newspapers and magazines. Newspapers are subdivided into two categories: i) English, and ii) Vernacular. Magazines are subdivided into not only English and Vernacular but further as: i) General interest magazines, ii) Women's magazines, iii) Film magazines, iv) Sports magazines, and v) Business Magazines.